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PARIS FOR USRO AND THURSTON.

OCB CIA OSD ARMY NAVY AIR NIC NORWEGIAN AMBASSADOR A FEW DAYS AGO ASKED KHRUSHCHEV WHAT HE HAD IN MIND BY WAY OF A STATUS QUO AGREEMENT. IF IROOPS WERE WITHDRAWN FROM GERMANY AND THERE WAS AN UPRISING OF SOME SORT IN EAST GERMANY WHAT WOULD THE SOVIET UNION DO? KHRUSHCHEV REPLIED THIS WOULD DEPEND UPON THE CIRCUMSTANCES. IF THEY WERE SIMILAR TO THE HUNGARIAN SITUATION IN WHICH THERE HAD BEEN OUTSIDE INTERVENTION, THE SOVIET UNION WOULD PROBABLY INTERVENE. KHRUSHCHEV POINTED OUT HOWEVER THAT IN THE CASE OF POLAND WHICH WAS ENTIRELY AN INTERNAL AFFAIR THE SOVIET UNION HAD NOT INTERVENED. HE SAID THAT THE SOVIET UNION WOULD BE PREPARED TO CONCLUDE A SPECIFIC WRITTEN AGREEMENT COVERING THIS PROBLEM WHICH HE ADMITTED WAS A KEY ONE IN ANY AGREEMENT FOR WITHDRAWAL.

Tugg/23

THOMPSON



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NSC SERIES

BOX 9 354th meeting of NSC 2/6/58

February 7, 1958

MEMORANDUM

SUBJECT: Discussion at the 354th Meeting of the National Security Council,

Thursday, February 6, 1958

LYES ONLY

The following were present at the 354th Council meeting: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Director, Bureau of the Budget; the Special Assistant to the President for Atomic Energy; the Deputy Secretary of Defense; General Thomas D. White for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Director, International Cooperation Administration; the Special Assistants to the President for Foreign Economic Policy, for Information Projects, for National Security Affairs, for Science and Technology, and for Security Operations Coordination; the White House Staff Secretary; Assistant Secretary of State Smith; Bryce N. Harlow, Administrative Assistant to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken. .

REPORT BY THE SECRETARY OF STATE ON HIS RECENT TRIP TO THE NEAR EAST

Secretary Dulles stated that the Baghdad Pact meeting had been satisfactory. While it had been shaky at the start, we had ended stronger than we began. If the United States had not undertaken a very active part in the proceedings and accepted a very positive role, the whole thing would have fallen apart. Secretary Dulles said he had cut out all references to the role of the United States as an observer at the meeting and, indeed, had taken a stronger part than had ever before been played by the United States. He had pointed out to the Pact members that the commitments of the United States were at least as strong as the commitments of the Pact members themselves. He had emphasized the Eisenhover Doctrine as the chief raison d'etre of our presence there. These points of view had been well received by the other delegates.

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MR 79-162 #6 BY DTU DATE 1/18/89

b. Agreed that the Council on Foreign Economic Policy should review U. S. policy with respect to COCOM controls, in the light of the U. K. position mentioned in a above; reporting to the National Security Council in time for Council consideration not later than March 1, 1958.

NOTE: The action in b above, as approved by the President, subsequently transmitted to the Chairman, CFEP, for appropriate implementation.

4. U. S. POLICY TOWARD GERMANY

(NSC 160/1; Supplement to NSC 160/1; Annex to NSC 160/1;

NSC 5404/1; NSC 5608/1; NSC Actions Nos. 1664 and 1764; NIE

23-57; NSC 5727; Memos for NSC from Executive Secretary, same subject, dated December 20, 1957, and January 2 and 24, 1958)

General Cutler briefed the Council on the contents of the new German policy, in very great detail. (A copy of General Cutler's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.) At the conclusion of his briefing, General Cutler called attention to the split yiews on paragraph 44, reading as follows:

"44. Although it is not now propitious for the United States to advance major alternatives toward achieving German unification, such as neutralization, the United States should give continuing consideration to the development of such alternatives (which may be later required by developments in either West Germany or the USSR or both) with a view to the long-run solution of the unification problem./*

"* Supported by Treasury, Budget and ODM."

General Cutler discussed at length the controversy in the Planning Board with respect to paragraph 44, and also pointed out the views of the Joint Chiefs of Staff against inclusion of this paragraph. He then called on Secretary Dulles.

Secretary Dulles began by stating his opinion that with respect to Germany the policies of the United States and of the Soviet Union have something in common-namely, that it was not safe to have a unified Germany in the heart of Europe unless there were some measure of external control which could prevent the Germans from doing a third time what they had done in 1914 and in 1939. Secretary Dulles insisted that the Soviet Union would never accept an independent, neutralized Germany in the heart of Europe. He added that he was convinced of this fact from many private conversations with Soviet leaders, who had made it quite clear that

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they would never agree to the creation of a unified Germany unless it were controlled by the USSR. Nor, on the other hand, should the United States accept a unified Germany except as part of an integrated Western European community. We simply could not contemplate re-unifying Germany and then turning it loose to exercise its tremendous potentialities in Central Europe. Accordingly, we should get rid, once and for all, of the idea that the re-unification of Germany is in and by itself an objective of U. S. policy. Everything depended on the context in which Germany was re-unified, because you could not neutralize a great power like Germany permanently.

After paying tribute to the formidable capabilities and energies of the Germans and their extraordinary comeback from the devastation at the end of the war, Secretary Dulles again warned that we could not close our eyes to the fact that this great power must be brought under some kind of external control. The world could not risk another repetition of unlimited power loosed on the world.

Summing up, Secretary Dulles stated that we should not accept re-unification of Germany as a goal under any and all conditions. It would be obviously disastrous to accept re-unification on the Soviet terms. But it would also be bad to accept it without any external limitation. We must therefore be flexible as to the terms on which we would find re-unification acceptable, and to do our best to keep the Germans happy until we have achieved a suitable re-unification of Germany.

General Cutler pointed out that the policy paper as written carries out exactly what Secretary Dulles had been arguing for. Paragraph 44, with its suggestion that the United States should study alternatives toward achieving German re-unification, was a long-term matter. It was looking ahead to a situation in which, as a result either of German internal policy or some move by the Russians, U. S. forces were kicked out of Germany.

Secretary Dulles replied by stating his strong objections to the idea that the United States would accept neutralization if it could thereby achieve a unified Germany. The point of the matter was that the Germans would never stay neutral. They will either go with the West or go with the East or play off the one against the other, which could put us in a very serious situation. Secretary Dulles added that the possibility of a neutralized and unified Germany had been explored in the State Department over a very long time, and the verdict was that the State Department was opposed to it. It would not help much to explore the matter all over again, as suggested in paragraph 44.

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When asked for his views by Goneral Cutler, General White (for the Chairman, Joint Chiefs of Staff) expressed support for the views of Secretary Dulles, and reiterated the position of the Joint' Chiefs of Staff in opposition to the inclusion of paragraph 44.

General Cutler argued with Secretary Dulles, pointing out that the United Kingdom and France seemed quite capable of playing a unilateral game with the Germans, and he could not understand why the United States did not seem capable of looking ahead in order to try to determing what we were going to do when Adenauer disappeared and we might find our forces asked to leave Germany.

The President pointed out that if the Socialists did come into power in Germany, we might have to put even more U. S. forces in that country. He added with emphasis that he agreed with all that the Secretary of State had said on the problem of German unification and neutralization. In point of fact, the President added, neutralizing Germany would amount to nothing more than communizing Germany.

Mr. George Allen said he wanted to remind the Council that the most significant single motivation in German public opinion was for the unification of that country. If the Soviets play up to this sentiment and agree to a neutralized Germany, Mr. Allen felt that the Germans would quickly buy such a proposal and give all the credit to the Soviet Union for re-uniting their divided country. We would be faced with a terrible force if Soviet Russia and Germany joined together.

The President replied to Mr. Allen by expressing firmly the opinion that if Germany were neutralized it would be a Germany taken over completely by the Soviets. Mr. Allen expressed agreement with the President's view, and said that he was not arguing for the neutralization of Germany, but rather for a re-armed Germany favorably disposed to the United States and to the West.

The President went on to say that in his view the way to handle the German problem was to build up NATO and Germany within it. Germany would be attracted to remain in a strong NATO. Furthermore, the building up of NATO would perhaps encourage the satellites to throw off the Russian yoke. In short, the building up of the Western European community was, in the President's view, the best possible guarantee of world peace.

After General Cutler had called the Council's attention to certain salient features of the Financial Appendix, the President turned to Secretary Dulles and asked if he could give a clear reason as to why the Germans had dragged their feet so in the field of re-armament. Secretary Dulles replied that he supposed it stemmed

from the reluctance of many Germans, in view of what had happened to them in the last war, to risk seeing Germany remilitarized. Also, there had been a very high degree of industrial activity in recent years, and full employment in Germany. Neither employers nor employees wanted to sacrifice this prosperity by going into the military service. Secretary Anderson added that the Germans also feared inflation if their re-armament programs proceeded too rapidly.

The National Security Council:

- a. Discussed the draft statement of policy on the subject, togerher with Supplements I and II thereto, contained in NSC 5727; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memoranda of December 20, 1957, and January 24, 1958.
- b. Adopted the statement of U. S. Policy on Germany in pages 1-27 of NSC 5727, subject to the following amendments:
 - Pages 26-27, paragraph 44: Include the bracketed paragraph 44, deleting the phrase "such as neutralization," and the footnote thereto.
- c. Recommended that the President reaffirm the statements of policy set forth in Supplement I ("U. S. Policy on Berlin") and Supplement II ("U. S. Policy Toward East Germany") to NSC 5727, and the Supplementary Statement of Policy in the special limited-distribution Annex to NSC 160/1; with the understanding that, when the NSC Planning Board subsequently reviews U. S. Policy Toward the Soviet Satellites in Eastern Europe (NSC 5608/1), it will consider, in the light of such review, whether to recommend any changes in Supplement II.
- NOTE: NSC 5727, as amended by the action in b above, subsequently approved, and the statements of policy in Supplements I and II thereto reaffirmed, by the President; circulated as NSC 5803 for implementation by all appropriate Executive departments and agencies of the U.S. Government; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

As recommended in c above, the Annex to NSC 160/1 subsequently reaffirmed by the President; reissued as a special limited-distribution Annex to NSC 5803; and circulated for implementation by all appropriate Executive departments and agencies of the U.S. Government.

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STATEMENT OF POLICY on U. S. POLICY ON BERLIN

GENERAL CONSIDERATIONS

- 1. Under existing treaties and U. S. policies, an attack on Berlin would involve the United States in war with the USSR. The Soviet rulers probably would not use Soviet forces to drive the Western powers from Berlin unless they had decided on war for reasons other than their desire to control the city.
- 2. Short of direct military attack, the USSR has the capability of making the Western position in Berlin untenable by restricting Western access to the city.
- 3. The United States, the U. K. and France demonstrated their determination to stay in Berlin when the USSR blockaded the city in 1948. Although the military posture of the Allies was too weak at that time to permit the forceful assertion of the Allies' right of surface entry into Berlin, counter measures were taken by the Allies, especially the Berlin airlift, which caused the Soviet Union to lift the blockade. In view of the past and of outstanding commitments, the Allies could not afford to permit themselves to be driven from Berlin.
- 4. Since the end of the blockade in 1949, there have been several developments which affect Western capabilities in Berlin.
 - a. The military readiness of the Allies in Europe has improved.
 - b. The Kremlin leaders have been put on notice that the \overline{U} nited States is determined to remain in Berlin and will use the necessary measures to protect the Western right of access. (See Annex)
 - c. The Soviet Foreign Minister in 1949 joined in a quadripartite "gentlemen's agreement" which was a "moral and political undertaking" not to reimpose restrictions on access to Berlin. Reimposition of a blockade would violate the Soviet Government's acceptance of this agreement, which was embodied in the modus vivendi for German of June 20, 1949.

Supplement I to NSC 5803

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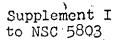
- d. Since 1949 the Soviets have taken various measures which would reduce the effect of the counter-blockade measures used by the Allies in 1949.
- e. A stockpile has been accumulated in Berlin to lessen the vulnerability of the city to a blockade. Emphasis has been placed on commodities difficult to airlift, those of great bulk such as grain and coal and selected industrial materials. The present plan for the composition of the uncompleted portion of the stockpile presupposes that the stockpile will be supplemented by an airlift during a blockade.
- f. Soviet capabilities of interference with an airlift, particularly in the field of electro-magnetic warfare, have considerably improved since 1949, but now, as then, the possibility of imposing a total blockade depends upon the readiness to force down Allied planes in agreed corridors, with all the implications of such acts. In addition, an airlift would involve high costs in military readiness. A full-scale airlift with the stockpile could sustain Berlin for a considerable period of time; but nonetheless it is doubtful that the institution of an airlift would cause the Soviets to discontinue a blockade which might be imposed now.
- 5. Therefore the reimposition by the USSR of a blockade or severe harassing measures would be a deliberate challenge to the Western powers' position in Berlin. Moreover, the prestige of the United States as the leader of the free world is deeply committed in Berlin. If the Soviets initiate harassing measures to restrict access to Berlin, it will be of crucial importance to demonstrate at once the firm intent of the United States not to tolerate such action. If Soviet harassment nonetheless continues to threaten Western access to Berlin, the security interests of the United States and its Allies will require them to take immediate and forceful action to counter the Soviet challenge, even though such countermeasures might lead to general war.
- 6. At this time, the U. K. and France will not be willing to go to war or to support actions likely to lead to war until they are satisfied:
 - a. That the Soviet blockade has been imposed for the purpose of forcing the Allies to abandon Berlin; and
 - b. That the Soviet Union cannot be forced to lift the blockade by measures short of those which might lead to general war.

Supplement I to NSC 5803

- 2 -

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- 7. In taking actions to maintain the Allied position in Berlin and to avoid war, or to show the actual nature of the Soviet purpose, the following factors should be taken into account.
 - a. If either side miscalculates, the situation could grow into war, even though neither side desires it.
 - <u>b.</u> Most courses of action can be carried out only with the united effort of the Allies. Divergence of views with the U. K. and France or with other NATO powers must be reconciled on the basis of a clear understanding that the Soviet aggression is serious and that united Western support of local or general action is essential to a collective security of the free world. Although U. S. actions must seek to retain Allied cooperation, the United States must be prepared to act alone if this will serve its best interests.
 - c. The Soviets may seek by every means to obscure their responsibility for renewed tensions in Berlin, by alleging that they are merely reacting to Western moves or by using East German forces.
 - d. Because the world situation is different from that during the previous blockade, the period between initiation of aggressive actions and the "show down" is likely to be short. During this period, therefore, diplomatic, military and mobilization actions should be speeded up.



MAJOR POLICY GUIDANCE

- 8. In the existing situation, and unless the USSR further restricts access to Berlin, the United States should:
 - a. Continue to make clear, as appropriate, to the USSR that the Western powers will maintain their position in Berlin and that Soviet measures challenging that position will be forcefully and promptly resisted and will have the gravest consequences.
 - b. Vigorously react to any local or minor Soviet harassments by lodging prompt Allied protests and undertaking any feasible reprisals.
 - c. Support all feasible measures, including limited economic aid, to bolster the morale and economy of the city and reduce unemployment.
 - d. Continue to provide funds for special projects designed to influence the people of the Soviet Zone and Sector, such as the food program in the summer of 1953.
 - e. Review the present stockpile program in the light of the likelihood that, in the event of a new blockade, the Allies would resort to an airlift only as a supplement to other more positive measures.
 - $\underline{\mathbf{f}}$. Continue to exploit the unrivaled propaganda advantages.
 - g. Intensify intelligence activities.
 - h. Seek to persuade the U. K. and France to adopt the \overline{U} . S. policy on Berlin and seek to widen the areas of agreement with regard to future plans and emergency measures.
 - i. Perfect plans and practicable preparatory measures for future contingencies. Some of this can be done unilaterally, some requires the cooperation of our Allies or the German authorities or both. Keep under review:
 - (1) Possible retaliatory measures and the means of quickly concerting action against specific local harassments.
 - (2) Conditions affecting security and necessary remedial measures.

- (3) German Federal Republic financial and other support for Berlin.
- (4) Condition of the stockpile and equipment held in reserve for emergencies.
- (5) Plans for increased use of air transport in case of partial blockade.
- (6) Improvement of relations with the local authorities, in keeping with the new relationship to the Federal Government which the Allies have under the Bonn Conventions subject to essential Allied security requirements.
- 9. If the Soviets or East Germans impose, or threaten imminently to impose, a blockade, or increase harassment to the point of seriously impeding Western access to Berlin, the United States should consult with its Allies and be prepared to:
 - a. Make a determined effort in Berlin to end the restrictions by vigorous protests from Allied Commanders to the Soviet Commander.
 - b. Instruct the U. S. Ambassador in Moscow to join with the U. K. and France in presenting an agreed declaration stating their intention to use force if necessary and the risk to world peace occasioned by the Soviet action in Berlin. If the U. K. and France cannot agree to such a declaration, the U. S. should then consider making a unilateral declaration.
 - c. Continue to hold the Soviet Union responsible for any Communist action against the Western position in Berlin whether the action is taken by the Soviets or by East Germans or other satellites.
 - d. In the meantime, make use at an accelerated rate of the means of access remaining open, in order to provide an opportunity to gain support of our Allies and world opinion.
 - e. Initiate appropriate mobilization measures with the dual purpose of convincing the Soviets of the seriousness of the situation and of getting the United States and its Allies in a "ready" state in the event resort to general war is required.
 - f. In agreement with the other occupying powers, use limited military force to the extent necessary to determine

Soviet intentions and to demonstrate the Allied refusal voluntarily to relinquish their right to access to Berlin. If Soviet reaction to this course indicates their intent forcibly to deny Allied access to Berlin, the United States should consider implementing the course of action set forth in para. 9-1 below.

- g. Seek to solidify the free world behind the U. S. position, including appropriate action in the United Nations and in NATO.
- h. Start evacuation of U. S. dependents at an appropriate time.
- i. In the light of all the circumstances, including the general security situation, use limited military force to attempt to reopen access to Berlin. In doing so, recognize that Berlin is not militarily defensible and that if determined Soviet armed opposition should develop when U. S. units attempt to force their way into or out of Berlin, no additional forces would be committed, but resort would have to be made to general war. Prior to the use of force on a scale which might lead to general war, however, measures as enumerated in subparagraphs 9-a through -g above should be taken to make clear to the USSR the nature of our determination.
- 10. If the USSR should attack Berlin with its own forces, the United States will have to act on the assumption that general war is imminent. In addition to resisting the initial attack and to placing itself in the best possible position for immediate global war, the United States should, if circumstances permit, address an ultimatum to the Soviet Government before full implementation of emergency war plans.*
- 11. Because an attack on Berlin by East German forces alone might not necessarily carry the same implications as an attack by Soviet forces, the United States (in addition to resisting the initial attack) should consider at that time whether or not to treat such an attack in the manner stated in paragraph 10 with respect to an attack by Soviet forces.*

* See NSC Action No. 1664-c

ANNEX

EXCERPTS FROM ALLIED STATEMENTS ON VESTERN PROTECTION OF BERLIN

May 14, 1952 - Secretary of State at news conference:

"...I think that is well understood by you and by everybody, including the Soviet Government, that we are determined to maintain our position in Berlin and to assist and protect the interests of the people of Berlin".

May 27, 1952 - Three Power Declaration at Paris by the U. S., U. K., and France:

"...the security and welfare of Berlin and the maintenance of the position of the three powers there are regarded by them as essential elements of the peace of the free world in the present international situation" and "they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves".

May 29, 1952 - Foreign Secretary Eden in a speech to the Berlin Chamber of Deputies called attention to security guarantees given to Berlin by the Allies.

June 29, 1952 - Secretary of State, in a speech in Berlin at the cornerstone-laying ceremonies for a new library, stated:

"We have joined the Governments of France and Great Britain in reaffirming our abiding interest in the protection of Berlin. We have given notice, in plain and unmistakable language, that we are in Berlin until we are satisfied that the freedom of this city is secure. We have, also indicated in unmistakable terms that we shall regard any attack on Berlin from whatever quarter as an attack against our forces and ourselves."

Feb. 6, 1953 - Secretary of State Dulles, at Wahn airport on his departure from a visit to Germany, stated:

"I regret that time did not permit a visit to Berlin on this occasion. I recall my visit there on the airlift in 1948. We, in the United States are, now as then, vitally interested in the welfare and security of this city and we share the determination of the Berliners to maintain their liberties."

Feb. 18, 1953- High Commissioner Conant, in a speech over RIAS on his first visit to Berlin shortly after assuming his post as High Commissioner, stated:

"Speaking as U. S. High Commissioner for Germany, let me make plain at the outset the position of my government. The new administration in Washington will not abandon Berlin. The U. S. is pledged to do its part to see to it that this city continues as an unshaken outpost of the Western world. We shall continue to insist on the free circulation throughout the entire city. We shall continue to fulfill our duties and to maintain our rights. Our rights as a joint occupying power in Berlin derive from the defeat and surrender of Germany and are defined in the agreements of the four powers. Unfortunately, neither the spirit nor the letter of these agreements is being carried out in one sector of this city. The U.S., in cooperation with the other two Western powers, is determined to keep open the lines of communications with Berlin. assure you. there will be no faltering in our determination.

... The frontiers of freedom will peacefully expand and Berlin will then no longer be an isolated citadel. Until this time comes, the insurance of its freedom and industrial prosperity must depend on the strength of the Western world, and that strength will not fail."

Sept 28, 1954 - The Foreign Ministers of the United States, the United Kingdom, and France, in the course of the Nine-Power London Conference on Germany and European security (September 28 - October 3), issued a joint declaration paragraph 5 of which pertained to Berlin and read:

"The security and welfare of Berlin and the maintenance of the position of the Three Powers there are regarded by the Three Powers as essential elements of the peace of the free world in the present international situation. Accordingly, they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves."

(This declaration was incorporated into the Final Act of the conference, published on October 3.)

Dec. 16, 1955 - At the conclusion of the regualr December
Ministerial Session of the North Atlantic
Council in Paris, a communique was issued in
which the Council

Treaffirmed that they consider the Government of the Federal Republic as the only German Government freely and legitimately constituted and therefore entitled to speak for Germany as the representative of the German people in international affairs; it stressed once again that the security and welfare of Berlin should be considered as essential elements of the peace of the free world in the present international situation; it urged the importance of consulting further within NATO on the question of German reunification and on the situation in Berlin."

Feb. 1, 1956 - Concluding talks begun on January 30, President Eisenhower and British Prime Minister Eden issued a joint statment which included a renewed pledge concerning Berlin, as follows:

"We reaffirm our abiding interest in the security and welfare of Berlin. We shall continue, as we have stated in the past, to regard any attack against Berlin from any quarter as an attack upon our forces and ourselves."

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162a. 00/2-2058 to the RM/F

AIRPOUCH

FOREIGN SERVICE DESPATCH

AmEmbassy, Bonn FROM

Despatch No. 1447

The Department of State, Washington TO

February 20, 1958

The Department of State, Washington February 20, 1970

REF: Embassy's Despatch No. 1394, February 12, 1958

ACTION KM/R. 2 IRC-8 P-5 S/AE-3 U/O-1 U/O-1

In addition to the substance of the SPD working paper on defense reported in the reference despatch, the Embassy has obtained further details concerning its preparation in a private conversation February 18 with the party's military adviser, Dr. BEERMANN. He indicated that he had, as reported, been the drafter of the paper in question, with its advocacy of nuclear weapons for the Bundeswehr, but went on to add that the paper was written only after lengthy discussions with SPD Bundestag members of the Party's Sub-Committee on Defense Questions in IV particular Helmut SCHMIDT, Hans MERTEN, and Karl WIENAND. Despite subsequent public disavowals of the plan, Beermann said that the draft did in fact reflect N these men's private views on Germany's defense requirements. He found that the \mathbf{O} deputies' subsequent actions were most revealing of the character of the men involved. He emphasized that Wienand was the only one with courage enough to ackn∰ledge his participation once the report had leaked to the press. Helmut Schmidt's disav Wal reveals the man's opportunistic bent, said Beermann, which was a strong condemnation indeed of the man who had been responsible for securing Beermannhis present job. Most amusing of all, found Beermann, was Merten's complete fabrication that some unnamed general had drafted the report.

Beermann indicated he had been severely attacked by the party leadership in a four hour closed session, and that although he continues to be convinced that tactical nuclear weapons are a military necessity for an effective West German army, he recognizes that there may be overriding political considerations which make it necessary for the SPD to oppose them.

To Beermann's great amazement, the SPD leader who he least expected to support him, Herbert WEHNER, was the one prominent member to leap to his defense. He was somewhat at a loss to understand why Wehner had done so but his action would appear to be in keeping with what has been described to Embassy officers by other SPD members in private as a gradual move by Wehner over the past year toward a more constructive stand on defense questions.

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Page 2 of Despatch No. 1447 From Amembassy, Bonn

Beermann's future is still uncertain, and whether the party discharges him will probably be decided in the next two weeks, he said. At present he is occupied full time in working out a further study on defense questions to be used at the SPD national convention in May. Both Erler and Wehner will speak on this point and hope to bring the party to a more realistic position on defense questions. This would involve, for example, explicit support for an army of 250,000 or 300,000 men and SPD recognition of the fact that a budget of up to DM nine billion a year is necessary to support an adequate German defense effort. Such a program would free the SPD from its anachronistic position of voting against defense appropriations, thereby leaving it open to the CDU charge of being insincere by claiming it recognizes the need for a defense force while refusing to pay for it. By such an inconsistent position. the SFD continues to enlarge the gap between itself and the German army. As a former professional officer. Beermann particularly deplores the latter aspect. which he said reflects the ingrained anti-militarist tendency of the SPD leadership. This practice has dangerous implications for Germany's future. feared Beermann, if the army gains the impression that it is not supported by the entire nation. He considered that the national convention in May will mark a turning point in this area, believing that if the SPD fails to adopt a more realistic stand on defense, the party will continue to suffer electoral defeats at the hands of the German public, which obviously attaches great importance to security. In this regard, Beermann already foresees difficulties for the SPD in the North Rhine-Westphalian Landtag campaign. For example, he believes the question of air defense of the Ruhr will be an important question in the campaign, and that with its rejection of nuclear weapons, the SPD will make a poor case in contrast to the CDU, which can insist its policy will leave the way open to eventual antiaircraft defense of the Ruhr with the most effective weapons obtainable.

For the Ambassador:

William R. Tyler Counselor of Embassy

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NSC SERIES

Box 9 354th meeting of NSC 2/6/58 February 7, 1958

MEMORANDUM

SUBJECT: Discussion at the 354th Meeting of the National Security Council, Thursday, February 6, 1958

LYES ONLY

The following were present at the 354th Council meeting: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Director, Bureau of the Budget; the Special Assistant to the President for Atomic Energy; the Deputy Secretary of Defense; General Thomas D. White for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Director, International Cooperation Administration; the Special Assistants to the President for Foreign Economic Policy, for Information Projects, for National Security Affairs, for Science and Technology, and for Security Operations Coordination; the White House Staff Secretary; Assistant Secretary of State Smith; Bryce N. Harlow, Administrative Assistant to the President; the Executive Secretary, MSC; amd the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. PEPORT BY THE SECRETARY OF STATE ON HIS RECENT TRIP TO THE NEAR EAST

Secretary Dulles stated that the Baghdad Pact meeting had been satisfactory. While it had been shaky at the start, we had ended stronger than we began. If the United States had not undertaken a very active part in the proceedings and accepted a very positive role, the whole thing would have fallen apart. Secretary Dulles said he had cut out all references to the role of the United States as an observer at the meeting and, indeed, had taken a stronger part than had ever before been played by the United States. He had pointed out to the Pact members that the commitments of the United States were at least as strong as the commitments of the Pact members themselves. He had emphasized the Eisenhower Doctrine as the chief raison d'etre of our presence there. These points of view had been well received by the other delegates.

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b. Agreed that the Council on Foreign Economic Policy should review U. S. policy with respect to COCOM controls, in the light of the U. K. position mentioned in a above; reporting to the National Security Council in time for Council consideration not later than March 1, 1958.

NOTE: The action in b above, as approved by the President, subsequently transmitted to the Chairman, CFEP, for appropriate implementation.

4. U. S. POLICY TOWARD GERMANY

(NSC 160/1; Supplement to NSC 160/1; Annex to NSC 160/1; NSC 5404/1; NSC 5608/1; NSC Actions Nos. 1664 and 1764; NIE 23-57; NSC 5727; Memos for NSC from Executive Secretary, same subject, dated December 20, 1957, and January 2 and 24, 1958)

General Cutler briefed the Council on the contents of the new German policy, in very great detail. (A copy of General Cutler's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.) At the conclusion of his briefing, General Cutler called attention to the split yiews on paragraph 44, reading as follows:

"44. Although it is not now propitious for the United States to advance major alternatives toward achieving German unification, such as neutralization, the United States should give continuing consideration to the development of such alternatives (which may be later required by developments in either West Germany or the USSR or both) with a view to the long-run solution of the unification problem.7*

"* Supported by Treasury, Budget and ODM."

General Cutler discussed at length the controversy in the Planning Board with respect to paragraph 44, and also pointed out the views of the Joint Chiefs of Staff against inclusion of this paragraph. He then called on Secretary Dulles.

Secretary Dulles began by stating his opinion that with respect to Germany the policies of the United States and of the Soviet Union have something in common-namely, that it was not safe to have a unified Germany in the heart of Europe unless there were some measure of external control which could prevent the Germans from doing a third time what they had done in 1914 and in 1939.) Secretary Dulles insisted that the Soviet Union would never accept an independent, neutralized Germany in the heart of Europe. He added that he was convinced of this fact from many private conversations with Soviet leaders, who had made it quite clear that

they would never agree to the creation of a unified Germany unless it were controlled by the USSR. Nor, on the other hand, should the United States accept a unified Germany except as part of an integrated Western European community. We simply could not contemplate re-unifying Germany and then turning it loose to exercise its tremendous potentialities in Central Europe. Accordingly, we should get rid, once and for all, of the idea that the re-unification of Germany is in and by itself an objective of U. S. policy. Everything depended on the context in which Germany was re-unified, because you could not neutralize a great power like Germany permanently.

After paying tribute to the formidable capabilities and energies of the Germans and their extraordinary comeback from the 'devastation at the end of the war, Secretary Dulles again warned that we could not close our eyes to the fact that this great power must be brought under some kind of external control. The world could not risk another repetition of unlimited power loosed on the world.

Summing up, Secretary Dulles stated that we should not accept re-unification of Germany as a goal under any and all conditions. It would be obviously disastrous to accept re-unification on the Soviet terms. But it would also be bad to accept it without any external limitation. We must therefore be flexible as to the terms on which we would find re-unification acceptable, and to do our best to keep the Germans happy until we have achieved a suitable re-unification of Germany.

General Cutler pointed out that the policy paper as written carries out exactly what Secretary Dulles had been arguing for. Paragraph 44, with its suggestion that the United States should study alternatives toward achieving German re-unification, was a long-term matter. It was looking ahead to a situation in which, as a result either of German internal policy or some move by the Russians, U. S. forces: were kicked out of Germany.

Secretary Dulles replied by stating his strong objections to the idea that the United States would accept neutralization if it could thereby achieve a unified Germany. The point of the matter was that the Germans would never stay neutral. They will either go with the West or go with the East or play off the one against the other, which could put us in a very serious situation. Secretary Dulles added that the possibility of a neutralized and unified Germany had been explored in the State Department over a very long time, and the verdict was that the State Department was opposed to it. It would not help much to explore the matter all over again, as suggested in paragraph 44.

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When asked for his views by Goneral Cutler, General White (for the Chairman, Joint Chiefs of Staff) expressed support for the views of Secretary Dulles, and reiterated the position of the Joint' Chiefs of Staff in opposition to the inclusion of paragraph 44.

General Cutler argued with Secretary Dulles, pointing out that the United Kingdom and France seemed quite capable of playing a unilateral game with the Germans, and he could not understand why the United States did not seem capable of looking ahead in order to try to determing what we were going to do when Adenauer disappeared and we might find our forces asked to leave Germany.

