

# Foreign relations of the United States, 1958-1960. Western Europe. Volume VII, Part II 1958/1960

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# FOREIGN RELATIONS OF THE UNITED STATES

1958-1960

# **VOLUME VII**

Part 2

WESTERN EUROPE



DEPARTMENT OF STATE

Washington



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Foreign Relations of the United States, 1958–1960

Volume VII

Part 2

# Western Europe

Editors

Ronald D. Landa James E. Miller David S. Patterson Charles S. Sampson

General Editor Glenn W. LaFantasie

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# Preface

The Foreign Relations of the United States series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the United States Government. The series documents the facts and events that contributed to the formulation of policies and includes evidence of supporting and alternative views to the policy positions ultimately adopted.

The Historian of the Department of State is charged with the responsibility for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, Bureau of Public Affairs, plans, researches, compiles, and edits the volumes in the series. This documentary editing proceeds in full accord with the generally accepted standards of historical scholarship. Official regulations codifying specific standards for the selection and editing of documents for the series were promulgated by Secretary of State Frank B. Kellogg on March 26, 1925. A statutory charter for the preparation of the series was established by Title IV of the Department of State's Basic Authorities Act of 1956 (22 USC 4351 *et seq.*), added by Public Law 102–138, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, which was signed by President George Bush on October 28, 1991.

The statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major United States foreign policy decisions and significant United States diplomatic activity. The volumes of the series should include all records needed to provide comprehensive documentation of major foreign policy decisions and actions of the United States Government, including facts which contributed to the formulation of policies and records providing supporting and alternative views to the policy positions ultimately adopted.

The statute confirms the editing principles established by Secretary Kellogg: the *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded.

The volume presented here, originally compiled in 1981 and 1982, meets all the standards of selection and editing prevailing in the Department of State at that time and complies fully with the spirit of the standards of selection, editing, and range of sources established by the statute of October 28, 1991. This volume records policies and events of more than 30 years ago, but the statute allows the Department until 1996 to reach the 30-year line in the publication of the series.

### Structure and Scope of the Foreign Relations Series

This volume is part of a triennial subseries of volumes of the *Foreign Relations* series that documents the most important issues in the foreign policy of the final 3 years (1958–1960) of the administration of President Dwight D. Eisenhower. This subseries comprises 18 print volumes totaling more than 16,000 pages and 7 microfiche supplements presenting more than 14,000 additional pages of original documents.

In planning and preparing this 1958–1960 triennium of volumes, the editors chose to present the official record of U.S. foreign affairs with respect to Europe, the Soviet Union, and Canada in five print volumes. Part 1 of Volume VII documents U.S. policy on European economic and political integration, NATO, and Canada and Part 2, U.S. relations with France, Italy, Portugal, Scandinavia, Spain, the United Kingdom, and the Vatican. Volume VIII documents the record of U.S. policy during the first part of the Berlin crisis through the end of the Geneva Foreign Ministers meeting in August 1959; Volume IX presents documents on U.S. policy toward Berlin following the Foreign Ministers meeting with particular attention to the abortive summit conference in May 1960; U.S. relations with the Federal Republic of Germany and Austria; and U.S. policy toward the German Democratic Republic. Volume X (in two parts) documents policies toward Eastern Europe, the Soviet Union, Finland, Greece, Turkey, and Cyprus.

# Sources for the Foreign Relations Series

The original research, compilation, and editing of this volume were done in 1981 and 1982 under the Department regulation derived from Secretary Kellogg's charter of 1925. This regulation prescribed that the *Foreign Relations* series include "a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities," presuming that the records of the Department of State would constitute the central core of documentation presented in the series. The Department of State historians have had complete access to all records and papers of the Department of State: the central files of the Department; the special decentralized (lot) files of the policymaking levels; the files of the Department of State's Executive Secretariat, which comprehended all the official papers created by or submitted to the Secretary of State; the files of all overseas Foreign Service posts and U.S. special missions; and the official correspondence with foreign governments and with other Federal agencies. Any failure to include a complete Department of State record in the *Foreign Relations* series cannot be attributed to constraints or limitations placed upon the Department historians in their access to Department records, information security regulations and practices notwithstanding.

Secretary Kellogg's charter of 1925 and Department regulations derived therefrom required that further records "needed to supplement the documentation in the Department files" be obtained from other government agencies. Department historians preparing the *Foreign Relations* volumes documenting the Eisenhower administration, including the editors of this volume, fully researched the papers of President Eisenhower and other White House foreign policy records. These Presidential papers have become a major part of the official record published in the *Foreign Relations* series.

Presidential papers maintained and preserved at the Presidential libraries include some of the most significant foreign affairs-related documentation from other Federal agencies including the National Security Council and the Central Intelligence Agency. All of this documentation has been routinely made available for use in the *Foreign Relations* series thanks to the consent of these agencies and the cooperation and support of the National Archives and Records Administration. Particular thanks are due to the Dwight D. Eisenhower Presidential Library for its assistance in preparing this volume.

Department of State historians have also enjoyed steadily broadened access to the records of the Department of Defense, particularly the records of the Joints Chief of Staff and the Office of the Secretary of Defense. Selective access has been obtained to the records of several other agencies in order to supplement the official record of particular *Foreign Relations* volumes.

Completion of the declassification of this volume and the final steps of its preparation for publication coincided with the development since early 1991 by the Central Intelligence Agency in cooperation with the Department of State of expanded access by Department historians to high-level intelligence documents from among those records still in the custody of that Agency. The Department of State chose not to postpone the publication of this volume to ascertain how such access might affect the scope of available documentation and the changes that might be made in the contents of this particular volume. The Department is, however, using this expanded access, as arranged by the CIA's History Staff, for compilation of future volumes in the *Foreign Relations* series.

The statute of October 28, 1991, requires that the published record in the *Foreign Relations* series include all records needed to provide comprehensive documentation of all the major foreign policy decisions and actions of the United States Government. It further requires that government agencies, departments, and other entities of the United States Government cooperate with the Department of State Historian by providing full and complete access to records pertinent to foreign policy decisions and actions and by providing copies of selected records. This volume was prepared in a manner completely consonant with the standards and mandates of the statute, even though the research, compiling, and editing were completed in 1981 and 1982. The List of Sources, pages XIII– XVIII, identifies the particular files and collections used in the preparation of this volume.

### Principles of Selection for Foreign Relations, 1958–1960, Volume VII, Parts 1 and 2

In selecting documents for this volume, the editors placed primary consideration on the formulation of policy by the Eisenhower administration and on the most significant U.S. diplomatic, economic, and military relationships with foreign governments. The memoranda of discussion and policy papers of the National Security Council with respect to basic U.S. policies toward NATO, Canada, and the countries of Western Europe have been presented as fully as possible. The editors made the fullest use of their complete access to memoranda of discussion at National Security Council meetings and other institutional NSC documents included in the Whitman File at the Eisenhower Library, as well as more informal foreign policy materials in that file and in other collections at the Eisenhower Library. These Presidential files were supplemented by NSC and White House documents in Department of State files.

During the years 1958–1960, the Department of State had a leading role in the formulation of U.S. policy toward Europe and Canada. Secretaries of State John Foster Dulles and Christian A. Herter drew upon the Department's expertise in advising President Eisenhower and in taking leading roles in the deliberations of the National Security Council. The Department of State prepared and coordinated exchanges of views and discussions of diverse foreign policy matters with the French, Italian, and British Governments and participated in the nearly 20 heads of government meetings between President Eisenhower and the leaders of the European states. For the most part the Department of State took the initiative in managing foreign relations with the smaller countries of Europe and obtained White House approval only for an occasional major issue.

In selecting records from the Department of State, the editors have focused on memoranda of conversation between Secretaries of State Dulles and Herter and their European and Canadian counterparts, internal U.S. Government policy recommendations, and decision papers relating to relations with these countries and the several European regional organizations, particularly NATO. The editors also selected only those telegrams that document the important policy recommendations of U.S. representatives at the Missions in Western Europe.

In addition to Department of State, White House, and National Security Council records, the editors had access to a body of declassified JCS files at the National Archives and Records Administration. Copies of classified JCS materials were obtained from the Joint Staff on a request basis. The editors selected documents that indicated the policy recommendations of the Joint Chiefs of Staff regarding various major foreign affairs policies.

# Editorial Methodology

The documents are presented chronologically according to Washington time or, in the case of conferences, in the order of individual meetings. Incoming telegrams from U.S. Missions are placed according to time of receipt in the Department of State or other receiving agency, rather than the time of transmission; memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted. Washington has not been included in the dateline if a document originated there or if a conversation took place there.

Editorial treatment of the documents published in *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the General Editor and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Obvious typographical errors are corrected, but other mistakes and omissions in the source text are corrected by bracketed insertions: a correction is set in italic type; an addition in roman type. Bracketed insertions are also used to indicate omitted text that deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount of material not declassified has been noted by indicating the number of lines or pages of source text that were omitted. The amount of material omitted because it was unrelated, however, is not accounted for. All ellipses and brackets that appear in the source text are so identified by footnotes.

The first unnumbered footnote to each document indicates the document's source, original classification, distribution, and drafting information. The source footnote also provides the background of important documents and policies and indicates if the President or his major policy advisers read the document. Every effort has been made to determine if a document has been previously published, and this information has been included in the source footnote.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related documents

# VIII Preface

printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other firsthand accounts has been used when appropriate to supplement or explicate the official record.

# Declassification Review

The declassification review of this volume resulted in the withholding from publication of about 8.5 percent of the documents originally selected; however, the remaining documentation provides a full account of the major foreign policy issues confronting, and the policies undertaken by, the Eisenhower administration in areas presented in this volume.

The Division of Historical Documents Review of the Office of Freedom of Information, Privacy, and Classification Review, Bureau of Administration, Department of State, conducted the declassification review of the documents published in this volume. The review was conducted in accordance with the standards set forth in Executive Order 12356 on National Security Information and applicable laws.

Under Executive Order 12356, information that concerns one or more of the following categories, and the disclosure of which reasonably could be expected to cause damage to the national security, requires classification:

 military plans, weapons, or operations;
 the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;

foreign government information;

4) intelligence activities (including special activities), or intelligence sources or methods;

5) foreign relations or foreign activities of the United States;

6) scientific, technological, or economic matters relating to national security;

7) U.S. Government programs for safeguarding nuclear materials or facilities;

8) cryptology; or

9) a confidential source.

The principle guiding declassification review is to release all information, subject only to the current requirements of national security and law. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments.

### Acknowledgements

The editors wish to acknowledge the assistance of officials at the Dwight D. Eisenhower Library, in particular David Haight, who assisted in the collection of documents for this volume.

Under the supervision of former Editor in Chief John P. Glennon, Ronald D. Landa and James E. Miller collected, selected, and edited the compilation on European integration; David Patterson the compilation on NATO; Sherrill B. Wells the compilation on France; Delia Pitts the compilation on the United Kingdom; and Charles S. Sampson the compilations on Portugal, Scandinavia, Spain, and Canada. Miller also prepared the compilations on Italy and the Vatican. General Editor Glenn W. LaFantasie supervised the final steps in the editorial and publication process. Althea W. Robinson, Rita M. Baker, and Vicki E. Futscher did the copy and technical editing and Barbara-Ann Bacon of the Publishing Services Division (Natalie H. Lee, Chief) oversaw the production of the volume. Thomas J. Hoffman prepared the index for Part 1; Paul A. Zohav prepared the index for Part 2.

### William Z. Slany

The Historian Bureau of Public Affairs

January 1993

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# List of Sources

# **Unpublished Sources**

#### **Department of State**

*Indexed Central Files.* The principal source of documentation for this volume was the indexed central files of the Department of State. Most of the documents were selected from the following files:

033.4111: British visits to the United States 110.11-DU: Secretary of State Dulles' trips 374.800: European Regional Organizations 375: NATO 375.800: Western European Regional Economic Organizations 396.1: International conferences 396.1-CO: International conferences at Copenhagen 396.1-IS: International conferences at Istanbul 396.1-PA: International conferences at Paris 396.1-WA: International conferences at Washington 411.5241: U.S.-Spanish trade relations 440.002: Western European trade and customs 611.51: U.S.-French relations 611.52: U.S.-Spanish relations 611.65: U.S.-Italian relations 711.11-EI: President Eisenhower 711.5: U.S. defense policy 740.5: NATO 740.5611: IRBMs in Europe 740.5612: MRBMs in Europe 740B.022: Icelandic territorial issues 751.00: French political affairs 751.11: French Executive 751.13: French Cabinet 751.5612: French missiles 752.00: Spanish political affairs 752.11: Spanish Executive 752.5-MSP: U.S.-Spanish Mutual Security 753.00: Portuguese political affairs 765.00: Italian political affairs 765.13: Italian cabinet 840.00: Western European economic conditions and relations 840.1901: EURATOM 865.2553: Italian petroleum

### XIV List of Sources

Lot Files. Documents from the central files have been supplemented by the lot files of the Department, which are decentralized files created by operating areas. A list of the lot files used in or consulted for this volume follows.

Conference Files: Lot 62 D 181

Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conference attended by the Secretary of State for the years 1956–1958, maintained by the Executive Secretariat.

#### Conference Files: Lot 63 D 123

Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1955–1958, maintained by the Executive Secretariat.

#### Conference Files: Lots 64 D 559 and 64 D 560

See under Washington National Records Center.

Current Economic Developments: Lot 70 D 467

See under Washington National Records Center.

#### Current Foreign Relations: Lot 64 D 189

Master set of the Department of State classified publication *Current Foreign Relations* for the years 1954–1962, maintained by the Executive Secretariat.

#### EUR/CAN Files: Lot 69 D 302

Canadian-U.S. military subject files for the years 1947–1964, maintained by the Bureau of European Affairs.

#### EUR/RPE Files: Lot 70 D 315

Atomic energy files, including the European Atomic Energy Community, for the years 1955–1963, maintained by the Office of Organization for Economic Cooperation and Development, European Community, and Atlantic Political-Economic Affairs.