The President pointed out that if the Socialists did come into power in Germany, we might have to put even more U. S. forces in that country. He added with emphasis that he agreed with all that the Secretary of State had said on the problem of German unification and neutralization. In point of fact, the President added, neutralizing Germany would amount to nothing more than communizing Germany.

Mr. George Allen said he wanted to remind the Council that the most significant single motivation in German public opinion was for the unification of that country. If the Soviets play up to this sentiment and agree to a neutralized Germany, Mr. Allen felt that the Germans would quickly buy such a proposal and give all the credit to the Soviet Union for re-uniting their divided country. We would be faced with a terrible force if Soviet Russia and Germany joined together.

The President replied to Mr. Allen by expressing firmly the opinion that if Germany were neutralized it would be a Germany taken over completely by the Soviets. Mr. Allen expressed agreement with the President's view, and said that he was not arguing for the neutralization of Germany, but rather for a re-armed Germany favorably disposed to the United States and to the West.

The President went on to say that in his view the way to handle the German problem was to build up NATO and Germany within it. Germany would be attracted to remain in a strong NATO. Furthermore, the building up of NATO would perhaps encourage the satellites to throw off the Russian yoke. In short, the building up of the Western European community was, in the President's view, the best possible guarantee of world peace.

After General Cutler had called the Council's attention to certain salient features of the Financial Appendix, the President turned to Secretary Dulles and asked if he could give a clear reason as to why the Germans had dragged their feet so in the field of re-armament. Secretary Dulles replied that he supposed it stemmed



DEPARTMENT OF STATE

1330

POLICY PLANNING STAFF

February 12, 1958

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TO:

The Secretary

THROUGH:

S/S

FROM:

S/P - Gerard C. Sm

SUBJECT:

German-French-Italian Cooperation on Production of Nuclear Weapons

I think you would be interested in a conversation on January 23 between Dr. Josef Rust, State Secretary of the German Defense Ministry, and Mr. Dean of our Office of German Affairs. This is related to German-French-Italian cooperation on the production of nuclear weapons. The views expressed by Dr. Rust, in confidence, appear to reflect some rather significant trends in current German thinking.

Dr. Rust referred to the agreement recently signed in Paris by the defense ministers of France, Italy and the Federal Republic, which included provision for eventual research on nuclear weapons. He said that there was no German intention whatever of violating the limitations now applicable to German armaments in any clandestine fashion. But he did indicate that the time might come when WEU armament restrictions would need to be relaxed, if Germany were to make a suitable contribution to the development of modern weapons, such as anti-aircraft missiles. The aforesaid agreement is aimed at forming a nucleus for research and development within NATO, utilizing geographic proximity and common resources of the participating countries for their own and NATC benefit. Regarding nuclear weapons research and development, this was something that would take years to realize.

Dr. Rust also mentioned the great unrest on the Continent with regard to strategic planning when it first became apparent that long range nuclear missiles would become a reality. British action in moving to become an independent nuclear power meant that the French and other nations would also insist on developing their own nuclear weapons. This was partly a matter of prestige. But it was

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also due to the fact that, with the development of modern nuclear technology, it would be impossible to prevent any major industrial country which possessed the necessary basic technology from developing its own nuclear energy resources. Even though developed for peaceful purposes, this would bring with it also the capacity to make nuclear weapons.

Another consideration, in Dr. Rust's opinion, which was pushing European countries in this direction was decreasing European confidence in American determination to defend Europe. He thought that it would be unhealthy both for Europe and the US to maintain the present almost total military dependence of Western Europe on the US. other German leaders felt that it would strengthen the alliance and European defense if Continental Europe - not Germany alone - could develop a capacity for deterring Soviet attack on Europe independently of the US. He could see no hope for real partnership between Europe and the US so long as the US carried the heavy responsibility of being the only Western power with a real nuclear deterrent. US now needed rocket bases and advanced radar positions in Europe for its own national defense. Its previous commitment to defend Europe had now been converted to direct, self-protective interests. Under these new conditions, he thought it would be advantageous for the US if Europe, by having its own nuclear missiles, could deter outright Soviet attack in a way not ultimately involving the need for American strategic intervention.

Dr. Rust gave the impression of speaking in closest confidence, and of voicing a trend of thinking in Germany which he personally was rather unhappy about but saw as more or less inevitable. He recognized our concern with the "fourth country" problem. He also admitted concern with the heavy financial burden which development of nuclear weapons would impose. He believed that it was necessary that any European development of nuclear armaments be carefully controlled and that no one European country should be able independently to decide on their use.

He expressed the desire for absolute frankness between Germany and the US in this matter. He thought that Defense Minister Strauss would want to discuss the defense ministers' agreement during the forthcoming visit to the US. He also thought that it might be worthwhile for Ambassador Bruce to discuss the matter with Chancellor Adenauer, who will return to Germany on February 22.

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cc: G, EUP, and 3/AE

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AT MEETING WEU COUNCIL TODAY ITALIAN AMBASSADOR SPEAKING FOR THREE GOVERNMENTS CONCERNED MADE STATEMENT RE FRANCO-GERMAN-ITALIAN ARMS COOPERATION AND SAID SIMILAR STATE-MENT BEING MADE NATO. TEXT OF STATEMENT CONTAINED ROME'S BRITISH REPRESENTATIVE SIR TELEGRAM TO DEPT 2509. ANTHONY RUMBOLD WELCOMED STATEMENT ON MATTER WHICH HAD AROUSED "SO MUCH CURIOSITY" AND ASKED NUMBER OF QUESTIONS DESIGNED ELICIT FURTHER INFORMATION ON SCOPE AND INTENTIONS SPECIFICALLY HE ASKED WHETHER TRIPARTITE COOPERATION. AGREEMENT AMONG THREE COUNTRIES WAS EMBODIED IN FORMAL DOCUMENT AND IF SO WHETHER IT WOULD BE TABLED IN WEU. BELGIAN REPRESENTATIVE INDICATED SIMILAR INTEREST THIS POINT. ITALIAN AMBASSADOR IMPLIED THREE GOVERNMENTS HAD NOT FORMALIZED AGREEMENT IN DOCUMENT BUT RATHER HAD REACHED "ENTENTE" ON ARMS COOPERATION. RUMBOLD SAID REGARDLESS OF WHETHER OR NOT FORMAL AGREEMENT NOW EXISTED IT WAS INCONCEIVABLE DEVELOPING COOPERATION AMONG THREE POWERS WOULD NOT BE COVERED BY WRITTEN UNDERSTANDING. HE SUGGESTED SUCH AGREEMENT WHEN MADE, AND AGREEMENTS COVERING BILATERAL COOPERATION BETWEEN UK AND FRANCE, UK AND GERMANY AND UK AND NETHERLANDS, SHOULD BE SUBMITTED TO WEU. AMBASSADOR IN RESPONSE FURTHER QUESTION FROM RUMBOLD CONCERNING TYPES OF ARMAMENTS ON WHICH THREE GOVERNMENTS WOULD CONCENTRATE INITIALLY MERELY STATED THIS WOULD BE DETERMINED BY STEERING COMMITTEE. GERMAN AMBASSADOR, HOWEVER, SAID HIS GOVERNMENT WAS INTERESTED IN COOPERATION IN FIELDS OF GUIDED MISSILES, AIRCRAFT, CONVENTIONAL ARMY

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PARIS FOR USRO, THURSTON AND WEST.

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FONOFF HANDED EMBASSY INFORMALLY TODAY TEXT OF STATEMENT RE TRIPARTITE ARMS COOPERATION WHICH WILL BE PRESENTED WEU COUNCIL TOMORROW AS FOLLOWS:

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"BECAUSE OF THE SIMILARITY OF CERTAIN NEEDS IN CONNECTION WITH ARMAMENTS A CLOSE COLLABORATION IN THE FIELD OF RESEARCH, STUDY, AND THE PRODUCTION OF ARMS HAS BEEN ESTABLISHED BETWEEN THE FEDERAL REPUBLIC, FRANCE AND ITALY IN THE FRAMEWORK IN THE PRINCIPLES OF COOPERATION INDICATED BY THE CONFERENCE OF THE HEADS OF GOVERNMENT IN NATO 16 TO 19 DEC 1957.

OSD ARMY NAVY AIR

IN ORDER TO SET FORTH IN COMMON THE PRINCIPLES, THE PROCEDURE, AND THE PRACTICAL METHODS OF OPERATION OF THIS COLLABORATION, THE MINISTERS OF DEFENSE OF THE GERMAN, ITALIAN AND FRENCH GOVERNMENTS MET TOGETHER AT BONN ON 21 JANUARY.

"THEY DECIDED TO ASSIGN TO A TRIPARTITE STEERING COMMITTEE THE TASK OF DETERMINING THE TYPES OF WEAPONS NEEDED BY THE ARMED FORCES OF THE THREE COUNTRIES IN REGARD TO WHICH COLLABORATION CONCERNING ARMS RESEARCH AND PRODUCTION HAS BEEN AGREED. THE STEERING COMMITTEE WILL BE ASSISTED BY AD HOC SUBCOMMITTEES.

"THIS COLLABORATION CAN BE EXTENDED TO ALL TYPES OF ARMS CON-SISTENT WITH THE DOCTRINES SET FORTH BY NATO AND WITH THE WEAPONS SYSTEMS RECOMMENDED BY THAT ORGANIZATION, SCIENTIFIC

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: February 20, 1958

M-709

Various German Problems SUBJECT:

PARTICIPANTS:

Dr. Josef Rust, State Secretary, Federal German Defense Ministry Jonathan Dean, Office of German Affairs

COPIES TO: EUR CER

GPA

GEA

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I had a short talk with Dr. Rust following his lunch with Mr. Reinhardt today He raised the following major points:

DEFENSE: OSD/ISA

French-German-Italian Cooperation on the Production of Nuclear Weapons.

Dr. Rust stated explicitly, as he had implied a number of times during the conversation at lunch, that he had been greatly impressed by the size and expense of the physical plant needed to produce only one tactical nuclear missile, the Jupiter, whose assembly line he had seen at the Chrysler plant in Chicago. Dr. Rust said that he, as a man with experience in heavy industry and some experience in armaments, now recognized more clearly than ever the tremendous physical and financial effort involved in a nuclear missile program. He said that he was going to make this point as forcefully as possible both to Minister Strauss and to the Chancellor on his return to Germany in order to try to impress them with the fact that any idea of Continental independence in nuclear missiles was a "hopeless pipedream for many years to come". Dr. Rust said that it was, of course, somewhat annoying and occasionally rather humiliating for the Federal German government not have the means for the defense of Germany in its own hands and to be continually dependent on another power for the defense of the German homeland. But facts were facts and had to be faced; his trip had convinced him that the financial and resource requirements for such a program were so heavy only the United States in the Western Alliance had sufficient substance to carry out a serious nuclear missiles program. The Continental powers might car out their planned collaboration in the development of nuclear missiles, Dr. Rust said, but they simply were not capable as far as he could see of implementing a missile program which could be a substitute for an American source of these weapons Dr. Rust said that his arguments might not be convincing for those German leaders

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favored independent European development of nuclear missiles as a long-range project. The demands of this group for reassurance as to the control and use of nuclear missiles in Europe were in some degree legitimate and should be met in some way. Dr. Rust suggested that this might be done through alteration and expansion of the NATO apparatus, at least for a trial period, to convince the doubters who now believed that the United States had such a narrowly selfish view of its own interests that independent European action was a necessity.

I said Dr. Rust's views were most interesting and reflected the realities of the situation as they were seen by many Americans. I suggested, that under the circumstances, it might be very worthwhile for Minister Strauss to visit one or more missile assembly lines during his pending visit here so that he could himself see some of the evidence underlying Dr. Rust's case against independent European development. Dr. Rust energetically agreed with this suggestion.

2. German Reunification. (CONFIDENTIAL)

Dr. Rust said that he and many other German leaders were convinced that Russian agreement to German reunification could not be obtained for decades, if ever. Yet this view was obviously far too negative to provide the basis for the German govern⊷ ment's published policy on reunification. Dr. Rust noted that, during his first stop in Washington on his present trip, he had described the current hostility of the independent press and of the educated classes in Germany toward the Chancellor on the ground of his "inactivity" in the reunification field. Dr. Rust said he did not know how the German government was going to extricate itself from this predicament, particularly in the light of the apparent (though undesirable) trend toward a summit conference, which should at any rate be "delayed as long as possible". Dr. Rust said that the German government would have no chance at all of surmounting its present difficulties if the United States should fail to carry out its own special role with regard to reunification. Given the circumstances, where most reasonable people realized that practically no imaginable Western action or Western concessions could be expected to resolve the problem, the one essential thing which the United States could do to help the Federal Republic was to keep the German population convinced of the genuineness of American interest in reunification. If for some reason the Germans began to suspect that the Americans were not really interested in reunification but merely repeating a routine formula - they already strongly disbelieved in the genuineness of French and British interest - there would then no longer be the slightest rational basis for hopes for even a long-range resolution of the unity question in the Western sense. The ensuing conclusion in the minds of many Germans that the only remaining course was some sort of accommodation with the Soviets would be very hard to control.

I replied that the Department was acutely aware of the point Dr. Rust had raised and would continue to do its best to provide evidence of abiding interest and support in the reunification problem. I pointed out that, if it were finally decided to

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hold a summit conference, it was clear, given the present state of German opinion as described by Dr. Rust himself, that the German government would be under considerable pressure to come up with "something new" on reunification. In the circumstances, the government might feel it necessary, for tactical purposes, to give serious consideration to ideas which were previously considered unorthodox or not quite safe. Dr. Rust said he considered this quite likely under the circumstances. I said that if such ideas did become current within the German government, the government should feel no hesitation in mentioning them to us. They could at least be given a frank and open examination and some might prove of value. I remarked that nothing would be more unfortunate than for the German government to refrain, in the preparations for a summit conference, from confidentially advancing ideas it considered worth discussing because of a belief that its stock was not high enough in the West to risk it. The ensuing conference might well be unsuccessful in any case, but the German government, exposed to heavy domestic attack, might be tempted to blame the United States because of the feeling that, if it had had a chance to contribute more of its ideas during the preparations for the conference, at least its subsequent position vis-a-vis German public opinion would have been far better. Dr. Rust agreed vigorously with this view, and pointed out that a similar reaction within the German government had in fact followed the Geneva Summit Conference in 1955. 11/

3. German Relations with Poland. (CONFIDENTIAL)

Dr. Rust enquired as to the Department's present attitude towards German relations with Poland, implying that the Federal Government was rather anxious to take some action in this field. I summarized the points made by the Secretary in his October conversation with Ambassador Krekeler on this subject, stating that, up to now, we had favored such relations in principle, but had recommended a very slow approach. If the Germans felt that the question of timing should be re-examined, we would be glad to do the same.

4. Impressions of America. (OFFICIAL USE ONLY)

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During the lunch with Mr. Reinhardt and afterward, Dr. Rust made a series of remarks about the impressions he had gained from his four-week trip through this country. The main theme of these remarks was that the trip had reinforced Dr. Rust's confidence that the United States had the material strength to maintain the necessary burdens of the cold war - armaments and economic aid - over the further ten to twenty-year period during which he felt this might be necessary. Dr. Rust said the trip convinced him that the U.S. would overcome the initial disadvantage of the Soviet Sputnik and gradually overtake the Soviets in this field. He repeatedly stated his belief, however, that neither the United States nor any other country could maintain the necessary economic burden and at the same time continue to expand consumption

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and particulary to bear the costs and inefficiency arising from interservice rivalry in the Armed Forces. Dr. Rust said that, as an economist, he thought it might be necessary for the U.S. to tighten its belt somewhat, and that, as a defense official, he would urgently recommend an "iron crackdown" on the three services. Interestingly enough, Dr. Rust several times mentioned his belief that U.S. efficiency, both in government and private industry, was severely reduced by a weight of red tape and "regulations" next to which all German practice paled in comparison. This reaction seems to have been dur to his experiences with the industrial security system of the Armed Forces, which Dr. Rust now strongly opposes for adoption in Germany.

Such relatively minor points aside, it would seem from Dr. Rust's description of his trip through the country and from his reaction to his talks in Washington, that the trip was one of the outstandingly successful ones of its type, both from Dr. Rust's personal point of view and as regards the impressions created in him by the trip.

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REFERENCE: DEPTEL 2167 TO BONN, 3022 TO PARIS, 3172 TO ROME, 5868 TO LONDON.

- IN LONG RUN CERTAIN CONSIDERATIONS LIKELY IMPEL FEDREP DESIRE INDEPENDENT STOCKPILE NUCLEAR WEAPONS; E.G. BRITISH AND ANTICIPATED FRENCH ACQUISITION, DOUBTS ABOUT U.S. MILITARY PRESENCE ON CONTINENT, UNCERTAINTY OF U.S. REACTION TO LOCAL ATTACKS, INCREASING DESIRE FOR MORE INDEPENDENCE OF U.S., FEELING NUCLEAR WEAPONS ARE NECESSARY ATTRIBUTES OF MODERN SOVEREIGNTY, EFFECT ON FEDREP THINKING IF DISARMAMENT STALEMATE CONTINUES, ETC.
- AT PRESENT THERE IS NO REPEAT NO POPULAR DRIVE IN WEST GERMANY FOR STOCKPILE OF NUCLEAR WEAPONS INDEPENDENT OF U.S. SUPPLY AND CONTROL. EVEN WITHIN GOVERNMENT, SUCH DESIRE AS MAY EXIST IS CENTERED IN HANDFUL OF MEN HEADED BY STRAUSS. DN CONTRARY, STRONG POLITICAL, ECONOMIC, AND FINANCIAL ONSIDERATIONS MILITATE AGAINST ANY SUCH ISSUE NOW BEING RAISED PUBLICLY.
- WE DOUBT THAT CHANCELLOR AWARE EXTENT STRAUSS CONVERSATION AND POSSIBLY PERSONAL COMMITMENTS. ON BASIS ESTIMATE HIS CHARACTER AND POLITICAL OUTLOOK, WE BELIEVE IF THERE WERE STRONG AMERICAN OBJECTIONS, HE MIGHT ACCEDE TO OUR VIEWS

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-2- 2704, FEBRUARY 28, 7 PM, FROM BONN

REGARDING UNDESTRABILITY GERMANY ACCELERATING PROGRAM FOURTH COUNTRY-NUCLEAR WEAPONS PRODUCTION.

- 4. BELIEVE APPROACH TO CHANCELLOR, AFTER STRAUSS VISIT AND REPORT THEREON FROM WASHINGTON, MIGHT BE USEFUL. OUR CONTINUED SILENCE IN THIS MATTER MAY BE TAKEN FOR CONSENT. ALSO WE ARE TROUBLED BY SECRECY AND OBSCURITY SURROUNDING FIG AGREEMENT AND GERMAN PLANS IN THIS FIELD.
 - 1 PROPOSE THAT INSTEAD OF MAKING A FORMAL DEMARCHE TO THE GERMAN GOVERNMENT, I TALK TO THE CHANCELLOR AND BE AUTHORIZED IN THE COURSE OF A TOUR D'HORIZON TO QUESTION HIM ABOUT HIS POLICIES IN REGARD TO ANY NUCLEAR ARMAMENTS AGREEMENT, ACTUAL OR POTENTIAL, WITH THE FRENCH AND ITALIANS. IN THE LIGHT OF HIS OBSERVATIONS AND WHATEVER MAY BE LEARNED FROM STRAUSS IN WASHINGTON WE CAN THEN DECIDE WHETHER TO ENGAGE IN FURTHER OR MORE FORMAL CONVERSATIONS.
 - 6. ALTHOUGH I BELIEVE CONVERSATION WITH CHANCELLOR SHOULD BE HELD SOON AFTER HIS RETURN FROM BONN MARCH 6, I REITERATE SUGGESTION MY 2409 FEBRUARY 5 THAT BEFORE DOING SO IT WOULD BE HELPFUL IF AMBASSADORS CONCERNED COULD MEET TO EXCHANGE VIEWS AND CONCERT TACTICS. OTHERWISE LEAKS AND CONSEQUENT EMBARRASSMENT ALMOST INEVITABLE.
 - 7. WILL COMMENT ON PART 4 DEPTEL 2167 IN SEPARATE TELEGRAM.

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This view, identical to that enpressed by M. Renou (see Despatch 1490), had apparently not just been suggested to M. de Rose by M. Renou, since this conversation preceded M. de Rose's first meeting with M. Renou after Renou's return from the United States.

- Atomic Thergy Act were to result in a close cooperation between Atomic Thergy Act were to result in a close cooperation between the UK and the US in the weapons field, from thich France was excluded, the effect on Franco-US relations would be "very bad." He sai! that psychologically, the feeling here that France was an equal partner in the sense of having equal access to information would go far to satisfy the French, and would be an effective substitute for an ambitious production program of her own.
- Possibilities of trinartite cooperation on nuclear weapons. H. de Rose stated that he had drafted the report submitted to MATO on tripartite (FIG) cooperation in veapons development and production. His remarks on the possibilities of including nuclear items within the runge of cooperation were almost exactly as follows: "The three linisters of Defense doubtless talked about the possibilities of nuclear cooperation. Some persons, whose names I shall not mention, probably thought that there vere serious possibilities in this field. I know that they are mistaken and that in fact there are no scrious possibilities whatsoever." He said that possibly at some future time, depending, inter alia, upon the relationships that exist betreen the United States and Europe in this field, such cooperation would be a serious possibility. Even then, he thought that the political difficulties would be enormous, because he said that he could not believe that the Russians would stand by and let the Germans participate on a substantial scale, even financially, in atomic weapons development.

May Luwleigh Hax Isenbergh Special Assistant for Atomic Energy DEPARTMENT OF STATE

POLICY PLANNING STAFE

SECRET

March 3, 1958

ro :

The Secretary

THROUGH:

S/S

FROM :

S/M/A Arard C. Smith

SUBJECT:

Possible Strauss Query on French-Italian-German

Nuclear Collaboration

odaris

I have read the briefing memorandum which is being submitted to you by EUR. I would hope that the position recommended in this memorandum could be conveyed to Herr Strauss in such a way as to leave him under no illusion as to our negative attitude toward a FIG nuclear collaboration which, as we understand it, would graft German resources on to the French program and thereby assist the achievement of independently controlled weapons stockpiles by France, Germany, and Italy.

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French-German Italian Collaboration in Production of Muclear Weapons

Recommended U.S. Position

- 1. The French-German-Italian statement in the North Atlantic Council on February 13 regarding the three Governments' planned collaboration in modern weapons development and production included the statement that "Scientific studies in the field of military utilization of nuclear energy are not excluded."
- 2. The U.S. would welcome indication of the three Governments' thinking on this important subject, and any clarification which Herr Strauss could provide at this time.
- 3. As Herr Strauss is doubtless awars, the Administration in submitting its proposed amendments to the Atomic Energy Act of 1954 to the Congress stated with respect to section like: "It is not the intent of this new section to promote the entry of additional nations into the atomic weapons field." Reference is also made in this connection to the NATO Atomic Stockpile plan advanced by the U.S. at the Heads of Government meeting, now in the initial stages of implementation.

Anticipated German Position

Herr Strauss may emphasize the three Governments' further statement to the Council that "No decision has as yet been taken with regard to this subject. Any further decision concerning it will naturally take place in accordance with the Paris Agreements." He may also, however, attempt to justify German participation in a cooperative nuclear weapons program on French territory on various grounds, including British and anticipated French production of nuclear weapons and acquisition of national stockpiles; the prospect of nuclear weapons becoming necessary attributes of modern

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stalemate will continue; doubts in Europe that the U.S. will necessarily find it in its interest to react with all required force to limited attacks in Europe; doubts that the U.S. will indefinitely maintain required forces in Europe; etc. He may argue that it is in U.S. interest that Europe have an independent nuclear capability, so that the deterrent in Europe will be unmistakable and possibilities of effective defense in Europe without stratesic exchanges between the USSR and the U.S. enhanced.

Discussion

Plans for cooperative production of nuclear weapons were discussed at the January 21 meeting of the French, German and Italian Ministers of Defense in Bonn, but apparently the three Geerrments correctly advised the Merth Atlantic Council that/no decisions were reached. According to French Foreign Office sources, Strauss was anxious to reach agreement with the French on the project but the French avoided committing themselves. The French Foreign Office and apparently also Gaillard have since evidenced considerable concern over the idea of the Germans acquiring their own atomic capability through participation in the French program. All elements of the French lovernment appear determined to press ahead with the French program, however,

On February 20 the Department cabled Embassies Paris, Bonn and Rome and GDO requesting their views and recommendations on a series of questions and magnested possible courses of action for use in "formulating recommendations for Secretary as to course of action U.S. should adopt in continental Europe in furtherance of U.S. policy that additional independent sources of production

of nuclear weapons are not in U.S. interest. Problem is basically to determine what U.S. actions would be most effective (A) in confining current French national program to minimum proportions, and (B) in preventing development of FIG nuclear weapons cooperation which as understood here would graft German resources onto French program and thereby assist achievement of independently controlled nuclear weapons stockpiles by France, Germany and Italy." The requested views and comments have thus far been received only from USRO, with a partial reply from Borm.

At the same time there has been underdevelopment in the EMPLIFIED during recent weeks a proposal for Nuclear Authority under the North Atlantic Council. The central purpose of the proposal is to deter the creation of additional national nuclear capabilities in Europe by assisting the creation of a multilateral NATO nuclear capability on the continent under appropriate safeguards. A revised version of the proposal is expected to be submitted to the Secretary before his departure for the SEATO meeting, with the recommendation that he approve discussion of the proposal with other agencies of the Executive Branch.

The "Recommended U.S. Position" set forth above has been developed entirely within existing, announced U.S. policy, pending the development and approval of a coordinated U.S. Government course of action in the circumstances berein outlined. Paragraph 3 of the Position is designed to reserve the U.S. position and ensure that Strauss does not derive an impression of tacit U.S. acceptance of any nuclear plans he or the three Governments may have or develop.

Concurrences:

DA - Mr. Timmons

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DEPARTMENT OF STATE

MEMORANDUM OF CONVERSATION

M-870

March 5, 1958

Authority NNOSTO

SUBJECT:

German Defense Problems

PARTICIPANTS:

Mr. Franz Josef Strauss, German Minister of Defense

Mr. Albrecht von Kessel, Charge d'Affairs, German Embassy

Lt. Colonel Biedermann, German Army

Mr &C. Burke Elbrick, Assistant Secretary of State, EUR Mr. Foy Kohler, Deputy Assistant Secretary of State, EUR

Mr. Smith, Assistant Secretary for Policy Planning

Brigadier General Richard Steinback, USA, Deputy Chief, MAAG, Germany

Mr. Jacques J. Reinstein, Director, GER

Mr. Henry Tasca, Economics Minister, Embassy Bonn 358

Mr. Raymond E. Lisle, Deputy Director, GER

Mr. Robert A. Fearey, NATO Adviser, EUR/RA

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After an exchange of greetings Mr. Elbrick asked Minister Strauss whether there were any problems he wished to raise. Strauss replied that there were not but that he would be glad to answer any questions.

Mr. Elbrick recalled that the Federal Republic stated in its 1957 Annual Review submission that it will soon be facing a budgetary deficit as a result of the buildup. He asked Strauss what the dimensions of this problem now appeared to be and what the German Government was planning to do to meet it. He also asked how successful the Government had been in obtaining the German people's support for the buildup.

Minister Strauss reviewed the background of the German defense financing problem in familiar terms and along the lines indicated by the Federal Governament in its Annual Review submission. The DM 9 billion appropriation each year initially contemplated is not enough. Equipment is more expensive than originally estimated. It is of course more expensive to build up an Do Barmy from zero than merely to maintain an existing army. Germany would

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would spend DM 5.5 billion on the buildup during 1957/58, and DM 10.0 billion in 1958/59. The sum earmarked for defense in 1959/60 is DM 14.5 billion and in 1960/61 DM 18 billion. Since the carry over of unused funds at the beginning of 1958/59 will be DM 5.8 billion, approximately DM 16 billion will be available for expenditure during that year. Sufficient funds were thus available to meet U.K. stationing costs claims but Strauss said that if he released these funds for this purpose he feared he would not get them back when he needed them in 1960 and 1961.

Defense spending in the period 1958 to 1961 would be the major contributing cause for the cash deficits during those years. Total cash requirements beyond funds already available or provided for would amount to approximately DM 17 billion. It had been decided that DM 10 billion would be met (a) through tax increases, mainly income tax increases estimated at 10-20 per cent (more than 20 per cent would require approval by the Bundesrat); (b) a DM 2 billion credit from the German capital market; and (c) DM 3 billion in foreign loans raised in 1961. There was a possibility that for certain technical reasons some of the money would not be needed until 1962 and 1963. However, all planning was in accord with the NATO-approved Annual Review. Strauss stated that the buildup expenditure figures had been approved by the Minister of Finance, whose responsibility it will be to raise the necessary additional funds by the above three means.

Contrary to public reports there had been no reduction in the over-all burden of German taxes this year. The changes had consisted only of a simplification of the tax structure and of certain provisions which would improve the liquidity of the capital market and thus facilitate its use for the financing of public expenditures.

Strauss stated that the German defense forces would total 350,000 by April 1st, 1961, which, however, would not be their full peacetime strength. After that date an additional 20,000 would be recruited in the Air Force, 5,000 in the Navy, and 30-40,000 in the territorial defense force. The latter, Strauss emphasized, is not a national reserve army. Only about onethird of these will have combat capability with the remainder technical specialists. Most of these will be short-term draftees. If the Soviets attack, the first problem will be to ensure that the German population stays at home. If there is panic and they flock into the highways leading west, NATO's entire military defense plans will be frustrated. The principal function of the territorial force will therefore be to prevent such a development by ensuring that the people stay at home. The territorial forces will also protect highways and bridges and perform communications services. A portion of the territorial defense force on the eastern border will be attached to the army and earmarked for NATO with anti-tank responsibilities. A new bazooka-type weapon costing only about DM 5,000 will be able to knock out a tank. Thus by the end of 1962, Strauss stated, the peacetime strength

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of the German defense forces will be about 400,000 men. There are still difficulties with the build-up of the Air Force stemming largely from the fact that there are not enough qualified applicants for commissions. It will be necessary to make service more attractive by raising pay.

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Mr. Reinstein expressed interest in Strauss' point that all military planning depended on civil defense, particularly with reference to preventing the roads from being jammed by refugees. He pointed out that the whole related field of alert planning involved special responsibilities for the Three Powers under the Convention on Relations. He hoped that when the Federal Government was ready to submit to the Bundestag the legislation which would enable it to take over these responsibilities from the Three Powers, it would give us an opportunity to examine the draft and to express an opinion as to its adequacy. Strauss stated that legislation had been prepared in this field in early 1956. The Chancellor, however, had not liked the draft which had been worked out in the Interior Ministry and decided to postpone all further work until after the elections. The amended draft, which had the preliminary approval of the Chancellor, has not yet been submitted to the Cabinet, but is being given consideration in the Ministries of Defense, Interior, Economics, Transportation and Communications. There are a number of difficult points. A constitutional amendment might be required. This would be difficult as it would require a two-thirds majority in the Bundestag. The SPD was suspicious that any granting of emergency powers would give too great authority to the military which might be used in a general strike. While it might be possible to confine legislation to an external threat, it was not easy to differentiate clearly external threats and internal subversion. The Soviets might act through There is further difficulty arising from the federal system of the Federal Republic. The Federal Government has no police forces except the border police. The law should be amended so that in an emergency there would be central direction of Land police forces. It would be desirable to have local militia units under the control of the commanding officers of the local military areas. Without this it might be difficult to "maintain order for General Norstad" in a way which would permit the implementation of basic military planning. He added that we need have no fear that German responsibilities would not be met. In an emergency the Chancellor is Commander-in-Chief. Mr. Reinstein commented that he was not sure whether the Federal Government thought that it was legally possible for the Federal Government to assist in the implementation of our present alert plans.

Mr. Elbrick referred again to the question of popular support in Germany for the buildup. Strauss replied that the situation was both good and bad --good when the Government took a firm position and presented the people with fait accomplis and bad when a firm position had not been taken. He cited several examples of this situation, the first of which was the EDC Treaty. He said that when this Treaty was under negotiation Germany was beset with propaganda, plebiscites and other efforts of the opposition to defeat the plan, but that as soon as the Treaty had been ratified the people accepted it.

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The same situation obtained prior to the initiation of the defense buildup; as soon as the forces had been formed the opposition retreated. A further example was the widespread and vocal opposition to general conscription, which disappeared after the bill hadpassed, even though, because of the elections, the first conscripts were not called up until the following April. The number of conscientious objectors has turned out to be minute, only .03 or .04 per cent of the current year's call-up. The idea of a law for substitute service for such objectors has been dropped.

The same situation, Strauss continued, obtained with respect to the acceptance by Germany of tactical atomic weapons. Germany has never wanted these weapons as a privilege for its army. At the same time the Government has refused, despite domestic political pressures, to say that it would not accept them. It has always maintained that the NATO military authorities are responsible for the defense of Allied Command Europe and that Germany should await their recommendations. If SACEUR considers the introduction of tactical nuclear weapons necessary, and atomic war heads are to be stored in Germany under U.S. custody, the Federal Republic will comply.

In February, 1957, Strauss stated, Moscow had initiated a big offensive against atomic weapons in Germany which was carried on further by the SPD and by German "egg heads", professors and scientists. A new campaign against "atomic death" was being initiated this year to affect the Landtag elections. Although the election campaigns should be concerned with local issues they will in fact deal with problems of federal policy, such as reunification, the Rapacki plan and atomic weapons. Strauss stated that experience indicated that the German people should be presented with a fait accompli in the field of nuclear weapons. The Chancellor had agreed, and it was with this in mind that he (Strauss) had just announced Germany's purchase of Matador missiles. If other continental NATO countries were to be equipped with nuclear weapons it was impossible, as General Norstad had said, that Germany should not be also, and as soon as possible. The nuclear warheads could be guarded by Americans, -- "we don't want to see them". If we are able to tell the Parliament that the weapons are already available, there will be no trouble.

Strauss went on to urge the importance of making evident to the public that the responsibility for international tension and the resultant increased armament and military danger lies solely with the Soviet Union. He felt that public attitudes had been weakened by the Soviet initiatives and that it was essential to make clear to German public opinion the extent of the Soviet danger. If this were popularly understood, there would be no question of the Federal Republic not meeting fully its military goals.

The carrying on of the build-up is not easy, Strauss said. Its progress depends on the psychological situation which is weakened by Soviet propaganda, which would have been more successful if there had been no Hungarian uprising.

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He did not want to talk about foreign relations but did wish to emphasize that in his view it would be far better to have no Summit Conference rather than one with bad results. It would be even worse to have a Summit Conference with no real agreement but which for domestic political reasons was publicly portrayed as a success. Mr. Elbrick commented that Strauss' position here seemed to be much like that of the United States.

The ideas of Kennan, Strauss said, had had great effect in Germany. Kennan is a man of great integrity. There really is no Kennan plan, but rather a series of ideas, some of which are good, some silly, like the Werewolf idea in Germany. One would be surprised how many Communists would come to the furface if the Soviets ruled Germany.

Strauss had been surprised at the manner in which the idea had developed that there was a "Strauss plan" of counter-proposals to the Rapacki Plan. At a closed CDU Bundestag faction meeting Krone had asked von Brentano and himself for ideas on the Rapacki Plan. Strauss had spoken "off-the cuff" and explained to the faction that he did not think the idea of the denuclearized zone a good one. It should not be discussed at a conference. If, however, it had to be discussed, then this must be in the context of five additional points, including the extension of the zone, conventional disarmament, an extended control system, guarantees against attack on an atom-free zone, and concrete steps toward the reunification of Germany in peace and freedom. These ideas were entirely improvised -- made up in the course of his speech. The next day, much to his surprise, he read in the newspapers of the "Strauss Plan". To avoid misunderstanding he elaborated the points to a friendly correspondent and was surprised at the public reverberations. He confessed he had not been happy at the "success" of his Plan, including an extensive discussion in the Warsaw Communist paper Trybuna Ludu. The "success" of the plan merely illustrated the psychological lacunae which we must fill. We should not give up our objectives, but must be flexible in our procedures . It was essential that the Western Allies have no mistrust of one another. They must agree on a common concept, and then each play his proper role.

With respect to a possible Summit Conference, we must ascertain what the Soviets want. If they seek peace and stability in order to solve their domestic problems we can work out some solution and do business with them. If, however, they seek by "peaceful coexistence" over a period of years to weaken the West, we should be extremely stiff and giventhem no opportunity to solve their domestic economic problems. In any case, we should not talk with them of symptoms if they refuse to deal with the roots of the current problems, such as the situation in Eastern Europe and the problem of a divided Germany. It was important not to have another Munich.

Mr. Elbrick noted that the U.S. did not have much information on the French-German-Italian weapons development and production collaboration, of which there seemed to be two aspects, -- the non-nuclear and the nuclear. With respect to the latter, he asked Minister Strauss for any views he might have on the NATO Atomic Stockpile arrangement.

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Strauss replied that some time ago, right after he became Minister of Defense, he received a hint from the French Government that with the settlement of the Saar issue the French Government would welcome closer military cooperation between France and Germany in a NATO framework. The entire German cabinet favored such closer cooperation, as has U.S. policy, and French-German relations are in fact now better than they have been in 100 years. The French Minister of Defense invited him (Strauss) to meet with him in France to discuss the matter and to go on to Colomb Bechar, which no other foreigner had previously been invited to visit. He had accepted and had spent two days at Colomb Bechar examining French versions of the Matador, the German V-1 and V-2 rockets and other missiles. The French Minister of Defense had presented him with a document which he had revised and which had emerged as the Protocol of Colomb Bechar, establishing a framework of military cooperation not extending to nuclear warheads. Three months later he had received a similar hint from the U.K., leading to establishment of bilateral cooperative arrangements with the British in different technical fields.

A few months ago, Strauss continued, the French Military Attache in Bonn had told him that the Italians were interested in participating in these arrangements and had asked if he perceived objection to extension of the German-French arrangements to include Italy. He had offered no objection and a tripartite arrangement similar to that worked out at Colomb Bechar had been arrived at. This arrangement included as one possible area of cooperation development of the use of nuclear energy not for nuclear weapons but for military propulsion purposes. The Federal Government opposed collaboration in the production of nuclear weapons, but was much interested in atomic propulsion for "mobile missile launchers". (Other comments suggest that Strauss was referring to nuclear-powered submarines. He said the Secretary had offered at the December Paris meeting to make available "know how" on this.)

The Federal Republic, Strauss emphasized, is not interested in the production of nuclear weapons. He stated that Germany is entirely satisfied with the NATO Atomic Stockpile Plan. He believed that the French intend to produce nuclear weapons, and hope for American help to this end, but said that nothing is being done by the three countries on a tripartite basis in the nuclear weapons field. While loyal to France, the Federal Government considers it important to know what France is doing in the nuclear weapons field. Strauss emphasized that Germany opposes the extension of independent nuclear capabilities, and believes that if France proceeds with its weapons program NATO will have to deal with the problem. A multilateral approach to the production of nuclear weapons would, he stated, be preferable to extension of independent national capabilities.

With respect to weapons production generally, Strauss mentioned that Germany is now working with FINEBEL and with the WEU Armaments Committee. This organization involved some 50 committees and sub-committees with approximately 2,000 people. About half the people from the German Defense

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Ministry seemed to be engaged in this activity and constantly traveling, with the result that it was difficult for the Ministry to get anything done. Germany had become convinced that it was impossible to agree on technical projects of production cooperation in bodies of six, seven or fifteen members. Germany, France and Italy accordingly intend to work out projects among themselves. These projects would be submitted to NATO for information before they were initiated, and BENELUX and the U.K. would be specifically asked if they wished to participate. Strauss said he had discussed this arrangement with the Belgian Defense Minister who had been entirely satisfied. The U.K. had indicated interest in closer cooperation with the three Governments but U.K. participation had been opposed by Italy. The Italian Government stated that if the U.K. were invited to participate Italy would withdraw. The Federal Government recognizes that U.K. cooperation is more valuable than Italian cooperation in the defense production field, but is at the same time disturbed by the military ideas entertained by the U.K. Germany desires closer cooperation in technical military matters among the former EDC powers. The EDC failed but it is intended to revive certain of its functions, not on an integrated basis as originally proposed but on the basis of unanimity. It is hoped, for example, to have a common European tank. U.S. tanks are excellent but too heavy for European purposes and with insufficient fuel storage space. Soviet tanks could reach the Rhine without refueling, a distance of some 500 kilometers, while the M-48 can only go 100 kilometers without refueling. Germany would like to utilize a U.K. tank but the Centurion is old-fashioned. Strauss will ask the Pentagon what comes after the M-48 and hopes there will be a lighter, more maneuverable tank which he will be able to buy for the 11th and 12th German divisions.

Mr. Elbrick then referred to the question of support costs, stating that the U.K. had advised that it is submitting new proposals to the Federal Government. The U.S. Government attached the greatest importance to the maintenance of U.K. forces on the Continent and, without attempting to assess the proposals themselves, hoped that they would be most seriously considered by the Federal Government. Strauss replied that for military, psychological andpolitical reasons the Federal Government also strongly desired the retention of the U.K. forces on the Continent, and was prepared to meet the British foreign exchange problems occasioned by stationing costs. The support costs problem, however, was only a symptom of a more Basic difficulty, namely, the fact that British defense concepts differ radically from those of NATO, Germany and the U.S. This was a problem which would be discussed at the April Defense Ministers meeting. Some people in BENELUX were convinced that the U.K. wanted to go home. The British position appears to be that there will either be no war on European soil or total nuclear war. A total war, the U.K. contends, can only be deterred by retaliatory capability. The U.K. wants to wield the big stick. The basic difficulty is this divergence of strategic concepts and the necessity to renegotiate the stationing costs issue each year, rather than the problem of foreign exchange support of the U.K. troops.

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Mr. Elbrick explained that the current U.K. proposal covered a three year period. An essential part of NATO strategy is the shield forces. In their current proposals, as shown to us, the U.K. had acknowledged this fact. Strauss replied that in this event he must wait and examine the proposals. The basic problem is to have a common defense policy in NATO including the U.K. If a common strategic concept is agreed, the stationing costs problem can be worked out. The Federal Republic adheres to the concepts and requirements in MC 70 and intends to implement exactly the requirements specified for it. If, however, one asks General Hodes what his defense concept is, one finds that his concept differs completely from that of General Ward in northern Germany. Hodes adheres to the forward strategy while the U.K. plan is to go back at once below the Weser, to hold there a few days and then to retreat behind the Rhine to build defenses in Belgium and Holland. When the Germans have more divisions they will wish to put them in the North. At that time, such divisions should not be under British command. The Federal Government's objective is to protect as many people, as much ground, and as much materiel as possible from a Russian invasion. It supports a one hundred percent forward strategy. If he (Strauss) had any other concept he could not be Minister of Defense. It is essential to reconstitute a common defense concept. The trip-wire theory would be disastrous for Germany. If this is the official U.K. concept we want all German divisions in northern Germany. This is the view of the entire German military establishment and of the Cabinet. We hope the U.K. will give us a clear answer in support of the forward strategy.

At this point Secretary Brucker called to remind Minister Strauss that it was time for him to leave for the reception in his honor, and the meeting broke up.

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DEPARTMENT OF STATE

Memorandum of Conversation

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DATE: March 5, 1958

SUBJECT:

Questions Regarding European Defense

MAR 20 1958

PARTICIPANTS:

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DEPARTIET IT OF STATE

Mr. Franz Josef Strauss, German Minister of Defense

Mr. Albrecht von Kessel, Charge d'Affaires ad interim, German Embassy ()

Lt. Col. Biedermann, Staff Officer, German Army

The Secretary of State

Brig. Gen. Richard Steinback, Deputy Chief, MAAG, Germany

Mr. Jacques J. Reinstein, GER

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In welcoming Mr. Strauss, the Secretary recalled that, on the occasion of his last visit to the United States, he had been concerned with atomic energy matters? The Secretary expressed pleasure at the progress that had been made in this field with the establishment of EURATOM.

1901 French Forces in Germany

At the end of an exchange of remarks on North Africa, Mr. Strauss said that the situation concerned the German Government in view of its effect on French forces in Germany. Although the French claim that they have 50,000 troops in Germany, as far as the Germans could figure out, there were only about 30,000. There was one armored division and another division which was not combat-worthy. The French had promised the Germans in 1956 that they would bring their troops back to Germany and had continued to hold barracks for this purpose. They had promised the same thing in 1957. He saw no immediate prospect of the troops returning. In answer to a question from the Secretary, Mr. Strauss said that the French were still retaining barracks for 80,000 to 90,000 troops in Germany, whereas they only needed space for half this amount. He said he had asked General Jacquot and Minister of Defense Chaban-Delmas to release some of the barracks to the Germans for a period of time. He said the Germans would be willing to return the barracks when the French forces return. There must be French forces in German not only for military, but for political reasons. It must be made clear to the Russians that there would continue to be French, British and American prices in Germany.

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British Forces in Germany

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Mr. Strauss said the German Government was concerned regarding the British attitude on the United Kingdom forces in Germany. As far as the financial problem was concerned, the Germans had made a compromise offer to the British which would provide immediate budgetary assistance to the United Kingdom. However, it was impossible for the German Government to provide further support costs. It was simply not possible to get parliamentary approval for more support costs. The Government had assured the Parliament in 1956 that there would be no further support costs. It had committed itself again in 1957. It was therefore possible to provide budgetary assistance to the British only indirectly.

British Defense Thinking and NATO Policy

Mr. Strauss said that the German Government was very much concerned about the British attitude toward defense problems. It believed that the British thinking was not in line with the official NATO thinking. The British believe that military planning can be based on the assumption that either there will be no war or that there will be all-out nuclear war. He said there was a need for forces, particularly in the area facing the Russians, capable of dealing with a limited attack. This requires the maintenance of shield forces and the German Government was very much concerned at the British intention to weaken the shield forces. Mr. Strauss said the British trip-wire theory was completely unacceptable to Germany. He stressed that, while he wished to make clear the great concern of the German Government regarding British policy, he did not want the Secretary to think that this represented an anti-British attitude on his part or that the German Government was anti-British.

The Secretary said he agreed. He thought that we must be prepared to deal with limited situations without all-out war. He believed that within a short time there would be small atomic weapons which could be used in such situations. At the present time, with the danger of fallout, it was difficult to use such weapons in friendly areas. Moreover, there was a danger that radioactive particles would be blown back to our side of the line. The Secretary pointed out that the importance of continued testing of nuclear weapons lay in the possibility of the development of small, clean weapons. Mr. Strauss asked if the Secretary meant that these weapons would operate by fission. The Secretary said that he did.

The Secretary said that he felt the development of small clean weapons would change the situation. At the present time, it is very awkward. If there were, for example, an incursion into the Federal Republic, we would be confronted with the choice of attempting to repel it with the use of conventional weapons or by employing the full force of our nuclear weapons, with the consequence that Moscow, Washington and other major population centers would be destroyed. The Secretary said he did not know whether

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military experts had fully accepted the concept which he had outlined, but he had expressed it in an article which he had recently written for Foreign Affairs. In conclusion, the Secretary said he agreed with Mr. Strauss that the British trip-wire theory was not acceptable.

Mr. Strauss said that he had told Mr. Spaak that Great Britain was defended along the Elbe and not along the Channel. The British forces in Germany were there for the protection of Great Britain and not for the protection of Germany. However, he thought the whole concept of forces defending a particular area was erroneous. He thought the purpose of the NATO forces was to prevent war.

Financial Support of United Kingdom Forces in Germany

The Secretary said he was not clear as to the status of the discussions on the financing of British forces in Germany, but he hoped very much that the problem would be satisfactorily settled. Mr. Strauss said that he hoped it would be, but stressed that the Germans could not accept the ideas of the British White Paper on defense.

Nuclear Weapons

Mr. Strauss expressed his concern that the effort of the British to develop nuclear weapons would lead to the development of these weapons in other countries. The next country would be France. He said that the Germans had tried to discourage the French from developing nuclear weapons. Should the production of these weapons continue to spread, the problem of control would become insoluble. The costs involved would be such that it would also become impossible to maintain a balanced NATO force. He said that as far as the Federal Republic was concerned, it would be quite satisfied if atomic warheads were available for use in case of emergency. The Secretary said that this was what had been agreed at the December NATO Meeting. Mr. Strauss indicated that this was what he had in mind.

Weapons Production; Collaboration between France, Germany and Italy

Mr. Strauss emphasized the need for standardization of weapons in NATO. He said that the only standardization which had been achieved had resulted from the supply of American weapons as mutual aid. However, it was obviously not possible for one country to undertake the entire task of supplying weapons to the alliance. The Secretary said that he did not think it was a good idea for Europe to be dependent upon the United States in this regard. He said that, while he did not know what the American military had said on the subject, he knew the President had felt very strongly that it was desirable for the Germans to have a source of supply for tanks in Europe and had hoped they would buy British tanks. The Secretary said he thought that the Germans should eventually undertake the production of tanks themselves.

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Mr. Strauss said that, while it was not easy to be certain about such matters, it was apparently the thinking of the military that in another war the first thirty days would be decisive. The Secretary said he remembered much the same view being expressed in 1914. Mr. Strauss said that the same idea had been expressed at the time of Hitler's Blitzkriegs. He said nevertheless he thought that the main reliance in another war would have to be placed on existing stocks. The Secretary said this appeared to involve acceptance of the concept that the only type of war there could be was an all-out war. Mr. Strauss indicated he did not mean this. He said that he thought there should be independent national stocks sufficient for ninety days, during the period when it would be impossible to organize adequate transport. Beyond this the supply problem should be dealt with on a combined basis.

Mr. Strauss referred to the collaboration which had been undertaken by the Federal Republic, France and Italy in the field of military production. He said that it was impossible to agree on concrete projects in groups of seven, eight or fifteen countries. It could be done in a group of three countries. The Secretary said he would think that the Germans would be interested in military production in Belgium. Mr. Strauss said he agreed. He said he had told Defense Minister Spinoy that Belgium and The Netherlands would be given a complete list of the projects to be undertaken by France, Italy and Germany, with the idea that their participation would be welcome in any projects in which they were interested.

Nuclear Weapons in FIG; Atomic Propulsion

The Secretary asked whether this collaboration included nuclear weapons. Mr. Strauss said that it did not as yet. He knew that the French wanted financial support. He believed that they would wait some time before pressing the matter of cooperation in nuclear weapons production, during which they would negotiate with the United States and the United Kingdom on the subject. The Secretary said he hoped the French would not undertake the production of nuclear weapons. He thought it would be foolish for them to get involved in the expense. He remarked that some people think that if they get a Cadillac, they are moving in high society. He said France simply could not afford a nuclear weapons program. The Federal Republic and the United States had recently had to pull the French out of an extremely bad financial situation. If the Algerian war went on, their finances would continue to be strained and it was impossible to envisage a nuclear weapons program being superimposed on this situation.

Mr. Strauss said the Germans were not interested in making atomic weapons. They were interested in having them available in case of need. On the other hand, they were very much interested in all kinds of atomic propulsion. When the Soviets were able to produce atomic submarines, the defense of the Baltic Sea would be difficult. It was essential to have atomic submarines in order to prevent Soviet egress from the Baltic and



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to protect the Baltic flank. He did not think the Soviets had an atomic submarine as yet, although they probably had a prototype. He said the Germans were not ready to get into the field of atomic propulsion, but when they were, they would wish to take advantage of the offer made by the United States at the December NATO Meeting to provide the know-how. He said this was not a matter for the next two or three years, but for the mid-60's.

As he took leave of the Secretary, Mr. Strauss said he had two final things to say. One was that there was very complete and genuine cooperation between the American military authorities in Germany and the German defense authorities. He expressed great satisfaction with this cooperation. The other thing was to convey the Chancellor's very warm greetings to the Secretary. The Secretary remarked that he had had a very nice birthday greeting from the Chancellor several days previously.

EUR:GER:JJReinstein/ea 3/11/58

SEGRET

SERVICE DESPATCH

FROM:

American Embassy, Bonn

Despatch No. 1569

TO:

Department of State, Washington

March 5, 1958

FOR 5/ CIA OSO army nong. au USIA

SUBJECT:

MEMORANDUM OF CONVERSATION ON FIG AGREEMENT AND SUMMIT MEETING

The following summarizes a conversation between Graf Baudissin, Foreign Office, and an Embassy officer which took place on March 4.

German-French-Italian Military Cooperation

Baudissin said that in November there had been a written agreement concluded between the Defense Ministers of Germany, France, and Italy regarding cooperation in research, development, and production of weapons. This agreement was not "well phrased" and had not been reviewed by the lawyers or Foreign Office staffs. It did not deal "adequately" with the question of the relationship of trilateral cooperation to WEU or NATO coordination. Baudissin thought it would be a mistake for another country to press for a copy of this agreement.

I said I had no idea that we would ask for a copy. Our main interest had been with respect to the relationship to NATO. Baudissin said this had been the Foreign Office interest as well.

In response to a question, Baudissin said the phrase in the statement which the FIG countries had made to WEU and NATO to the effect that cooperation in the "military utilization of nuclear energy" was not excluded had a precise meaning so far as Germany was concerned. This meant only that Germany was interested in the possibility of nuclear propulsion units for ships. The German Ambassador in London had been specifically instructed to say this in response to any questions which might arise when the FIG statement was presented to WEU. Baudissin then observed that the United States had offered assistance in this field during the NATO Heads of Government meeting. I noted that the trilateral agreement was on the agenda for the WEU Ministerial meeting now being held in Rome. Baudissin did not believe any particular problems in connection with the agreement would arise at this meeting.

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Page No. 2 Despatch No. 1569 March 5, 1958 From AmEmbassy Bonn

Summit Meeting

Baudissin said the Germans agreed one hundred per cent with the lines of our reply to the latest Soviet note about a Summit meeting. They would have no suggestions to make. He noted the Department's strong position with respect to reunification, and observed the Soviets agreed to talk about a peace treaty with Germany, an idea previously advanced by President Gerstenmaier. In his view this would not be adequate. The first step was to create an all-German Government.

He mentioned a meeting he had attended that day in the Ministry of All-German Affairs to discuss reunification questions and said an inter-Ministerial committee existed on this question. Dr. Fechter is the Foreign Office representative. The possibility of a referendum throughout Germany (Martino's proposal) was discussed at this meeting. However, the Germans have nothing yet that is "ripe" to propose to us in this regard.

The discussion then turned to European security questions. Baudissin said he would go to Paris to represent the Federal Republic on the NAC European security committee which will meet on February 10. He thought this meeting should be an exploratory one which would exchange views on the areas which needed study. Baudissin said the Foreign Office was not thinking in terms of mutual troop withdrawals but did believe the Western position needed to be clarified with respect to the zone of control, envisaged in the Treaty of Assurance, and with respect to the meaning of the phrase in the Berlin Declaration which states that the West will not take military advantage as the result of the withdrawal of Soviet troops from the Soviet Zone. In his view the latter has only one meaning, i.e. NATO forces would not move into this area.

Baudissin said the question of a working group on reunification had now been settled. It would "advise" the European security committee. He thought the work on reunification might be done in Bonn, formally or informally, with us, the British, and French.

For the Ambassador

William R. Tyler Counselor of Embassy

THE SECREPARY

April 1, 1958



1. I gave the President a memorandum of recommendations as/to the composition of our next delegation to the UNGA. I wrote in in pencil opposite the name of Herman Pilleger the name of Paul Hoffman as ar alternative possibility which the President had said he wished as to consider. I pointed out that it would be unusual to make a second appointment of this character and that I felt that the appointment would encounter considerable opposition on the part of the more conservative Republicans whom Hoffman had attacked quite openly. I suggested the President should consult with Governor Adams on this point.

The President then spoke on the telephone with Governor Adams 🛝 and as a result suggested that Persons should feel out the situation with some of the significant Republican Senators. I signed the memorandum and left it with the President.

- 2. I spoke of the desire of Senator Smith to continue in some association with the Government after his term as Senator expired. The President said he saw no permanent position that could be offered him, but that if he desired a "consultant" role to the State Department, with the understanding that we might use him for some mission to the Far East, he thought this would be entirely acceptable.
- 3. I discussed with the President the question of our national strategic concept. I expressed the view that this too much invoked massive nuclear attack in the event of any clash anywhere of U.S. with Soviet forces. I expressed the opinion that this question should be reviewed. I pointed out that there were, I thought, increasing possibilities of effective defense through tactical nuclear weapons and other means short of wholesale obliteration of the Soviet Union, and that I thought these should be developed more rapidly. I pointed out that there was a certain victous circle in that so long as the strategic concept contemplated



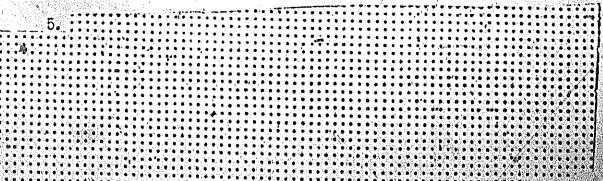
this, our arsenal of weapons had to be adapted primarily to that purpose and so long as our arsenal of weapons was adequate only for that kind of a response, we were compelled to rely on that kind of response. I referred to the passage in my Foreign Affairs article of October 1957 which I recalled the President had approved, although I said obviously this approval of the article did not in any way commit the President on this specific point.

I said, of course, our deterrent power might be somewhat weakened if it were known that we contemplated anything less than "massive retaliation" and therefore the matter had to be handled with the greatest care.

The President said he, too, was under the impression that our strategic concept did not adequately take account of the possibilities of limited war.

I suggested that this should be studied at a high level. I said I thought it a waste of time to have this studied by the regular members of the NSC Planning Board. The President agreed and said he would ask General Goodpaster to set up a group composed of the Secretary of Defense, the Chairman and members of the JCS, Admiral Strauss and myself, with perhaps the participation of General Cutler, to study this matter directly and to make a report to him for his decision.

4. I spoke of preparations for the Summit meeting and the necessity for getting work under way on a contingency basis. The President said that he would appoint a committee from the NSC members with me as chairman to deal with preparations.



The President was in the process of reading the transcript of

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April 9, 1958

MEMORANDUM FOR RECORD:

Meeting in the office of the Secretary of Defense, 7 April 1958.

Present: Secretaries McElroy, Quarles, Brucker, Gates, Douglas, Sprague, Dulles; Generals Taylor, Pate, White; Admiral Burke; Mr. Gerard Smith; Admiral Strauss; General Cutler; General Goodpaster;

Mr. McElroy said he had brought the group together at the President's request to consider a matter which Secretary Dulles had raised with the President a few days before -- pertaining to the strategic concept under which we are now working.

At his request Mr. Dulles presented the problem. He recalled that in December 1950 he had advanced the doctrine of "massive retaliation" somewhat as an offset to a speech by former President Hoover supporting a "fortress America" Doctrine. Mr. Dulles thereafter supported the use of a capacity for massive retaliation as a deterrent, avoiding the necessity for sufficient local strength everywhere to hold back the Soviets. Now he thought new conditions are emerging which do not invalidate the massive retaliation concept, but put limitations on it and require it to be supplemented by other measures.

Since 1950, the Soviets have themselves gained great destructive power. The capacity for massive attack is no longer a deterrent which we alone have. The prospect is now one of mutual suicide if these weapons are used.

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As a result, our allies are beginning to show doubt as to whether we
would in fact use our H_weapons if we were not ourselves attacked.
As present
leaders drop out in major allied countries, new governments seem bound
to be even more skeptical.

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Accordingly, the question must be asked, "Have there been developments in the nuclear field that make possible an area defense based upon tactical weapons?"

whether, if our concept is simply that of general war, we build weapons only for that, thus leaving us unable to take other kinds of action, and making us prisoners of a frozen concept.

In summary, he added these comments about the concept of massive retaliatory attack: This was inevitable when conceived in 1950; it is deteriorating as an effective deterrent; it is giving rise to increasing doubts on the part of our allies; it may be subject to alteration through the development of new weapons. While he could not speak as to the military points, it is State's considered opinion that although we can hold our alliance together for another year or so, we cannot expect to do so beyond that time on the basis of our present concept. Accordingly, we should be trying to find an alternative possessing greater credibility.

Mr. McElroy then spoke, indicating that in his opinion the question has been appropriately raised. He said it is one which Defense has been studying. There is some possibility that thermonuclear weapons are coming to be like chemical warfare -- neither side will think their use worthwhile. He said he felt that our weapons position, as Secretary Dulles had indicated, is substantially governed by the strategic concept, under which we have concentrated on producing large weapons in recent years. Secretary Dulles commented that he is not proposing that we give up the capacity for massive retaliation. Mr. McElroy said a central question is whether we could conceive of tactical weapons being used without provoking the use of the "big ones." Many people think this could not be done.

General Twining pointed out that the Chiefs are aware of the problems, and are trying to avoid getting into a rigid position. Initially, and he thought wisely, there was a concentration on the large weapons. But now we are building a great many small ones. He added that we could not stop an attack against Turkey, for example, with small weapons alone.

Secretary McElroy acknowledged that we have not spelled out just how we would use tactical weapons, for example, if the Chinese were to renew the attack in Korea. The question is whether there is something between conventional and massive nuclear attack. He thought it is worth putting some time against this question, for we may come out with something new.

Admiral Burke commented that we now have the capacity for massive retaliation. We need to develop the capacity for smaller operations. Our need is, not rigidity, but an ability to move effectively into big, intermediate or small operations. Mr. Dulles recalled that Churchill had said that it was our retaliatory power that saved Europe over the postwar years. Mr. Dulles did not think that this would remain true for another decade.

General Taylor said there should be a clear realization as to how limited we are in the field of small weapons. There are major possibilities in this field, however. He referred to the possibility of having tactical atomic weapons of size ranging from ten tons TNT equivalent to 100 tons, in 1960 or 1961. Mr. Dulles said he felt there was a proven need for more graduated weapons.

Secretary Quarles then spoke, indicating that he thought the massive retaliation concept is inescapable. We cannot rely on area defense, since the enemy could use the same kind of weapons against us. He thought that the defense has not gained relative to the offense through the development of nuclear weapons. Secretary Dulles commented that perhaps the study will bring out something different from what we are doing now. If it does not, perhaps we should not be making tactical weapons at all. Mr. McElroy said that these observations do not imply that the study should not be made -- he thought that it clearly should.

General White pointed out that we are building a great number of small weapons at the present time. Secretary Dulles said there was, however, a lack of tactical doctrine. He felt it was extremely important to have such a doctrine, because the decision to "press the button" for all-out war is an awesome thing, and the possibility that such a decision would not be taken must be recognized.

Secretary Gates said there is also a question to be considered: if the deterrent fails to deter, then what should our retaliatory force be

designed to do. General Twining said we must keep ourselves flexible in this regard. Logically, great industrial and communications nenters are probably the correct targets; however, military men have to plan with the realization that they might be prohibited from attacking such targets. If they are held to attack military targets only, they must have much greater numbers of weapons and vehicles.

In the concluding remarks, Mr. Dulles said that the matter involves considerations of such high policy that he saw little point in having the problem studied by staff level people. Mr. Quarles commented that there is much in the background of our thinking in this matter that bears on the points raised in the discussion. Mr. Dulles said that background is not enough; we must have something we can present to our allies.