#### G/PM Files: Lot 64 D 354

Miscellaneous Top Secret subject files, for the years 1954–1961, maintained by the Combined Policy Staff of the Office of Politico-Military Affairs.

#### G/PM Files: Lot 65 D 478

Files concerned with Air Force Technical Applications Center projects, base rights, and overflights for the years 1950–1961, maintained by the Office of the Special Assistant to the Secretary for Atomic Energy Affairs.

#### **INR Files**

Files retained by the Bureau of Intelligence and Research.

#### INR-NIE Files

Files of National Intelligence Estimates, Special Estimates, and Special National Intelligence Estimates retained by the Directorate for Regional Research, Bureau of Intelligence and Research.

#### Italian Desk Files: Lot 67 D 319

Files concerned with the Executive Review of Overseas Programs for Italy for the year 1965, with the South Tyrol for the years 1961–1963, and with San Marino for the years 1958–1964, maintained by the Officer in Charge of Italian Affairs, Office of Western European Affairs.

#### Italian Desk Files: Lot 68 D 436

Selected political, defense, and economic files for Italy for the years 1961–1965, maintained by the Officer in Charge of Italian Affairs, Office of Italy, Austria, and Switzerland Affairs.

#### Italian Desk Files: Lot 74 D 177

Files concerning the political and economic situation in Italy and Italian relations with the United States for the years 1968–1972, with some correspondence from 1955, maintained by the Officer in Charge of Italian Affairs, Office of Western European Affairs.

#### OCB Files: Lot 61 D 385

Master set of the administrative and country files of the Operations Coordinating Board for the years 1953–1960, maintained in the Operations Staff.

#### OCB Files: Lot 62 D 430

Master files of the Operations Coordinating Board for the years 1953–1960, maintained by the Executive Secretariat.

#### OEEC Files: Lot 62 D 46

Official documents issued by the Organization for European Economic Cooperation for the years 1958–1959, maintained by the Officer in Charge of Economic Affairs, Office of European Regional Affairs.

#### P/PG Files: Lot 60 D 661

Subject files of the Operations Coordinating Board containing National Security Council material for the years 1950–1959, maintained by the Policy Plans and Guidance Staff.

#### PPS Files: Lot 67 D 548

Subject files, country files, chronological files, documents, drafts, and related correspondence of the Policy Planning Staff for the years 1957–1961.

#### Presidential Correspondence: Lot 66 D 204

Exchanges of correspondence between the President and the heads of foreign governments for the years 1953–1964, maintained by the Executive Secretariat.

#### Presidential Memoranda of Conversation: Lot 66 D 149

Complete chronological record of cleared memoranda of conversations with foreign visitors for the years 1956–1964, maintained by the Executive Secretariat.

#### Rome Embassy Files: Lot 64 A 532

Classified files maintained by the Embassy in Rome for the years 1956-1958.

#### Secretary's Memoranda of Conversation: Lot 64 D 199

Chronological collection of the Secretary of State's memoranda of conversation and the Under Secretary of State's memoranda of conversation for the years 1953–1960, maintained by the Executive Secretariat.

#### S/P-NSC Files: Lot 62 D 1

Serial and subject master file of National Security Council documents and correspondence for the years 1948–1961, maintained by the Policy Planning Staff.

#### S/S-NSC Files: Lot 63 D 351

Serial master file of National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, maintained by the Executive Secretariat.

S/S-NSC (Miscellaneous) Files: Lot 66 D 95

Administrative and miscellaneous National Security Council documentation, including NSC Records of Action, for the years 1947–1963, maintained by the Executive Secretariat.

S/S-S Files: Lot 69 D 150

Miscellaneous policy briefing books and situation chronologies on U.S.-European relations for the years 1958–1967, including documents on U.S. relations with France, 1958–1963, and on France and the NATO nuclear problem, 1961–1966, maintained by the Executive Secretariat.

WE Files: Lot 61 D 30

Subject files of the Officer in Charge of French-Iberian Affairs, Office of Western European Affairs, for the years 1955–1959.

WE Files: Lot 72 D 441

Files concerning France's relations with the United States under President de Gaulle for the years 1958–1967, maintained by the French Desk Officer, Office of Western European Affairs.

#### Dwight D. Eisenhower Library, Abilene, Kansas

#### Cabinet Secretariat Records

From the White House Office Files, Records of the Cabinet Secretariat, 1953-1960.

**Dulles** Papers

Papers of John Foster Dulles, 1952–1959.

Herter Papers

Papers of Christian A. Herter, 1957-1961.

#### President's Daily Appointments

From the White House Office Files, Records of the Special Assistant for Executive Appointments, 1952–1961. Daily appointment books for President Eisenhower.

Project Clean Up

From the White House Office Files, Records of Gordon Gray, Robert Cutler, Henry R. McPhee, and Andrew J. Goodpaster, 1953–1961.

Special Assistant for National Security Affairs Records

From the White House Office Files, Records of the Office of the Special Assistant to the President for National Security Affairs (Robert Cutler, Dillon Anderson, and Gordon Gray), 1952–1961.

Staff Secretary Records

From the White House Office Files, Records of the Office of the Staff Secretary, 1952–1961. Records of Paul T. Carroll, Andrew J. Goodpaster, L. Arthur Minnich, and Christopher H. Russell.

#### White House Office Files

Several White House Office collections, including Project Clean Up.

Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953–1961, maintained by his Personal Secretary, Ann C. Whitman. The Whitman File includes the following elements: the Name Series, the Dulles–Herter Series, DDE Diaries, Ann Whitman (ACW) Diaries, NSC Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, the Administration Series, and the International File.

### Washington National Records Center, Suitland, Maryland

#### Record Group 59, General Records of the Department of State

#### Conference Files: FRC 83-0068

Lot 64 D 559: Collection of documentation of official visits by heads of government and foreign ministers to the United States; of major international conferences attended by the Secretary of State and the President; and of official visits by the President, the Secretary of State, and other principal Department of State officers to other countries for the year 1960, maintained by the Executive Secretariat.

Lot 64 D 560: Collection of documentation of official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1958–1959, maintained by the Executive Secretariat.

#### Current Economic Developments: FRC 72 A 6248

Lot 70 D 467: Master set of the Department of State classified internal publication *Current Economic Developments* for the years 1945–1969, maintained in the Bureau of Economic Affairs.

#### Record Group 218, Records of the United States Joint Chiefs of Staff

JCS Records

Records of the U.S. members of the Combined Chiefs of Staff and subsequently the Joint Chiefs of Staff since 1942.

#### Record Group 330, Records of the Office of the Secretary of Defense

#### OASD/ISA Files: FRC 62 A 1698

Country files of the Office of the Assistant Secretary of Defense (International Security Affairs) for the year 1958.

#### OASD/ISA Files: FRC 64 A 2170

Country files of the Office of the Assistant Secretary of Defense (International Security Affairs) for the year 1960.

#### National Archives and Records Administration, Washington, D.C.

#### Record Group 84, General Records of the Department of State

**OSS-State Intelligence Reports** 

Records of the Research and Analysis Branch, Office of Strategic Services, and the Office of Intelligence Research, Department of State, 1941–1961.

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# List of Abbreviations

AC & W, air communication and weather ACE, Allied Command Europe ACLI, Associazione Cristiana Lavoratori Italiani (Association of Italian Christian Workers) AEA, Atomic Energy Authority AEC, Atomic Energy Commission AFMED, Allied Forces Mediterranean AIRCENT, Allied Air Forces, Central Europe ALO, American Liaison Office; series indicator for telegrams from the American Liaison Office to the North Atlantic Treaty Organization Amb, Ambassador AR, Annual Review ATAF, Allied Tactical Air Force b/d, barrels per day B/P, balance of payments BAOR, British Army on the Rhine BENELUX, Belgium, the Netherlands, Luxembourg BMEW, ballistic missile early warning BNA, Office of British Commonwealth and Northern European Affairs, Department of State BOQ, bachelor officers' quarters **BP**, Baghdad Pact Busec, series indicator for telegrams from the Department of State to the Mission to the European Communities, Brussels C, Office of the Counselor, Department of State CA, circular airgram Cahto, series indicator for telegrams to the Department of State from Secretary of State Herter while away from Washington CATAC, Commander Allied Tactical Forces CBS, Columbia Broadcasting System CCC, Commodity Credit Corporation

CEA, Commissariat a l'Energie Atomique (Atomic Energy Commissariat) CENTO, Central Treaty Organization CES, Conseil Economique et Social (Economic and Social Committee-OEEC); Conference on European Security CGT, Confédération Général du Travail (General Confederation of Labor) CHANCOM, Channel Command ChiCom, Chinese Communist CIA, Central Intelligence Agency CIG, Intergovernmental Committee on the Establishment of a Free Trade Area CINCAFMED, Commander in Chief, Allied Forces. Mediterranean CINCAIRCENT, Commander in Chief, Allied Air Forces, Central Europe CINCENT, Commander in Chief, Allied Forces, Central Europe CINCEUR, Commander in Chief, Europe CINCHAN, Commander in Chief, Channel Command CINCLANT, Commander in Chief, Atlantic CINCNELM, Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean CINCNORAD, Commander in Chief, North American Air Defense CINCONAD, Commander in Chief, Continental Air Defense CINCPAC, Commander in Chief, Pacific CINCSOUTH, Commander in Chief, Allied Forces, Southern Europe circinstr, circular instruction C-M, series indicator for North Atlantic Council memoranda

COCOM, Coordinating Committee of
the Consultative Group, based in
Paris, consisting of nations seeking to
control the export of strategic goods
to communist countries
C of S, Chief of Staff
Colux, series indicator for documents
sent from the Representative to the
European Economic Communities at
Luxembourg to the Department of
State
<b>CPC,</b> Combined Policy Committee
<b>CRS</b> , Campagnies Républicaines de
Securité, French national security
police
*
CY, calendar year
DAG, Development Assistance Group
DAT, Défense aérienne du territoire
(Territorial Air Defense)
DC, Democrazia Cristiana (Christian
Democratic Party)
DE, Destroyer Escort
Depcirtel, Department of State circular
telegram
Deptel, Department of State telegram
DEW Line, Distant Early Warning Line
DLF, Development Loan Fund
DOD, Department of Defense
Dulte, series indicator for telegrams
sent to the Department of State by
Secretary of State Dulles while away
from Washington
DS, defense support
E, Office of the Assistant Secretary of
State for Economic Affairs
Ecbus, series designator for telegrams
to the Mission to the European
Communities from the Department
of State
ECONAD, Committee of Economic
Advisers to the North Atlantic
Council
EDC, European Defense Community
EEC, European Economic Community
EFTA, European Free Trade Area;
European Free Trade Association
Embtel, Embassy telegram
ENI, Ente Nazionale Idrocarbone (State
Petroleum Agency)
EPA, European Payments Agreement
<b>EPU</b> , European Payments Union
<b>EUR,</b> Bureau of European Affairs,
Department of State
Department of other

EUR/BNA, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs, Department of State EUR/GER, Office of German Affairs, Bureau of European Affairs, Department of State EUR/RA, Office of Regional Affairs, Bureau of European Affairs, Department of State EUR/WE, Office of Western European Affairs, Bureau of European Affairs, Department of State EURATOM, European Atomic Energy Community EX-IM, Export-Import Bank E/W, east/west FAA, Federal Aviation Administration FCDA, Federal Civil Defense Administration FedRep, Federal Republic of Germany FLN, Front de Libération Nationale (National Liberation Front) FM, Foreign Minister FonMin, Foreign Minister ForMin, Foreign Minister FRG, Federal Republic of Germany FTA, Free Trade Association; Free Trade Area FY, fiscal year FYI, for your information GA, General Assembly GATT, General Agreement on Tariffs and Trade GAF, German Air Force GARIOA, Government and Relief in Occupied Areas GDR, German Democratic Republic GER, Office of German Affairs, Bureau of European Affairs, Department of State GFR, German Federal Republic GNP, gross national product GOF, Government of France; Government of Finland GOI, Government of Iceland; Government of Italy GOS, Government of Spain GRC, Government of the Republic of China HG, Head of Goverment HMG, His (Her) Majesty's Government IBRD, International Bank for Reconstruction and Development ICA, International Cooperation Administration ICBM, intercontinental ballistic missile ICFTU, International Confederation of Free Trade Unions IEME, Instituto Español de Moneda Extranjera (Spanish Institute of Foreign Exchange) INR, Bureau of Intelligence and Research, Department of State IMF, International Monetary Fund IRBM, intermediate range ballistic missile IS, International Staff ISA, Office of International Security Affairs, Department of Defense JCS, Joint Chiefs of Staff JEA(D), Joint Economic Affairs (Document) JIMCO, Joint Industrial Mobilization Committee JUSMAG, Joint United States Military Advisory Group KLM, Koninklijke Luchtvaart Maatschappij (Royal Aviation Company, KLM-Royal Dutch Airlines) KW, kilowatt L, Office of the Legal Adviser, Department of State LDC, less developed country LOC, line of communication LS, Division of Language Services, Department of State Luxco, series indicator for telegrams from the Department of State to the Mission to the European Economic Communities at Luxembourg M, Office of the Under Secretary of State for Political Affairs MA, military assistance MAAG, Military Assistance Advisory Group MAP, Military Assistance Program MB-1, missile-bomber MC, Military Committee MDAP, Mutual Defense Assistance Program MEDOC, Mediterranean Ocean; used by NATO to describe Western Mediterranean Area MFN, most favored nation

Min, Minister MOD, Ministry of Defense MRBM, medium range ballistic missile MRP, Mouvement Républicain Populaire (Popular Republican Movement) MSI, Movimento Sociale Italiano (Italian Socialist Movement) MUIS, Movimento Unitario di Iniziativa Socialista (Unity Movement of Socialist Initiative) MWDP, Mutual Weapons **Development Program** NA, North Atlantic NAC, North Atlanic Council NADET, NATO Deterrent NARB, NATO Annual Review Board NATO, North Atlantic Treaty Organization NEB, National Energy Board NIE, National Intelligence Estimate NOA, new obligational authority Noforn, no foreign nationals NORAD, North American Air Defense Command NSC, National Security Council OAS, Organization of American States OCB, Operations Coordinating Board **OCON**, Office of Interministerial Commission for the Implementation of the Agreements Between Spain and the United States **ODM.** Office of Defense Mobilization **OEC**, Organization for Economic Cooperation **OECD**, Organization for Economic Cooperation and Development **OEEC**, Organization for European Economic Cooperation OSD/ISA, Office of the Secretary of Defense, International Security Affairs **OSP**, offshore procurement OT, overseas territory PCI, Partito Comunista Italiano (Italian Communist Party) PDI, Partito Democratico Italiano (Italian Democratic Party) **PermRep**, Permanent Representative PJBD, Permanent Joint Board on Defense P.L., Public Law