A. J. Goodpaster Brigadier General, USA

This document consists of __ < pages DEPARTMENT OF STATE DEPARTMENT OF STATE Memorandum of Conversation M-723 DATE: April 18, 1958 DECLASURED Authority NND 901102 British Plan for European Security SUBJECT: The Viscount Hood, Minister, British Embassy PARTICIPANTS: Mr. J. J. Reinstein, GER Mr. R. H. McBride, RA Mr. A. W. Sherer, EE COPIES TO: Embassy, London (2) = Embassy, Paris (2) Embassy, Paris for Thurston S/AF Embassy, Mosoow - 35 USRO, París/(2) - 🐲 BNA Embassy Bonn (3)-27 Def ense ★ Col. Twitchell (5) Lord Hood was asked to call ab the Department to receive the Department's comments on the memorandum entitled "Plan for European Security" which he gave to Mr. Elbrick on March 25 together with a memorandum of explanatory comments. Mr. Reinstein said that it had been hoped that Mr. Kohler could explain the U. S. views to Lord Hood, but that he had been detained in the Acting Secretary's office. ∞ Mr. Reinstein gave Lord Hood the attached memorandum commenting on the British plan, which Lord Hood read. Mr. Reinstein said that he thought the significant parts of the memorandum were Sections II and III, which commented on the general idea of disengagement and on the general approach of the British Plan. He also drew Lord Hood's particular attention to the first four points under Section VI. Mr. Reinstein said that the general lines of the comment had been considered and approved by the Secretary of State, but the Secretary had not considered the detailed statement of views as incorporated in the memorandum. He said that, as the memorandum made clear, the United States does not consider the present deployment of Soviet and Western forces along the line of demarcation in Germany as being dangerous per se. Furthermore, in view of the geographic position of the West as compared with that of the Soviet Union, it appeared to us that any disengagement proposals would, under present circumstances, operate to our disadvantage vis-a-vis the U.S.S.R. The one situation which appeared to the U.S. as involving a potential source of conflict was that of Berlin. had been interested in the reference to Berlin in the proposed Agreement No. 1 162.00 DODY NO(S) 43, KK+ 4.5 Destroyed in RM/R Name French Date 1/14/58 GPO 912677 901102-154

in the British plan. It appeared to us that it would be useful to give some thought to the possibility of seeking to reach some agreement which would mitigate the dangers of a clash over Berlin.

Lord Hood said he understood the comments in Section IV of the memorandum to mean that a European inspection zone could be considered as an isolated matter. The question in the British mind was whether some thinning out could not be added to such an arrangement. Mr. Reinstein said that the comments in Section IV indicated the U. S. did not consider that measures for the prevention of surprise attack in Europe in the absence of German reunification would raise the same problems as would an agreement to limit forces and armaments or to provide for redeployment. The memorandum did not take a final position on the subject. The subject was under study at the present time. It should be recognized, however, that any such proposal would raise substantial political difficulties with certain of our Continental allies, particularly the Federal Republic and France.

Lord Hood said that there was great public interest in the subject of disengagement and that something would have to be done in this area. There were risks involved in any course of action, which the British Government recognized. However, it was inclined to feel that some measures could be taken without significant risk. It was a subject which the British Government was anxious to explore with the U. S. Government. Mr. Reinstein said that it was very difficult to see how one could go beyond the area of prevention of surprise attack in the context of the present situation without serious danger to the Western security position.

Lord Hood said that the problem of European security and Germany had some resemblance to the disarmament problem. In each case the West had presented a package proposal which had not proved negotiable. It was necessary to review the parts of the package to see if they could be dealt with separately. Mr. McBride and Mr. Reinstein pointed out that there was a great difference between the two subjects. The disarmament proposals covered a very broad field embracing a number of different subjects. There might be some possibility of dealing with some of these subjects as individual topics. In the case of Europe, the area for negotiation was much more limited. Any arrangements regarding arms and forces on the basis of the present situation would inevitably have an effect on the Western defense posture. Furthermore, it was hard to see how a limited agreement would facilitate reaching further agreements in the European area. If an agreement were reached in the field of disarmament which indicated a willingness on the part of the Soviet Union to reach practical arrangements, this could open up the prospect of other areas of negotiation such as Germany and European security. In view of the general Soviet position, this did not appear to be the case with regard to any agreement which might be reached on military arrangements in Europe.

Lord Hood said that he would transmit the ${\tt U.\ S.\ }$ views to his Government as soon as possible.

Enclosure: Comments on British Paper on European Security.

EUR: GER: JJReinstein/ea 4/23/58

SELECT

COMMENTS ON BRITISH PAPER ON EUROPEAN SECURITY

We have given careful study to the paper on a possible European security arrangement which was presented by the British Embassy on March 25, 1958, together with the Embassy's explanatory comments.

would be barred and from which non-German troops would be withdrawn. The next stage would involve an undertaking to discuss German reunification on a Four Power basis. A third stage agreement would set forth the military dispositions which would prevail when Germany was reunified. stages. The first agreement, which would come into effect immediately, would provide for a European serial inspection some and a some along the present demarcation line in Germany from which muclear weapons As we understand it, the paper envisages three interrelated agreements which the Western Powers would propose to enter into with the Soviet Government, which would enter into force in successive

Mord

We arm in agreement that, at any summit meeting with the Soviets, the West should envisage making new proposals regarding European security and Germany. In fact, even if no summit meeting were to be held, a fresh statement of the Western position on these matters would, in our view Saill be desirable. He have periods mitagivings, because, regarding the general approach to the problem mitagivings, taken in the proposals referred to, as well as with regard to contain specially appears to the problem.

While we are assare that there is considerable public sentiment for disengagement in some form or sther, we do not consider that disengagement of forces along the present lines of demarkation in Central Europe without settlement of the main issue giving rise to tension in this area—the division of Germany—sould lead to an increase in stability. On the comtrary, we believe that the risk of conflict might well be increased. The deployment of United States and United Ringdom forces along the line of demarcation acts as a stabilizing force both in terms of discouraging an attack from the Communist side and as a restraint on the possibility of any independent German action. We see no evidence that the existing deployment of forces has given rise to any significant danger of war. We believe that, in the existing circumstances, the risk of incidents involving the threat of war sight be increased by a change in military dispositions of the character proposed in the U. K. paper. A limited withdrawal of U. K. and U. S. forces from their present positions might also have an adverse effect on our position in Berlin.

The present

The present shield forces in Europe are at best submarginal. Given disadvantages of our position in Europe, i.e., the narrow area for maneuver and deployment of Western forces as compared with the depth which the Soviets enjoy, any agreement to limit forces or armaments on the basis of the present line of demarcation would almost certainly work to our disadvantage.

Were we to accept the idea that disengagement under present circumstances was a negotiable issue, we would risk being drawn into a process in which the Soviets might be able to press us into a piecemeal dismantling of our present defense position. The Soviets would seize on any proposals we made as a basis for demands for a more sizeable retrenchment of our military position. Even if we did not continue the negotiations, they could utilize the idea as a means of constant propaganda against our defense preparations.

Disengagement as part of a negotiated settlement involving the reunification of Germany is, of course, a different matter. It is in fact envisaged in our proposals for a European security arrangement. What we would be negotiating is what the military situation in Europe would be if Germany were reunified on acceptable terms, an essential element being the withdrawal of Soviet forces from Eastern Germany. Obviously, in such a situation we would have to make concessions on our side, but the area of negotiation under those circumstances would be of sufficient scope to permit us to protect our essential interests.

The U. K. proposal for disengagement would involve the creation of a denuclearised some. In our view, the acceptance of such a some in present discussiones, regardless of how small, would involve grave dangers to the Western defense position. Once having accepted the concept as a basis for negotiation, there would be no logical basis for objecting to an extension of such a some. As far as nuclear warheads are concerned, we have no reason to believe that a prohibition in any geographic area could be made effective by inspection. While delivery systems for certain types of weapons could undoubtedly be detected and barred, as progress in the development of such weapons continues it will become increasingly difficult to control the means of delivery of testical weapons of a dual purpose character.

If agreement on a thinned-out and denuclearized zone, to be established preliminary to and possibly therefore independent of German reunification, could be reached, it would not, in our view, contribute to Western security. Arrangements of this type could lead to a false sense of security and the false belief that tensions in Europe had genuinely been reduced without taking into account the basically unaltered policies of the Soviet Union. As long as Soviet policies remain rigid insofar as Germany and European security are concerned, it would appear a serious error to give the impression

that Soviet



that Soviet objectives in Europe had altered, by the acceptance of a disengagement plan which would give the superficial impression of a relaxation of tensions without the reality.

III.

The U. K. proposals would represent a considerable modification of the position which we put forward at Geneva. Our 1955 proposals involved simultaneous agreement on a detailed set of arrangements for European security and German reunification which would go into force in agreed stages. The U. K. proposal envisages an agreement as to what the military situation would be if Germany would be reunified, but does not call for anything beyond a discussion of reunification. The first agreement would not be dependent on reunification. This would represent a considerable retreat from the position we have previously taken without, as far as we can see, any assurance that the result would be to forward the process of a political settlement in Europe. Bespite anything we say about the firmness of our position, once we have put forward the idea of disengagement as a step which could be taken preliminary to German reunification, the Soviets might well be able to exploit our offer in such a way as to force us to enter such an arrangement as an independent step. In fact, the comments on the proposal appear to envisage this possibility.

If we were to make an offer of this character, we would have broken the present close link between German reunification and European security, with such consequences as this step might have on our relations with the Federal Republic. We believe that the longer term cost of such a step in terms of our relations with the Germans would be high. The effect would be discouraging on those elements in Germany which favor close association with the West. Although it would be popular with neutralist elements, who now advocate measures to relax tensions not related to reunification, the same people would turn against us when they discovered that no progress had been made and our general position in Germany would have suffered seriously.

Although a Soviet undertaking to discuss reunification on a Four Power basis would constitute a recession from the present Soviet position, such an obligation in fact is less than what the Soviets are now committed to under the Geneva Directive and under previous Four Power agreements. The Geneva Directive committe the Soviets not only to deal with reunification on a Four Power basis, but to a specific method of reunification, that is, by means of free elections. They are trying to evade this obligation. In our view, the acceptance of this obligation by the Soviets should be a condition to any substantive arrangements regarding European security.

IV.



IV.

While we believe that any arrangement regarding force and arms limitation or deployment of forces in Europe should continue to be linked to German reunification, arrangements for the prevention of surprise attack would not involve the same problems. Such arrangements would not involve a limitation on the ability of the West to develop and modify its defensive arrangements unilaterally as it saw fit and therefore would not impose limitation on our ability to carry out the strategic dispositions suited to our defense needs. We see no inherent objection to the adoption of measures against surprise attack in Europe independently of German reunification, provided that the arrangements are acceptable to the European countries concerned and do not involve recognition of the German Democratic Republic. such arrangements were to be proposed, we would feel that they would have to include ground inspection as well as aerial inspection. We would have to consider carefully how such a proposal could be related to our more general European security proposals. It should be recalled, moreover, that the some referred to in the W. K. proposal was agreed to in NATO on the understanding that its establishment would be in the context of an over-all disarmament arrangement and would be contingent upon acceptance by the U.S.S.R. of one of two other and larger sones encompassing parts of the V. S. and Canada and of the **U.S.S.R.** There is also a political problem involved in the initiation of a proposal of this character by countries whose territories would not be included in the some.

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The principal point in Europe where a danger of a possible clash exists is in Berlin. This danger does not arise from the presence of Western and Seviet forces in the area, but from the basic situation in the city and the Communist efforts to obtain recognition of the "sovereignty" of the GDR. We are concerned regarding the Berlin situation and the implications of the attempt by the Seviets, going back to September 1955, to disavow their obligations under the Paris modus vivendi of 1949. We have noted the suggestion that arrangements regarding Berlin might form a part of Agreement No. 1 in the United Kingdom proposal. While we are not sanguine regarding the possibility of an agreement on Berlin unless it involved the GDR, we should be interested in exploring whether something could be done to stabilize the Berlin situation.

VI.

SPORT

VI.

The third agreement involved in the U. K. proposals deals with the situation which would prevail in the event of German reunification. This subject is now being reviewed in the U. S. Government and we look forward to discussing it at an early date with the U. K. and the other governments concerned. Pending completion of our own studies and particularly the examination of certain military aspects of a European security arrangement, we are not in a position to offer comments as to the kind of proposals which might be put forward by the West in any new effer. We can, however, make comments on the United Kingdom proposals for Agreement No. 3:

- Jun Jan
- 1. The U. K. proposal would involve the denuclearisation of all Germany (together with Poland, Czechoslovakia and Hungary) and the demilitarization of the present Soviet Zone of Germany. We feel that concepts as stark and total as these involve an oversimplification of the problem. Furthermore, if these concepts were to gain public currency as acceptable bases for agreement, they would seriously impair our flexibility in negotiating a settlement with the Soviets.
- 2. As pointed out above, the prohibition of nuclear warheads appears to us unsuferceable. A prohibition of means of delivery, to be effective, would have to cut deep into the field of conventional weapons in order to deal with weapons with a dual capacity. This appears to us unacceptable from a military viewpoint.
- 3. It appears from point (e) of the U.K. proposals that some non-German forces would be left in Western Germany to the degree that Soviet forces remained in Poland, Czechoslovakia, Hungary and possibly East Germany. We do not believe the U.S. would be prepared to leave its forces in Germany if they were deprived of nuclear capability. Although the implications of the U.K. proposals as a whole with respect to deployment of forces in Europe are not clear to us, their result might well be the total withdrawal of U.S. forces from Europe.
- In the absence of broader disarmament arrangements which would provide a substantial measure of security, we doubt that we should contemplate depriving German forces of all nuclear weapons within the context of a European security arrangement. If Germany is reunified, in conjunction with a system of force and arms limitations in Europe, it seems clear that the main burden of defending the German area whether or not she is a member of NATO, would have to fall on German forces. In the absence of general disarmament arrangements of some significance, the U.S.S.R. would continue to be in a position to maintain a striking force of massive proportions

against

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against Central Europe. In these circumstances, it would appear to us doubtful that German forces should be wholly deprived of the means of effective reaction against a Soviet attack.

- 5. The proposal for the demilitarization of the present Soviet Zone of Germany also appears to us to involve an oversimplification. We could not, of course, expect the Soviets to withdraw their forces from the East Zone were the main body of NATO forces now in Western Germany to advance into the area. On the other hand, it seems to us highly doubtful that we should contemplate denuding Fastern Germany of all military forces and installations. This area would include the capital of a reunified Germany, which is a bare ninety miles from the Oder-Neisse line. The maintenance of German forces of some character in the area seems to us necessary to insure the security of the government. Furthermore, we believe that the character of any limitations on armaments and installations should be carefully considered from a military viewpoint. We are not at all clear, for example, that all defensive installations should be prohibited.
- 6. The U. K. proposal for the demilitarization of the East Zone eliminates the concept contained in the Geneva proposals that any zone with special limitations in Germany should be matched by a comparable sone on the Eastern side of the line of demarcation. In our view, the idea of a special sone would not be acceptable unless there were comparable restrictions on the other side of the line of demarcation. We would not be prepared at this point to commit ourselves to the concept that a sone of special restrictions should correspond exactly to the present Soviet Zone of occupation, nor to the principle that the same type of restriction would be applicable whether or not Germany were a member of NATO.

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We are not clear that would be involved in the suggestion that the German Government should be bound to accept the Oder-Reisse line as the provisional border of East Germany pending a definitive settlement. As a practical matter, the Oder-Neisse line will be the line of demarcation until there is such a settlement. We believe the Germans would have no particular difficulty in making explicit what was implicit in the declarations contained in Fart V of the Final Act of the London Conference of 1954, that is, that the Germans would not use force to alter the Oder-Neisse line and that the sanctions contemplated in the tripartite declaration would be applicable should they do so. Presumably, this was contemplated in Articles I and II of the Outline Treaty of Assurance proposed by the Western Powers at Geneva. If the suggestion involves something more than this in the way of recognition of the Oder-Neisse line, that is, a change in the position agreed at the Potsdam Conference, we believe the proposal would raise serious political difficulties in Germany.

8. The suggestions regarding assurances against non-aggression and mutual guarantees are not sufficiently precise to enable us to comment at this time.

VII.

The foregoing comments should not be taken to mean that we should confine ourselves to a simple reiteration of the Geneva proposals. These proposals were never fully developed and have given rise to much public misunderstanding. We believe that they offer considerable room for clarification and development. The Soviet aim is to force us to accept their thesis that the German problem cannot be solved by negotiation, that is, that we must accept the status quo and to introduce agreed or unilateral restrictions on our defense capabilities based on this situation. It seems unlikely that any agreement can be reached with them at this time directed toward a European settlement except on their terms.

Our objectives must be to bring the Seviets to a frame of mind in which they are prepared to engage in a genuine negotiation regarding European issues and toposovines our own people that, unlike the Seviets, we have a program for reaching a European settlement. We cannot achieve the first objective if we weaken our defenses or allow serious divisions to develop enough the members of the Alliance. It is of crucial importance that our proposals not be such as to cause such divisions. The second objective requires that we cart our proposals in a form which indicates a willingness and desire on our part to enter into negotiations with the Seviets.

We believe that, without departing radically from the proposals which we made at Geneva in 1955, we can develop a position which will meet these requirements and command broad support within the Alliance as a whole.

April 18, 1958

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SEGRET Attachments
DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

April 18, 1958

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EUR - Mr. Vest

British Proposals on European Security

The attached staff study is returned to you approved by the Secretary, who has added certain language to the recommendation he approved on page 2. In interpretation of this, I should tell you that the Secretary has approved the paper on the understanding that he approves the general line, but is not committed as to language and detail.

Robert A McKinnon S/S-RO Ext. 4154

Att: S/S #2942 - EUR memo dtd 4/10 re_subj.

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No. ____ of ____ Copies, Series __A_

IEMORANDUM

2942

TO

S - The Secretary

April 10, 1958

THROUGH: S/S

FROM

EUR - C. Burke Elbrick

SUBJECT:

British Proposals on European Security

Background:

On March 25 the British Embassy gave us a plan (TAB B) proposing a related set of agreements on European security and Germany. The Embassy also gave us a commentary on the plan which is attached as TAB C. The British proposal envisages three interrelated agreements which would apparently go into effect in successive stages.

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In presenting the paper to us, the British asked what we thought of the concept of disengagement and whether we considered their proposals were safe from the viewpoint of Western security interests. I believe the British expect us to take a negative attitude on these proposals, which depart quite considerably from our Geneva proposals, but that they hope we will make a reasoned analysis of them.

I attach at TAB A a statement of views on the proposals, which I would propose, if you approve, to make to the British Embassy and to hand to the Embassy in writing. The views expressed are in line with the views of the Defense Department as previously expressed to us. Nevertheless, we are seeking Defense clearance of the attached paper.

The general line which we propose to take in our reply is as follows:

1. We believe that disengagement on the basis of the division of Germany would increase rather than diminish the risks of a conflict

in Europe.

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in Europe. Proposing disengagement without the reunification of Germany would involve serious risks to our present defense posture without commensurate benefits.

- 2. Breaking the link between European security arrangements and German reunification would adversely affect German ties to the West.
- 3. The complete denuclearization of Germany and the complete demilitarization of the East Zone involve concepts which oversimplify the problems involved.
- 4. We believe that an effective public presentation of our position can be developed without radical departure from the Geneva proposals.

Recommendation:

It is recommended that you approve my giving the attached paper to the British as a commentary on their plan.

Approve:

Disapprove:

4/11/54

Enclosures:

1. Tab A - Comments on British Paper on European Security

2. Tab B - British Plan

3. Tab C - British Comments on Their Plan

Clearances:

EE 1 Mr. Freers

RA - Mr. McBride

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S/AE - Mr. Baker Mr. Farley S/P - Mr. Barnes

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COMPENTS ON BRITISH PAPER ON EUROPEAN SECURITY

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We have given careful study to the paper on a possible European security arrangement which was presented by the British Embassy on March 25, 1958, together with the Embassy's explanatory comments.

As we understand it, the paper envisages three interrelated agreements which the Western Powers would propose to enter into with the Soviet Covernment, which would enter into force in successive stages. The first agreement, which would come into effect immediately,

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We are in agreement that, at any summit meeting with the Soviets, the West should envisage making new proposals regarding European security and Germany. In fact, even if no summit meeting were to be held, a fresh statement of the Western position on these matters would, in our view, still be desirable. We have serious misgivings, however, regarding the general approach to the problem which is taken in the proposals referred to, as well as with regard to certain specific aspects of the proposals.

II.

While we are aware that there is considerable public sentiment for disengagement in some form or other, we do not consider that disengagement of forces along the present lines of demarcation in Central Europe without settlement of the main issue giving rise to tension in this area -- the division of Germany -- would lead to an increase in stability. On the contrary, we believe that the risk of conflict might well be increased. The deployment of United States and United Kingdom forces along the line of demarcation acts as a stabilizing force both in terms of discouraging an attack from the Communist side and as a restraint on the possibility of any independent German action. We see no evidence that the existing deployment of forces has given rise to any significant danger of war. We believe that, in the existing circumstances, the risk of incidents involving the threat of war might be increased by a change in military dispositions of the character proposed in the U. K. paper. A limited withdrawal of U. K. and U. S. forces from their present positions might also have an adverse effect on our position in Berlin.

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The present shield forces in Europe are at best submarginal. Given disadvantages of our position in Europe, i.e., the narrow area for maneuver and deployment of Western forces as compared with the depth which the Soviets enjoy, any agreement to limit forces or armaments on the basis of the present line of demarcation would almost certainly work to our disadvantage.

Were we to accept the idea that disengagement under present circumstances was a negotiable issue, we would risk being drawn into a process in which the Soviets might be able to press us into a piecemeal dismantling of our present defense position. The Soviets would seize on any proposals we made as a basis for demands for a more sizeable retrenchment of our military position. Even if we did not continue the negotiations, they could utilize the idea as a means of constant propaganda against our defense preparations.

Disengagement as part of a negotiated settlement involving the reunification of Germany is, of course, a different matter. It is in fact envisaged in our proposals for a European security arrangement. What we would be negotiating is what the military situation in Europe would be if Germany were reunified on acceptable terms, an essential element being the withdrawal of Soviet forces from Eastern Germany. Obviously, in such a situation we would have to make concessions on our side, but the area of negotiation under those circumstances would be of sufficient scope to permit us to protect our essential interests.

The U. K. proposal for disengagement would involve the creation of a denuclearized zone. In our view, the acceptance of such a zone in present circumstances, regardless of how small, would involve grave dangers to the Western defense position. Once having accepted the concept as a basis for negotiation, there would be no logical basis for objecting to an extension of such a zone. As far as nuclear warheads are concerned, we have no reason to believe that a prohibition in any geographic area could be made effective by inspection. While delivery systems for certain types of weapons could undoubtedly be detected and barred, as progress in the development of such weapons continues, it will become increasingly difficult to control the means of delivery of tactical weapons of a dual purpose character.

If agreement on a thinned-out and denuclearized zone, to be established preliminary to and possibly therefore independent of German reunification, could be reached, it would not, in our view, contribute to Western security. Arrangements of this type could lead to a false sense of security and the false belief that tensions in Europe had genuinely been reduced without taking into account the basically unaltered policies of the Soviet Union. As long as Soviet policies remain rigid insofar as Germany and European security are concerned, it would appear a serious error to give the impression

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that Soviet objectives in Europe had altered, by the acceptance of a disengagement plan which would give the superficial impression of a relaxation of tensions without the reality.

III.

The U. K. proposals would represent a considerable modification of the position which we put forward at Geneva. Our 1955 proposals involved simultaneous agreement on a detailed set of arrangements for European security and German reunification which would go into force in agreed stages. The U. K. proposal envisages an agreement as to what the military situation would be if Germany would be reunified, but does not call for anything beyond a discussion of reunification. The first agreement would not be dependent on reunification. This would represent a considerable retreat from the position we have previously taken without, as far as we can see, any assurance that the result would be to forward the process of a political settlement in Europe. Despite anything we say about the firmness of our position, once we have put forward the idea of disengagement as a step which could be taken preliminary to German reunification, the Soviets might well be able to exploit our offer in such a way as to force us to enter such an arrangement as an independent step. In fact, the comments on the proposal appear to envisage this possibility.

If we were to make an offer of this character, we would have broken the present close link between German reunification and European security, with such consequences as this step might have on our relations with the Federal Republic. We believe that the longer term cost of such a step in terms of our relations with the Germans would be high. The effect would be discouraging on those elements in Germany which favor close association with the West. Although it would be popular with neutralist elements, who now advocate measures to relax tensions not related to reunification, the same people would turn against us when they discovered that no progress had been made and our general position in Germany would have suffered seriously.

Although a Soviet undertaking to discuss reunification on a Four Power basis would constitute a recession from the present Soviet position, such an obligation in fact is less than what the Soviets are now committed to under the Geneva Directive and under previous Four Power agreements. The Geneva Directive commits the Soviets not only to deal with reunification on a Four Power basis, but to a specific method of reunification, that is, by means of free elections. They are trying to evade this obligation. In our view, the acceptance of this obligation by the Soviets should be a condition to any substantive arrangements regarding European security.

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While we believe that any arrangement regarding force and arms limitation or deployment of forces in Europe should continue to be linked to German reunification, arrangements for the prevention of surprise attack would not involve the same problems. Such arrangements would not involve a limitation on the ability of the West to develop and modify its defensive arrangements unilaterally as it saw fit and therefore would not impose limitation on our ability to carry out the strategic dispositions suited to our defense needs. We see no inherent objection to the adoption of measures against surprise attack in Europe independently of German reunification, provided that the arrangements are acceptable to the European countries concerned and do not involve recognition of the German Democratic Republic. If such arrangements were to be proposed, we would feel that they would have to include ground inspection as well as aerial inspection. We would have to consider carefully how such a proposal could be related to our more general European security proposals. It should be recalled, moreover, that the zone referred to in the U. K. proposal was agreed to in NATO on the understanding that its establishment would be in the context of an over-all disarmament arrangement and would be contingent upon acceptance by the U.S.S.R. of one of two zones encompassing parts of the U.S. and Canada and of the U.S.S.R. There is also a political problem involved in the initiation of a proposal of this character by countries whose territories would not be included in the zone.

V.

The principal point in Europe where a danger of a possible clash exists is in Berlin. This danger does not arise from the presence of Western and Soviet forces in the area, but from the basic situation in the city and the Communist efforts to obtain recognition of the "sovereignty" of the GDR. We are concerned regarding the Berlin situation and the implications of the attempt by the Soviets, going back to September 1955 to disavow their obligations under the Paris modus vivendi of 1949. We have noted the suggestion that arrangements regarding Berlin might form a part of Agreement No. 1 in the United Kingdom proposal. While we are not sanguine regarding the possibility of an agreement on Berlin unless it involved the GDR, we should be interested in exploring whether something could be done to stabilize the Berlin situation.

VI.

The third agreement involved in the U. K. proposals deals with the situation which would prevail in the event of German reunification. This subject is now being reviewed in the U. S. Government and we look forward to discussing it at an early date with the U. E.

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and the other governments concerned. Fending completion of our own studies and particularly the examination of certain military aspects of a European security arrangement, we are not in a position to offer comments as to the kind of proposals which might be put forward by the West in any new offer. We can, however, make comments on the -United Kingdom proposals for Agreement No. 3:

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that concepts as stark and total as these involve an oversimplification of the problem. Furthermore, if these concepts were to gain public currency as acceptable bases for agreement, they would seriously impair our flexibility in negotiating a settlement with the Soviets.

- 2. As pointed out above, the prohibition of nuclear warheads appears to us unenforceable. A prohibition of means of delivery, to be effective, would have to cut deep into the field of conventional weapons in order to deal with weapons with a dual capacity. This appears to us unacceptable from a military viewpoint.
- It appears from point (e) of the U. K. proposals that some non-German forces would be left in Western Germany to the degree that Soviet forces remained in Poland, Czechoslovakia, Hungary and possibly East Germany. We do not believe the U. S. would be prepared to leave its forces in Germany if they were deprived of nuclear capability. Although the implications of the U. K. proposals as a whole with respect to deployment of forces in Europe are not clear to us, their result might well be the total withdrawal of U. S. forces from Europe.
- In the absence of broader disarmament arrangements which would provide a substantial measure of security, we doubt that we should contemplate depriving German forces of all nuclear weapons within the context of a European security arrangement. If Germany is reunified, in conjunction with a system of force and arms limitations in Europe, it seems clear that the main burden of defending the German area whether or not she is a member of NATO, would have to fall on German forces. In the absence of general disarmament arrangements of some significance, the U.S.S.R. would continue to be in a position to maintain a striking force of massive proportions against Jentral Europe. In these circumstances, it would appear to us doubtful that German forces should be wholly deprived of the means of effective reaction against a Soviet attack.
- The proposal for the demilitarisation of the present Soviet Zone of Germany also appears to us to involve an oversimplification. We could not, of course, expect the soviets to withdraw their forces from the East Zone were the main body of NATO forces now in Western Germany to advance into the area. On the other hand, it seems to us

highly

highly doubtful that we should contemplate denuding Eastern Germany of all military forces and installations. This area would include the capital of a reunified Germany, which is a bare ninety miles from the Oder-Neisse line. The maintenance of German forces of some character in the area seems to us necessary to insure the security of the government. Furthermore, we believe that the character of any limitations on armaments and installations should be carefully considered from a military viewpoint. We are not at all clear, for example, that all defensive installations should be prohibited.

- 6. The U. K. proposal for the demilitarization of the East Zone eliminates the concept contained in the Geneva proposals that any zone with special limitations in Germany should be matched by a comparable zone on the Eastern side of the line of demarcation. In our view, the idea of a special zone would not be acceptable unless there were comparable restrictions on the other side of the line of demarcation. We would not be prepared at this point to commit ourselves to the concept that a zone of special restrictions should correspond exactly to the present Soviet Zone of occupation, nor to the principle that the same type of restriction would be applicable whether or not Germany were a member of NATO.
- We are not clear what would be involved in the suggestion that the German Government should be bound to accept the Oder-Neisse line as the provisional border of East Germany pending a definitive settlement. As a practical matter, the Oder-Neisse line will be the line of demarcation until there is such a settlement. We believe the Germans would have no particular difficulty in making explicit what was implicit in the declarations contained in Part V of the Final Act of the London Conference of 1954, that is, that the Germans would not use force to alter the Oder-Neisse line and that the sanctions contemplated in the tripartite declaration would be applicable should they do so. Presumably, this was contemplated in Articles I and II of the Outline Treaty of Assurance proposed by the Western Powers at Geneva. If the suggestion involves something more than this in the way of recognition of the Oder-Neisse line, that is, a change in the position agreed at the Potsdam Conference, we believe the proposal would raise serious political difficulties in Germany.
- 8. The suggestions regarding assurances against non-aggression and mutual guarantees are not sufficiently precise to enable us to comment at this time.

VII.

The foregoing comments should not be taken to mean that we should confine ourselves to a simple reiteration of the Geneva proposals. These proposals were never fully developed and have given rise to much public misunderstanding. We believe that they offer

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considerable room for clarification and development. The Soviet aim is to force us to accept their thesis that the German problem cannot be solved by negotiation, that is, that we must accept the status out and to introduce agreed or unilateral restrictions on our defense capabilities based on this situation. It seems unlikely that any agreement can be reached with them at this time directed toward a European settlement except on their terms.

Our objectives must be to bring the Soviets to a frame of mind in which they are prepared to engage in a genuine negotiation regarding European issues and to convince our own people that, unlike the Soviets, we have a program for reaching a European settlement. We cannot achieve the first objective if we weaken our defenses or allow serious divisions to develop among the members of the Alliance. It is of crucial importance that our proposals not be such as to cause such divisions. The second objective requires that we cast our proposals in a form which indicates a willingness and desire on our part to enter into negotiations with the Soviets.

We believe that, without departing radically from the proposals which we made at Geneva in 1955, we can develop a position which will meet these requirements and command broad support within the Alliance as a whole.

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May 26, 1958

Marine Committee Committee

MEMORANDUM FOR

Talking Paper on Defense Paper Subject: on US Policy Toward Europe

1. The attached memorandum details points you may wish to make at this afternoon's discussion. Most of the points made in earlier memoranda by Mr. Mathews. Mr. Fuller, Mr. Owen and Mr. Furnas are incorporated. Some of Leon's points are noted in marginal comment on the master paper.

I have also incorporated into the body of the talking paper the highlights of NIE 58-20, "The Outlook for Western Europe," which the Planning Board will discuss this Thursday. The NIE is attached for your reference.