PLI, Partito Liberale Italiana (Italian Liberal Party) PMP, Partito Monarchico Popolare (Popular Monarchist Party) PNM, Partito Nazionale Monarchico (National Monarchist Party) POL, petroleum, oil, and lubricants Polto, series indicator for telegrams from the Mission to the North Atlantic Treaty Organization and **European Regional Organizations** PPS, Policy Planning Staff PriMin, Prime Minister PR, Partito Radicale (Radical Party) PRI, Partito Repubblicano Italiano (Italian Republican Party) PSDI, Partito Social Democratico Italiano (Italian Social Democratic Party) PVC/MC, President's visit to Canada/memorandum of conversation **PX**, post exchange QR, quantitative restriction R, Special Assistant to the Secretary of State for Intelligence R & D, research and development RA, Office of European Regional Affairs, Bureau of European Affairs, Department of State RAF, Royal Air Force RCAF, Royal Canadian Air Force ref, reference refair, reference airgram reftel, reference telegram rep, representative ROK, Republic of Korea S, Office of the Secretary of State SAC, Strategic Air Command SACEUR, Supreme Allied Command, Europe SACLANT, Supreme Allied Commander, Atlantic Sage, Semi-Automatic Ground Environment SAM, surface-to-air missile SAMOS, Satellite-Missile Observation System SCA, Bureau of Security and Consular Affairs, Department of State SD-MICC, State-Defense Military Information Control Committee SEA, Southeast Asia

SEATO, Southeast Asia Treaty Organization Sec, Secretary SecDel/MC, Secretary of State's delegation/memorandum of conversation SecGen, Secretary General Secto, series indicator for telegrams to the Department of State from the Secretary of State (or his delegation) at international conferences SG, Secretary General; Standing Group SGN, Standing Group, NATO SGRep, Secretary General's Representative SHAEF, Supreme Headquarters, Allied **Expeditionary Force** SHAPE, Supreme Headquarters, Allied Powers, Europe SNIE, Special National Intelligence Estimate SOV, Office of Soviet Union Affairs, Bureau of European Affairs, Department of State SPD, Sozialdemokratische Partei Deutschlands (German Social Democratic Party) S/S, Executive Secretariat, Department of State STRIKEFORSOUTH, Strike Force South sq, squadron SUNFED, Special United Nations Fund for Economic Development TC, technical cooperation telecon, telephone conversation TNCD, Ten-Nation Committee on Disarmament Topol, series indicator from the Department of State to the Mission to the North Atlantic Treaty Organization and European Regional Organizations Tosec, series indicator for telegrams from the Department of State to the Secretary of State (or his delegation) while at internationa conferences U, Under Secretary of State UAR, United Arab Republic UK, United Kingdom UN, United Nations UNGA, United Nations General Assembly

**UNR,** Union pour la Nouvelle République (Union for the New Republic)

UNSC, United Nations Security Council

US/MC, United States memorandum of conversation

- USA, United States Army
- **USAF**, United States Air Force
- **USAFE,** United States Air Force, Europe
- USCINCEUR, Commander in Chief, United States Forces, Europe

**USDA**, United States Department of Agriculture

USDel, United States Delegation

**USEC,** United States Representative to the European Economic

Communities at Luxembourg; series

indicator for telegrams from the Department of State to the Mission to the European Economic Communities USG, United States Government USIA, United States Information Agency USOM, United States Operations Mission USRO, Mission to the North Atlantic Treaty Organization and European **Regional Organizations** W, Deputy Under Secretary of State for **Economic Affairs** WE, Office of Western European Affairs, Department of State WEU, Western European Union WG, working group WP, working party

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# List of Persons

Achilles, Theodore C., Counselor of the Department of State from March 1960 Adams, Sherman, The Assistant to President Eisenhower until October 1958

Adams, Snerman, The Assistant to President Eisenhower until October 1

Adenauer, Konrad, Chancellor of the Federal Republic of Germany

Alphand, Hervé, French Ambassador in the United States

- Anderson, Clinton P., Senator from New Mexico, Chairman of the Joint Committee on Atomic Energy
- Anderson, Robert B., Secretary of the Treasury
- Andreotti, Giulio, Italian Minister of Defense, February 1959–February 1960 and from March 1960
- Areilza y Martinez-Rodas, José Maria, Count de Motrico, Spanish Ambassador in the United States until July 1960

Armand, Louis, President of the EURATOM Commission, January 1958–February 1959 Averoff, Evangelos, Greek Foreign Minister

- Barroso Sanchez-Guerra, Lieutenant General Antonio, Spanish Minister of the Army Becker, Loftus, Legal Adviser of the Department of State
- Beigel, Edgar J., Office of Western European Affairs, Bureau of European Affairs, Department of State
- Benson, Ezra Taft, Secretary of Agriculture
- Bernau, Phyllis D., Secretary Dulles' Personal Assistant
- Black, Eugene R., President of the International Bank for Reconstruction and Development
- Blankenhorn, Herbert A. von, German Permanent Representative to the North Atlantic Treaty Organization
- Boegner, Jean-Marie, Diplomatic Adviser in the Cabinet of President de Gaulle, June 1958–January 1959; Diplomatic Adviser to the Secretariat of President de Gaulle, January 1959–October 1959; French Ambassador to Tunisia from November 1959
- Boggs, Marion W., Director, National Security Council Secretariat, until July 1959; Deputy Executive Secretary thereafter
- Bonbright, James C. H., Ambassador to Portugal until November 1958; Ambassador to Sweden from January 1959
- Borbon y Battenberg, Juan, Count of Barcelona, Pretender to the Spanish Throne
- **Borbon y de Borbon, Juan Carlos, Count of Seville and the Two Sicilies,** son of the Pretender to the Spanish Throne
- Botelho Moniz, Julio Carlos Alves Dias, Chief, General Staff of the Portuguese Armed Forces, until August 1958; thereafter Minister of National Defense
- Bowie, Robert R., Consultant to the Department of State, March-December 1960
- Brentano, Heinrich von, German Foreign Minister
- Brosio, Manlio, Italian Ambassador in the United States
- Brown, L. Dean, Officer in Charge of French-Iberian Affairs, Office of Western European Affairs, Bureau of European Affairs, Department of State
- Bruce, David K. E., Ambassador to Germany until October 1959
- Bulganin, Nikolai Alexandrovich, Chairman of the Council of Ministers of the Soviet Union until March 1958
- Burgess, W. Randolph, Chief of the Mission to the North Atlantic Treaty Organization and European Regional Organizations at Paris

- Butterworth, W. Walton, Representative to the European Coal and Steel Community until February 1958; Representative to the European Coal and Steel Community, the European Economic Community, and the European Atomic Energy Community, February 1958–September 1959; thereafter Representative to the European Communities
- **Byrns, Kenneth A.**, Officer in Charge of Canadian Affairs, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs, Department of State, June 1958–January 1960
- **Cabanier, Admiral Georges,** Chief of Staff to the French Minister of Defense and Chief of the National Defense Staff, June–November 1958; Vice Admiral of the Mediterranean Fleet, January 1959–May 1960; Admiral of the Fleet, January 1960; thereafter Chief of Naval Staff
- Caccia, Harold A., British Ambassador in the United States
- Calhoun, John A., Deputy Director, Executive Secretariat, Department of State, until September 1958; Director, September 1958–August 1960
- Cameron, Turner C., Jr., Bureau of European Affairs, Department of State, until September 1958; thereafter Deputy Director, Office of Western European Affairs, Department of State
- Carbonnel, Eric C.M. de, French Representative to the European Economic Communities, April 1958–June 1959; thereafter Secretary General in the Foreign Ministry
- Carlson, Delmar R., Second Secretary in the Embassy in Canada until February 1959; First Secretary, March–September 1959; thereafter Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs, Department of State Castiella y Maiz, Fernando Maria, Spanish Foreign Minister

**Castro y Ruz, Fidel**, Leader of the 26th of July Movement; Cuban Prime Minister July 1959

- **Cicognani, Amleto**, Apostolic Delegate of the Catholic Church to the United States until November 1959; thereafter Secretary of the Sacred Congregation for the Oriental Church
- **Cleveland, Stanley M.,** Office of European Regional Affairs, Bureau of European Affairs, Department of State, until June 1958; thereafter First Secretary of the Embassy in Belgium
- Cole, W. Sterling, Director General of the International Atomic Energy Agency

Couve de Murville, Maurice, French Foreign Minister

- Dale, William N., Officer in Charge, United Kingdom and Ireland Affairs, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs, Department of State, until June 1958; Deputy Director, Office of British Commonwealth and Northern European Affairs, July 1958–August 1959
- de Borbon. See Borbon
- de Carbonnel. See Carbonnel
- **de Courcel, Geoffrey Chodron,** French Permanent Secretary General of National Defense until June 1958; Permanent Representative to the North Atlantic Treaty Organization, September–December 1958; Secretary General of the Presidency of France from January 1959
- de Gaulle, Charles, French Prime Minister, June 1958–January 1959; thereafter President of France
- de Leusse. See Leusse
- **Dean, Sir Patrick**, Deputy Under Secretary of State, British Foreign Office, and Chairman, Joint Intelligence Committee until April 1960; thereafter British Representative to the United Nations
- Debré, Michel, French Prime Minister from January 1959
- Denny, Admiral Sir Michael, Chairman of the British Joint Services Staff in Washington until June 1959

- Diefenbaker, John G., Canadian Prime Minister; also Secretary of State for External Affairs, March–June 1959
- Dillon, C. Douglas, Under Secretary of State for Economic Affairs, July 1958–June 1959; thereafter Under Secretary of State
- Don Juan. See Borbon
- Don Juan Carlos. See Borbon
- **Douglas, James H.,** Secretary of the Air Force until December 1959; thereafter Deputy Secretary of Defense
- Douglas-Home, Alexander Frederick, British Secretary of State for Commonwealth Relations until July 1960; thereafter Foreign Secretary
- Dulles, Allen W., Director of Central Intelligence
- Dulles, John Foster, Secretary of State until April 1959
- Eisenhower, Dwight D., President of the United States
- Eisenhower, Major John S. D. (Lieutenant Colonel from May 31, 1960), Assistant Staff Secretary to the President
- Elbrick, C. Burke, Assistant Secretary of State for European Affairs until November 1958; Ambassador to Portugal from January 1959
- Ely, General Paul H. R., Chief of Staff of the French Armed Forces until January 1959; thereafter Chief of the National Defense General Staff
- Etzel, Franz, German Finance Minister
- Fanfani, Amintore, Italian Prime Minister, July 1958–January 1959 and from July 1960; Secretary of the Christian Democratic Party to February 1959
- Farley, Philip J., Special Assistant to the Secretary of State for Atomic Energy Affairs until May 1958; thereafter Special Assistant to the Secretary of State for Disarmament and Atomic Energy
- Faure, Maurice, French Secretary of State for Foreign Affairs until April 1958; Minister of the Interior and Minister of European Institutions from May 1958
- Fessenden, Russell, First Secretary of the Embassy in France, until August 1958; Deputy Director, Office of European Regional Affairs, Bureau of European Affairs, Department of State, September 1958–September 1960; thereafter Director
- Foulkes, General Charles, Chairman, Canadian Chiefs of Staff Committee
- Franco y Bahamonde, Generalissimo Francisco, Chief of State of Spain

Gaillard, Felix, French Prime Minister until April 1958

- Gates, Thomas S., Jr., Secretary of the Navy until June 1959; Deputy Secretary of Defense, June 1959–December 1959; thereafter Secretary of Defense
- Gelée, General Max, French Representative to the NATO Standing Group until July 1960 Gleason, S. Everett, Deputy Executive Secretary of the National Security Council
- Goodpaster, General Andrew J., Staff Secretary to President Eisenhower
- **Gray, Gordon**, Director of the Office of Defense Mobilization until June 1958; Special Assistant to the President for National Security Affairs from July 1958
- **Green, Howard C.,** Canadian Secretary of State for External Affairs after May 1959 **Greene, Joseph N., Jr.,** Special Assistant to the Secretary of State until October 1959 **Gronchi, Giovanni,** President of Italy
- Gudmunsson, Gudmundur, Icelandic Foreign Minister
- Guillamat, Pierre, French Minister for Armed Forces, June 1958–February 1959; thereafter Minister of Atomic Energy

Hagerty, James, President Eisenhower's Press Secretary

- Hallstein, Walter, President of the European Economic Communities
- Hammarskjöld, Dag, Secretary-General of the United Nations

Heeney, Arnold D. P., Canadian Ambassador in the United States from November 1958

Henderson, Loy W., Deputy Under Secretary of State for Administration

Herter, Christian A., Under Secretary of State until April 1959; thereafter Secretary of State

Hillenbrand, Martin J., Mission at Berlin until September 1958; thereafter Director, Office of German Affairs, Bureau of European Affairs, Department of State

Home. See Douglas-Home

Hood, Viscount Samuel, Minister of the British Embassy in the United States

Horsey, Outerbridge, Minister Counselor of the Embassy in Italy from January 1959 Houghton, Amory, Ambassador to France

Hoyer Millar. See Millar

- Irwin, John N., II, Deputy Assistant Secretary of Defense for International Security Affairs until September 1958; thereafter Assistant Secretary of Defense for International Security Affairs
- James, Alan G., Reports-Operations Staff, Executive Secretariat, Department of State, until November 1959; thereafter Office of European Regional Affairs, Bureau of European Affairs, Department of State
- Jandrey, Frederick W., Deputy Assistant Secretary of State for European Affairs until April 1958
- Jebb, Sir Hubert Miles Gladwyn, British Ambassador in France until fall 1960

Jernegan, John D., Minister Counselor of the Embassy in Italy until 1958

- Joxe, Louis, Permanent Secretary General of the French Foreign Ministry until July 1959; Secretary of State to the Prime Minister, July 1959–January 1960
- Kidder, Randolph A., Special Assistant to the Deputy Under Secretary of State for Administration until May 1958; thereafter Counselor for Political Affairs of the Embassy in France
- Khrushchev, Nikita Sergeyevich, First Secretary of the Central Committee, Communist Party of the Soviet Union; Vice Chairman, Soviet Council of Ministers, until March 1958; thereafter Chairman

Knight, Robert H., Deputy Assistant Secretary of Defense for International Security Affairs, September 1958–June 1959

- Kohler, Foy D., Deputy Assistant Secretary of State for European Affairs, February 1958–December 1959; thereafter Assistant Secretary of State for European Affairs
- Krag, Jens Otto, Danish Foreign Minister and Minister of Foreign Economic Relations from October 1958

Laloy, Jean, Director of European Affairs, French Foreign Ministry

Lange, Halvard, Norwegian Foreign Minister

Lay, James S., Executive Secretary, National Security Council

- Lemnitzer, General Lyman L., Vice Chief of Staff, United States Army, until June 1959; Chief of Staff, July 1959–September 1960; thereafter Chairman, Joint Chiefs of Staff
- Leusse, Pierre de, French Permanent Representative to the North Atlantic Treaty Organization from January 1959
- Lloyd, Selwyn, British Foreign Secretary until June 1960; thereafter Chancellor of the Exchequer
- Lodge, John D., Ambassador to Spain
- Looram, Matthew J., Office of Western European Affairs, Bureau of European Affairs, Department of State, until July 1959
- Lucet, Charles, Minister of the French Embassy in the United States
- Luns, Joseph M. A. H., Dutch Foreign Minister
- Lyon, Cecil B., Deputy Chief of Mission of the Embassy in France from March 1958

Macmillan, Harold, British Prime Minister and First Lord of the Treasury

- Maestrone, Frank, Office of Western European Affairs, Bureau of European Affairs, Department of State, until June 1960
- Martin, General André, Chief of Staff to the French Minister of Armies, June 1958–January 1959; thereafter Commandant of the Air Forces, Fifth Region
- Mathias, Marcello Duarte, Portuguese Foreign Minister after August 1958

Mattei, Enrico, President, Italian State Petroleum Agency

- Maudling, Reginald, Chairman, Intergovernmental Committee for the Establishment of a European Free Trade Area; British Paymaster General until October 1959; thereafter President of the Board of Trade
- McBride, Robert H., Deputy Director, Office of Western European Affairs, Bureau of European Affairs, Department of State, until September 1958; thereafter Director
- McCarthy, John G., Director, Office of Economic Affairs, Mission to the European Regional Organizations at Paris
- McCone, John A., Chairman of the Atomic Energy Commission from July 1958
- McElhiney, Thomas W., Bureau of European Affairs, Department of State, until September 1958; Deputy Director, Executive Secretariat, September 1958–August 1960
- McElroy, Neil H., Secretary of Defense until December 1959
- McNaughton, General Andrew G. L., Chairman, Canadian Section, International Joint Commission on Development of the Columbia River
- Merchant, Livingtson T., Ambassador to Canada until November 1958; Assistant Secretary of State for European Affairs, November 1958–August 1959; Deputy Under Secretary of State for Political Affairs, August–December 1959; thereafter Under Secretary of State for Political Affairs
- Mikoyan, Anastas Ivanovich, First Deputy Chairman, Soviet Council of Ministers
- Millar, Frederick Hoyer, British Permanent Under-Secretary of State for Foreign Affairs
- Minnich, L. Arthur, Jr., Assistant Staff Secretary to President Eisenhower
- Mollet, Guy, French Minister and Vice President of Council, May 1958; Minister of State without Portfolio, June 1958–January 1959
- Moniz. See Botelho Moniz
- Monnet, Jean, President of the Action Committee for a United States of Europe
- Mountbatten, Admiral Louis, British First Sea Lord until May 1959; Chief of the Defence Staff and Chairman, Chiefs of Staff, from July 1959
- Muccio, John J., Ambassador to Iceland until December 1959
- Murphy, Robert D., Deputy Under Secretary of State for Political Affairs until August 1959; Under Secretary of State for Political Affairs, August–December 1959
- Nasser, Gamal Abdul, President of Egypt; President of the United Arab Republic from February 1958
- Nenni, Pietro, Secretary of the Italian Socialist Party
- Nolting, Frederick E., Jr., Deputy Representative to the North Atlantic Treaty Organization and Deputy Chief of Mission to the European Regional Organizations at Paris
- Norstad, General Lauris, Supreme Commander, Allied Powers in Europe; also Commander, U.S. European Command, from September 1958

O'Hurley, J. Raymond, Canadian Minister of Defence Production

Parsons, Marselis C., Jr., Director, Office of British Commonwealth and Northern European Affairs, Department of State, until December 1958; Counselor of the Embassy in Denmark from September 1959

Pearkes, George R., Canadian Minister of National Defense

- Pella, Giuseppi, Italian Foreign Minister until June 1958 and February 1959–February 1960
- Pflimlin, Pierre, French Finance Minister until April 1958; Prime Minister, May 1958; Minister of State without Portfolio, June 1958–January 1959
- Pinay, Antoine, French Minister of Finance and Economic Affairs from June 1958

Pineau, Christian, French Minister of Foreign Affairs until May 1958

**Pinies, Jaime de,** Director for North American Political Affairs, Spanish Foreign Ministry **Pleven, René,** French Foreign Minister of Foreign Affairs, May 14–31, 1958

Quarles, Donald, Deputy Secretary of Defense until May 1959

Reinhardt, G. Frederick, Counselor of the Department of State until January 1960

- **Reinstein, Jacques J.**, Director, Office of German Affairs, Bureau of European Affairs, Department of State, until July 1958; Minister for Economic Affairs at the Embassy in France from June 1959
- **Rewinkel, Milton C.,** Counselor of the Embassy in Canada until August 1959; Deputy Director, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs, Department of State, until March 1960
- Rey, Jean, Belgian Representative to the Commission of the Common Market
- Ritchie, A. E., Minister of the Canadian Embassy in the United States until September 1959
- **Roberts, Sir Frank**, British Permanent Representative to the North Atlantic Treaty Organization until May 1960
- Robertson, Norman, Canadian Ambassador in the United States until September 1958; thereafter Under Secretary of State for External Affairs
- Rountree, William M., Assistant Secretary of State for Near Eastern, South Asian, and African Affairs until August 20, 1958; thereafter Assistant Secretary of State for Near Eastern and South Asian Affairs
- Rovira y Sanchez-Herrero, Juan José, Director General, Office of Interministerial Commission for the Implementation of the Agreements Between Spain and the United States
- Sackstedter, Frederick H., Jr., Office of Western European Affairs, Bureau of European Affairs, Department of State
- Saint-Mleux, André, Assistant Chef du Cabinet to the Secretary General of the North Atlantic Treaty Organization

Salazar, Antonio de Oliveira, Portuguese Prime Minister

- Sandys, Duncan, British Defence Minister until October 1959
- Schaetzel, J. Robert, Office of the Special Assistant for Disarmament and Atomic Energy, Department of State
- Segni, Antonio, Deputy Italian Prime Minister and Defense Minister, July 1958–January 1959; Prime Minister, February 1959–February 1960; thereafter Foreign Minister
- Service, Richard M., Deputy Director, Office of Western European Affairs, Bureau of European Affairs, Department of State, until June 1959; Director, Office of Soviet Union Affairs, June 1959–June 1960; thereafter Counselor of the Embassy in the Netherlands
- Shuckburgh, Sir C. A. Evelyn, Assistant Under Secretary of State, British Foreign Office, until September 1958; Assistant Secretary General for Political Affairs to the North Atlantic Treaty Organization from September 1958; Deputy Under Secretary of State for Foreign Affairs from July 1960
- Smith, Gerard C., Assistant Secretary of State for Policy Planning

Smith, Sidney E., Canadian Secretary of State for External Affairs until March 1959

- Soustelle, Jacques E., French Minister attached to the Prime Minister's Office, January 1959–February 1960
- Spaak, Paul-Henri, Secretary General of the North Atlantic Treaty Organization
- Sprague, Mansfield D., Assistant Secretary of Defense for International Security Affairs until September 1958
- Stans, Maurice H., Director of the Bureau of the Budget from March 1958
- Stassen, Harold E., Special Assistant to President Eisenhower for Disarmament until February 1958
- Stikker, Dirk U., Dutch Permanent Representative to the North Atlantic Treaty Organization from April 1958
- Stoessel, Walter J., Jr., First Secretary and Political Officer of the Embassy in France until August 1959; Director, Executive Secretariat, Department of State, after August 1960
- Strauss, Franz-Joseph, German Defense Minister
- Strauss, Lewis L., Chairman of the Atomic Energy Commission until June 1958; Secretary of Commerce, November 1958–June 1959
- Tambroni, Fernando, Italian Prime Minister, March-July 1960
- Tanner, Father Paul Francis, Chairman of the National Catholic Welfare Conference
- Thompson, Tyler, Minister in Canada until January 1960; thereafter Ambassador to Iceland
- Thurston, Raymond L., Counselor and Political Officer, Mission to SHAPE, Paris
- Timmons, Benson E. L., III, Director, Office of European Regional Affairs, Bureau of European Affairs, Department of State, until June 1959; thereafter Counselor and Consul General of the Embassy in Sweden
- **Torbert, Horace G.,** Director, Office of Western European Affairs, Bureau of European Affairs, Department of State, until September 1958; thereafter Counselor for Political Affairs of the Embassy in Italy
- Twining, General Nathan F., Chairman, Joint Chiefs of Staff, until September 1960

Valery, Francois, Chief of Service for Economic Cooperation, French Foreign Ministry

Valliere, Raymond A., Consul at Seville until August 1958; thereafter Office of Western European Affairs, Bureau of European Affairs, Department of State

- Valluy, General Jean E., Commander in Chief, Allied Forces, Central Europe, until May 1960
- Van Der Beugel, Ernest, Dutch State Secretary for Foreign Affairs

Vellerti, Augusto, Second Secretary of the Embassy in Italy until August 1960 von Brentano. *See* Brentano

- Walters, Lieutenant Colonel Vernon A. (Colonel from April 1969), Staff Assistant to President Eisenhower until May 1960
- Watkinson, Harold, British Defence Minister after October 1959
- Waugh, Samuel C., President and Chairman of the Board of the Export-Import Bank
- Wells, Stabler, Office of Western European Affairs, Bureau of European Affairs, Department of State
- White, Ivan B., Deputy Assistant Secretary of State for European Affairs after March 1959 Whitman, Ann C., President Eisenhower's Personal Secretary
- Whitney, John Hay, Ambassador to the United Kingdom
- Wigglesworth, Richard B., Ambassador to Canada, December 1958–October 1960 Wigny, Pierre, Belgian Foreign Minister after June 1958
- Willoughby, Woodbury, Director, Office of International Trade, Department of State, until August 1958; thereafter Director, Office of British Commonwealth and North European Affairs, Bureau of European Affairs, and member, U.S.-Canada Permanent Joint Board for Defense

- Wormser, Olivier, Director, Economic and Financial Affairs, and head, French Delegation to the Intergovernmental Committee for the Establishment of a European Free Trade Area
- Xanthaky, Theodore A., Attaché and Political Officer of the Embassy in Portugal, until October 1958; thereafter Counselor of the Embassy

Zellerbach, James D., Ambassador to Italy until December 1960 Zoli, Adone, Italian Prime Minister until June 1958 Zorlu, Fatin Rüstü, Turkish Foreign Minister

### FRANCE

### U.S. INTEREST IN THE POLITICAL AND ECONOMIC STABILITY OF FRANCE; FRENCH EFFORTS TO ESTABLISH TRIPARTITE CONSULTATIVE TALKS; NEGOTIATIONS CONCERNING ATOMIC COOPERATION AND NUCLEAR SHARING; SECRETARY OF STATE DULLES' VISIT TO PARIS JULY 5, 1958; PRESIDENT EISENHOWER'S VISITS TO PARIS SEPTEMBER 2–4 AND DECEMBER 19–21, 1959; PRESIDENT DE GAULLE'S VISIT TO WASHINGTON APRIL 22–26, 1960

#### 1. Memorandum of Conversation

January 16, 1958.

SUBJECT

Financial Assistance to France

PARTICIPANTS

French Ambassador Hervé Alphand The Under Secretary Mr. Matthew J. Looram, WE

The French Ambassador stated that Prime Minister Gaillard<sup>1</sup> was making vigorous efforts to stabilize the French economy in the face of a very difficult Parliamentary situation. The Government had just succeeded in obtaining a vote of confidence on the deferment of veterans' payments.<sup>2</sup> In view of the issue at stake, it had been a hard debate and the margin of Gaillard's victory had been very close, namely, only 20 votes. Nevertheless, the Government was determined to solve the present financial difficulties, and the Ambassador mentioned in this connection the current visit of M. Jean Monnet to the United States.<sup>3</sup> He

Source: Department of State, Central Files, 851.10/1–1658. Confidential. Drafted by Matthew J. Looram and approved by Herter.

<sup>&</sup>lt;sup>1</sup> Felix Gaillard, a member of the Radical Socialist Party, became Prime Minister on November 5, 1957.

<sup>&</sup>lt;sup>2</sup>Gaillard received a 253 to 233 vote of confidence on January 16.

<sup>&</sup>lt;sup>3</sup>Monnet visited the United States in January and February 1958 as head of the French financial mission that came to Washington to negotiate financial assistance to the French Government. On January 30, the Department of State, the Department of the Treasury, and the Export-Import Bank announced that they had concluded agreement with the French Government whereby the United States agreed to extend to France certain financial assistance are in Department of State *Bulletin*, February 17, 1958, pp. 269–274. Documentation on these negotiations is in Department of State, Central Files 851.10, 033.511, and *ibid.*, EUR/RA Files: Lot 60 D 402, 9.6–French Aid (OEEC)–1958.

emphasized that the French purpose in seeking foreign financial assistance was not just to permit the French Government to meet current obligations but rather to help get the French economy on a solid basis and prepare it for the implementation of the Common Market.