> Henry C. Ramsey

CCs Mr. Mathews

Mr. Morgan

Mr. Fuller

Mr. Savage

Mr. Owen - C. Your

Mr. Barnes Mr. Taft

Mr. Furnas

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ASSISTANT SECRETARY OF DEFENSE WASHINGTON 25. D. C.

18 April 1958

PRNATIONAL SECURITY AFFAIRS

in Reply Refer to I-13590/8

Dear General Cutler:

I am enclosing a copy of a paper, "Reassessment of U.S. Policy Toward Europe," which was developed by my planning staff as part of their support for the "summait talks" preparations and my NSC and OCB activities.

It occurred to me that you would find it of interest in connection with Planning Board discussions of "U.S. Policy Toward the Soviet-Dominated Countries of Eastern Europe" and future consideration of an NSC policy document treating the West European region. I understand that during the Planning Board discussion of "U.S. Policy on France" (NSC 5721/1) the desirability of preparing a Western Europe policy paper was generally accepted.

The enclosed study is based on a conclusion that has become increasingly evident during the implementation of security programs in Europe; namely, that to be effective, U.S. policies toward Europe must recognize the close interrelation between U.S. actions toward East and West Europe. The new NSC policy on Germany (NSC 5803) highlights, particularly in Section A of the "General Considerations," the fact that U.S. policies toward Germany will deeply affect realization of U.S. objectives in the rest of Europe. Experience has indicated to us that the problem is even broader than this, in that U.S. actions in Western Europe have real effects on the attainment of U.S. objectives in Eastern Europe, and vice versa. Thus, the enclosed paper deals with the entire European area and suggests possible U.S. policy guidance toward Europe as a whole (both East and West).



Our paper is still quite informal, since we are just now circulating it for reactions within the Defense Department. However, in light of its relation to Planning Board work I thought I would forward it to you end to Gerry Rmith. I would welcome your views on the paper. Perhaps it would be helpful to discuss it together with Gerry.

Sincerely,

1 Incl

(Signed) Richard P. Heppner

Deputy Assistant Sceretary

Copy for: Mr. Gerard Smith

Ceneral Robert Cutler Special Assistant to the President for National Security Council Affairs Room 374A, Executive Office Building Washington 25, D. C.

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REASSESSMENT OF U.S. POLICY TOWARD EUROPE

I. Purpose

The purpose of this paper is to describe the principal recent and prospective developments affecting current basic U.S. objectives and policies toward Europe; to highlight the major implications of these developments; and to outline recommended U.S. policies in light of these developments and implications. The description of recent and prospective developments is based on agreed U.S. national intelligence estimates. The policy recommendations are based on basic NSC guidance, but represent an extension of these guidelines to specific applications which require further basic policy guidance.

II. Europe's Strategic Significance to the United States

The continent of Europe, stretching roughly from the United Kingdom and the eastern shores of the Atlantic Ocean into the western territory of the Soviet Union, is the principal focal point of cold war political, military, economic and cultural conflict. Both the Free World and the Soviet Union recognize that the favorable orientation of this area is indispensable to the achievement of their respective world objectives.

The Soviets have expanded their power into Eastern Europe by force during and after World War II to establish a bridgehead for exerting eventual domination over the geography, economic capacity and populations of all of Europe. The Soviets have sought to expand their control both to acquire power for power's sake and to dominate the area they recognize as presenting the closest challenge to their military security and their ideology.

The United States and most of the Free World recognize the continent of Europe (West and East) as a vital productive and cultural center of the world, and, in the face of increasingly aggressive Soviet imperialism, as a crucial strategic military area. Along with the United States and the U.S.S.R., Europe constitutes one of the three centers of economic power in the world and its cultural heritage has spread, and continues to lead, free thought throughout the globe.

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Military Policies

- 10. Seek to coordinate more closely U.S. national and defense planning cycles with NATO planning procedures.
- 11. Take the active lead in implementing the concept of "interdependence" within NATO by fostering increased cooperative measures in such fields as the infrastructure program, the early warning and integrated air defense systems, research and development, defense production, training, standardization of equipment and logistic support. Lead the efforts toward increased specialization in roles and missions to permit the discharge of military tasks with improved combat effectiveness, simpler organization, greater integration of effort and optimum application of financial and manpower resources.
- 12. While encouraging multilateral (e.g., France, Germany, Italy or WEU) and bilateral collaboration in weapons research, development and production, insist that at a minimum the determination of weapons requirements (types and numbers) and weapons allocation and employment rest with NATO authorities.
- 13. Stress the necessity for compatibility between national and NATO war plans, especially in such areas as target coordination among retaliatory forces and the employment of "shield" forces.
 - When it has been ascertained that France has tested and begun production of nuclear weapons, recommend and be willing to assist the production of nuclear weapons in NATO-controlled joint facilities located in European countries. At the same time, call for the determination by NATO military authorities of the types and numbers of nuclear weapons required by NATO plans, and allocation through NATO agreement of nuclear weapons production by national and the NATO-controlled facilities to fulfill these requirements.

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Joseph 7620, 00/4-2958 COPY NO. AIR POUCH FOREIGN SERVICE DESPATCH Despatch No. 1963 740,5 The American Embassy, Bonn The Department of State, Washington April 29, 1958 1620 13

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Civ UsiA OCB OSD army hary air FROM: TO: 11 MEMORANDUM OF CONVERSATION WITH HERR MEISSNER, SOVIET EXPERT IN THE GERMAN FOREIGN OFFICE, ON APRIL 29, 1958 ABOUT SUBJECT: CHANCELLOR ADENAUER'S PRESENT VIEWS

In conversation today with Herr Meissner, Soviet expert in the Foreign Office, about the Mikoyan visit, the drafting officer said some observers were commenting as follows on the present position of the Federal Republic:

The Mikoyan visit symbolized a virtual normalization in the relations between West Germany and the Soviet Union. The Chancellor now emphasizes the overriding importance of disarmament. He has made this clear to Macmillan and presumably the Soviets are also aware of his point of view. He is placing relatively little emphasis on reunification and European security arrangements. Hence, some people are drawing the conclusion that there is an acceptance of the status quo in Central Europe even though this is not explicitly stated.

Herr Meissner's reply was as follows: Chancellor Adenauer's present position should be regarded as a tactic rather than as a change in policy. Prior to the first Geneva Conference the Chancellor stressed the importance of disarmament. Then at Geneva the link was established between reunification and European security. Subsequently a link was established between reunification and disarmament. The recognition of these relationships met the German point of view.

At the present time a new flexibility is required. In the first place, the Chancellor does not want to be isolated internationally as, for example, President Rhee was at one point. In the second place, there are domestic political reasons for the new flexibility on the part of the Chancellor. Meissner mentioned the forthcoming elections in the Laender. TM

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Page No. 2 Despatch No. 1963 April 29, 1958 From AmEmbassy Bonn

When Mikoyan urges adoption of the Rapacki Plan, it is good tactics for the Chancellor, for the above reasons, to respond with a plea for general controlled disarmament. Meissner implied there was little expectation that such an agreement could actually be reached.

For the Ambassador:

William R. Tyler

William R. Tyler Counselor of Embassy

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AmEmbassy MCGCOW
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AmEmbassy LONDON

April 30, 1958

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Dear Mr. Secretary of State:

I appreciated receiving your letter of April 22, referring to our recent discussions here in Washington. I fully agree that personal talks of that kind are of very great value, and I hope we shall soon have an occasion for a further exchange of views.

I only regret that we were not able to cover, during our discussions, the subject of your letter to me of April 22. I have read your letter with great interest and I sm glad of this opportunity to outline to you in turn my thinking on the question of arming the forces of the German Federal Republic with modern weapons. Some of the considerations I will touch on have already been discussed in talks which Ambassador Robertson and members of his staff have recently had with some of my associates in the Department, but I should like to summarize the entire situation as I see it.

As you indicate, the question of the arming of the Federal Republic's forces with nuclear weapons is now being much discussed publicly and in the press. I have been struck by the fact that in this discussion little attention has been paid to the actual NATO proposals and procedures in this field. There has been no suggestion that nuclear warheads and bombs should be placed in the custody of German forces, or that of any of the other continental members of NATO. It was and is the aim of the NATO atomic stockpile plan, first suggested by the French Foreign Minister last May, to assure the availability of nuclear warheads and bombs to NATO forces in time of emergency, without having control and custody of such nuclear components pass into additional hands. I have the impression

The Honorable

Dr. Sidney E. Smith, Secretary of State for External Affairs, Ottawa, Canada.

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impression that the Alliance as a whole felt this was a desirable solution of an admittedly difficult problem, and the Germans in particular have indicated their satisfaction with it. It is important, I think, for the NATO countries to stress, both to their own publics and to the Soviets, the carefully worked-out arrangements that are envisaged, and the assurances that such arrangements offer against any use of nuclear weapons except to repel aggression in accordance with agreed NATO strategy.

The Germans have indicated of course that they do wish to equip their forces with modern weapons, including those which have the capability of being fitted with nuclear warheads or bombs as well as conventional warheads or bombs -- the so-called "dual-capable" delivery vehicles. Such vehicles cover a vide range of equipment, including for example modern fighter-bombers, which can carry atomic bombs. Thus, as a practical matter, if the armed forces of a country were to be deprived of the capability of delivering nuclear warheads and bembs, such a prohibition would have to cut deep into the field of conventional vespons in order to include all "dual-capable" vehicles. This would seem to us to be impracticable and to pose unacceptable military risks. For Germany to possess dual-capable weapons but to be denied access to elements of the MATO atomic stockpile in Germany, thus placing the Federal Republic's forces in the position of being the only forces in Germany without access to nuclear weapons in the event of emergency, would seem equally impractical.

I thought it useful to review these general considerations as a background to a discussion of the political problem you raise, since use of the term "arming Germany with nuclear weapons" does not clearly bring out several pertinent and important factors, particularly the eafequards that NATO planning offers against the possibility of any aggression from our side.

The question has been raised as to the consideration given in NATO to the political advisability of including Germany within the arrangements being worked out to give an atomic capability to other NATO forces. It is my impression that there has been extensive consideration of this matter from the political as well as from the military point of view. It has been generally accepted that members of the Alliance have equal rights and obligations, and that discrimination against one country in a basic matter of defense could well seriously weaken the principle of collective security in NATO. To review only the recent past, last May, at the Ministerial meeting

meeting in Bonn, the North Atlantic Council noted that the USSR had launched a campaign designed to induce public opinion in various member countries to oppose the modernization of defense forces. The Council agreed that one of the objects of this campaign was to ensure for Soviet forces a monopoly of nuclear weapons on the European Continent, and that no power can claim the right to deny to the Alliance the possession of the modern arms needed for its defense. The recent statements of Mr. Mikoyan, during his visit to the Federal Republic, seem to leave no doubt that it remains one of the prime aims of Soviet policy, in its efforts to divide and weaken the Alliance, to attempt to prevent Germany from playing its full part in NATO's defensive plans.

In view of Germany's importance in NATO defensive strategy, it was evident that a policy of modernizing NATO defense forces could not, in practice or logic, exclude Germany. The Heads of Government meeting last December reemphasized the views expressed by the Council in May and initiated several specific steps in the modernization process. Thus, I think it fair to say that NATO's military planning, in NC-70 and other documents, regarding the modernization of all NATO forces including those of Germany, has been carried out pursuant to a clear political directive.

It is against this political background that Chancellor Adenauer obtained last month a majority vote in Parliament for the proposition that the armed forces of the Federal Republic must be so equipped with the most modern wespons that they are in a position to meet the obligations which the Federal Republic has taken upon itself in the framework of NATO. The Bundestag again stressed Germany's interest in achieving general controlled disarmament.

I should like now to turn to the specific suggestion you discuss in your letter, the possibility that the West might offer to delay Germany's participation in the process of ensuring that the most modern weapons are available to NATO forces, in return for Soviet concessions, on the understanding that Germany would so participate if progress were not made in a year or so on the solution of outstanding problems.

The foremost practical consideration I see is that the Chancellor has already engaged the prestige of his Government on the question of modern weapons. It seems evident that the German Government has now concluded that German forces must have a nuclear capability and that they

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they should not be in an inferior position to the forces of other countries in Germany. In these circumstances it would seem that, even if such action were desirable, it would not be politically feasible for him to modify that stand without serious weakening of his position and that of NATO in Germany.

Secondly, and more important from the standpoint of policy, I should not think that any important aspect of NATO's defensive plans should be treated as something to be speeded up or slowed down depending upon Soviet tactics at any particular time. NATO has charted for itself what I conceive to be the only possible course -- to maintain and modernize its defenses at the fastest practicable rate, and simultaneously to seek to negotiate with the Soviet Union a general. controlled and inspected disamement agreement. If the suggestion under discussion were juit to the Soviets, the result might well be not Soviet concessions but rather intensified Soviet propagands designed to bring about unilateral measures by the West which would weaken our position. Further, it would be extraordinarily difficult to define the time and circumstances under which the arming of German forces with modern weepone, once suspended, would be resumed -how the "lack of progress on the solution of outstanding problems" would be measured. Such a process of delay and then resumption might imply that the West believed the international situation had suddenly sharply deteriorated at the time of resumption and thus might seriously heighten tensions at that time.

It is also suggested that postponement of Germany's participation in NATO's glans for developing a nuclear capability would not involve any undue military risks. While it is true that certain German missile units are not to come into being until 1959, it is my understanding that the build-up of the German forces has already approached the point where a large number of planning decisions cannot be delayed. It seems that if the modern weapons units required by NATO military plans in 1959 and subsequent years are to come into being, the German Government must begin to contract now in other countries for the necessary equipment, since the production "lead-time" is usually a lengthy one. Thus, deferring these planning decisions could in fact introduce a delay that would not be made good in the future.

Finally, I doubt that any action by Germany or the West of the nature contemplated would have the effect of hardening the already rigid Soviet position on German reunification and European security. They have as yet shown no disposition to examine seriously the positions

positions put forward by the West at Geneva in 1955, which offer the Soviets a genuine measure of security against the possibility of future aggression by Germany. Instead, the only schemes that the Soviets advocate are those which could fatally weaken the Western defenses, such as "atom-free" zones and the linking of outer space control with the liquidation of overseas bases.

I fully recognize that the Soviets, at a time when they feel it necessary to tighten their political control over Eastern Europe, are using the spectre of a Germany armed with nuclear weapons as a propaganda weapon to this end. I think NATO can and should do more to make known the purely defensive nature of its military planning and the safeguards that NATO offers against any possibility of misuse by one of its members of nuclear weapons. But I do not feel that this should deflect us from the course of action that NATO has chosen. Even if the forces of the Federal Republic were not equipped with modern weapons, the Soviets would undoubtedly concentrate their propagands upon the existence of any German forces at all, or on the presence of other NATO forces in Germany. This is in fact the process we are now witnessing, with the Soviets simulteneously propagandizing against the presence of British, Canadian and U.S. forces in Europe, NATO bases in other countries, the rearmament of Germany, and so on. To delay or give up any important element of NATO's defenses would, I feer, invite still further Soviet pressures in these directions.

I think I need not assure you of the determination of the United States to continue to seek the reunification of Germany, a dependable system of European security, and a controlled disarmment agreement. If Germany should be reunified in conjunction with a system of forces and arms limitations in Europe, it seems clear that a large part of the burden of defending the German area, whether or not she is a member of NATO, would have to fall on German forces. In the absence of general disarmment arrangements of some significance, the USSR would continue to be in a position to maintain a nuclear-equipped striking force of massive proportions against Central Europe, and it does not seem that to deprive German forces of the means of effective retaliation against a Soviet attack would be in the West's interest.

I apologize

I apologize for having written at such length, but I believe the importance of the subject justifies it. I appreciated the frank expression of views contained in your letter, and I have attempted to reply in the same fushion. I hope we shall have an early opportunity to resume the discussion of this and related matters.

With warmest good vishes,

Sincerely yours,

(signed) John Foster Dulles John Foster Dulles

Clearances:

G - Mr. Murphy//// C - Mr. Reinhardt/

S/P - Mr. Smith / /

S/AE - Mr. Farley // h/

EUR - Mr. Elbrick

CER - Mr. Lisle A

EE - Mr. Leverich/

BNA - Mr. Parsons

EUR/RA: BELTimmons: mck 4/28/58

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May 2, 1958

Discussion at the 364th Meeting of the National Security Council, Thursday, May 1, 1958

Present at the 364th NSC Meeting were the President of the United States, presiding; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Secretary of Commerce; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission; the Federal Civil Defense Administrator; the Chairman, Council of Economic Advisers; Mr. J. Walter Yeagley, Department of Justice; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Secretary of Defense; the Secretaries of the Army, the Navy, and the Air Force; the Chief of Staff, U. S. Army; the Chief of Naval Operations; the Chief of Staff, U. S. Air Force; Lt. Gen. Verne J. McCaul for the Commandant, U. S. Marine Corps; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Special Assistants to the President for Information Projects, for National Security Affairs, for Science and Technology, and for Security Operations Coordination; Assistant Secretary of Defense Sprague; the Naval Aide to the President; the White House Staff Secretary; Assistant Secretary of State Smith; Bryce N. Harlow, Administrative Assistant to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY

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E.O. 12356, SEC. 3.4(b)
Agency Case NSC F 89-274
NLE Case 19-21

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The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to developments in the Soviet ballistic missiles program; the May Day parade in Moscow; and the situations in Indonesia and Aden.

2. BASIC NATIONAL SECURITY POLICY (NSC 5707/8; NIE 100-58; NSC 5810)

General Cutler briefed the Council in very considerable detail on the highlights of NSC 5810. The first part of his briefing consisted of a statement of the many factors which had influenced the Planning Board in its review of basic policy. He then read the eleven major factors which had influenced the review. Thereafter he indicated where the new guidance and new emphasis in NSC 5810 reflected the impact of these factors. To this end he read pages 2 and 3, the Outline of U. S. National Strategy, which he described as the skeleton of the policy guidance as a whole.

General Cutler's briefing then concerned itself with the principal new emphasis in NSC 5810. Having concluded this section of his briefing, he turned to two very significant paragraphs in the new statement, which repeated and continued in effect the text of last year's statement. The first, paragraph 14, dealt with limited military aggression. The second, paragraph 41, dealt with Communist China and Taiwan. General Cutler pointed out that while the Planning Board had not formally recommended a revision of either of these two paragraphs, he himself personally said he would report his own views, shared by some members of the Planning Board, on these two paragraphs. Thereafter he read his own suggested revision of paragraph 14. He indicated that his alternative draft for paragraph 14 would make two major changes in the existing policy guidance. First -- that, in this period of relative nuclear parity, limited aggression may not always be confined to less developed areas. Second -- that, in this period of relative nuclear parity, it may not be in the U.S. interest to deal with every limited aggression by applying whatever degree of military force was necessary to suppress it. In general, he described the purpose of his proposed changes as designed to ensure that the United States would have a flexible capability so that it could determine the application of force best serving U. S. interests under the circumstances existing in each case of limited military aggression. (A copy of General Cutler's briefing note, together with a statement of the "Major Factors Influencing the Review of Basic Policy" and General Cutler's "Alternative Version of Paragraph 14", are filed in the minutes of the meeting and also appended to this memorandum.)

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After reading his alternative paragraph 14 and indicating the reasoning behind this suggested alternative, General Cutler first called on Secretary McElroy for comment.

Secretary McElroy observed that of course paragraph 14, on limited war, presented a subject of very great gravity. The subject had all the implications suggested by General Cutler's remarks with respect to our alliances. General Twining and he had just returned from the meeting of the Military Committee and the Defense Ministers of the North Atlantic Alliance.

Moreover, continued Secretary McElroy, these were not the only implications of General Cutler's revision of paragraph 14. There were grave potential budget implications. We are already launched on very extensive expenditure programs in the Department of Defense at the present time. While we need not necessarily stay on the same road along which these programs are taking us, the changes proposed by General Cutler as to increased capabilities for limited war could cost a great deal more money if they were not balanced by reductions in our expenditures to maintain our nuclear deterrent capability for massive retaliation.

In concluding his remarks, Secretary McElroy expressed the opinion that the subject of paragraph 14 was of the very greatest importance. Some of the Council members, and at least people in the Department of Defense, had not actually had adequate time to discuss and consider the problem of limited war as set forth in General Cutler's paragraph 14. While he was very much in favor of raising this problem for discussion in the National Security Council, he was opposed to any hasty decision as to how to meet the problem.

At Secretary McElroy's suggestion, General Cutler called on Secretary Quarles to add his thoughts on this subject. Secretary Quarles observed that the differences in the version of paragraph 14 contained in NSC 5810 and the alternative paragraph proposed by General Cutler, were rather subtle. Perhaps the single most important point underlying General Cutler's paragraph and reasoning could be expressed in some such way as this: Nuclear weapons will stalemate themselves and leave us and the Russians to fight wars with conventional weapons only. This was, of course, an overstatement. We can not exclude the use of nuclear weapons. We must, on the contrary, rely upon them. In the circumstances, therefore, the danger of speaking about a limited war involving the United States and the USSR is precisely that it would encourage this kind of erroneous thinking. It would be extremely dangerous, for example, to allow a concept to get out that if we were attacked in Berlin we would

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not apply all the necessary military force required to repel the attack. Any other concept than this, as to our reaction to an attack on Berlin, would have the effect of inviting a Soviet attack. Accordingly, Secretary Quarles felt that the whole problem set forth in paragraph 14 deserved further thought before any decision was made.

General Cutler then called on General Twining, who briefly stated that the basic problem emphasized by General Cutler's alternative paragraph 14 was not new to the Joint Chiefs of Staff. It was old, and in essence it could be described by the question, do we deemphasize our deterrent forces and increase our forces for limited war? He said he would like to have General Taylor address himself first to the problem, and thereafter to have the Council hear from the Chief of Staff of the Air Force, and finally again from General Twining himself.

General Cutler then called on General Taylor, who said he would present the views not only of himself but of the Chief of Naval Operations and of the Commandant of the Marine Corps. In reading his report, General Taylor noted the serious reverses which the United States in the last year had encountered in Indonesia, in the Middle East, and elsewhere. In the meanwhile, he pointed out, the Soviets had achieved virtual nuclear parity with the United States. This new and grave situation pointed up the need of the Joint Chiefs of Staff for new guidance. General Taylor's report called for greater flexibility in our military capabilities so that we were not faced with the alternatives of reacting to Soviet aggression by a massive nuclear strike or simply by retreating in the face of the aggression. General Taylor's report insisted that there should be no reduction in the strength of our nuclear deterrent capability, but at the same time it called for more adequate capabilities to resist limited aggression. The report also stressed the fact that limited war would not be confined, as in the current basic national security policy, to underdeveloped areas, but could occur in developed countries such as those making up the NATO Alliance in Europe. United States should be able to face up to a Soviet military aggression even without the use of any nuclear weapons whatsoever, as well, of course, as having available a wide range of nuclear weapons with yields down to very small amounts of TNT equivalent.

General Taylor's report indicated the belief of its three sponsors that the U. S. nuclear deterrent capability was essentially a shield, whereas our active military capabilities must be those designed for the conduct of limited war. General Taylor believed that this issue was well posed in General Cutler's alternative draft of paragraph 14, adoption of which by the National Security Council could go far to provide the required new guidance on U. S. military strategy. General Taylor called for the immediate adoption of the alternative paragraph 14, on grounds that the matter had been

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thoroughly studied and that nothing more would be gained from further reports on this subject emanating from the Joint Chiefs of Staff. (A copy of General Taylor's report is filed in the minutes of the meeting.)

In accordance with General Twining's proposal, General Taylor was followed by the Chief of Staff of the Air Force, General White, who likewise read a prepared written statement. He argued the Air Force position that NSC 5810 as written constituted a satisfactory statement of basic policy, although he said that the Air Force would recommend further discussion of the limited war problem if warranted after the study of this subject called for earlier by the National Security Council.

General White added his belief that U. S. military capabilities, both for general and for limited war, were now reasonably adequate. There were, of course, many other problems remaining. We must nourish the conviction that these military capabilities do exist. Otherwise we could inadvertently give currency to a belief that the U. S. response to local aggression would be ineffective.

Continuing, General White's report pointed out three areas which particularly required close scrutiny-guidance as to nuclear weapons use; general priorities for force composition; and the problem of local war. As to the first, NSC 5810 made a clear-cut statement that "we would place main but not sole reliance on nuclear weapons", and that these are considered "as conventional weapons from a military point of view". This was a realistic and essential doctrine.

The Air Force also believed that it found adequate guidance in NSC 5810 with respect to broad guidance on priorities for force composition. As stated in paragraph 14, these priorities were the development and maintenance of safeguarded and effective nuclear retaliatory power and the development and maintenance of adequate military programs for continental defense.

As for the problem of local aggression, this was described accurately in paragraph 14 as set forth in NSC 5810 (as opposed to General Cutler's alternative). We were to maintain forces "within the total U. S. military force", to deter, defeat, or hold local aggression—and the "prompt and resolute application of the degree of force necessary....is considered the best means, to keep hostilities from broadening into general war." NATO, according to present guidance, was properly excluded from the context of local aggression. (A copy of General White's written statement is filed in the minutes of the meeting.)

It then became the turn of General Twining to complete the presentation of the military points of view. Turning to the President, General Twining pointed out that the Council had now heard the compelling arguments, pro and con, with respect to the wording of

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the basic security policy. His own approach, he said, would be a little different from that of Generals Taylor and White. He believed that we would have to assume, in the first instance, that in due course the basic philosophy of NSC 5810 would become known to the world at large. Accordingly, we would have to concern ourselves with three significant implications. First, what would be the impact of the philosophy of NSC 5810 on our Free World allies? Secondly, how would the Soviets interpret this document? Thirdly, what would the document do to our own national will to face the problems of the future with strength and resolution?

As to the matter of the confidence and will of our allies, General Twining described the meeting last month of the Military Committee and the Defense Ministers of NATO.

In short, adoption of General Cutler's proposed alternative paragraph 14 would have an extremely adverse effect on the NATO Alliance.

As to the second point--what the Soviets would deduce from a change in our policy along the lines suggested by General Cutler--General Twining pointed out his view that a deterrent would cease to be a deterrent if the enemy came to believe that we had lost our will to use it.

As for the third point—the effect of a change of policy in this matter on the people of the United States—General Twining stated his opinion that no free nation would long survive if its people will not accept grave risks in order to save their freedom. Our nation might perish if we come to believe that general war is a remote possibility and thus lose the will and courage to face the dangers of the actual world in which we live.

For these psychological reasons, if not for any other, General Twining strongly urged the retention of last year's wording, which was the same wording as presently written in the corresponding paragraphs of last year's statement of Basic National Security Policy (NSC 5707/8, paragraphs 14 and 15).

Going on, General Twining insisted that the United States already possessed strong capabilities for fighting limited war. Indeed, we had not fully used this capability in Korea, against China, in Indochina, and in Indonesia. In other words, political decisions had more bearing on involvement in limited war than does military capability. Moreover, there is a greater degree of flexibility in our present military structure than many people realize. The bulk

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of our stockpile of atomic weapons, both in dollar value and in numbers, is in the low-yield variety, and this ratio is moving rapidly even more in the direction of the small weapons.

General Twining stated that he certainly had no closed mind on the subject of the composition of forces. However, he felt that no fire power of any kind is of any use if there is no will to use it. Also, any expansion of our forces designed for limited war would require considerably more of our resources, since it would be fatal to detract from the power of the strategic deterrent in order to provide forces of more limited capability.

General Twining concluded his remarks by stating that in his judgment we should not change the present statement of basic national security policy because of the serious adverse psychological reactions at home, in the minds of our allies, and in the minds of the Soviets. We could expand tactical type military forces within the terms of the present wording of the basic document, if we so desire. Secondly, we must accept the fact that any expansion of tactical type forces at the expense of the strategic deterrent is unacceptable at this time. (A copy of General Twining's statement is filed in the minutes of the meeting.)

When General Twining had concluded his remarks, General Cutler called on Secretary Dulles. Secretary Dulles stated that the topic on which the Chiefs of Staff had been speaking was one of tremendous importance. Turning to the President, he reminded him that some weeks ago the President had authorized the Secretary to discuss with the Secretary of Defense and others our existing strategic concepts. We have already had such a discussion. It was Secretary Dulles' belief that as matters were now proceeding one could foresee two or three years from the present that our principal allies will either demand that they be provided with a capability for local defense, or else they will disassociate themselves from their alliance with us.) We have a certain historical association with some of the Western European governments, but the mass feeling in these Western European countries is such that one can foresee a change of thinking in these governments. In three years or so the peoples of these countries will not go along with the policies of the present governments. When this time approaches, these European countries will conclude that either we do not intend to resort to nuclear war to defend them against the Soviets, or, if they think that we will resort to such warrare, they will disassociate themselves from us. Accordingly, it seemed to Secretary Dulles urgent for us to develop the tactical defensive capabilities inherent in small "clean" nuclear weapons, so that we can devise a new strategic concept which will serve to maintain our allies and our security position in Western Europe.

Secretary Dulles went on to say that he realized that there was a great deal of truth in what General Twining had stated about the adverse psychological effect of a change in our policy with

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respect to the nuclear deterrent and limited war. If, as General Twining argued, we could do all that was needed to develop greater capabilities for limited war under the terms of our existing basic policy, that was all well and good. But Secretary Dulles was not sure that this was in fact the case. At any rate, there must be an adequate capability to deal with wars not directly involving the United States and the USSR.

the United States, of course, has budgetary problems too. Whether we are making a wise and proper allocation of resources between the two main elements--viz., the deterrent
forces and the forces for limited war--was hard for Secretary Dulles
to judge as a layman; but he expressed the hope that our basic security policy, when we finally adopted it, won't compel us to allocate
so much of our resources to maintenance of the nuclear deterrent that
we will weaken our capability for limited war. As far as the State
Department was concerned, mobile elements such as our aircraft carriers have in the past performed very useful services in support of
our forces in somewhat weakened now. This was not really necessary.

Secretary Dulles then turned to the other main point as he saw the picture. He did not think we should permit a dangerous gard in or an increasing doubt as to the willingness of the United States to resort to massive nuclear retaliation until such time as we have something to take its place. The massive nuclear deterrent was run-wing its course as the principal element in our military arsenal, and very great emphasis must be placed on the elements which in the next two or three years can replace the massive nuclear retaliatory capability. In short, the United States must be in a position to fight defensive wars which do not involve the total defeat of the enemy. Our own military planning must shape up to meet conditions, When governments such as those of Macmillan and Adenauer will have disappeared. If we have to keep our basic policy paper in the form and language that it presently has in order to avoid showing our hand, this was OK with Secretary Dulles. But we must do everything that is necessary in order to develop the supplementary strategy of which he had spoken.

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Secretary Dulles also stated that he realized the budgetary implications of the point of view he was advancing. We have got to do all this in the way of military programs and still remain solvent. More than that, we must protect programs such as the mutual security program with which we wage the cold war. The military were afraid that resources required to enhance our capability for limited warfare would be diverted from the maintenance of our nuclear deterrent capability. This was a legitimate fear, but Secretary Dulles also feared that resources which should be allocated to the mutual security program might be diverted to assisting in the maintenance of our military programs.

In conclusion, Secretary Dulles expressed the opinion that, while NSC 5810 was a most interesting and challenging paper, he thought that the problems set forth in it required further study. Consideration of NSC 5810 could well occupy the time of the National Security Council for more than one session. It goes to the very heart of our policy in many more respects than had been discussed thus far. He personally would like to have more time to study the paper, inasmuch as he had only got around to it a day or two ago, and we all around the table had so many things to do. For example, he particularly wanted to talk further about the paper with Secretary McElroy and Secretary Anderson.

When Secretary Dulles had concluded his comments, General Cutler asked if there were others. The President replied that he had a couple of questions. Someone had remarked that mutual deterrence was an umbrella under which small wars could be fought without starting a global war-small wars even in the NATO area. The analogy of the umbrella did not seem appropriate to the President. Actually, the umbrella would be a lightning rod. Each small war makes global war the more likely. For example, the President said he simply could not believe that if the Soviets tried to seize Austria we could fight them in what the President called a nice, sweet, World War II type of war. This seemed very unrealistic to the President, and he felt that the matter must be looked into much more deeply.