Mr. Herter stated that the Secretary had spoken on this matter in answer to a question at the National Press Club lunch today.<sup>4</sup> The French Embassy would in due course be supplied with a transcript of the Secretary's remarks.

#### 2. Editorial Note

On February 8, French planes bombed the Tunisian village of Sakiet Sidi Youssef, one-half mile from the Algerian border. Sixty-eight Tunisians were killed and approximately one hundred thirty were injured. On February 9, the Tunisian Government reported the attack to the U.N. Secretary-General and on February 13 formally requested a Security Council meeting. The United States joined the United Kingdom in extending its good offices on February 15 to help in the solution of the Franco-Tunisian problem. On February 18, the Security Council met to consider the dispute. The U.S. and U.K. Representatives told the Council that both interested parties had accepted their good offices proposal on February 16 and that affirmative suggestions for solutions would be made. Debate in the Council was postponed without setting a date for resumption.

On February 19, Deputy Under Secretary of State Robert Murphy was appointed to represent the United States in exercising his government's good offices in conjunction with the United Kingdom, and Harold Beeley, Assistant Under Secretary for Middle Eastern Affairs, was named the British good offices representative. For documentation on the British and U.S. efforts to help solve this crisis in March and April and its final resolution, see volume XIII, pages 817 ff.

<sup>&</sup>lt;sup>4</sup> For text of Dulles' address, the questions, and his answers given to the National Press Club at Washington on January 16, see Department of State *Bulletin*, February 3, 1958, pp. 159–168. Dulles stated France could count on the United States to help the French to help themselves.

### 3. Memorandum of Conversation

February 21, 1958.

#### SUBJECT

General Buchalet's Visit to the United States

#### PARTICIPANTS

General Buchalet, French Atomic Commissariat Mr. H.G. Torbert, Director of WE Mr. J.J. Jova, WE

At a reception at the French Embassy General Buchalet expressed great pleasure at his trip to the United States. He had just visited the Nevada Testing Site and felt that what he had learned would save France many millions of dollars.<sup>1</sup> On many details it would be possible for France to follow procedures established by the United States and thus to avoid expensive trial and error methods.

General Buchalet spoke as if it were a foregone conclusion that a French atomic bomb would be set-off soon. He did not venture an opinion as to the date, saying that much depended on the accumulation of French stocks of plutonium and on the rate from which plutonium was withdrawn from such stocks for civilian experiments. Precedence was being given to the latter type of experiments as they did not destroy the plutonium and it could be utilized again, while a bomb explosion would of course transform the plutonium. General Buchalet was categoric that the first French test explosion would take place in the Sahara and not in Oceania.

Source: Department of State, Central Files, 033.5111/3–2158. Secret. Drafted by Joseph J. Jova, Officer in Charge of French-Iberian Affairs in the Office of Western European Affairs, and initialed by Torbert.

<sup>&</sup>lt;sup>1</sup> Buchalet headed a French Nuclear Group composed of military officers, medical personnel, physicists, and other scientists who made a 2-week visit to the United States, beginning February 17, to learn about the effects of an atomic test and to study the equipment used by the United States to analyze such a test.

### 4. Telegram From the Department of State to the Embassy in Germany

April 2, 1958, 7:59 p.m.

2585. Eyes only Bruce from Secretary. Eyes only Houghton and Murphy. Embtel 2988.<sup>1</sup> I have read with interest and considerable concern contents above tel transmitting views which Chancellor made point of passing to you on his discussion with Pineau re North Africa. As it not clear Chancellor has given full consideration to serious implications of direction in which North African developments seem inevitably leading I hope you may find early convenient opportunity to talk personally and confidentially to him along following lines:

Chancellor should know this problem greatly preoccupies President and me. Present French policies particularly in Algeria give no indication of bringing about solution in North Africa and seem destined to lead to spreading fighting throughout that area with Arab world from Morocco to the Persian Gulf supporting anti-French position and accepting moral, economic and military assistance from the Soviet Bloc.

Military means have not succeeded in bringing about solution and it seems most unlikely that they will succeed given the likely spreading and intensification of the conflict. The *Loi-Cadre*<sup>2</sup> has not, so far as we can judge, gained any considerable support from Moslem population nor is it capable of being implemented so long as hostilities continue. There is in short no French military solution in sight after three and a half years of very considerable French effort in men and resources.

Eventually, and perhaps at a not distant date, the French will become so exhausted and wearied that they will give up the struggle, as they did in Indochina. The recent financial support<sup>3</sup> largely given by our two countries cannot, as far as the United States is concerned, be

Source: Department of State, Central Files, 651.51S/4–258. Secret; Limit Distribution. Drafted by Jandrey and approved by Dulles. Repeated to Paris.

<sup>&</sup>lt;sup>1</sup> In telegram 2988 from Bonn, March 29, Bruce summarized what Albert H. van Scherpenberg, State Secretary of the German Foreign Office, told him, at Adenauer's instruction, about Pineau's talks with German officials in Bonn on March 29. Bruce stated that Adenauer was convinced that North Africa had to be held at all costs against Communist designs upon it, and that further patience was necessary on the part of France's allies. Bruce concluded that veiled remarks by van Scherpenberg, not included in Adenauer's message, indicated that Germans thought any American intervention in the Algerian affair would be dangerous and unproductive. (*Ibid.*, 651.62A/3–2958)

<sup>&</sup>lt;sup>2</sup> The *loi-cadre* was the draft law that reorganized Algeria into eight new departments and aimed at a political solution to Algeria's relationship with France that was a mixture of federalism and partition. It was passed by the French legislature on January 31, 1958, but never implemented.

<sup>&</sup>lt;sup>3</sup>See footnote 3, Document 1.

repeated. Indeed, if the bombing attack on Sikiet Sidi Youssef had occurred a few days before, instead of a few days after, our financial arrangement was finalized, the attitude of the American people and the Congress would have made that step politically impracticable.

If the French exhaustion occurs, there may be a government in France which depends upon Communist support and it may be disposed not only to allow North Africa to come under Communist domination but to be negative toward NATO and the organizations for Western European unity which have been so significant a part of the Chancellor's policies for the Federal Republic and for Western Europe. All of his great conceptions and statesmanship in these respects will, we fear, be put in jeopardy. Recall that EDC received its death blow from the left wing government that liquidated the Indo China war.

Quite apart from whether such a government would continue in NATO, the Coal and Steel Community, the Common Market, EURATOM, etc., it is not easy to see how Western Europe can grow more strong and vigorous over a long term without close and friendly association with Africa and the great actual and potential natural resources of this developing continent.

What to do is a difficult and delicate problem. Any concerted pressure from without would be resented. Also, unhappily, the French Constitution and fragmentation of political parties are such that it is difficult for any government to stay in power unless it adopts rather nationalistic foreign policies.

I would be interested in knowing if the Chancellor shares our concern as outlined above and would be glad to receive on a confidential basis an expression of his views. We fear that the time which remains for constructive action is rather short, and the "good offices" mission may be unable to tide over the immediate crisis between France and Tunisia.

### Dulles

# 5. Telegram From the Embassy in France to the Department of State

Paris, April 16, 1958, 4 p.m.

4747. Eyes only for the Secretary from Murphy. Good Offices.

Source: Department of State, Central Files, 751.00/4–1658. Secret; Niact; Presidential Handling; Limit Distribution.

At Pineau's invitation Houghton, Young, Beeley and I saw him and Joxe at 11:30 am today. His reception was very friendly and after a brief reference to the Government's resignation<sup>1</sup> he began by saying that he wanted to address himself to the Americans. There was opinion that the fall of the Gaillard government was provoked in large part by the President's message.<sup>2</sup> He said that while he himself did not share that view nor did some other members of the government it was exploited by the chauvinistic element. Talking to the British he said in all frankness that since Suez France has been chafing under what might be called a philosophy of solitude, a notion of abandonment by its allies. This was relieved temporarily and in part by the effort President Eisenhower made during his visit to Paris for the NATO meeting last December.<sup>3</sup>He spoke in complimentary terms of the efforts made by the United States and the United Kingdom in the Good Offices Mission stating that he felt that the operation was conducted with every regard for French sensitivities.

Pineau said that while the Gaillard government since its resignation last night will continue without political power, under established custom as distinguished from constitutional authority, decisions can be taken by the President of France. His immediate preoccupation he said is the situation of the French troops in Tunisia who have conducted themselves so well until now. He fears that the news of the fall of the French Government will exercise a depressing effect on the morale of the forces there. He asked Beeley and me whether we could transmit to Bourguiba an expression of hope that the situation could remain in its present state pending the formation of a new French Government and a further effort to find a solution of the current difficulties. GOF would order its forces in Tunisia to remain in barracks and observe discipline and the restraints now in effect. He would hope GOF would agree on a confidential basis to maintain status quo. This Beeley and I agreed to do on the basis that it represented a personal request of Mr. Pineau.

After an expression of appreciation of the valiant efforts of Pineau and Gaillard in the debate yesterday I inquired whether his reference to the President's message might relate to the fact that it was not published and therefore as only its existence became known through leakage in the

<sup>&</sup>lt;sup>1</sup>Gaillard's government was defeated on April 15 by the combined forces of Communists and Moderates who voted 321 to 255 against the Cabinet's decision to accept the proposals of the good offices mission.

<sup>&</sup>lt;sup>2</sup>Reference is to Eisenhower's April 10 letter to Gaillard in which he stressed the hope that a practical solution to the differences between France and Tunisia might be found and indicated U.S. concern. See vol. XIII, pp. 841–842.

<sup>&</sup>lt;sup>3</sup> Reference is to the Heads of Government Meeting in Paris, December 16–19, 1957; see *Foreign Relations*, 1955–1957, vol. IV, pp. 218 ff.

press whether this might not have created an unfortunate misunderstanding on the part of some members of the National Assembly. Pineau replied that the difficulty with the message lay in those portions of it which clearly related to Algeria thus transcending the Good Offices matter. Knowledge of these portions he asserted would have led to even sharper repercussions had they been widely known. It seemed to Ambassador Houghton and me that Pineau in focussing on the President's message as an important reason for the Assembly action last night was seeking an easy rationale. It could be said that the President's message undoubtedly had an important influence on the Government's decision. If it had not taken the decision then the question would not have arisen in the Assembly at this time and the Government would not have fallen on the issue. That would have left the Government faced with the basic problem before the UNSC with all the unpleasant connotations of which we hope GOF is now fully aware.

As for the Good Offices they would he hoped rest in suspense pending formation of the new French Government. He used the expression "they would be in the frigidaire". There was a discussion whether the Good Offices would "rest at the disposition of the governments". Joxe thought this would be bad phraseology. Beeley said he was sure his government would wish to continue its efforts should they be required. I said that I presumed that my Government would also, but that naturally I had no indication from my Government as to its intentions.

Beeley and I informed Pineau that we plan to leave Paris for London April 17.<sup>4</sup> In leaving Pineau's office after repeated expressions of cordiality and mutual appreciation we informed the press that we had had a friendly conversation with Pineau and that in view of the circumstances the work of the Good Offices is suspended.

#### Houghton

<sup>&</sup>lt;sup>4</sup> Murphy stopped in London for discussions with Lloyd before his return to Washington on April 20.

### 6. Telegram From the Embassy in France to the Department of State

Paris, May 14, 1958, 9 p.m.

5238. Events moving as rapidly in Paris as in Algiers.<sup>1</sup> We have reported separately Coty's plea to generals in which he invoked his constitutional powers as Chief of Armed Forces.<sup>2</sup> We have seen no signs from Algiers that Massu<sup>3</sup> and coterie responding. Press reports indicate, instead, continued adhesion military units to Public Safety Committee with Admiral Auboyneau<sup>4</sup> as latest recruit.

In Paris government moved promptly last night despite confusion of power turnover after Pflimlin investiture. Many arrests of far-right extremists plus "protection" of Soustelle and removal of certain suspect generals, such as Chassin,<sup>5</sup> have taken place. City heavily guarded and reinforcements on way. Just how reliable regular and riot (CRS) police will be is perhaps questionable, but no signs defection thus far.

Cabinet met last night and again this morning. Preoccupied with task trying find out exactly what has taken place and what are its ramifications here in France (which perhaps reach quite high). Duchet<sup>6</sup> has joined in appeal with Soustelle, Morica,<sup>7</sup> and Bidault<sup>8</sup> demanding Pflimlin's replacement by national union government. This is indication of temper on right.

On left, activity considerable in union circles. Communists trying bring all profit possible out of first good issue in years. If Algerian takeover unsettled or if right tries anything in Paris, labor union popular front could set itself as reaction perhaps soon to be followed by political counterpart.

Source: Department of State, Central Files, 751.00/5–1458. Confidential; Priority. Repeated to Algiers.

<sup>&</sup>lt;sup>1</sup> In reaction to the investiture of Pierre Pflimlin as Prime Minister on May 13, French extremists in Algeria, distrustful of Pflimlin's assurances that he had no intention of abandoning Algeria, resorted to open insurrection and gained the support of the army. Mixed military and civilian "Committees of Public Safety" were set up in Algers, in other Algerian cities, and in Corsica. They demanded de Gaulle be brought back to power.

<sup>&</sup>lt;sup>2</sup>Telegram 5312 from Paris, May 14. (Department of State, Central Files, 751.00/5–1458)

<sup>&</sup>lt;sup>3</sup>General Jacques Massu, French Army.

<sup>&</sup>lt;sup>4</sup> Admiral Phillippe Marie Joseph Raymond Auboyneau, French Navy.

<sup>&</sup>lt;sup>5</sup>General Lionel Max Chassin, French Army.

<sup>&</sup>lt;sup>6</sup> Roger Duchet, leader of the Party of the National Center of the Independents (CNI).