The President then posed his second question. We really are faced with two possible courses of action. If we strengthen the mobile and tactical types of forces, either we do so by decreasing the strength of our nuclear deterrent force or else we will have to accept a massive increase in the resources to be devoted to our military defenses. If we accept the latter alternative, we have got to decide promptly by what methods we are going to maintain very much larger military forces than we have previously done. These methods would almost certainly involve what is euphemistically called a controlled economy, but which in effect would amount to a garrison state. For these reasons the President expressed his satisfaction that we were raising this most serious problem. This one paper, NSC 5810, said the President, was worth all the NSC policy papers which he had read in the last six months.

In his concluding remarks, the President again expressed strong doubts as to whether we could fight a limited war in the NATO area. At any rate, the President said he would not want to be the one to withhold resort to the use of nuclear weapons if the Soviets attacked in the NATO area. However, he said, he did not wish to be prejudiced in his judgments, and he was ready to be convinced of the contrary if this could be done. Obviously the Secretary of State takes the opposite view. The President wanted the case to be argued more fully.

Lastly, said the President, we were in great need of more definite information as to the exact size of the deterrent forces which we need today and which we will need over the next few years. This precise information should be brought out and discussed right here at the Council table.

Secretary Dulles quickly replied that he had never meant to say that we could keep a var in Europe within bounds and prevent its spreading into global war. What he had said was that unless we could satisfy our allies that they possess some kind of local military capability to defend themselves by other means than our resort to massive nuclear retaliation, we would lose our allies. The President replied by asking what else we had been trying to do these last years but try to induce our allies to provide themselves with just such a local defensive capability and, moreover, doing our best to help them achieve such a capability.

Secretary Dulles agreed that the President's observation was right, but expressed doubts as to whether we had been giving them the right kind of military assistance. What was needed was a modernization of the military capabilities of our European allies. These allies must at least have the illusion that they have some kind of defensive capability against the Soviets other than the United States using a pushbutton to start a global nuclear war. The President again expressed bewilderment. What possibility was there, he asked, that facing 175 Soviet divisions, well armed both with conventional and nuclear weapons, that our six divisions together with the NATO divisions could oppose such a vast force in a limited war in Europe with the Soviets?

Secretary Dulles responded by citing the example of Korea. We feel that there is an adequate deterrent to the renewal of Communist aggression against South Korea. This deterrent consists of our nuclear capability based on Okinawa. Nevertheless, we and the South Koreans maintain on South Korean territory 22 divisions, two of which are U. S.. Why do we do so? Primarily for political and psychological reasons. The South Koreans want to see defensive forces on their own soil. The same thing applies in Europe. It may well prove that local wars in Europe will spread into general nuclear war. But even so, we do not want to lose our allies before the war even starts. The President replied that it would be splendid

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if we could induce our NATO allies to maintain proportionately as many divisions as the South Koreans maintain in South Korea. Secretary Dulles said that we might indeed be able to do so if we were willing to pay out in military assistance to our European allies sums proportionate to the sums we provided to South Korea.

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At this point General Cutler suggested what he regarded as a suitable Council action with respect to the military strategy paragraphs of NSC 5810, and suggested that the Council turn its attention to other problems which arose in connection with other portions of NSC 5810.

Mr. Allen Dulles asked to speak before the Council finished its consideration of the military strategy sections of NSC 5810. He pointed out that it was in the newly developing areas of the world that the United States was suffering the hardest blows. We were quite thin in our resources to meet situations such as that in Indonesia at the present time and situations like it which might develop very soon in Laos. We should and can do more to meet such situations as these. In order to do so we need more funds, at least \$50 million additional. The President expressed his agreement with Mr. Dulles' suggestion, and said he was sorry that Mr. Dulles had not asked for more money if he needed it. Mr. Dulles pointed out at once that this was not the fault of the Bureau of the Budget.

Secretary Dulles said that he would presently go to Berlin. When he got there he would repeat what he had said in Berlin four years ago-namely, that an attack on Berlin would be considered by us to be an attack on the United States. Secretary Dulles added that he did not know whether he himself quite believed this or, indeed, whether his audience would believe it. But he was going to perform this ritual act. The President expressed surprise, and said that if we did not respond in this fashion to a Soviet attack on Berlin, we would first lose the city itself and, shortly after, all of Western Europe. If all of Western Europe fell into the hands of the Soviet Union and thus added its great industrial plant to the USSR's already great industrial might, the United States would indeed be reduced to the character of a garrison state if it was to survive at all.

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Secretary Anderson said he wished to comment on General Cutler's proposal with respect to Council action on paragraphs 13 and 14 and the other military strategy paragraphs of NSC 5810. He explained that he hoped that the Council would have the opportunity for a much longer discussion of the subject. He agreed with the President's estimate of the great significance of this paper. However, we were confronted by a differing judgment as to the facts of the situation. General Twining states that we have already achieved an adequate capability for conducting limited war. General Taylor says that we do not have such an adequate capability. General Twining stated his agreement with Secretary Anderson's remark, whereas General Taylor said that this was not a question of black and white but a question of judgment or of degree. General Cutler said that he was by no means suggesting that there be no further discussion of this problem. Secretary McElroy gave his support to the Council action suggested by General Cutler. He said also that he was so impressed with General Twining's comments on the psychological importance of making a basic change in our military strategy, that he believed that if we did change the policy in this respect the new language should be consigned to a limited-distribution annex.

General Cutler then went back to his briefing note in order to deal with the second of the two most significant paragraphs in the new statement -- namely paragraph 41, dealing with Communist China. He pointed out that paragraph 41 in NSC 5810 repeated the guidance in last year's basic policy with respect to Communist China. However, this paragraph contained no guidance as to a future attempt by other nations to seat Red China, rather than the Chinese Nationalist Government, in the United Nations. In view of the fact that there were many straws in the wind to indicate that such a move might be made, and that the United States might not be able to block it, he personally believed, along with certain Planning Board members, that the United States should be considering now, while it still enjoys its strong majority in the UN, alternative ways of dealing with such a contingency, and of finding a way to preserve the independence of Taiwan despite the loss of its status as representative in the UN of all China. Upon concluding his remarks, General Cutler asked Secretary Dulles to speak to this problem.

Secretary Dulles pointed out that, in line with General Twining's fears as to the unfortunate psychological impact of a change in basic policy, he believed that the last thing in the world we would want to commit to writing was a proposal of the sort suggested by General Cutler for paragraph 41. Furthermore, he doubted whether the tide was actually running against the United States in the UN with respect to seating Communist China. On the contrary, there was some evidence that the tide had turned in favor of our position against the admission of Red China. For example, the United Kingdom has committed itself to support the moratorium during the lifetime of the Macmillan government. Secretary Dulles doubted, therefore, whether any change in British policy on this subject was imminent.

General Cutler asked if there would not certainly be a change if Aneurin Bevan were soon to become Foreign Secretary. To this point, Secretary Dulles replied that if we were to review all our policies on such assumptions as this, there were a lot more significant changes to be made than our attitude toward the admission of Red China to the UN. If Bevan became Foreign Secretary, we would presumably be ousted from all our missile bases in the United Kingdom.

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The President expressed the belief that if the United States were to recognize Red China and agree to the admission of Red China to the United Nations, there would be a wave of insistence in Congress and among the American people that the United States withdraw completely from the UN.

General Cutler next directed the Council's attention to the first of five splits of view to be resolved by the Council. All these splits dealt with foreign economic matters. The first occurred on page 12, in paragraph 27-d, reading as follows:

"d. Because many less developed nations depend for economic growth on exports of a few basic commodities, their development programs are adversely affected by large fluctuations in prices of such commodities. If necessary for political reasons, the United States should, on occasion, join in a multilateral examination of price, production, and demand trends which might help to promote readjustments between supply and demand and reduce price fluctuations. /But the United States should not discuss the making of, or participate in, any international commodity agreement without the specific approval of the President./*

"* Treasury-Commerce proposal."

General Cutler pointed out that Mr. Randall had called attention to the fact that the CFEP, on October 11, 1955, generally disapproved of international commodity agreements, and that CFEP policy requires interagency policy-level approval before such an agreement may be discussed with a foreign nation. Neither of these points was reflected in paragraph 27-d, and Mr. Randall believed that the whole subparagraph should be deleted until present policy in this regard is first modified by the CFEP. Accordingly, General Cutler suggested that the subparagraph be deleted and its substance referred to the CFEP for action.

Secretary Dulles said that there was a statement made, he believed, at the 1957 conference at Buenos Aires which was based on the President's approved policy with respect to the problem of international commodity agreements and related matters. He therefore

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suggested that since this statement had been approved by the President, it should be inserted in NSC 5810 in place of the present subparagraph 27-d.

General Cutler asked Secretary Dulles if it were not possible to send the substance of this subparagraph to the CFEP for consideration by that body as having jurisdiction in this field. Secretary Dulles said he could not understand why this was necessary, inasmuch as the policy statement he was referring to had already been made by the President. Secretary Anderson suggested that decision should be delayed so that we could determine whether what was said at Buenos Aires on this matter in 1957 continued to be what we still believed to be wise policy. Secretary Dulles said he had no intention of going beyond what we had said at Buenos Aires, and handed the President a copy of the Buenos Aires statement. The President then suggested that the substance of subparagraph 27-d be transmitted to the CFEP together with Secretary Dulles' statement made at Buenos Aires. Secretary Dulles said he merely wanted to state that any severe inhibition such as proposed by Treasury and Commerce in the bracketed portion of subparagraph 27-d, against even considering or discussing international commodity agreements with our Latin American friends, would have catastrophic repercussions throughout Latin America. The President agreed that this was true, but also warned against the danger of price-fixing as an actual U. S. course of action. Secretary Anderson also expressed great concern about the problem, but likewise agreed that we could not certainly state that we would not even discuss it with our latin American maighbors. The President added that extreme care must be taken with regard to the wording of the policy guidance on this problem.

General Cutler then invited the Council's attention to the split in paragraph 27-e-(6), reading as follows:

"/(6) Be prepared to consider, on a case-by-case basis, participation with other Free World nations in multilateral development projects or funds./**

"** Treasury and Commerce propose deletion."

He added that since NSC 5810 had been circulated, State, Treasury and Commerce had agreed to a rewording of this subparagraph. General Cutler read the agreed rewording, and it was accepted by the Council.

General Cutler then moved on to subparagraph 37-c, dealing with Communist China and reading as follows:

"c. The United States should continue its unilateral embargo on trade with /similarly liberalize its trade policies with/* Communist China, North Korea, and North Vietnam.

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[&]quot;* ODM alternative proposal."

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TO: Secretary of State

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Control: 4399

Rec'd: - MAY 7, 1958

6:35 PM

THE AMERICAN CONTINENT COMES WITHIN RANGE OF HEAVY RUSSIAN ROCKET ATTACK, CAN WE BE CONFIDENT THAT THE AMERICAN PEOPLE WILL BE WILLING TO PROVOKE WHOLESALE DEATH AND DESTRUCTION IN THEIR MIDST TO PREVENT SOVIET AGGRESSION IN TURKEY OR WESTERN EUROPE? CAN WE BE SURE THAT A WAYE OF ENOTIONALISM SUCH AS WE HAVE RECENTLY SEEN HERE AND IN GERMANY, CHUPLED WITH TRADITIONAL ISOLATIONISM, MIGHT NOT COMPEL A FUTURE AMERICAN ADMINISTRATION TO RETREAT FROM THE POLICY OF THE SICLEAR DETERRENTY HE, AS I BELIEVE, WE CANNOT RELY WASHINGTELY ON THE NUCLEAR DETERRENT, THEN WE MUST FIND SOME OTHER METHOD OF PRESERVING PEACE.

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IN MY WIND THE SIGNIFICANCE OF THE MEMORANDUM IS IN THE QUOTED FOR TON WHICH CONFIRMS THE VIEWS WHICH I EXPRESSED TO THE NATIONAL SECURITY COUNCIL LAST WEEK, NAMELY, THAT OUR EUROPEAN FRIENDS WILL NOT IN FACT DEPEND UPON OUR WILLINGNESS TO INITIATE GENERAL NECLEAR WAR IF THERE IS AN ATTACK EVEN IN EUROPE. THIS MAKES IT THE MORE IMPORTANT IN MY OPINION THAT WE SHOULD I CONTINUE TO EXPLORE THE POSSIBILITY-OF DEVELOPING LOCAL DEFENSIVE POWER PRESUMABLY WITH TACTICAL NUCLEAR WEAPONS, AND NOT BUT ALL OF OUR EGGS IN THE GENERAL NUCLEAR-WAR BASKET. SAID AT THE SECURITY COUNCIL MEETING, HOWEVER CONFIDENT WE MAY BE IN OUR OWN MINDS AS TO OUR WILLINGNESS TO RESPOND TO AN ATTACK ON EUROPE BY STARTING A GENERAL NUCLEAR WAR, OUR TRIENDS AND ALLIES WILL NOT BELIEVE THAT IN FACT WE WILL DO THIS. 30, THEREFORE, UNLESS THERE SEEMS TO BE SOME ALTERNATIVE THEY WILL TURN TO PACIFISM AND NEUTRALISM. THE ALTERNATIVE MAY NOT IN FACT PREVENT THE WAR FROM BECOMING GENERAL NUCLEAR WAR, BUT MAY PREVENT NEUTRALISM.

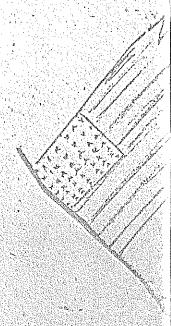
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Control: 4399. Rec'd: MAY 7, 1958

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TO: Secretary of State

FROM: COPENHAGEN

NO: DULTE 17. MAY 7. 8 PM

EYES ONLY ACTING SECRETARY FOR THE PRESIDENT. NO DISTRIBUTION BUT SHOW TO SECRETARIES MCELROY AND ANDERSON.

DEAR MR. PRESIDENT:

TT OPENS UP AS FOLLOWS:

QUOTE

WHEN IN A FEW YEARS! TIME THE AMERICAN CONTINENT COMES WITHIN RANGE OF HEAVY RUSSIAN ROCKET ATTACK, CAN WE BE CONFIDENT THAT THE AMERICAN PEOPLE WILL BE WILLING TO PROVOKE WHOLESALE DEATH AND DESTRUCTION IN THEIR MIDST TO PREVENT SOVIET AGGRESSION IN TURKEY OR WESTERN EUROPE? CAN WE BE SURE THAT A WAVE OF EMOTIONALISM SUCH AS WE HAVE RECENTLY SEEN HERE AND IN GERMANY, COUPLED WITH TRADITIONAL ISOLATIONISM, MIGHT NOT COMPEL A FUTURE AMERICAN ADMINISTRATION TO RETREAT FROM THE POLICY OF THE NUCLEAR DETERRENT? IF AS I BELIEVE . WE CANNOT RELY INDEFINITELY ON THE NUCLEAR DETERRENT, THEN WE MUST FIND SOME OTHER METHOD OF PRESERVING PEACE.

END QUOTE

A SOLUTION THAT:

THIS IS AN IDEALISTIC SOLUTION WHICH MIGHT PERHAPS BE USEFULLY PUT FORWARD AS A CHALLENGE TO THE RUSSIANS. HOWEVER, IT IS HARDLY IN MY OPINION A PRESENTLY PRACTICAL SOLUTION.

UNLESS "UNCLASSIFIED" REPRODUCTION FROM THIS COPY IS PROHIBITED.

UNCLASSIFIED

-2- DULTE 17, MAY 7, 8 PM, FROM COPENHAGEN, CN 4399

IN MY MIND THE SIGNIFICANCE OF THE MEMORANDUM IS IN THE QUOTED PORTION WHICH CONFIRMS THE VIEWS WHICH I EXPRESSED TO THE NATIONAL SECURITY COUNCIL LAST WEEK, NAMELY, THAT OUR EUROPEAN FRIENDS WILL NOT IN FACT DEPEND UPON OUR WILLINGNESS TO INITIATE GENERAL NECLEAR WAR IF THERE IS AN ATTACK EVEN IN EUROPE. THIS MAKES IT THE MORE IMPORTANT IN MY OPINION THAT WE SHOULD CONTINUE TO EXPLORE THE POSSIBILITY OF DEVELOPING LOCAL DEFENSIVE POWER PRESUMABLY WITH TACTICAL NUCLEAR WEAPONS, AND NOT PUT ALL OF OUR EGGS IN THE GENERAL NUCLEAR-WAR BASKET. AS I SAID AT THE SECURITY COUNCIL MEETING, HOWEVER CONFIDENT WE MAY BE IN OUR OWN MINDS AS TO OUR WILLINGNESS TO RESPOND TO AN ATTACK ON EUROPE BY STARTING A GENERAL NUCLEAR WAR, OUR TRIENDS AND ALLIES WILL NOT BELIEVE THAT IN FACT WE WILL DO THIS. JO, THEREFORE, UNLESS THERE SEEMS TO BE SOME ANTERNATIVE THEY WILL TURN TO PACIFISM AND NEUTRALISM. THE ALTERNATIVE MAY NOT IN FACT PREVENT THE WAR FROM BECOMING GENERAL NUCLEAR WAR, BUT MAY PREVENT NEUTRALISM.

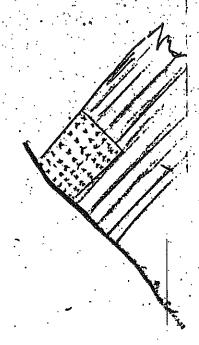
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Remarks of the Secretary - Opening Session Western European Chiefs of Mission Meeting Paris, May 9, 10:30 A.M.

The Secretary spoke as follows after brief introductory comments by Ambassador Houghton:

Thank you Mr. Houghton. I do not have today any comprehensive statements to make but rather I would address myself to a number of particular points which Mr. Elbrick has jotted down for me as subjects which might be interesting to you to obtain the Washington, Departmental point of view.

First, perhaps it would be useful if I said a word about the NATO Conference from which I have just come at Copenhagen. I think that it was a good conference -- in the same sense that the conference of a year ago at Bonn was a good conference and the SEATO conference at Manila was good-in the sense that we settled down to a what I hope will be a steady stride without any spectacular developments but with a steady building of what is perhaps the hardest task that can be undertaken internationally. That is the task of maintaining an alliance which is subject to many different influences, and attempting to maintain such an alliance in time of peace. There has been a basis in American tradition that an alliance will never last beyond the immediate emergency which brings it into being and that you can't expect a lasting alliance in time of peace. If you read the Federalist Papers you will see why the NATO alliance should have fallen apart a long time ago. I think we all realize there are very great hardships in a cooperation between a considerable number of countries in time of peace. Over a period of years this is a task of immense difficulty.

Since the time of the report of the 3 Wise Men, we have tried to introduce into NATO certain features designed to give it more unity and to counter tendencies which would pull it apart. One has been to improve the process of political consultation. That process has been developed, and in a fairly reasonable way. One of the difficulties in consultation is that you can get so involved in a network of consultation processes that you lose the capacity to act quickly and decisively at a moment when it is called for. Of course, the other alternative is that you consult so little that when the time for quick action comes you take your allies by surprise and they are upset. At Copenhagen, we discussed this. It was felt that our proposal in the SC for the establishment of an Arctic Inspection Zone as a countermove to the Soviet complaint was a move which all members of the NATO Council felt was well conceived. It fell within the pattern of matters which had been subject to consultation and illustrates how consultation and quick effective action can be combined.

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If this is continued for a long enough time they are apt to become more decent. This is all part of a great evolutionary process nations go through—it may take a decade or a generation—whereby the basic ideals and concepts of a free society gain acceptability in the world.

Now, we naturally try to hold back this acceptance of the Soviet. You can't make it more easy for them; you can't let them in the house if they are going to steal the silver or the furniture. If they gain this acceptability without further proof of their conduct, the operation might not be successful from our standpoint. But we can, I think, take a certain satisfaction over the fact that over the span of the last 20 years, from 1938 to 1958, the Soviet Union has, it seems, tended to renounce the more gross methods of extending its influence. While it is not nice to live in a society where there are cardsharps and people who sell unsound securities, we all of us prefer to live in that kind of world rather than one where robbers are liable to break into your house with violence, steal your silver and kidnap your children. Perhaps if you take the long view, we are moving in the direction of an evolution in the Soviet Union.

I turn now to more concrete matters which are some of the specifics of our relations with the Soviet Union, disarmament, and related problems. There is a rethinking of the problem of suspension of testing. There is no question but the present series of tests will go on and they will go on until the latter part of August or even a little later than that. There distinguished scientists including Dr. Killian who feel that. given proper controls, a suspension would be in the interest of the US. This view is not wholly shared by the Department of Defense and the Atomic Energy Commission, and not shared by those of our Allies who want to become proficient in the nuclear field - the UK and France do not want to be frozen in their present position by agreement on suspension of tests. It is rather interesting that although the US in the minds of most public opinion takes a propaganda beating for not wanting to suspend testing, a decisive factor so far in our not doing so is the attitude of our allies who do not come out into the open but who press in every possible way not to ... agree to suspended testing.

We had an important meeting in Washington prior to the suspension of testing by the Soviet Union regarding the possibility of our announcing the end of our testing after completion of the present series, and getting out our announcement before they issued theirs. This would have been tremendous propaganda coup and would have certainly upset the Communists. I think I can say the decisive reason why that was done was not a US consideration, but the feeling that some of our allies would feel that we had done them dirt had we done that, so we did not do it.

A great deal depends upon amending the Atomic Energy Act and we are trying to amend it in a fashion to permit us to share with our allies under certain conditions the benefit of our knowledge and testing to date. Under these conditions the UK for example might be willing to agree to a test

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suspension. Whether we are going to get that or not is not entirely certain. The general attitude of Congress is that while they are willing to have such an exchange of information with the UK, they do not want to have it with France or any other country, and that is a little awkward to deal with because, while the conditions of exchange are spelled out, we cannot in the act itself pick out certain countries and say we can exchange with the British and not with the French. That would make our problem more difficult. There is some thinking in Congress that maybe we better go at this in an entirely different way. This tought is that any agreement for exchange should be in the form of a treaty and then be brought to the Senate. If we bring a treaty with the UK they would probably ratify it, but if we bring a treaty with France, they would not.

That could have been a way of dealing with it except that we thought Congress did not want to deal with it in that way and if we had to make an entirely fresh start to negotiate with the British it would be well over a year from now until it were ratified, say it would set us back a year, and during that year we may have to make a decision one way or another.

The thing that impressed me perhaps most at the Copenhagen meeting on this general topic was the insistence of the continental countries that we maintain our proposals as a package. Here again the US is taking a propaganda beating, where the real culprit is perhaps our allies and not ourselves. Now it sounds quite logical to keep the package intact and logical to say you won't have any reduction of nuclear weapons and limitation on your ability to introduce nuclear warfare unless you reduce conventional weapons. If you give up nuclear weapons, this will give domination to the Sinc-Soviet bloc over the free world countries of Europe.

That is a very logical argument to make. There are two comments to make on this. One is that the regular control of convential armaments is so complicated and indeed so impossible a task that if you make that a condition you are in effect preventing an agreement of any kind whatever.

After the first World War, the Western countries, at a time when Germany was totally disarmed, tried among themselves for six years to work out some system of armaments control. It was so complex, there were so many permutations, it was just impossible to do so. Take the question of numbers of people in the armed forces. Say we are going to have 2 million for Russia, 2 million for US. That doesn't mean anything at all in terms of real military strength. You must go beyond that. What is your training systam? How many people do you have in the National Guard or its equivalent? What forces are there in the Russian or Georgian Republic? You can have so many different ways of evasion that it becomes a totally meaningless thing. If you add to your national forces the police force, for example, the problem is endless. I attended the London meeting last year about this matter. We all agreed you know that we would have 2 million men for US and 2 million for Soviet Russia, with 750,000 for France. Pineau said that 750,000 was the number we normally have in service; when we call back to the colors the reservists, that would be above the 750,000. He wanted to make that clear. This shows how meaningless it all is.

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When you try to equate tanks and artillery it is hopeless. A certain number of tanks in the US is a totally different proposition from the same number of tanks in the Soviet Union. The same goes for artillery. Also, a certain number of tanks manned by Russians is perhaps something different from the same number of tanks manned by other countries of Europe—not to be mentioned here. But there are differences in the martial quality of people which present a new element in the situation. Thus, if you insist on conventional disarmament, you're not going to get disarmament at all.

 \sqrt{N} ow the other observation that I have to make is on the contention of some that if we eliminate nuclear warfare to such an extent that the US for example would be safe, this would make Europe the subject of domination by Soviet-Sino bloc because of its conventional strength.

Two World Wars showed that any nation which starts aggression in Europe and is not able to smash the tremendous military potential in the US is lost. We have to keep our potential intact. This frankly is the view of President Eisenhower, his own military view. The US mobilization potential is really the offset or counterpart of Soviet conventional armament. "Banning the bomb" may this not put the US in a disadvantageous strategic position. But Western Europe would, nonetheless, be subject to being overrun by the forces of the Soviet bloc and our ability to reconquer their territory subsequently would not be very comforting to Europeans. But the recollection on the part of Soviet leaders of the fate of those who previously underestimated US mobilization potential would certainly serve as a derrent to military adventure under conditions of atomic disarmament.7*

Now for some of the geographical problems. The problem of North Africa is most serious. The French talk to us frequently about their desire to retain their special position in North Africa. It seems to be quite a prevalent feeling in France that the US is trying to destroy that special position in order that we could move in. Particularly our oil companies are said to want to take over oil refineries of Sahara. Well, I've tried, as did President Eisenhower, last December to denounce and ridicule that idea. It has not the slightest semblance of reality. I say to the French and I say in all sincerity that the one thing that we want to see prevail is the special relationship between France and North Africa. We think that it is vital to the future of Western Europe that it should have good relations with Africa by being able to coordinate its natural resources with the industrial power of Western Europe. Africa is in a sense a hinterland of Europe, just as our great West was the hinterland of East. US policy is designed to do anything to promote better relations, but we are concerned that French policies will destroy that relationship, and that is the reason why we have some reservations. Any F ench program to preserve French influence in North Africa the US is 100% behind. But the French are backing to the hilt policies which are going to destroy what they say they want to conserve. We

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* The portion in brackets was only partially transcribed and represents a reconstruction of the Scretary's treatment of this point.

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make it foolish for us to destroy all of ours. In other words, a set of problems is beginning to show its head. Mr. SMITH may be able to knock off that head.

Mr. THOMPSON: There seems to be considerable belief that our purpose is to provide for control of only long-range missiles. The Soviet argument against our proposal, on the grounds that we propose abolishing their ICBM's weapons but not our shorter range weapons, has considerable appeal. My understanding is that this is not correct. If so, shouldn't we say so.

The Secretary: This is a deliberate perversion on their part. This is a deliberate misinterpretation which they put on it to put us in the wrong. Perhaps we haven't done enough to counter that. All we said is outer space should be used only for peaceful purposes. Obviously an intermediate range missile uses outer space in the same way as an intercontinental missile.

Mr. THOMPSON: I had assumed we were holding this back for bargaining purposes.

The Secretary: I think perhaps one reason we have not pushed it is for bargaining purposes. Another is that there is some indecision at governmental level on how deeply we want to be involved in the light of the caveats put forward by the technical advisers.

Mr. TAYLOR: Will the Summit Conference be held at Geneva?

The Secretary: I think probably. The Soviets offered to hold it in the US. Last fall, when they were trying to push this, the Soviet Ambassador came to see me and President Eisenhower and said that as a gesture to recognize the President the Soviet leaders would be willing to come to the US. I think that would be somewhat of a liability. It would be difficult to hold a Summit Meeting in the US. Presumably it would have to be in New York as there are no adequate facilities in Washington. There would be demonstrations. If you had both Tito and Khrushchev it would be a fantastic security problem.

Mr. TAYLOR: Khrushchev wrote a letter to President Eisenhower using the name of Switzerland without consultation with that country.

Mr. YOUNG: If a meeting were held, it probably would be in Geneva?

The Secretary: That is my impression. We haven't gotten to the point of giving it serious consideration.

Mr. WHITNEY: We have rather strong pressure for some form of disengagement. Could you tell us something about our position on that general subject?

The Secretary: That subject was mentioned at the Copenhagen conference and Mr. SPAAK said it was a naughty word and couldn't even be translated into a good language like French. Mr. LLOYD said it wasn't an English word at all, an American word invented by an American. I suspect he was thinking of Mr. KENNAN. We do not think well of the concept of so-called disengagement

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because of the fact that the practical application of it would be to neutralize or demilitarize Germany and we do not think that is either a desirable or practical thing to do. Certainly the Germans don't think so at least the present German Government. I don't think it has any intrinsic merit as a safeguard against war. I suppose the lowest level of disengagement today is Korea, where you have a line on either side of which are heavily armed forces facing each other and perhaps that is a place where hostilities are least likely to break out again. I don't think you can say that, at a time when warfare would be initiated by aerial attack or by missile attack, the fact that you had an area in Europe from which forces were withdrawn would give any added guaranty to peace. I think that an attempt to neutralize a great nation like Germany would be almost certain to come to trouble. You may have a wave of pacifism in Germany, but that is going to be a passing phase. Of course, you had a wave of pacifism after the first World War. I remember being in Germany in the 20's when a group of militarists--Kapp--seized the government buildings in Berlin. You had such a violent reaction on the part of the German people they couldn't stay there; there was general revulsion against militarism. All those things come and go and it was only 10 years later when the tide swung in the other direction. My own feeling about Germany is that Germany is not safe for the world unless Germany is tied in to other countries in some way that there cannot be a disengagement. It is the integration of Germany with France and the Netherlands, the UK, US, that is the thing which is going to make Germany safe. But to say that Germany is going to be a safe country neutralized, I think is a most dangerous concept. If I had to choose between a neutralized Germany and Germany in the Soviet bloc, it might be almost better to have it in the bloc.) That clearly is not acceptable but disengagement is absolutely not acceptable either.

I said to the Soviet Ambassador to the UK at the Disarmament talks last summer the safe thing for the world is to have Germany tied into NATO and move toward Western European Union.

The mixing of German troops with British, American, etc., developing things like Common Market, etc., makes Germany safe for all of us and I think any program which tends to neutralize Germany or differentiate Germany is going to be fraught with very great danger. Germany tied in with WE countries, that is the safe thing for us all.

Mr. THOMPSON: What is the future of trade controls?

The Secretary: The negotiations are going on here in Paris. The US position is to favor the liberalizing of those trade controls to a considerable extent, not to the full extent which UK would like, but to an extent which I think is entirely acceptable to us and most of the other COCOM countries. This liberalization is official Government opinion, that is top level thinking, but it can not be expressed in terms of items, for when it comes to each item we have a battle to fight with the Department of Defense which does not want to have anything liberalized. So the matter is moving somewhat slowly, but the end result will probably be a reduction in controlled items.

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THE SECRETARY OF DEFENSE

Series "B" 9 May 1958

MEMORANDUM FOR THE SECRETARY OF THE ARMY
THE SECRETARY OF THE MAVY
THE SECRETARY OF THE AIR FORCE
THE CHAIRMAN, JOINT CHIEFS OF STAFF

Subject: Easic National Security Policy (NSC 5810/1): Points Raised by the President (C)

- 1. There has just been transmitted to the Secretary of Defense by General Cutler the following statement of the points made by the President at the NSO meeting of 1 May 1953 in connection with consideration of Basic National Security Policy, NSO 5810/1* (which the President has subsequently checked):
- a. He doubted the validity, of the concept that "mutual deterrence" provides an umbrella under which "small wars" could be waged in areas such as NATO without expanding into general nuclear war. Accordingly, he thought this concept required further study.
 - b. He asked for further study and debate on the view that it would be possible to withhold invoking our massive nuclear retaliatory capability in the event that the Soviet Union attacked in the NATO area.
- c. He thought there were various alternative courses of action, if we were to strengthen our forces and our capabilities. for limited war. One alternative might be at the expense of our nuclear deterrent capability. If such an alternative were adopted, we would need a detailed accounting by the Joint Chiefs of Staff as to precisely what would constitute a satisfactory deterrent. Another alternative could involve a massive increase in resources allocated to defense. If such a course

^{*} Enclosure to J.C.S. 2101/313

9/29/58 PHd war

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Hay 29, 1958 1:00 p.m.