<sup>&</sup>lt;sup>7</sup> André Morice, Minister of Defense in the Cabinet of Maurice Bourg*fs*-Maunoury, June 14–November 5, 1957.

<sup>&</sup>lt;sup>8</sup>Georges Bidault, leader of the Popular Republican Movement Party (MRP).

There is one thing which will still get people out in streets in large numbers; that is threat to republic.

In meantime, DeGaulle's star is shining brighter. He is in Paris today on regular visit with politicians beating path to door. Some sections press, including Beuve-Mery, calling on DeGaulle as only way save France.

This is serious hour for France which is confronted with problem infinitely greater than Sakiet bombing or Ben Bella arrest.<sup>9</sup> At stake is question as to who rules.

#### Houghton

### 7. Telegram From the Embassy in France to the Department of State

Paris, May 15, 1958, 9 p.m.

5265. French, American journalists in Paris unanimously confused by anticipatable effect of DeGaulle's announcement (Embtel 5259).<sup>1</sup> While believing his personality could possibly serve as national rallying point and permit resolution of deepening political divergencies, all those to whom we have talked this afternoon consider it more likely his re-emergence on political stage will lead to very rapid worsening of cleavage between left and right. All agree his announcement plays into hands of Communists by accelerating trend within left-wing parties and labor unions towards popular front because of fear of rule by one man. Several said they believed his silence on matter of Algerian rebel generals will be widely interpreted as tacit alignment with them and with

<sup>&</sup>lt;sup>9</sup> Regarding the arrest of Ben Bella and his subsequent imprisonment in France in November 1956 after the plane on which he was traveling was forced by French authorities to land at Algiers, see *Foreign Relations*, 1955–1957, vol. XVIII, p. 246.

Source: Department of State, Central Files, 751.00/5–1553. Confidential. Repeated to Algiers.

<sup>&</sup>lt;sup>1</sup> Dated May 15, telegram 5259 from Paris reported that, on May 15, de Gaulle announced publicly in Paris that he was ready to assume the powers of the Republic. (*Ibid.*, 751.00/5–1558)

right-wing. All expect his emergence will probably spell end of fourth republic or its radical reformation. Most expect next days developments to lead to probable widespread street disorders Paris and throughout France. All are dubious Pflimlin will be able to muster sufficient interparty solidarity to withstand what they view as DeGaulle's assault on regime. Organically complex nature of growing crisis over past months, some said, has tended to make it unlikely that problems would be solved in streets. DeGaulle's appearance will simplify and reduce myriad of problems to single one of "for or against DeGaulle," which simplicity leads to streets.

DeGaulle's entourage, meanwhile, boldly communicating assurances to French and foreign newsmen, reiterating insistence general will accept authority only through legal means (call by Coty, approval by Parliament).

Houghton

#### 8. Memorandum of Conversation

May 21, 1958.

SUBJECT

Present French Crisis

PARTICIPANTS

The French Ambassador, M. Herve Alphand M. Charles Lucet, Minister, French Embassy

The Secretary Mr. C. Burke Elbrick, Assistant Secretary Mr. Matthew Looram, WE

The French Ambassador stated he had been in Paris the day before yesterday when he had seen Premier Pflimlin and Foreign Minister Pleven, who had asked him to convey their views on the present situation to the Secretary. It was obvious that the situation was extremely

Source: Department of State, Central Files, 751.00/5–2158. Confidential. Drafted by Looram.

uncertain and difficult. However, some relief had been felt in Government circles following de Gaulle's press conference.<sup>1</sup> It has been somewhat reassuring that de Gaulle had indicated that he would not take over power by force. Pflimlin had told him (M. Alphand) that for the first time he felt that he might be able to resolve the situation.

M. Alphand stated that the French Government greatly appreciated the fact that the American Government had shown great circumspection in not commenting publicly on the French crisis.

The Ambassador said that Pflimlin's first aim was to normalize relations between Paris and Algiers. Actually, there had never been a complete breakdown between the two. Even before Pflimlin was invested, Gaillard had received a call from General Massu in Algiers on May 13 saying that the mobs were breaking into the Ministry of Algiers and asking for instructions. Massu had asked Gaillard whether he should shoot on the mobs. Gaillard had said no, and these instructions had been subsequently confirmed by Pflimlin. However, the generals in Algiers then said that they had to canalize the situation and set up a Committee of Public Safety in order to try to keep matters under control. Following Pflimlin's investiture, the Cabinet had proceeded to give General Salan<sup>2</sup> full powers. Moreover, Salan had recently sent his assistant to Paris, and General Lorillot<sup>3</sup> would soon be going to Algiers for conversations with Salan. In response to the Secretary's question, the Ambassador stated that General Ely had resigned as a result of the arrests of his two assistants. A stormy scene had ensued between Ely and Defense Minister Chevigne. M. Alphand stated that Pflimlin felt that he must get the military in Algiers under control extremely quickly or otherwise the movement in Algeria would grow and the possibility of de Gaulle's return would increase.

M. Alphand stated that Pflimlin's second aim was to take advantage of the current crisis in order to induce Parliament to revise the Constitution with a view to strengthening the executive powers and to setting up a federal republic. Algeria could then be made a federated state. It was curious in this connection, the Ambassador opined, that Pflimlin's policies were much closer to de Gaulle's than were the policies of Soustelle. De Gaulle was in favor of an association between France and Algeria. Soustelle and the generals in Algeria, on the other hand, were in favor of full integration of Algeria with France, but at the same time were insisting on de Gaulle's return.

<sup>&</sup>lt;sup>1</sup> De Gaulle held a press conference in Paris on May 19 on the conditions of his return to power. For text, see de Gaulle, *Statements*, pp. 1–6.

<sup>&</sup>lt;sup>2</sup>General Raoul Salan, French Army.

<sup>&</sup>lt;sup>3</sup>General Henri Lorillot, French Army.

Pflimlin's third aim, M. Alphand stated, was to prevent serious deterioration in France's relations with Tunisia and Morocco. However, French forces in Tunisia had now been kept more or less prisoners for several months and there was considerable fear that with the slightest provocation there might be serious incidents. Should such occur, it might be impossible to keep the situation under control. The Ambassador stated that he understood that the United States Ambassadors in Tunis and Rabat were urging moderation on the respective governments. Pleven had told him to tell the Secretary that it would be most important if the United States could continue to urge moderation, particularly on Bourguiba. A serious incident had just occurred at Remada. Unfortunately it appeared that Bourguiba had ordered Tunisian troops to fire on the French.<sup>4</sup> General Gambiez<sup>5</sup> was loyal to the Government and doing all he could, but the attitude of the colonels was less certain.

The Secretary stated that it would be almost a miracle if an incident involving Tunisia and Morocco could be avoided unless the situation in Algeria could soon be resolved. The Moroccan and Tunisian Ambassadors had called on him a few days earlier. The Secretary said that they were as worried as we were about the present situation.

The Secretary noted that M. Soustelle had just asked publicly for United States support. This action was rather amusing coming from a person such as Soustelle. The Ambassador said he was not aware of this and pointed out that Soustelle was not even a member of the Algiers Committee of Public Safety.

M. Alphand stated that the situation in France itself was calm; there were no strikes; there was great public support for Pflimlin. The latter would endeavor to capitalize on this situation in order to revise the Constitution.

The Secretary agreed that if this were done it would represent a great step forward. Otherwise there would probably be a repetition of the present unstable situation with no telling what the outcome might be. The present alternatives of a "Popular Front" or de Gaulle would then be posed again.

The Ambassador stated that it was to be hoped that both would be avoided. Obviously nobody could tell what might happen now—certainly de Gaulle had a great following. Nevertheless, there were some favorable signs, such as the recent fraternization between the French and the Moslems in Algeria. The Secretary interjected that reports we

<sup>&</sup>lt;sup>4</sup> In the May 18 incident at Remada, Tunisia, French troops took six Tunisian soldiers prisoner for a few hours.

<sup>&</sup>lt;sup>5</sup>General Fernand Charles Gambiez, French Army.

had received indicated that these demonstrations were somewhat artificial.

The Ambassador stated that should de Gaulle come back to power, NATO would be safe, but de Gaulle would certainly be opposed to European integration. And this was curious, he said, because in the talks he had had with the General in Algiers during the War, de Gaulle had indicated that he favored European integration. The Secretary agreed saying that during a long conversation he had had with de Gaulle in 1947, the latter had indicated that he was rather in favor of steps to integrate Western Europe.

In conclusion M. Alphand asked if he could report to Foreign Minister Pleven that the Secretary would continue to urge moderation on the Moroccan and particularly the Tunisian Governments in the present crisis. The Secretary agreed and said that he would accordingly call in the Moroccan and Tunisian Ambassadors.

# 9. Telegram From the Embassy in France to the Department of State

Paris, May 21, 1958, 5 p.m.

5429. Reference: Embtel 5299.<sup>1</sup> Tournet, accompanied by Col. Sternberg, called at Embassy this morning, at his suggestion, to establish "informal" contact between De Gaulle and Embassy. Tournet made clear he not under instructions from and had no "message" from General, but stated latter knows of his démarche and has given it tacit approval. Tournet stressed that it essential, however, that this contact not become public knowledge. Tournet reiterated remarks reported reference telegram. He stressed that there would be "no rupture of alliances" under De Gaulle, but there would merely be change in attitude and

Source: Department of State, Central Files, 751.00/5-2158. Secret; Limited Distribution.

<sup>&</sup>lt;sup>1</sup> Dated May 16, telegram 5299 from Paris reported that de Gaulle's first contact with the U.S. Embassy was made by Henri Tournet, a member of de Gaulle's entourage, on May 16 when he communicated with Colonel Sternberg, Executive Officer of MAAG in France. Tournet informed Sternberg of de Gaulle's position on key issues, such as NATO. Tournet said de Gaulle intended to honor the Alliance, to maintain full participation in it, and not to disrupt it. (*Ibid.*, 751.00/5–1658)

behavior of France. Substance would remain the same but "form" would be different. France would act as full-fledged partner who would have suggestions to make, and would expect to be heard. Although perhaps appearing more difficult to deal with in some respects, France under De Gaulle would have strong and responsible government which could take firm and clear lines of action which could be depended on. De Gaulle strongly favors concept European integration (Common Market, Euratom, etc.) but modalities for achieving this would be different. It would be essential for French to put its own affairs (political and economical) in order first in order to be able to play its rightful role in any European ensemble. Describing France's position in system of alliances he said that under De Gaulle France would come first and alliances second. On North Africa, Tournet said it was certain De Gaulle would pursue a liberal policy. He would never challenge independence of Tunisia and Morocco, and would surely give considerable autonomy to Algeria. Tournet called attention to fact De Gaulle never said "Algeria is France" in his lengthy press conference, and instead spoke of "associating" African countries with France.

Exact framework of such association, said Tournet would depend on circumstances prevailing at time De Gaulle took office. De Gaulle would never reverse trend of history and would even accept independence of Algeria if such had come about by time he called to head government. What he would seek to do, however, would be to bring North African countries into some "association" with France. He would expect a closer relation between France and Algeria than with other North African countries but Tunisian and Moroccan independence would be respected. Tournet said that De Gaulle's recent mood has been very critical of U.S. When asked to explain reasons for this, Tournet said that General was very sensitive man who believed he misjudged by Americans. Also De Gaulle very critical of Monnet–Pleven–Gaillard policies and U.S. role in working with these men and U.S. support given to their policies.

Concerning means whereby De Gaulle might return, Tournet said there were several possibilities and that exact procedure would depend on circumstances (i.e., whether initiative came from Coty, Pflimlin, or Assembly, or combination). Tournet said emphatically De Gaulle would make no attempt to seize power and was strongly opposed to any street agitation, whether for or against him. Tournet felt, however, that if present authorities failed to act there was always danger of a coup or other extremist action.

Embassy officer stressed that problem facing France obviously internal French matter in which U.S. could not take sides. Tournet agreed complete U.S. neutrality was only wise course. On departing Tournet offered to continue contact with Embassy for purpose of mutual information, but again stressed importance of secrecy as De Gaulle headquarters anxious avoid any appearance of having made overtures to U.S.

*Comment:* Embassy believes Tournet, though probably not very close to General De Gaulle, is close friend of Foccart, who we know, is member General's entourage.<sup>2</sup> Tournet believed to be giving us his sincere appraisal of General's views (probably phrased in most palatable form for us). Although there is strong likelihood Tournet's interpretation not too distant from General's thinking, it remains second appraisal.

Embassy will continue to exercise greatest discretion in exploitation this contact in accordance policy we have followed to date which completely in line with Deptel 4326<sup>3</sup> just received.<sup>4</sup>

#### Houghton

#### 10. Editorial Note

At the 366th meeting of the National Security Council on May 22, Director of Central Intelligence Allen Dulles discussed France during his briefing on significant world developments. That portion of the memorandum of discussion by S. Everett Gleason reads as follows:

"[4 paragraphs (35 lines of source text) not declassified]

"In the meantime, there had been no particular change in the attitude of the French Army and its leaders in Algeria. The military leaders there still insist that General de Gaulle be placed at the head of the Government in Paris. Secretary Dulles interrupted to point out that Alphand, the French Ambassador, had gotten back from France yesterday and had come in to see the Secretary. Alphand seemed to feel that much depended on the ability of the Pflimlin regime to amend the French

 $<sup>^2\,{\</sup>rm Jacques}$  Foccart, one of de Gaulle's close associates and an organizer of the Gaullist movement.

<sup>&</sup>lt;sup>3</sup> Dated May 17, telegram 4326 to Paris expressed thanks to the Embassy for the information on the Gaullists. (Department of State, Central Files, 751.00/5–1758)

<sup>&</sup>lt;sup>4</sup> In telegram 5583 from Paris, May 27, Houghton reported that Tournet had called at the Embassy that morning and stated he was authorized by Foccart to communicate the following points: 1) to repeat that de Gaulle wished to assume power in a legal government which would obtain popular consent and support; and 2) that the present stumbling block in the Assembly was the Socialists. Tournet also said he hoped the United States would take a benevolent position toward de Gaulle. (*Ibid.*, 751.00/5–2758)

Constitution in a manner which would provide greater stability in the future. If Pflimlin failed in this attempt, De Gaulle was likely to come to power. [2 *lines of source text not declassified*] Alphand thought that General de Gaulle was not anti-American, but he might well prove to be anti-European. Thus he would certainly not quit NATO, but it was quite possible that he would reverse the trend of recent French policy in favor of a greater European integration. Alphand was also very worried about the future conduct of the French troops in Tunisia, whom he feared would break out of their barracks and join with the forces in Algeria. He hoped that the United States would not do or say anything which would make such a contingency the more likely." (Eisenhower Library, Whitman File, NSC Records)

### 11. Telegram From the Embassy in France to the Department of State

Paris, May 22, 1958, 7 p.m.

5458. One must be braced for the unexpected in present situation characterized as it is by censorship, psychological warfare by interested parties, and unclear relationships between Paris and Algiers, not to speak of tension in Tunisia. Nevertheless in our best judgment situation may remain unclear and outwardly little changed over next days.

Period will be in one sense preliminary test of strength between Pflimlin Government and Algiers pro-De Gaulle regime. Former will strive solidify its position in metropolitan France, and maintain facade of unity within army and Paris–Algiers collaboration. Pflimlin will depend on party support represented by present Assembly majority (which so far includes Communists), counting on help from trade unions, Catholic Church and absence passionate clamor for De Gaulle in country.

On other hand Algiers regime plus Gaullists in France will continue exploit drama of reported new-found Moslem-French affinity in Algeria, effect on public mind of sudden lift of army prestige and morale, and more fully nurtured propagation of idea that return De Gaulle is inevitable.

It is difficult assess the strength and prospects of these forces at work. Public apathy toward De Gaulle can operate for or against him

Source: Department of State, Central Files, 751.00/5–2258. Secret. Repeated to Algiers, London, Rabat, Tunis, and Rome.

depending on circumstances. Diminuendo in public manifestations in Algeria of Moslem love for France or revelations of its lack of spontaneity could of course affect strength of those working for army and De Gaulle.

If Pflimlin holds firm and is able push through quickly constitutional reform, position his government will be strengthened.

It is doubtful Pflimlin can count on same majority for reform as he received for special powers. Pinay, Duchet and company seem to have become Gaullists and will work more actively against government. Necessity two-thirds majority in Assembly or three-fifths majority in both houses if referendum to be avoided, makes Communist position even more important. Our preliminary estimate is that Communists, anxious to maintain their present line of respectability, support of Republic, and Popular Front-directed parallel action with Socialists, will vote for government. Fact that vote on constitutional reform may be considered as last chance block De Gaulle should help Pflimlin.

In conclusion we believe as of now that Pflimlin still has chance consolidate his position and tend agree with De Serigny<sup>1</sup> that "time working for Pflimlin Government" (Algiers 429 to Department).<sup>2</sup> However, if this true, compulsion on part Algiers military act to change situation becomes greater. Action could take place Tunisia, Algiers or in France. Aim would be to return De Gaulle to power. If no action by military does take place De Gaulle's return becomes postponed but by no means eliminated as eventuality at later date.

#### Houghton

### 12. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to Acting Secretary of State Herter

May 27, 1958.

#### SUBJECT

Policy Considerations toward a de Gaulle Government

<sup>&</sup>lt;sup>1</sup>Comte Alain de Sérigny, Algerian French leader and editor.

<sup>&</sup>lt;sup>2</sup> Dated May 21. (Department of State, Central Files, 651.72/5-2158)

Source: Department of State, Central Files, 751.00/5–2758. Confidential. Drafted by Looram, initialed by Elbrick, and concurred in by the Offices of European Regional Affairs and Northern African Affairs. A handwritten notation on the source text by Murphy, dated May 27, reads: "I feel that at present there are so many points in de Gaulle's thinking and purposes about which we can only speculate with in some cases little of a solid nature to base an opinion."

Following up our memorandum to the Secretary, which is attached & copy of which was sent to you estimating the policies of a de Gaulle Government,<sup>1</sup> I am submitting herewith some suggested U.S. policy considerations with regard to such a government.

U.S. relations with de Gaulle will be admittedly difficult; they need not, however, be necessarily restricted to a "holding operation". We should concentrate, at least in the initial phase, on those objectives which are primary to U.S. interest and/or on which we may have some prospect for success: (1) NATO and (2) western solidarity in our relations with the Soviet Union. On North Africa we should maintain a discreet posture; on European integration we should leave exclusively to the Europeans to save what can be saved. In fact, on many issues—even those of direct interest to us—we may have to rely heavily on the Europeans, including the U.K., to try to exercise some salutary influence. De Gaulle will not last forever and may decide to withdraw from the scene after a limited period of time. It is not impossible, moreover, that he may succeed in resolving some of France's basic problems, notably Algeria and governmental instability.

*North Africa:* There is some reason to hope that de Gaulle will wish to move toward a liberal, albeit paternalistic, policy both with regard to normalizing relations with Tunisia and Morocco and to resolving the Algeria issue. Depending on the circumstances of his return to power, even he may have to move cautiously on this front. Without appearing to abandon the Tunisians and Moroccans to France, we should give de Gaulle every chance to succeed. He will be most suspicious of U.S. interference in this sphere. Any such indication could well have the result of diverting him from a liberal policy and strengthen those forces on the Right who will be attempting to do just this. Moreover, nothing would serve more than this to undercut our efforts to keep NATO together.

At the outset of de Gaulle's taking over, we should make our position on North Africa quite clear to him reiterating the line we have often taken with the French: we have no basic differences on objectives; until now we have had differences only on the means. We consider Africa to be the hinterland for Western Europe and that close African relations with Europe are both natural and desirable. We strongly believe in the necessity for maintaining but not imposing Western, i.e. French, influence in North Africa. We do not believe that this can be done by military means. Until now we have accordingly felt that French policies were on the contrary leading to the end of Western influence in the area. Any

<sup>&</sup>lt;sup>1</sup> A copy of this memorandum, dated May 19, which summarized the policies of a possible de Gaulle government, is *ibid.*, 751.00/5–1958.

French policies, we should tell de Gaulle, that can achieve the above objectives will be assured of our support.

*NATO:* De Gaulle will not willingly break up NATO. We and the rest of the members must see to it that his rigid temperament and nationalistic tendencies do not result in the gradual disintegration of NATO. We may have to give in this connection greater deference to French views on NATO military and political policies, and this irrespective of the fact that French policies and energies will be focused primarily on Africa. This situation will probably require a review of our policies on sharing atomic information with the French and warrant a resumption of Big Three meetings. In the meantime U.S. military assistance to France should be continued as heretofore. If the LOC Agreement<sup>2</sup> is not concluded by the time of de Gaulle's coming to power, we should seek to conclude it as soon as possible thereafter. The whole question of the IRBM's will have to be raised with de Gaulle personally.

*East-West Relations:* This may prove from our point of view the most difficult and dangerous area of de Gaulle's policies. While endeavoring to maintain the French-German rapprochement, de Gaulle may in time be tempted to make an independent approach to the Soviet Union—both in the interests of world peace and to indicate once again that France is not merely following U.S. policies. The Soviet Union may in this connection be disposed to giving de Gaulle assurances on non-interference in North Africa in return for closer bilateral relations. There will undoubtedly be a tendency on de Gaulle's part to recognize Communist China, given the favorable sentiment of French public opinion in this regard.

We should have a frank exchange of views earliest with de Gaulle on overall East-West matters. Tactically, we would do well to appear to leave some of the initiative to him on these matters. In any event our thinking should be very closely coordinated with the French. The U.K. may be able to be more effective than ourselves in restraining any precipitate action by de Gaulle in regard to Moscow, but obviously not in a position to dissuade him from recognizing Communist China.

*European Integration* may have to be put into suspense during the period of de Gaulle's government. One way to save it might be to give to de Gaulle the initiative of launching a new concept of an association of European states. In this connection de Gaulle may tend to favor the Free Trade Area over the Common Market. He will probably oppose EURATOM. In any case, this is up to the Europeans; any activity on our part in support of European integration will only provoke a most adverse reaction in de Gaulle and thus prove counter-productive.

<sup>&</sup>lt;sup>2</sup>Not further identified.

U.S.-French Relations: During this difficult and trying period, we may have to rely heavily on personal diplomacy. The President's relationship with de Gaulle will be an asset. It would be helpful if de Gaulle would agree to make an early visit to this country and this possibility should be explored. I suspect, however, that de Gaulle might not wish to come here, at least at the outset. Under the circumstances, it might prove necessary for the Secretary-and possibly even the President-to visit France. A much less satisfactory alternative would be for the new French Foreign Minister to make an early trip over here. A strong effort will in any event have to be made at an early stage to disabuse de Gaulle personally of some of his misconceptions and suspicions with regard to U.S. policies and to have a full and frank exchange of views on East-West issues. As stated above we should continue to provide France with military assistance as heretofore. Presumably de Gaulle will initiate an austerity program, endeavor to put France's finances on a sound basis and do everything possible to avoid having to ask us for financial assistance. However, if he should eventually have to request such assistance, we should be prepared to give it sympathetic consideration.

#### 13. Editorial Note

At the 367th Meeting of the National Security Council on May 29, Director of Central Intelligence Allen Dulles discussed France during his briefing on significant world developments. That portion of the memorandum of discussion by S. Everett Gleason reads:

"[2 paragraphs (16 lines of source text) not declassified]

"The President inquired what could be expected of the French armed forces if President Coty were to ask for full powers for himself. Mr. Dulles commented that this was an interesting thought. The President replied that it was not a new thought. He had heard it when he was last in Paris and talked with Coty about the problem of French constitutional reform. On this occasion Coty had impressed the President as a forceful and decisive leader; but the real question in the President's mind was whether the French armed forces would find it possible to support Coty. [3 lines of source text not declassified]

"The President commented that he had been through similar situations before, beginning with Darlan. The French seemed to require a legalistic cover for any assumption of emergency powers. The President indicated his fear of grave civil disorder if the Communists and Socialists insisted on standing firmly together against the assumption of power by General de Gaulle." (Eisenhower Library, Whitman File, NSC Records)

### 14. Telegram From the Embassy in France to the Department of State

Paris, May 31, 1958, 1 p.m.

5664. Pinay in private conversation last evening made following statements regarding return de Gaulle. Problem of Socialists will probably be arranged today and there is a 90 percent chance of it working out satisfactorily. National government parties now have about 300 votes but de Gaulle wants more impressive number to make it clear majority French desire his return.

Investiture will probably take place Monday or Tuesday. Shortly thereafter de Gaulle expects to leave for Algeria to get situation there under control.

His plan of operation will be to create in addition to his cabinet triumvirate himself, Mollet and Pinay. Latter two representing left and right.

For present he will have to retain in office certain extremists in Algiers since they have power rather than he. He plans to treat them as he did leaders of resistance kicking them upstairs.

Assembly will be adjourned for six months with option to extend this to a year. De Gaulle had originally wanted this to be a period of two years but has agreed to six months.

During this period he will operate with 5 or 6 committees, finance, foreign affairs, overseas colonies, etc.

De Gaulle not opposed to NATO "it is there" but wants French military to have more say in planning. He believes that up to now French have done only what United States has ordered.

He favors European Community but one built around France rather than France acting only as partner therein.

He has some rather interesting ideas about Africa but will probably not bring these forth right away as they are rather extreme. He would like to see a Federation of African States including Algiers, West Africa and Equatorial Africa, etc., with seat of government in Algiers.

#### Houghton

Source: Department of State, Central Files, 751.00/5–3158. Confidential. Repeated to London and Algiers.

#### 15. Editorial Note

On May 28, Prime Minister Pflimlin resigned. The next day, President Coty announced that he had invited General de Gaulle to form a government and that if this were rejected by the Assembly, he would resign. On May 30, de Gaulle agreed to form a government. On June 1, he outlined his general program before the National Assembly: full powers to rule by decree for 6 months, a mandatory recess of the Assembly for 4 months, and a mandate to submit a new constitution to the country. He also submitted to the Assembly the list of the members of his Cabinet which included Maurice Couve de Murville as Minister of Foreign Affairs. He was voted into power that day by a vote of 329 to 224, with 32 abstentions. Also on that day, the Assembly voted to give the de Gaulle government special powers in Algeria. On June 2, it passed by 322 to 232 the special powers bill requested by de Gaulle which provided that the government be given powers for 6 months to legislate by ordinance that would later have to be ratified by the Assembly.

In a June 2 letter to de Gaulle, Eisenhower wrote:

"Dear Mr. President: I wish to extend to you my personal greetings and good wishes on this occasion of your assuming leadership of the French nation.

"You may be confident that I retain vividly in mind the important and friendly association which we had during the critical days of the Second World War.

"You know of my deep and lasting affection for France. You may be sure that you have my sympathetic understanding in the great tasks which you are about to undertake.

"Please accept, Mr. President, my best wishes for the success of your mission.

"Sincerely, Dwight D. Eisenhower."

This letter was transmitted in telegram 4500 to Paris, June 2. (Department of State, Central Files, 751.13/6–258)

On June 3, de Gaulle replied:

"Dear Mr. President: I greatly appreciated the wishes which you so kindly sent me. Your message awakens in me the memory of the great hours when France and the United States joined their efforts in the coalition at the service of liberty and when you so gloriously assumed the command of the Allied Armies. I can assure you that the friendship which the United States has for France is returned by an equally warm friendship of the French nation for the American people.

"Very cordially yours, C. de Gaulle."

This letter was transmitted in telegram 5724 from Paris, June 3. (*Ibid.*, 751.13/6–358)

On June 2, Secretary of State Dulles wrote Foreign Minister Couve de Murville that he was delighted to receive the news of his appointment and that he looked forward to a close and friendly working relationship. This letter was transmitted in telegram 4518 to Paris, June 2. (*Ibid.*, 751.13/6–258)

## 16. Telegram From the Embassy in France to the Department of State

Paris, June 1, 1958, 2 p.m.