MEMORANDEM OF TELEPHONE CONVERSATION WITH SECRETARY MCELROY

Secretary McElroy telephoned to say that Secretary Dulles had come over about a month ago to discuss his concern that the NATO countries are becoming disenchanted with the support we have been giving and promising in the strategic delivery kind of concept. Secretary Pulles and others had since raised the question at NSC and elsewhere as to whether we have adequate limited warfare capability. Secretary McElroy said he had discussed this matter at length with the Joint Chiefs, the Service Secretaries and Mr. Quarles, and they feel a need to sit down with Secretary Dulles, Mr. Herter, and anyone else they would like to have present, to make sure there is mutual understanding. Secretary McElroy said he thinks we have a very sizeable limited warfare capability which is not really well understood, partly because of a tendency to be preoccupied with the more novel strategic delivery systems to the exclusion of anything as prosaic as ground forces, etc.

Secretary McElroy said he would like to suggest an early dinner -- 6:00 or 6:30 -- some convenient evening in his office at which Defense could present a briefing of the capabilities they now have for limited warffareand, in turn, get a better understanding of what State's real problems are in this area in which Defense could be more helpful.

At the Under Secretary's suggestion, Secretary McElroy said he would write Secretary Dulles a note as to dates which might be mutually convenient for such a dinner meeting.

Christian A. Herter

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Authority <u>MB 79-63 #6</u>

By ______ NLE Date <u>5/10/79</u>

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MINIMIPON FOR The Secretary of State

To "Implementing Instructions."

(The first anniversary (May 22, 1950) of the President's approval of the "Authorisation for the Expenditure of Muclear Feapone" passed without matter.

In eries to carry into effect this "Authorization," it was necessary to propers and get approved by the President the so-called "Implementing Instructions" have been prepared by Defense and discussed with State during the twelve menths since Kay, 1957. The final Defense version of the "Implementing Instructions" was substitted for your consideration on April 22, 1958. Ecosuse of doubts thich you felt about this dualt, two sectings scheduled with the President were postponed.

- (a) If there are still differences between State and Defense, can you make a date when Defense could most with you in your office as a first stop toward a meeting with the President?
- (b) If there are not significant differences between you and Pefense, the give me a date which would be convenient for you to neet with inference in the President's office?

2. RTC Hooting, June 19.

i have been wordering if the proparations by yourself and the Special MSC Cornities appointed under MSC action 1893 (April 3, 1958) to propare for a possible "Summit Medting," have sufficiently advanced so that you would be able, and willing, to discuss for a little while before the Council two weeks from new posse of the problems which you are facing and some of the progress which is being made.

Jim Millian showed so a scientific recovered which he submitted to the "Sound Committee." While I did not think this emprancies, etanding by itself, "Des Capacitates for a Commil presentation and discussion, each material might be one expect of such a discussion on June 19, 11 you approved.

The Precident has several time mentioned to so his desire to utilize the Council forms for dismensions. I as comptently on the lock-out for extore which could to be brought to the Council's attention while the integrative process is still at make

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except for portion(s) identified as Restricted Data or Formerly Restricted Data (FRD) by the Department of Energy, which is outside jurisdiction of the ISCAP.

REPORT TO THE PRESIDENT AND THE PRIME MINISTER

Subject: Procedures for the Committing to the Attack of. Nuclear Retaliatory Forces in the United Kingdom

- 1. Pursuant to the suggestion made by the Prime Minister to the President on April 24, 1958, representatives of the United States and United Kingdom Governments, led respectively by Mr. Robert Murphy and Sir Patrick Dean, have met in Washington. They studied how procedures of the two Governments might be concerted for reaching a decision to respond to a Soviet attack by committing nuclear retaliatory forces to the attack from the United Kingdom. The present report summarizes the results of these talks.
- 2. The basic understanding between the United Kingdom and United States Governments, regarding the use of bases in the United Kingdom by United States forces, provides that such use in an emergency shall be a matter for joint decision by the two Governments in the light of the circumstances at the time. A similar provision is incorporated in the Agreement of February 22, 1958, pursuant to which certain intermediate range ballistic missiles are to be provided to the United Kingdom Government by the United States Government. Decision by both parties would also be required in order to commit to the attack aircraft of the Royal Air Force Medium Bomber Force carrying nuclear weapons

3. If Western retaliation is to be successful, there must be mutually understood procedures for ordering the retaliatory forces referred to in paragraph 2 above into action with the minimum delay.

4. An outline of United Kingdom procedures is attached at Annex A, and an outline of United States procedures at Annex B. Representatives of the two Governments are satisfied that these procedures, which are designed to be put into effect with the minimum delay, are mutually understood and mutually consistent.

THE DIVISION OF CLASSIFICATION, U.S. EMERGY RESEARCH AND DEVELOPMENT APRILIPMENTALISM, HAS DETERMINED THAT THIS DOCUMENT COMPANY NO. RESTRICTED DATA OR FORMERLY RESTRICTED DATA. ERDA HAS NO OEJECTION TO ITS DECLASSIFICATION,

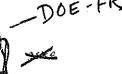
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It will be seen that the "joint decision" required by the basic understanding between the two Governments would be taken by the Fresident and the Prime Minister, who would speak personally with each other.

5. It should also be noted that the attached procedures relate only to the committing to the attack of retaliatory forces referred to in sub-paragraphs (a), (b) and (c) of paragraph 6 below. They do not deal with the employment of United States retaliatory forces located outside the United Kingdom or with the employment of United Kingdom retaliatory forces other than those specified in sub-paragraphs (a) and (b) of paragraph 6. The United States Government, of course, retains the right in accordance with normal procedures to withdraw from their United Kingdom bases United States Air Force units deployed in the United Kingdom, and to redeploy such units elsewhere.

6. The categories of retaliatory forces to which the attached procedures apply are as follows:



- (b) Royal Air Force IRBM force to be created pursuant to the Agreement of February 22, 1958;
- (c) Units of the United States Strategic Air Command located in the United Kingdom.

In addition, there are also located in the United Kingdom certain United Kingdom and United States tactical bomber units committed to SACEUR and having a nuclear retaliatory capability. The use of the bases in the United Kingdom on which United States tactical bomber units are located falls under the basic understanding referred to in paragraph 2 above. Some adaptation of the attached procedures may be required to make them applicable to the NATO-committed tactical bomber units referred to earlier in this paragraph. Accordingly, the two Governments have agreed that they will respectively review as soon as possible their procedures covering such units. After consultation with SACEUR, they will make any additions and/or modifications to the attached procedures that may prove necessary in order to make such procedures applicable to all categories of retaliatory forces, including tactical bomber units, located in the United Kingdom.

Robert Hurphy

(a)

Patrick Dean

Washington, June 7, 1958.

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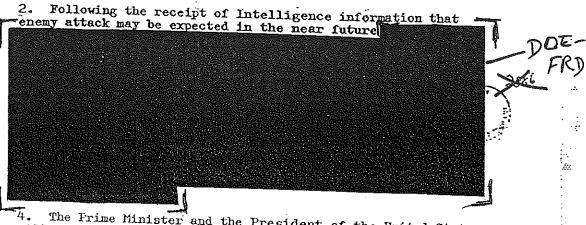
Washington, June 9, 1958

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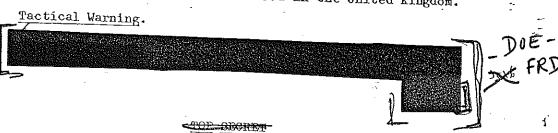
UNITED KINGDOM PROCEDURES PRIOR TO ACTION BY NUCLEAR RETALLATORY FORCES BASED IN THE UNITED KINGDOM.

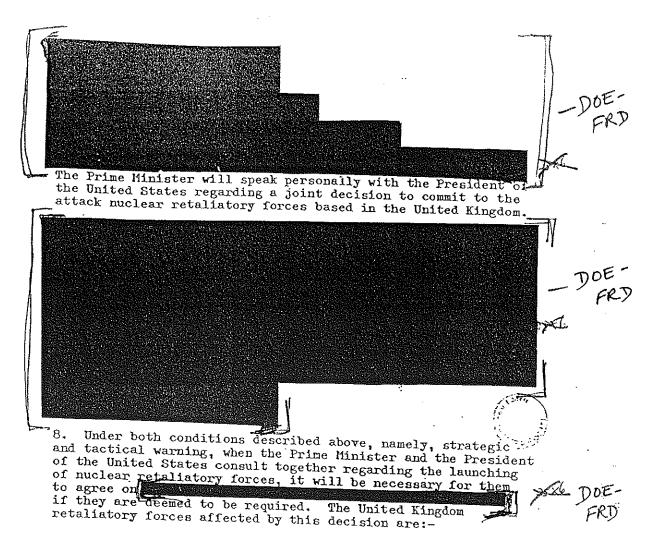
- 1. In setting out courses of action to precede the despatch of nuclear retaliatory forces based in the United Kingdom two conditions of alert or warning periods are envisaged:-
 - (a) Strategic Warning. This implies the receipt of early information by the Joint Intelligence Committee concerning enemy intention to attack. Under these conditions the maximum number of bomber aircraft would be deployed at readiness as quickly as possible.
 - (b) Tactical Warning. This implies short warning of imminent attack derived from positive radar or other means. Under these conditions that portion of the medium bomber force held at readiness would be available for instant retaliatory action whilst the remainder of the force would come to readiness and be despatched in accordance with existing plans.

Strategic Warning.



4. The Frime Minister and the President of the United States will consult together regarding a joint decision to commit to the attack retaliatory forces based in the United Kingdom.





(a) The Nedium Bomber Force;

(b) The Royal Air Force IRBM force to be created pursuant to the agreement of February 22, 1958.

9. Following agreement
Prime Minister will authorise the Chairman C.O.S. Committee
to implement war plans requiring their use.

TOP SECRET

PROCEDURES PRECEDING ATTACK BY UNITED STATES RETALLATORY FORCES FROM THE UNITED KINGDOM

- 1. These procedures apply under two conditions, that of strategic warning and that of tactical warning, defined as follows:
- a. Strategic warning warning, based on all available information, concerning possible enemy intent to initiate hostilities. Strategic warning is considered to be a time sufficient to permit United States forces in being to be deployed and in a state of maximum readiness.
- b. Tactical warning warning based on information which positively indicates that an enemy attack is underway, or has occurred. Tactical warning will allow for little or no deployment of forces.
- 2. On receipt by the National Indications Center of Intelligence information which indicates that an enemy is likely to launch an attack, the United States Intelligence authorities will be informed and they will immediately notify the Joint Chiefs of Staff and the members of the National Security Council.
- 3. In the case of strategic warning (1.a. above) received by the United States, the intelligence information and the evaluation thereof will have been passed to the Joint Intelligence Committee (London) and the Joint Intelligence Committee (Ottawa) pursuant to the Tripartite Alert procedure agreed to among the Governments of the United Kingdom, Canada and the United States.
- 4. Upon receiving tactical warning (1.b. above), the Commander-in-Chief, Strategic Air Command may launch his Alert Force under "Positive Control" procedure, which proceeds on prearranged routes toward targets, but will not pass beyond a specified line without further definite instructions.
- 5. The following actions will be taken, depending upon the type of warning received:
- a. The Secretary of Pefense will advise the President
- b. The Department of Defense will notify appropriate Government agencies of the situation.

- c. The Joint Chiefs of Staff will simultaneously dispatch prepared alert messages to all field commanders including CINCEUR and CINCSAC; the Members of the NATO Standing Group; major NATO commanders; and the Chairmen. Chiefs of Staff Committees, United Kingdom and Canada.
- 6. The President will speak personally with the Prime Minister of the United Kingdom regarding joint decision to commit forces located in the United Kingdom.
- 7. Upon the President's authorization, the Joint Chiefs of Staff will direct the implementation of appropriate war plans, stating that the use of atomic weapons is authorized.



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DEPARTMENT OF STATE

2777

Memorandum of Conversation

DATE:

June 9, 1958

SUBJECT: Anglo-American Relations with General de Gaulle's Government

	United States	United Kingdom		,
PARTICIPANTS:	The President The Secretary Mr. Reinhardt Mr. Elbrick General Goodpaster Mr. Dale	The Prime Minister Ambassador Oaccia Sir Norman Brook Sir Patrick Dean Mr. Frederick Bishop		
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graphic and the second of the	S/P Embr	Mr. A. Dulles say London - Amb. Whitney say Paris - Amb. Houghton	23 C M	_

The Secretary raised the question of what general policy the US and UK should adopt vis-a-vis General de Gaulle and his Government.

Provident believed that we should specify subjects where we want General de Gaulle's participation and perhaps take the initiative in asking him in. For the rest, we should deal with him bilaterally in order not to jeopardize our highly successful working relationships. He cited the Summit preparations and NATO problems as examples of questions in which General de Gaulle should be brought in.

would object if we established any sort of political standing group in NATO on a pripartite basis and the President explained that he did not intend anything like that, but he believed that we should discuss on a tripartite basis problems involving the defense of Europe.

0, 1256, SEC 13(0)(3)(.) V.SC (526.) 13/3/(.)

The Secretary expected that this will pose very difficult questions for us especially since the Joint Congressional Committee report is loaded in favor of the UK and against France. He predicted that it would be extremely difficult to obtain Congressional approval for a bilateral agreement with France of the type we are working out with the UK. He thought that de Caulle might counter this setback by denying missible bases of the territory to NATO.

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The President

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The President expressed the view that the restrictive clauses in our present atomic energy legislation serve no useful purpose, since the Soviete have almost as much information on the subject as we. Nevertheless, he doubted whether we could obtain Congressional approval for a satisfactory bilateral agreement with France and asked about the feasibility of a treaty.

The Secretary's opinion on this was that it was very doubtful whether we could get a 2/3 vote of the Senate since Congress is "pretty sore at the French", although some like de Gaulle.

The President stated that we cannot treat de Gaulle as if he were "like God" and the Secretary agreed, and summarized the consensus on this subject as follows:

We would undertake a tripartite relationship with de Gaulle in those areas where there exists an historical basis for it, such as in the Summit preparations and the re-unification of Germany. Otherwise, we will deal with the French through bilateral arrangements and, when appropriate, through NATO. In such cases, however, we will keep each other fully informed of any talks we hold bilaterally with the French.

Cleared with Mr. Elbrick 6/10/58

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June 20, 1958

MEMORANDUM

SUBJECT:

Discussion at the 369th Meeting of the National Security Council,

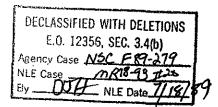
Thursday, June 19, 1958

Present at the 369th NSC Meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were Mr. Fred C. Scribner, Jr., for the Secretary of the Treasury; the Attorney General; the Director, Bureau of the Budget; Mr. Walter Williams for the Secretary of Commerce (Items 2 and 5); the Chairman, Atomic Energy Commission; the Federal Civil Defense Administrator; the Chairman, Council on Foreign Economic Policy (Items 1 and 5); the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Assistant to the President; the Acting Director, U.S. Information Agency; the Director, International Cooperation Administration; the Special Assistants to the President for National Security Affairs, for Science and Technology, and for Security Operations Coordination; the White House Staff Secretary; Assistant Secretary of State Gerard Smith; Assistant Secretary of Defense Mansfield Sprague; the Naval Aide to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. BASIC NATIONAL SECURITY POLICY
(NSC Action No. 1903; NSC 5810/1; Memo for NSC from Executive Secretary, same subject, dated May 26, 1958)

General Cutler explained that the President would be delayed for a few minutes and he would accordingly change the order of items on the agenda, dealing first with the question of U.S. policy with respect to international commodity agreements which had been unresolved when the Council last discussed it in connection with Paragraph 27-d of our new Basic National Security Policy (NSC 5810/1), at the Council meeting on May 1, 1958. He pointed out that on this occasion the issue had been referred to the Council on Foreign Economic Policy. On May 22, 1958 the Chairman of the CFEP, Mr. Randall, had filed a report with the Council giving the text of existing CFEP policy on international commodity





agreements and also the consensus of the CFEP that this policy remained valid and should be continued in effect. (A copy of General Cutler's briefing note is filed in the Minutes of the Meeting and another copy is attached to this memorandum).

At the conclusion of General Cutler's briefing, Secretary Dulles stated that he had an observation to make with respect to the text of our policy in the matter of commodity agreements. He pointed out that the text of our policy as formulated by the CFEP revealed two different emphases. The first paragraph which reads as follows:

"The United States shares the concern of other nations about the problems arising from commodity price and market instability and is prepared to discuss and explore with other governments possible approaches to these problems"

according to Secretary Dulles emphasized the willingness of the United States at least to discuss and explore approaches to these problems. On the other hand, the last paragraph of our policy reading as follows:

"Representatives of the United States will not participate in any discussion or meeting with respect to an international commodity agreement and will make no commitment as to U.S. participation in such an agreement until approved at the interagency policy level within the Executive Branch."

appeared to have a somewhat conflicting emphasis. It seemed quite possible to Secretary Dulles that the discussions authorized by the first paragraph could lead to a commodity agreement in which other nations than the U.S. would participate. A current example is that of coffee. Under existing world economic conditions, Secretary Dulles felt that we would want to be sure that the first paragraph of this policy was liberally interpreted when it was implemented although of course we would not agree to actual U.S. participation in any commodity agreement.

Mr. Randall said he not only understood Secretary Dulles's point but agreed with him. Indeed this specific matter had been discussed at great length by the CFEP. The general view in the CFEP was that the U.S. should go ahead and discuss commodity problems with other nations as much as they desired but not to the point of sticking our necks out too far and being committed to participation in an international commodity agreement. Mr. Randall thought it was extremely difficult to express in words the sensitive emphases that both he and Secretary Dulles were agreed upon. It was hard to draw so fine a line.



Secretary Dulles said he believed that Mr. Randall was on the right track. Under current conditions the U.S. simply could not hold itself aloof from these problems of commodity price and market instability as we had been in a position to do when our policy on this subject had first been adopted and when commodity prices were relatively high.

The National Security Council:

- a. Concurred in the recommendation by the Council on Foreign Economic Policy, prepared pursuant to NSC Action No. 1903-b-(5) and transmitted by the reference memorandum of May 26, 1958, that existing policy on international commodity agreements is satisfactory and should be continued.
- b. Noted a statement by the Secretary of State that, in the implementation of U.S. policy on international commodity agreements, a liberal interpretation should be given to that portion of the policy which states that the United States is prepared to discuss and explore with other governments possible approaches to problems arising from commodity price and market instability; while adhering to that portion of the policy which states that the United States will not participate in any discussion or meeting with respect to an international commodity agreement and will make no commitment as to U.S. participation in such an agreement until approved at the interagency policy level within the Executive Branch.

NOTE: The above actions, as approved by the President, subsequently transmitted to the Chairman, CFEP.

2. U.S. POLICY TOWARD THE SOVIET-DOMINATED NATIONS IN EASTERN EUROPE (NSC 5811; Memos for NSC from Executive Secretary, same subject, dated May 13 and 21, 1958; NSC Action No. 1914; NSC 5811/1)

In briefing the Council General Cutler reminded the members that the paragraph in this policy (NSC 5811/1), relating to a proposal to normalize U.S. trade in non-strategic goods with the Soviet-dominated nations, had not been adopted by the Council but had been referred for further consideration by the President to the Secretary of State together with Annex C of the paper which spelled out in greater detail proposals by the Department of Commerce for stimulating American businessmen to engage in non-strategic trade with the Soviet satellites. The Secretary of State was now ready to inform the Council of the results



of his further review of Paragraph 40 and Annex C. In the course of General Cutler's briefing, the President took his place at the table as did Mr. Walter Williams representing the Secretary of Commerce. (A copy of General Cutler's briefing note is filed in the Minutes of the Meeting and another is attached to this memorandum).

Secretary Dulles informed the Council that he was not at present in a position which would permit him to favor the proposal of the Department of Commerce to launch a considerable campaign designed to interest U.S. businessmen in trade with the satellite nations. In recent weeks the situation of the Soviet satellites had become so ambiguous that it now seemed wise to keep our trade program with them very closely under Washington policy control so that we could turn on or off the flow of trade with the satellites as circumstances dictated. We would not be in a position to regulate such trade if we had told our businessmen in advance to go ahead and engage in extensive trade with the Soviet-dominated states.

In explanation of his change of view, Secretary Dulles pointed out the likelihood that the Soviet Union was in the midst of reverting to the old Stalinist policy of harsh control of the Soviet satellites. This development was illustrated by the recent execution of the leaders of the Hungarian revolt. In connection with the latter event, said Secretary Dulles, the Yugoslav Ambassador had commented to him only yesterday that these executions in Budapest did not constitute the epilogue to the Hungarian revolt, but rather the prologue to something else. Thus, if the satellites are going to be even more completely dominated by the Soviet Union, this would not be an appropriate time for the U.S. to inaugurate and endorse a policy of increasing the volume of trade between the U.S. and the satellites.

Secretary Dulles went on to observe that this matter of U.S. trade with the satellites was related to Khrushchev's proposal for greatly increased trade between the U.S. and the Soviet Union itself. In view of the present mood of the Soviet rulers, Secretary Dulles thought it would be idle to imagine that the U.S. could have one kind of policy with respect to U.S. trade with the U.S.S.R. and another kind of policy for our trade with the Soviet satellites. Accordingly, Secretary Dulles suggested that it would be best for the Council to defer any decision on this matter until the present trend of the Kremlin's policies towards the satellites was more fully developed and clarified. At the moment the Kremlin is taking a much tougher line and if we were to countenance a great surge of U.S. trade with the satellites, it might look as though this was our response to the Kremlin's tougher line.

In the light of the Secretary's views, General Cutler suggested the Council action on Paragraph 40 and Annex C be deferred until perhaps next September when the Council could again look at the problem.



The President then stated with great emphasis that he had certain views on this subject which he wished to make known at this time. He insisted that we should do all we can to avoid Congressional strait jackets on trade with these satellite states. After all, the Executive Branch had very competent advice on this subject from several different agencies - the CFEP, the State Department, and the Department of Commerce. What we required was flexibility to study and to act on the problem of trade with the satellites on a case by case basis. The Soviets were in a position of being able to change their trade policies towards the satellites or anyone else by simply turning on or off the spigot. We in the U.S. certainly needed sufficient flexibility to permit us to maneuver. The existence of this necessary flexibility was jeopardized by the attitude of Congress in wishing to legislate against any trade with any Communist state.

In response to the views suggested by the Secretary of State and the President, General Cutler suggested that the language in the old Paragraph 40 be amended so that our encouragement of trade with the Soviet satellites should be implemented on a case by case basis and any increase to have the approval of the Secretary of State. The President said he agreed with the wisdom of General Cutler's proposal but insisted that we could not encourage increased trade on even a case by case basis if the Congress insisted on legislation which forbade all trade with a Communist state.

General Culter reminded the President that the kind of trade referred to in Paragraph 40 was trade in non-strategic goods and that there was no legislation which forbade the U.S. to engage in such trade even with Communist or Communist-dominated nations. Secretary Williams expressed agreement with General Cutler's statement.

The President again complained about the attitude of Congress toward U.S. trade with Communist nations. He cited as an example the difficulties we encountered when the Danes proposed to acquire much-needed coal from Poland in return for building tankers for Poland. However, Secretary Dulles pointed out that in the instance the President cited, we had run afoul the Battle Act which applied to Denmark. The present paragraph, he again pointed out, dealt only with trade in non-strategic goods. He added that he did not object to General Cutler's proposals for amending the old Paragraph 40 but would also change one other phrase in that paragraph. The President then agreed to this proposed Council action. General Cutler made one further suggestion to put the bee on the CFEP rather than on the Secretary of State for approval of any increase in the volume of U.S. trade with any of the Soviet-dominated states.

General Cutler then suggested that the Council hear the views of the Department of Commerce on this subject. Secretary Williams said he would be happy to describe the views that had been current



in his department on this subject. He said that he grasped the delicacy of the problem as it had been described by Secretary Dulles but Commerce had felt that if it were to be our policy to go ahead and normalize U.S. trade with the Soviet-dominated nations, some agency in the government had to engineer and promote such trade by providing guidance and the like to American businessmen. Commerce was the obvious agency to handle trade relations, subject only to a policy veto by the Secretary of State on political grounds. Apparently, however, these views of the Commerce Department were no longer applicable if, as now seems to be the case, the Administration did not wish to generate any considerable increase in U.S. trade with the Soviet-dominated nations generally. Secretary Dulles confirmed Secretary Williams' understanding of his changed position.

At this point the President changed the subject by turning to Mr. Allen Dulles and asking him if he knew when Premier Nagy had actually been executed. Mr. Dulles replied that to the best of their knowledge, it had happened quite recently. The President said that it had been his guess that Nagy had been executed five or six months ago. Mr. Dulles replied that his people in CIA had also thought of this possibility but that the best information at present was that the decision to try Nagy had been made at the recent Moscow Conference. The trial had actually begun at the end of May and lasted a fortnight. The President commented that if this were indeed the case, it made the affair look all the more ominous.

The National Security Council:

- a. Discussed an oral report by the Secretary of State on the foreign policy implications of expanding non-strategic trade with the Soviet-dominated nations for primarily political purposes (paragraph 40 and Annex C of NSC 5811), prepared pursuant to NSC Action No. 1914-b-(3).
- b. Adopted, for insertion in NSC 5811/1, the following revision of paragraph 40 of NSC 5811 (while agreeing that Annex C of NSC 5811 should not be adopted for inclusion in NSC 5811/1);
 - "40. On a case-by-case basis as approved by the Council on Foreign Economic Policy, seek to establish between the United States and the dominated nations with which the United States has diplomatic relations, more normal economic relations thereby facilitating a gradual expansion of trade -- consistent with 'Basic National Security Policy' (NSC 5810/1) and 'U.S. Economic Defense Policy' (NSC 5704/3)* -- when it would be a means of projecting influence and lessening the dominated

TOP SECRET

nations' economic ties with and dependence on the Soviet Union.

"*NSC Action No. 1865-c directed the review of this policy; cf. NSC 581071, paragraph 37."

NOTE: The revision of paragraph 40 in <u>b</u> above, as approved by the President, subsequently circulated for insertion in all copies of NSC 5811/1.

3. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U.S. SECURITY

As his first topic, the Director of Central Intelligence proceeded further to describe the trials and executions of the leaders of the Hungarian revolt. It seemed likely that Nagy had been hanged in Budapest on the night of June 16. General Maleter had been tried before a military tribunal. The civilian victims had been tried in a civilian court. Mr. Allen Dulles suggested that the trials were primarily designed as a move against Tito but one of the results had been a considerable weakening of Kadar's position.

Secretary Dulles carefully inquired as to the reliability of the statement of the Director of Central Intelligence that the trials and the executions of the Hungarian leaders had been prescribed by Moscow. Mr. Allen Dulles repeated his view that while the information on this subject came from a journalist in a position to know and not from any official statement by the Soviet or Hungarian Governments, he nevertheless believed that it was the truth. Moreover, Mr. Allen Dulles believed that we should play up very hard the fact that the executions were ordered by Moscow. Secretary Dulles commented that the reaction in Europe to these executions had been very strong.

Mr. Allen Dulles then went on to sketch in the background of these trials and what the victims had done during the course of the Hungarian Revolution and afterwards. He pointed out that the Yugoslavs had received written assurance of respect for the asylum they had provided Nagy and others in the Yugoslav Embassy in Budapest.

Mr. Allen Dulles reiterated his conviction that the signal for the executions had almost certainly come from Moscow. The Soviets must certainly have weighed the unfavorable world reaction which these executions would stimulate. Mr. Allen Dulles believed that the executions were intended as warnings first to Tito and thereafter to Gomulka. He thought it likely that in the sequel Kadar would drop out of the political picture quite soon. The reaction of the Hungarian people had been one of stunned and shocked silence.

Secretary Dulles said that he understood that Mr. Allen Dulles was now engaged in a study with State Department officials and CIA





people to try to grasp the meaning of all these concurrent developments in the Soviet Bloc. Mr. Allen Dulles replied in the affirmative.

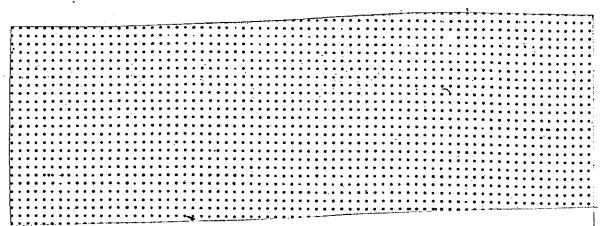
The Director of Central Intelligence next pointed out that there had apparently been called a sudden meeting in Moscow of the Central Committee of the Communist Party. This meeting was believed still to be going on and Mr. Dulles thought it of great significance. None of the most eminent Soviet leaders had appeared in public since June 12 for the reason that they were probably getting ready for this meeting.

Mr. Dulles speculated that the Central Committee meeting might deal with the new Seven Year Plan which was supposed to be unveiled before next July 1. The Central Committee meeting might also debate Khrushchev's programs for the reorganization of Soviet industry and of Soviet agriculture. Khrushchev probably realizes that he is somewhat under fire with respect to both of these programs. There have been accusations that in supporting these programs Khrushchev is not behaving as an orthodox Marxist-Leninist. The Committee might also discuss problems in connection with the summit meeting and the implications of the executions in Hungary. There was even the possibility of a further purge such as that which had occurred last June. Mr. Dulles thought we would know more in a few days and again pointed out that CIA officials were studying with officials from State and other departments the meaning and significance of all these inter-related developments in the Soviet Bloc. He felt that it was of special importance to watch what happened in Poland.

Secretary Dulles commented that a great many important things seemed to be going on concurrently in the Soviet Bloc. Taken together they seemed to point to a change in Soviet policy. On the other hand it was not easy to understand why the Soviets were proposing significant policy changes because normally one does not change policies unless things were actually going badly.

Turning to the sit	wation in Lebanon, Mr. Allen Dulles said that
Peimit was quiet last r	night after a day of sporadic fighting.
Louis de de de la company	ment at our a day or aportance resulting himself

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Mr. Allen Dulles turned then to the situation in Cyprus and described the most recent developments. He pointed out that General Grivas, the leader of the EOKA, was threatening immediate retaliation in the case of further Turkish attacks on the Greek Cypriots who, said Mr. Dulles, had been very temperate in their reaction thus far.

The British plan for Cyprus had been rejected in principle by both the Turkish and the Greek Governments. There was no news yet on the direction of the talks on this subject in NATO. Meanwhile, Premier Karamanlis was threatening to resign. The King was insisting that he remain because there was no alternative to him except a dictatorship. Karamanlis would probably stay on.

In a brief review of Prime Minister deGaulle's first two weeks in power, the Director of Central Intelligence pointed out that de Gaulle had apparently got complete control for the time being of the French army units in Algeria. It was also significant that the Algerian rebels were manifesting genuine concern over the possible weakening of their position vis-à-vis the many Algerian Moslems who find themselves drawn to deGaulle's proposal for integration. Meanwhile, deGaulle had moved quickly and effectively to mollify Tunisia and Morocco including the removal of all French forces from Tunisia except those at Bizerte.

Secretary Dulles commented that this latter development meant in effect that deGaulle had adopted the recommendations of the Good Offices Team.

Mr. Allen Dulles then pointed out the problems on the home front that General deGaulle was encountering from the extreme Rightists and from the Communists. The attitude of the Soviet Union was extremely interesting. As a government the U.S.S.R. was being very cautious in its treatment of deGaulle but as a Communist Party, the Soviets were attacking him heavily. The President broke in to say that he could make at least one prediction. If deGaulle lasted six months, he would have arrested Duclos.



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Secretary Dulles inquired about the prospects for the French gold loan. There was no available information on the subject at this time.

The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the recent execution of leaders of the Hungarian revolt; the probable meeting of the Central Committee of the Soviet Communist Party in Moscow; recent developments in Lebanon and in Cyprus; and the situations in France and North Africa.

4. WARTIME ORGANIZATION FOR OVERSEAS PSYCHOLOGICAL OPERATIONS

(NSC 59/1; NSC 127/1; NSC Actions Nos. 1198 and 1362-b; Report
of the President's Committee on International Information Activities,
dated June 30, 1953; Memos for NSC from Executive Secretary, subject:
"Coordination of Foreign Political, Military, Economic, Informational and Covert Operations", dated December 27, 1955, and March 26,
1957; Executive Order No. 10700, dated February 26, 1957; NSC 5812/1;
Memo for NSC from Executive Secretary, subject: "Wartime Organization
for Overseas Psychological Operations", dated June 18, 1958)

General Cutler briefed the Council concluding his briefing with an expression of great satisfaction that a problem which had beset this government ever since 1953 had apparently at last been resolved. He expressed the pious hope that no one would now raise serious question about this organizational paper which even the Joint Chiefs of Staff have all concurred in. (A copy of General Cutler's briefing note is filed in the Minutes of the Meeting and another copy is attached to this memorandum).

The President quipped that he had never heard Robert Cutler quite so eloquent. Mr. Gordon Gray pointed out that General Cutler was in error in stating that this problem had been unresolved since 1953. It had actually been a problem as early as 1951 in the old Psychological Strategy Board.

The President commented that he would have only one word to say. He himself had personally struggled with the problem of organization of psychological warfare during a period of actual hostilities when tempers really got short. Accordingly, if there was an agreement on this paper, he would refuse to open his mouth further.

Mr. Abbott Washburn, Acting Director of the U.S. Information Agency, said that he had some doubts as to the realism of the proposal in the



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paper, to assign a regular political officer to the Commanding General in a theatre of war to be in charge of psychological war-fare operations. Would it not be wiser to select somebody outside of government like C.D. Jackson rather than to assign the task to the usual political officer?

The President did not respond directly to Mr. Washburn's query but he lauded Under Secretary Robert Murphy who had been his political officer in charge of psychological operations during the North African campaign. He gave a brief sketch of certain of the problems which Mr. Murphy had solved. In psychological warfare, continued the President, what was needed was a smart man. It did not matter what agency he came from. He must be in a position to meet and solve very practical problems. General Cutler commented that if the Secretary of State proposed to appoint a political officer and U.S.I.A. had ideas on the subject, there was no reason why there could not be a rational exchange of views.

The National Security Council:

- a. Discussed the draft statement of policy on the subject contained in NSC 5812/1, prepared by the NSC Planning Board on the basis of NSC 5812 ("Wartime Organization for Foreign Information and Psychological Operations"); in the light of the views of the Joint Chiefs of Staff, transmitted by the reference memorandum of June 18, 1958.
- b. Adopted the statement of policy in NSC 5812/1.
- c. Requested the Director, Office of Defense Mobilization, to submit to the President, on an urgent basis, in accordance with established Executive Office procedure, recommendations on Executive Branch organization, at the Washington level, for wartime psychological operations; integrating therewith the policy approved by the President with reference to overseas organizational arrangements for psychological operations in wartime.

NOTE: The statement of policy in NSC 5812/1 subsequently approved by the President for implementation by all appropriate Executive departments and agencies of the U.S. Government, and referred to the Operations Coordinating Board for coordination of the development of organizational plans, procedures and agreements pursuant to paragraph 13 thereof, in the absence of armed

conflict and pending the results of the studies referred to in paragraph 4 thereof. All holders of NSC 5812/1 subsequently advised of this action.

The action in <u>c</u> above, as approved by the President, subsequently transmitted to the Director, ODM, for appropriate implementation.

5. U.S. POLICY TOWARD LATIN AMERICA (NSC 6613/1; OCB Report on NSC 5613/1, dated May 21, 1958)

Mr. Karl Harr briefed the Council on the highlights of the OCB Report on Latin America making use of maps and overlays. Among the points stressed by Mr. Harr was the fact that U.S. trade with Latin America increased in 1957 while that of the Soviet Union with Latin America declined somewhat in volume despite the intensive efforts of the Soviet Union in the contrary direction. Mr. Allen Dulles interrupted to point out that a different trend was already detectable in 1958. Soviet trade with the Latin American countries was increasing, particularly in wool and petroleum. (A copy of Mr. Harr's briefing note is filed in the Minutes of the Meeting and another is attached to this memorandum).

The President said he had a point which he wished to emphasize. We have all often heard the generalization that the only force in the modern world capable of effectively combating communism is nationalism. Why then don't we go to our Latin American neighbors and preach ultra-nationalism to them, insisting that the goals of their nationalism can only be realized in conjunction with us. After all, we do want these Latin American republics to be sovereign associates of ourselves. In a sense we are ultra-nationalists so why not preach the same doctrine to our neighbors? Under this umbrella we could attempt to deal with the concrete economic problems faced by Latin America, either by ameliorating these problems or at least by fuzzing up our own connection with these problems. In short we ought to exploit the ultra-national feelings in the neighboring republics along the line of the slogan that if you can't beat them, join them.

Mr. Harr pointed out that ultra-nationalism in the Latin American countries was not in and by itself a stumbling block for the United





States. The trouble was the use made of the force of nationalism by its irrational exponents. The President repeated his arguments, while General Cutler warned that we would have to be careful in preaching ultra-nationalism in certain Latin American republics such as Panama.

Secretary Dulles pointed out that we treat our Latin American neighbors scrupulously as political equals but there was no hiding the fact of the economic dependence of these nations upon the United States. It is on this fact that the Soviets capitalize and thus confront us with serious problems. The President agreed but again argued that we must try the formula of ultra-nationalism. We must exploit the power of this force in Latin America rather than trying to fight it.

The Vice President changed the subject slightly at this point by asking about the mechanics of the review of our current Latin American policy which was recommended in the OCB Report. General Cutler explained the normal manner by which policies were revised and said that he very much hoped that the Vice President would be able to talk with the Planning Board during the course of its drafting of the revised policy.

Secretary Dulles said he had one more word to speak on the aspects of our latin American policy. In its forthcoming review the Planning Board should look at the problem of Latin America from something more than merely an intellectual analysis as to how to deal most effectively with the concrete problems which existed in our relations with Latin America. The most significant fact that we must recognize was the fact that throughout much of the world and certainly in Latin America there had been in recent years a tremendous surge in the direction of popular government by peoples who have practically no capacity for self-government and indeed are like children in facing this problem. He reminded the Council that he had told Prime Minister Macmillan on his recent visit to Washington that when our own republic had been founded, our Founding Fathers realized that it would take some considerable time before the new United States could safely practice government by direct democracy. For this reason our Presidents were elected, not by direct suffrage, but through the device of the Electoral College.

Unlike ourselves, many of the Latin American states are leaping ahead to irresponsible overnment directly out of a semi-colonial status. This presents the Communists with an ideal situation to exploit. Accordingly in its study of a revised policy for Latin America, the Planning Board ought not toponcentrate simply on the concrete problems involved in our relationships. It should also try to figure out by what means we can move in, take control over, or guide the mass





movement toward democracy in many of the Latin American republics. Secretary Dulles felt that this was the correct approach because he was sure that the problem of irresponsible self-government would remain even if and even after all the concrete problems between the U.S. and the Latin American republics had been solved.

Secretary Dulles launched into a vivid account of the skill with which the Communists operate in this field and stated that we were hopelessly far behind the Soviets in developing controls over the minds and emotions of unsophisticated peoples.

Mr. Allen Dulles was about to take issue with Secretary Dulles on our relative capabilities in this field when the President interrupted and asked Mr. Allen Dulles whether it was the CIA or the USIA which had charge of monitoring the output of the daily radio broadcasts in foreign countries. The President went on to explain that what he wanted was a good analysis, over the period of one week, of the content of radio broadcast and newspaper views, both pro-American and anti-American, throughout the world. The President said he thought that in some areas the U.S. may be being treated better than in others. We should find out why and see if we can improve our standing in areas where it clearly needs improving.

Mr. Allen Dulles replied thatit would be possible to carry out the President's desire if the analysis were confined to a single area in the world but it would be an overwhelming task to provide the President with an analysis of the radio and newspaper output on the U.S. for even so short a time as one week. With this qualification, he said that CIA could accomplish the task with the help of USIA. The President then directed that one South American country should be selected for such a test analysis.

Mr. Allen Dulles, taking issue with Secretary Dulles, then commented that the Communists control less than one-tenth of the press of Latin America. The Vice President agreed that this was an accurate statement but that it could be misleading. The significance lay not with those who publish papers in Latin America. The significant point was who supplied the views which were published in these papers and the journalists and reporters who supplied the views were mostly anti-American. The President agreed that what was important was what got into the newspaper or was heard over the radio. The Vice President agreed and said that what got into the newspaper was what the working press, the reporters, put in. This material was often anti-American and often even pro-Communist. The Vice President went on to say that as far as the job of USIA was concerned in Latin America, the performance was highly creditable as he had stated before but he wished to emphasize again that our overt propaganda and our handouts to the press were generally ineffective.



our point of view among the working press and radio people. Beyond this we must strive for greater influence in the universities because after all it is from the universities that the journalists and radio people of the future are going to come.

Mr. Abbott Washburn pointed out that/Operations Coordinating Board was already engaged on plans for more intensive work to Latin American student groups even though our Latin American policy had not yet been revised.

The Vice President then stated that he wanted to return to the subject of the Planning Board's forthcoming revision of our Latin American policy. He thought that before the Planning Board sent its draft revision to the Council for final consideration, it would be useful for the Planning Board to show its draft and to consult with an unofficial non-Government group of Latin American experts. He would suggest a panel of consultants numbering eight or ten people such as Nelson Rockefeller and Milton Eisenhower. It would be useful to get the ideas of people like this before the Planning Board completed a draft statement of policy. Secretary Dulles also suggested the name of Walter Donnelly for such a group of consultants.

The Vice President then said he had a couple of other suggestions for the Planning Board to consider in the course of its work on the new Latin American policy. He warned that he believed that we must be much less rigid than in the past in our definitions of what constituted "democracy" or "self-government" as these related to Latin America. His second idea which he said might be regarded as a most revolutionary suggestion he would now proceed to unfold. He said that when he had returned from his first visit to Latin America, namely, to Central America, he had strongly opposed the use of U.S. Government resources in assistance to nationalized enterprises in these countries. He had now come to change somewhat his point of view. Where funds are not available to support private enterprise in Latin America, the U.S. would have to look at the situation as it is and not as we might wish it to be. Accordingly, we will have to be more flexible in regard to our views on aiding nationalized enterprises in several of the Latin American republics. The Vice President repeated that this would seem a revolutionary idea and emphasized that he was not advocating precipitate loans to nationalized industries and enterprises in Latin America. He was merely pointing out that in certain countries such as Bolivia, we would have to follow a somewhat different policy of financial assistance.

The National Security Council:

a. Noted and discussed the reference Report on the subject by the Operations Coordinating Board.

- b. Directed the NSC Planning Board to review NSC 5613/1, as recommended by the Operations Coordinating Board, taking into account suggestions made at the Council meeting.
- c. Noted the President's request that the Central Intelligence Agency and the United States Information Agency jointly prepare an analysis of the relative volume of pro- and anti-U.S. statements during one week in the press and radio of selected Latin American nations.

NOTE: The action in <u>c</u> above, as approved by the President, subsequently transmitted to the Director of Central Intelligence and the Director, USIA, for appropriate implementation.

6. PREPARATIONS FOR A POSSIBLE SUMMIT MEETING (NSC Action No. 1893)

General Cutler reminded the Council of the President's directive some months ago that a special NSC committee be established to make preparations for a possible summit meeting. The committee was to be chaired by the Secretary of State who was now being asked to report to the Council on the work of the committee thus far.

The President said that the Council should not take up this subject at this time and Secretary Dulles added that the issue of a summit conference was now so fluid that he did not feel it would be useful for him to make his report.

The National Security Council:

Deferred the report by the Secretary of State, scheduled for this meeting, on the work of the Special NSC Committee established pursuant to NSC Action No. 1893.

7. U.S. POLICY TOWARD GERMANY (NSC 5803; NSC Action No. 1858)

General Cutler asked Secretary Dulles if he were in a position to report to the Council on the results of the continuing study by the Departments of State and Defense on major alternatives designed to achieve German unification. He pointed out that this study was required by Paragraph 4 of NSC 5803, pursuant to a Presidential directive.

Secretary Dulles replied that the departments in question had not come up with anything new and brilliant as a means of reunifying Germany in freedom. In fact he said there was no formula in existence today which could succeed in achieving German unification on terms acceptable to the U.S. Secretary Dulles expressed himself as strongly opposed to all the formulas which involved the so-called "disengagement" of the Federal Republic. On the contrary, the Federal Republic must be kept with the West. The only thing which will free Germany, contimued Secretary Dulles, was a thorough re-orientation of Soviet policy toward all the Soviet satellites. There was clearly no chance of such a re-orientation at the present time. Some day however he hoped that the Soviets might realize the advantage of being surrounded by friendly or neutral countries like Finland instead of being surrounded by sullen and unwilling satellites. Secretary Dulles commented that he had said as much as this to Gromyko. The latter had responded that the Soviet Union needed no advice from the Secretary of State as to how to carry on its relations with the peoples' democracies. (Laughter).

The National Security Council:

Noted an oral report by the Secretary of State on the results of the continuing study by the Departments of State and Defense and the Joint Chiefs of Staff required by paragraph 44 of NSC 5803, pursuant to the President's directive in NSC Action No. 1858.

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June 19, 1958

- 1. The next item is to report on a review which the President directed of a paragraph in another security policy statement--Par. 27-d on Page 12 of the draft Basic National Security Policy discussed at the Council Meeting on May 1.
- 2. This paragraph—which appeared in the economic section of the basic policy paper—proposed, in recognition of the problems of "one-crop" countries, that, for political reasons, the U. S. might "on occasion, join in multilateral exemination of price, production, and demand trends" for basic commodities "which might help to promote readjustments between supply and demand and reduce price fluctuations". Treasury and Commarce wished to add that the U. S. should not discuss the making of, or participate in, any international commodity agreement without Presidential approval.
- 3. Mr. Randall called attention to the fact that this paragraph, as proposed by the Planning Board, did not reflect existing CFEP policy of general disapproval of international commodity agreements, or the requirement that CFEP give its advance approval to any participation by U.S. representatives in international discussion of any such agreement, or to U.S. participation in any such agreement.
- 4. At the Council Meeting on May 1 it was agreed to delete Paragraph 27-d and to refer it, and an alternative proposed by the Secretary of State, to the Council on Foreign Economic Policy to consider in reviewing the existing CFFF policy on international commodity agreements.
- 5. On May 22 Mr. Randall filed with the Council a memorandum report, which is before you, stating (1) the text of the existing CFEP policy on international commodity agreements, and (2) the consensus of CFEP that this policy should be continued in effect. In the light of this review, there appears no need to include any paragraph on this subject in the basic policy statement, and none has been included.
- 6. It may interest the Council to know that the CFEP, under the exceptions procedure in its existing policy, recently authorized the Department of State to participate in an international coffee study group and to discuss an international coffee agreement, if such an agreement is proposed by one of the members of the study group. The CREP also urged State to take every precaution not to imply directly or indirectly, that the U.S. would participate in or police such an agreement.

cc: Mr. Harr

Mr. Lay

Dr. Gleason

Mr. Johnson



June 19, 1958

- 1. The next two items concern reports on further consideration which the President requested should be given to certain portions of security policy statements which were approved in May of this year.
- 2. The first of these policy statements dealt with the Soviet-dominated nations, NSC 5811.
- 3. As presented to the Council, Par. 40 of this statement called for the establishment, within existing economic defense policy, of more normal economic relations with those dominated nations with which we maintain diplomatic relations. Such economic relations were viewed as a means of projecting U. S. influence and of lessening these nations' economic ties with and dependence upon the Soviet Union. Annex C to the policy statement contained a Department of Commerce proposal further to spell out the guidance in Par. 40. Commerce proposed that the U. S. initiate discussions with the dominated nations to explore means of accomplishing reciprocal reduction of barriers to trade, and that the U. S. government make clear to the U. S. business community that the government actively favors and will take action to facilitate such trade. Mr. Randall indicated that Par. 40 and Annex C were consistent with our economic defense and other foreign economic policies and that he favored announcement of a policy of encouraging such trade.
- 4. The President expressed concern lest Par. 40 and Amex C imply that we were interested in such trade primarily for its own sake, rather than primarily for its political effects, and requested the Secretary of State to review the foreign policy implications of expanding non-strategic trade with the Soviet-dominated nations.
- 5. The Secretary of State is now ready to inform the Council of the results of his further review of Par. 40 and Ampex C.

SECRETARY DULLES

cc: Mr. Harr

Mr. Lay

Dr. Glesson !

Mr. Johnson



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(RC Briefing Note - NSC Meeting of 6-19-58)

TRIM 4 - Wartime Organization for Overseas Psychological Operations

- 1. The next item concerns a subject -- "Wartime Organization for Psychological Operations" -- which has proved as controversial and difficult to resolve as any during my work since 1953 with the National Security Council.
- 2. The subject was dealt with in two early policy papers: NSC 59/1, approved in March, 1950, entitled "The Foreign Information Program and Psychological Warfare Planning," and NSC 127/1, approved in July, 1952, and entitled "Plan for Conducting Psychological Operations During General Hostilities."
- 3. By 1953 it was apparent that, with the substitution of the Operations Coordinating Board for the Psychological Strategy Board and with the change in character of general war, these papers and their concepts were out of date. Efforts at that time to consolidate these policy statements and bring them up to date were handicapped by various interdepartmental controversies over the assignment of departmental responsibilities, over whether to utilize existing organizations or to create new ones, and over the nature, level, and staffing of the agency to be given responsibility in Washington.
- 4. In the spring of 1955, the President asked Mr. Rockefeller, then his Special Assistant in the CCB field, to study the subject and make recommendations for resolving these interdepartmental differences. Mr. Rockefeller's report, received late in December, 1955, covered a very wide field of recommendations, many of which were not acceptable to the interested departments and agencies and, after careful analysis, were not approved by the President.
- 5. Accordingly, in March, 1957, the President referred NSC 59/1 and NSC 127/1, together with the relevant recommendations of the Rocke-feller report, to the Director of GIM for the preparation of plans for the vartime assignment of responsibility for and coordination of activity in the area of foreign information and psychological operations; such assignment to be developed in consultation with the interested Departments and agencies and submitted to the Council for consideration.
- 6. The Planning Board has considered the report submitted by OIM in May, 1958, in response to the President's directive. On the basis of that consideration, the Planning Board unanimously recommends the paper before you, "Wartime Organization for Overseas Psychological Operations," for Council approval.
- 7. The paper defines "psychological operations" to include foreign information, psychological activities, and psychological warfare. The terms of the paper are sufficiently broad to cover both limited war and general war.



- 8. This paper deals with only one aspect of the organizational problem: wartime organization for overseas psychological operations. Par. 4 of the paper states that the development of Washington-level Executive Branch organizational arrangements for wartime coordination of psychological operations should be related to studies being currently carried on by ODM on the organization of wartime censorship and demestic information.
- 9. The paper before you divides the assignment of overseas responsibilities between (1) countries in theaters of operation in which combat operations are under way (Pars. 7-8), (2) other countries within theaters of operation within which combat operations are not under way (Pars. 9-10), and (3) neutral or friendly countries outside theaters of operations (Par. 11). Broadly speaking, primary responsibility for operations in combat areas is vested in the theater commander, and in all other areas in the U. S. Ambassador as the head of the "country team". These assignments of responsibilities seem sufficiently clear so that the necessary organizational plans, procedures, and agreements can be drafted by the interested agencies and departments to carry them out.
- 10. Fending the results of the studies referred to in Par. 4, the Operations Coordinating Board would keep an eye on the development of such organizational plans, procedures, and agreements and make reports to the Council (Par. 13). The OCB would also undertake interim responsibility for Washington-level coordination of psychological operations in a the event of an armed conflict short of general war prior to the completion of the OLM studies (Par. 14).
- 11. In order that the other half of this job may be completed (that is, the planning of the organizational arrangements at the <u>Washington level</u> for vartime psychological operations), the Planning Board recommends that, if the policy before you is approved, the Council also adopt the following:

Request the Director, Office of Defense Mobilization, to submit to the President, on an urgent basis, recommendations on Executive Branch organization, at the Washington level, for wartime psychological operations; integrating therewith the policy approved by the President with reference to overseas organizational arrangements for psychological operations in wartime.

12. After the ODM recommendations referred to in this request have been prepared in accordance with established Executive Office procedure, and approved by the President, a Presidential directive or Executive Order might issue incorporating such recommendations and the organizational arrangements approved in the paper before you. This organizational matter could then be removed from the Council's jurisdiction.

cc: Mr. Harr

Mr. Ley

Dr. Gleason

Mr. Johnson



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June 19, 1958

OCB REPORT ON LATIN AMERICA

Mr. President, this report covers our operations in all of Latin

America over the 8-month period ending May 21 last. (188 million people.)

The Vice President's trip to South America fell within the reporting period.

Because of the accelerated operating difficulties during the period, many

of which manifested themselves in the course of the Vice President's

trip; because there have been substantial changes in the situation on which

the existing policy was based; and because of agency disagreement with

respect to one specific policy provisions the Board recommends Council

review of our policy toward Latin America.

During the reporting period relations with the governments of the area continued to develop favorably. Strong support for major U.S. policies continued. Bilateral relations were genuinely friendly, and multilateral cooperation was improved. The governments generally held firm against Soviet overtures for closer diplomatic or trade relationships. Also, the value of U.S. private direct investment in Latin America is expanding by \$1 billion per year (Chart I) and U.S. trade with the area (\$8 billion in 1957) was greater than with any other area except Western Europe (Chart II). Initial loans by the DLF (\$2.5 to Paraguay and \$5. to Honduras for road construction) were authorized, and Export-Import and IBRD loans continued to be a significant factor in Latin American development. The program to help Latin American countries use their military forces for

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useful public work projects also continued to develop favorably. Finally, contacts between the OAS and NATO improved.

However, sustained and widespread decline in markets and prices of basic support commodities, reduction in foreign exchange holdings in most countries, potential, and in some cases actual, U.S. restrictions on imports, and the failure of some Latin American governments to put their own economic houses in order, produced general economic deterioration during the period. An increase in Communist propaganda and activities; the failure of most countries of the area effectively to counter these activities; intensification of ultra-nationalist, anti-U.S. sentiment; and the increased political instability of some countries (notably Venezuela)

Languaged positions also occurred during the reporting period.

Against this background and notwithstanding the generally favorable trend in relationships between the U.S. and the governments of Latin America, the report indicates the existence of serious operational problems and the prospect of their growth during the immediate future. For purposes of analysis, the most significant of these operating problems seem to fall into three major groups.

First, as in the case of Southeast Asia, there are those problems inherent in the social, political and economic structures of the area, which we can do little to change over the short run. These include the scarcity of skilled human resources; economies based primarily on one or two commodities; acute sensitivity to foreign (particularly U.S.) domination

or exploitation which, when fanned as at present by rising nationalist sentiment, produces protectionist restrictions on trade and foreign investment (particularly Argentina and Brazil); political naivete and lack of organizational skill among free trade union leaders and members, as well as archaic industrial relations policies by management; limited debt servicing capacity (which is virtually exhaused in Bolivia, Haiti, Paraguay); the disproportionate political role played by the military and the chronic desire for excessive military equipment resulting therefrom; political instability in many countries which handicaps their governments in withstanding serious economic stress, and which renders them especially shaky during periods of transition from dictatorship to a more representative form of government.

A second category of operating difficulties includes those which arise from our own policies -- either as inevitable by-products, or through Communist or ultra-nationalist distortion of the motivations or effects of these policies. For instance, under certain circumstances our traditional policy of non-intervention angers pro-democratic elements and leads to the charge that we support dictatorships. So do certain of our arms assistance shipments and internal security/programs, when applied or thought to be applied against legitimate political opposition (notably Cuba). During periods of economic crisis, such as the present, some of our trade policies, such as our actual and potential restrictions on imports from Latin America and our unwillingness to participate in international commodity agreements,

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are sometimes used effectively to incurresentment against us. The recently concluded U.S.-Soviet cultural agreement will probably make it more difficult to influence Latin Americans to resist Soviet pressure for increased cultural exchanges. Notwithstanding the tremendous trade of the U.S. with the area, the fact that our aid programs to Latin America are relatively minor is seen in some quarters as neglect or "taking Latin America for granted." Finally, our attempts to discourage purchase of excessive military equipment frequently produce resentment.

Although it may lie within our present control somewhat to relieve the operating difficulties in this second category, for the third and most sinister category of operating difficulties, our present policies and programs do not necessarily offer promise of affording quick solutions. These are the operating difficulties caused by intensified Communist activities in the area (Chart III). Capitalizing upon the increasing economic problems and political instabilities (often arising from preparations for national elections), the Communists have intensified their campaigns on many fronts to increase their influence in Latin America. They have sought to expand diplomatic relations, trade relations and cultural exchanges with the Latin American countries. Local Communist parties have intensified their efforts to gain acceptability and legality (particularly in Brazil and Venezuela). Efforts to gain control of trade unions and expand Communist influence among intellectuals, both in the universities and in communications media, have been intensified. Increasing numbers

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of Latin Americans are travelling to Iron Curtain countries (Chart IV). More specifically, the surfacing of Luis Carlos Prestes, pretty much the father of the Brazilian Communist party, following a favorable court decision, spurred Communist activity in Brazil. In March a major conference of northern Communists was held in Mexico. A recent meeting of Latin American Communists in Moscow stressed the need for increased coordination of activities in Latin America. Ten Soviet journalists are proposing to visit Latin American countries soon. Uruguay has completed a trial purchase agreement for crude oil from the Soviet Union! Throughout the area the overt and covert activities of Soviet bloc missions have been intensified (particularly in Mexico, Argentina and Uruguay where there are Russian missions). Every latent or potential grievance of Latin Americans against their own governments or against the U.S. is being cultivated and exploited to intensify ultranationalism and anti-U.S. sentiment.

The operating report emphasizes that it is in this third category of operating problems that both the need and opportunity for developing policies and newsprograms are greatest.

In summary, Mr. President, the events and developments contained in this report clearly suggest that whereas our policies and programs have continued to be generally successful insofar as intergovernmental relationships are concerned, growing operating difficulties, present and prospective, with respect to the trends among the peoples of the area point to the need for a close scrutiny of these policies and programs.

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June 27, 1958

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SECRETARY'S TRIP TO PARIS
July 3-6, 1958

NATO Atomic Stockpile Negotiations with the French

(Background Paper)

The attached paper, which is circulated for your information, was drafted by RA - Miss Tibbets. It has been cleared by RA - Mr. Timmons, S/AE - Mr. Courtney and EUR - Mr. Elbrick.

T. A. Cassilly S/S-RO Room 5274, NS Ext. 1445

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Background Paper

NATO Atomic Stockpile Negotiations with the French

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For approximately a year and a half discussions with the French on the question of introduction and storage of atomic weapons into France have taken place; since December 1957 the discussions have centered on a bilateral arrangement within the context of the MATO atomic stockpile. Three major points of French interest have been (1) availability of the weapons to French forces; (2) effective French control over use of the weapons; (3) hope for closer military nuclear collaboration with the United States. The next move is up to the United States since we have not yet replied to French drafts presented to us in February 1958.

1. Pre - Heads of Government Meeting December 1957

For approximately a year and a half the United States has been discussing with the French Government the introduction and storage of nuclear weapons into France, an urgent military requirement. In an exchange of letters of October 1, 1952, (the Dunn - Schumann letters) it was stated that "the United States Government interprets the language used in the last paragraph of Article I of Annex I / the Air Base Agreement/ to include that it will not introduce non-conventional weapons onto any of the bases and installations in Metropolitan France placed at the disposition of the United States Air Force without prior consultation and agreement between the two countries concerned."

There has been no evidence of French reluctance to accept either the necessity for or the principle of nuclear storage in France; the problem has been the conditions and terms under which the French would agree to such storage.

Specifically, their proposed drafts on the subject, presented to us in July 1957, linked inseparably with permission for introduction and storage the following:

- (a) Some stocks of weapons would be earmarked for the use of French personnel trained in their use.
- (b) Mutually agreed arrangements would be reached concerning the nature, number, size, etc. of stocks of weapons.
- (c) Exchanges of classified information on nuclear research would take place.

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It was in the course of the negotiations on this subject that the French first mentioned the concept of the NATO stockpile, indicating its potential value with respect to French public opinion.

In our reply to the French in September 1957, we indicated with respect to (a) above that we were studying the question of availability in connection with the stockpile. Concerning (b), our reply said that we would inform the French Government in advance of deployments and would inform the French military authorities of installations into which introduction was planned; as for (c) we believed that a profitable exchange could be carried out under the French - United States atomic energy agreement.

Informally the French expressed disappointment with this reply and no further exchanges took place before the Heads of Government meeting.

2. The NATO Atomic Stockpile

The December meeting of the Heads of Governments established the NATO Atomic Stockpile. The atmosphere was thus once again propitious for discussions on the subject, both between the two Governments and between MACEUR and the French Military authorities.

In February 1958 the French Government presented to the United States new draft agreements on the subject. The French drafts linked the proposed exchange clearly to the Air Base Agreement and exchange of letters of October 1, 1952, and stated that the use of bases and installations in France would continue to be governed by the Dillon - Bidault exchange of April 8, 1954. The thesis of the Dillon - Bidault exchange of letters was that "the use of bases and installations — placed at the disposition of the United States Government in Metropolitan France and French North Africa will, in time of emergency, be a matter for joint decision by the United States and France in the light of the circumstances prevailing at the time."

In addition, proposed paragraph 5 of the draft dealt with the problem of availability of weapons to the French forces as follows:

"Arrangements between SACEUR and the General commanding the General Staff of the French Armed Forces will determine progressively as new requirements arise the general situation (nature and importance) of these stocks of atomic weapons and the measures necessary to deal effectively with the individual needs for nuclear armaments used by the French forces assigned to NATO".

In the proposed reply from the French Government hope was to be expressed of a closer collaboration between the United States and France in the fields of military applications of atomic energy, in conformity with

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the spirit of proposals for the revision of the Me^{M} ahon Law which the United States Government had proposed to Congress.

Major points of interest therefore remained: availability of the weapons in some form to French forces; effective French control over use of the weapons; and a continued hope for closer military nuclear collaborations

No reply has been made to these French drafts, in part because it was for a time considered desirable to await the evolution of the "conditions of use" in the German arrangements for nuclear storage which are in progress and in part because of the need for careful study and consultation with Embassy Poris, USRO and SHAPE Political Adviser Thurston. The coordinated results of our own study and consultation bring out the following:

- (a) The desirability of deleting specific references to the Air Base Agreement in order to de-emphasize the bi-lateral nature of this agreement and to put it more into the NATO context.
- (b) The desirability of meeting the requirement for French Government permission to introduce and store imposed by the October 4, 1952 exchange (A separate exchange of letters on this point has been suggested.)
- (c) The French draft paragraph 5 (quoted above) concerning the availability of arms for French forces and arrangements between SACEUR and the French Commander of the General Staff of the French Armed Forces re the "general situation" of these stocks is very important for the French. The subject has been discussed at length between General Ely and General Norstad and for political reasons the French may insist on a provision of this nature.
- (d) On several lesser points changes were suggested to emphasize the NATO aspects of the agreement.

In addition, on the major point of "conditions of use" we have requested our Embassy to comment on the following suggested wording:

"The order to release nuclear weapons from elements of the NATO Atomic Stockpile on French territory in time of emergency will be given by SACEUR only after agreement by the Government of the United States and the Government of France. The agreement of the two Governments will be given in light of the circumstances at the time and having regard to the undertaking they have assumed in Article 5 of the North Atlantic Treaty."

Since no reply has yet been made to the French drafts of February 1958, the next move is clearly up to us, particularly since, as Embassy Paris points

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out, the new Government is now sufficiently stabilized to make discussion possible on this matter. It would be surprising if General de Gaulle were less interested than his predecessors in some form of availability of weapons to the French and in maintaining the French voice in control over the use of the weapon. The nature and timing of our next move in this matter will therefore depend to a considerable extent on the July 5 conversations with General de Gaulle.

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