5673. Silence of General De Gaulle over past few years plus contradictory and doubtful reliability of numerous self-appointed spokesmen for the General make it particularly difficult estimate in advance character of his regime and policies he will follow. However, several things can perhaps be said with some degree of confidence.

First, the General's advent to power came surrounded by mixture of popular feelings: relief, hope and resignation. France is still divided and as shouts of "De Gaulle to the Museum" at Place de la Republique one day and "De Gaulle to power" at Etoile the next illustrate, there is no mighty wave of enthusiasm for De Gaulle. However, general contempt, distrust and boredom at endless maneuvering of Assembly make Gaullists out of many French and those who yesterday despised the General today proclaim themselves his staunch supporters and want to see his policies succeed. This state of mind is also appreciably affected by the rise in French prestige accomplished by the "men of Algiers"—the General's and the Army—and association of this prestige with the name De Gaulle.

Thus high expectations of accomplishment by De Gaulle have been created. Freed of impediments of tangled parliamentary debate and obstruction, the General is now expected to solve quickly such problems as Algeria and constitutional reform.

If De Gaulle goes to Algiers, we imagine he will receive a hero's reception and in the enthusiasm of the moment may be able to work a miracle. It will however not be easy. As difficulties emerge of reconciling federal system which General presumably supports with

Source: Department of State, Central Files, 751.00/6–158. Secret. Repeated to London, Rome, Tunis, Algiers, and Rabat.

integration preached by Soustelle, Moselm disillusionment and discontent may appear. Already there are indications ultras may not be entirely pleased with anticipated actions of General whom they have so loudly proclaimed. At same time if De Gaulle pursues sensible policy toward Tunisia and Morocco, pushing through negotiations on troop withdrawal and other problems, and make consistent effort win over Mohammed and Bourguiba, Algerian solution may be thereby encouraged.

We have been assured from so many sources that De Gaulle will continue policy of supporting NATO and Europe that we may conclude this is true. Nevertheless the General's character suggests that problems will increase and it is doubtful how well the General grasps and will comprehend complexity of military and political relationships which have grown up since he retired from the political scene. We may expect difficulties here, but there is some evidence that with passing years he has mellowed and may take in his stride things which in the past might have created troubles between us.

Obviously much will depend on the men who will surround the General, and on the influence they are able to exert.

In conclusion, the interests of the United States will be served by De Gaulle's success. His failure could well bring on crisis even more serious than present one, since there is no one else waiting in the wings. Communists, some of whom hint France is not yet ripe for the popular front, may well believe it ripe after a De Gaulle failure. There will be many non-Communists who unwittingly or even knowingly will work in the direction of a popular front. Then the institutions of the Atlantic community and of Europe will in truth be in danger.

Our interests will be served through development best relations possible with De Gaulle and those who will be his closest collaborators. It is a time when, if ever, our influence and prestige should be brought to bear.

#### Houghton

### 17. Editorial Note

At the 368th Meeting of the National Security Council on June 3, Director of Central Intelligence Allen Dulles discussed France during his briefing on significant world developments. That portion of the memorandum of discussion by S. Everett Gleason reads:

"The Director of Central Intelligence observed that the first chapter in the saga of General de Gaulle had ended last night with the grant to [him of full powers by the Chamber of Deputies. Ever since the crisis had started by the insurrection in Algiers, the General had played his hand skillfully and with very little by way of histrionics. There was no evidence to suggest that General de Gaulle had had any advance knowledge of the Army's actions in Algiers or had played any part in it. We felt that our people in Algiers were very well informed on this subject. On the other hand, General de Gaulle had neither ever condemned or adopted the platform of the Algerian insurrectionists. There was every reason to believe that the French Army authorities in Algiers were ready to send paratroops to Paris if the investiture of General de Gaulle had been blocked.

"Much as he has always professed to despise the maneuverings of French political parties, De Gaulle had inevitably found himself involved in such maneuvers just as soon as he started on the task of forming a government. The government he did form had come as a surprise to almost all Frenchmen and as a shock to his old followers as well as to the Algerian leaders. But since General de Gaulle had indicated that he would only come to power in accordance with legal procedures, he had found himself obliged to seek the support of various political parties, particularly the Socialists. The French Socialist leader, Guy Mollet, had for some time been quite close to De Gaulle, and had worked very hard for his investiture. Even so, he had only been able to obtain 42 Socialist votes out of a total of 101 in the Chamber for De Gaulle's investiture.

"While De Gaulle had been obliged to make certain concessions to his opponents, he was adamant on his demand for six months of full decree power, as well as on his mandate to revise the Constitution without benefit of the Assembly's help but to be submitted to a popular referendum. He had won out on these two vital planks in his platform.

The Cabinet contained only two Gaullists, although there were others who had been leaders in the original French Resistance movement. The acceptance of Pflimlin into the Cabinet had proved a bitter pill for the Army and civilian leaders in Algiers.

"In concluding his remarks on this subject, Mr. Dulles stated his belief that if all went well with General de Gaulle, there was more hope for the future of France than had been visible for a long time. The President expressed agreement with this judgment.

"Secretary Anderson warned the Council that this Government must consider very carefully what we are prepared to do to assist France in its present financial crisis. As soon as De Gaulle had taken over, the position of the French franc on the black market had notably improved. Nevertheless, the long-term French financial outlook was still very serious, and Secretary Anderson prophesied that the French Government would not be able to meet its next balance of payments. Under the circumstances, the French were likely to find themselves obliged to postpone plans for implementing the Common Market. Accordingly, the problem was something more than merely financial.

"Mr. Dulles commented that the seriousness of the French financial situation might explain why De Gaulle had appointed Pinay, a Conservative, to the Ministry of Finance.

"The President inquired as to whether the French Government was trying to do anything to prevent the flight of capital from France. Secretary Anderson explained that while there were laws designed to prevent the flight of capital, they had not proved very effective in the past. Indeed, \$100 million had gone out of France during the recent crisis. It was accordingly quite certain that the French would presently seek financial assistance from the United States. To make matters worse, the Treasury estimated that there was something between \$3.5 and \$4 billion worth of gold hidden in France. If the French could succeed in surfacing this hidden gold, the position of France's reserves would be better even than that of the Federal Republic of Germany. General Cutler asked whether it would not be desirable for the Council to request a report by the Secretaries of State and the Treasury in a couple of weeks with respect to U.S. policy regarding the French financial position. The President thought that such a formal report to the Council was not necessary, although he and Secretary Anderson emphasized the need for keeping the situation under continuous review." (Eisenhower Library, Whitman File, NSC Records)

### 18. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to Secretary of State Dulles

June 5, 1958.

SUBJECT

U.S. Relations with de Gaulle

Reference is made to your discussion yesterday, June 4, as to how our relations with de Gaulle personally should best be handled.<sup>1</sup> Undoubtedly this will figure in the talks with Mr. Macmillan and it would be helpful if we could reach general agreement with him on this matter.<sup>2</sup>

Given de Gaulle's experiences with the U.S. and U.K. Governments during the war and his general suspicions regarding the U.S., he can be expected to be distrustful of a close U.S.–U.K. association. He will probably look upon it as tantamount to a world directorate deciding and coordinating international policies, including NATO, irrespective of and possibly in conflict with basic French interests. I would assume, therefore, that de Gaulle would seek to restore promptly the "Big Three" meetings.

Source: Department of State, Central Files, 751.00/6–558. Confidential. Drafted by Looram, sent through Murphy and the Executive Secretariat, and initialed by Elbrick.

<sup>&</sup>lt;sup>1</sup>No record of this meeting has been found.

<sup>&</sup>lt;sup>2</sup>See Document 346.

It would seem that the best way to meet this problem is to envisage the holding of "Big Three" meetings but not to exclude continuation of bilateral conferences. Despite the many disadvantages of "Big Three" meetings, our consent to holding them will play, I think, an important part in our relations with de Gaulle. Certainly our refusal to agree to a meeting of the Three, should de Gaulle propose it, would have a significant effect on his views toward the United States. Moreover, U.K. participation in our talks with de Gaulle might prove advantageous in some respects from our point of view. However, given the advantages of our bilateral association with the U.K., we should continue to hold bilateral meetings. This will have to be met, however, by similar bilateral meetings with the French. Admittedly it may prove difficult to hold bilateral meetings once the precedent of tripartite conferences is re-established. However, if sufficient importance is given to bilateral meetings with de Gaulle, this may serve to relieve or postpone some of the pressures for tripartite conferences. It is moreover possible that de Gaulle himself may in some instances prefer bilateral talks.

In this connection it seems particularly important, as I recommended in my memorandum to you of May 27, (Tab A)<sup>3</sup> to establish early high level contact with de Gaulle. It would be helpful if we could schedule an early visit by de Gaulle to this country, given the President's relationship with him. However, de Gaulle is currently confronted with many urgent domestic problems and might not find it possible to come over here in the near future. I suspect also that he might not wish to come here, at least at the outset. Under the circumstances it seems to me that your thought of making an early trip to Paris to have an informal exchange of views with de Gaulle would be most helpful and soundings should be made to see if de Gaulle is in accord.<sup>4</sup> Given the proximity of London, it might be preferable for Macmillan to visit Paris first before your going there in order not to give any appearance of undue haste or anxiety on our part regarding de Gaulle's policies. I would recommend that at the time of your visit after ascertaining whether he would be receptive, you extend de Gaulle an invitation to visit this country at a time convenient to the President.

There has been a press report from Paris that de Gaulle is considering an eventual visit to this country and might sent Couve de Murville over in advance for discussions here and to arrange such a visit. We

<sup>&</sup>lt;sup>3</sup>Document 12.

<sup>&</sup>lt;sup>4</sup> When Dulles discussed with the President on June 2 the possibility of a personal exchange between a high official in the U.S. Government and de Gaulle, the President said that if anybody went, Dulles should be prepared to do it. (Memorandum of conversation with the President by Dulles, June 2; Eisenhower Library, Dulles Papers) On June 4, the President told Dulles he should be prepared to go to France. (Memorandum of conversation with the President by Dulles, June 4; *ibid.*)

should be prepared to indicate that we would be happy to receive Couve de Murville here. We do not think that this would take the place of a personal exchange between you and de Gaulle, however, and feel that an appropriate opportunity should be taken to arrange such a meeting.<sup>5</sup>

### **19.** Telegram From the Embassy in France to the Department of State

Paris, June 10, 1958, 6 p.m.

5850. Luxembourg for Butterworth. Pinay lunched with me today and we covered waterfront.

He said that inability of Pflimlin Government to act forcefully in Algerian solution, handicapped as it was by army's withholding its support, convinced him that De Gaulle was only solution, though Pinay insisted he himself not Gaullist.

Pinay took unto self responsibilities of taking soundings with De Gaulle even before latter's press interview of May 19 and suggested to De Gaulle that he go to Algeria and settle problem since he only person who could discipline army. Pinay also made it clear that later he brought Pflimlin Government and De Gaulle together and convinced Coty of necessity of summoning De Gaulle. This, according to Pinay, was done none too soon, for in his opinion France was less than one day away from civil war.

Pinay accepted Ministry of Finance only after assuring himself from De Gaulle that latter would abide by NATO and European commitments, particularly Franco-German rapprochement. With respect to

 $<sup>^5</sup>$  In a June 6 memorandum to the Secretary, Murphy stated he disagreed with the procedural suggestions in Elbrick's memorandum. First, he wrote that it was not yet clear if de Gaulle would be as content with bilateral as with tripartite meetings. Second, Murphy said there was a strong inconsistency between the tripartite procedure and NAC. (Department of State, Central Files, 611.51/6–658)

Source: Department of State, Central Files, 751.00/6–1158. Confidential. Repeated to London and Luxembourg.

NATO, Pinay states De Gaulle feels French military too remote from US planning and control, thus not assuming full responsibilities which are theirs as result France's geographic situation, country with primary interests, etc. Pinay believes General can and will raise his criticism of NATO in private not public forum.

Pinay, Mollet and Pflimlin will act as restraining and guiding influence on De Gaulle and see to it he keeps on right path. For example, De Gaulle knows nothing about financial matters and consequently does not accord them due weight. Pinay fears this might lead De Gaulle to cancel out necessary economies by commitments in other fields. Pinay mentioned proposed Algerian policy very costly to France, but if it works Algeria should prosper and thus reduce costliness.

This afternoon Pinay proposing to De Gaulle his economic recommendations which will include tight credits, removal of subsidies and special privileges and drastic reduction expenses. Pinay favors no requests for foreign loans until France has put her financial house in order and made necessary economies. "She must learn to live with less (life in France is too easy, this is our curse)".

If Pinay has his way, he would immediately abolish most of France's 400 sub-prefectures with their useless functionaries. Decentralization, he believes, is what is required.

Pinay feels France is now passing through revolution, constitutional changes envisaged, etc. and if government acts quickly De Gaulle will receive support of people for pretty much what he wants. Everything must be done to assure his success, otherwise France will have popular front government, drag Spain and Italy into Communist orbit and Europe will be lost to Communism, according to Pinay.

Pinay believes Moroccan and Tunisian questions will settle themselves if Algerian solution works. He favors troop withdrawals from both as quickly as possible on grounds troops there serve no purpose.

In summary, Pinay believes De Gaulle's return was necessary to avoid rapidly approaching civil war and every effort must be made to assure his success (allies will see that it is to their advantage to cooperate in this), that there is a 50–50 chance of success and that if De Gaulle fails France goes popular front and Europe becomes Communist.

Lyon

### 20. Despatch From the Embassy in France to the Department of State

No. 2129

Paris, June 11, 1958.

SUBJECT

De Gaulle Government and French Atomic Energy Policy: Conversation with de Rose, Foreign Office<sup>1</sup>

De Rose, like Goldschmidt (see Despatch 2128)<sup>2</sup> said that the choice of M. Guillaumat as a cabinet member by General de Gaulle had no special significance in connection with atomic energy policy. Guillaumat is an excellent administrator and a strong personality, and therefore promises to be equal to handling any reorganizations that might be necessary in the armed forces.

As far as production and testing of atomic weapons is concerned there is clearly no special significance in the appointment. It is doubtful that military production will be within Guillaumat's jurisdiction, since he will be in effect Minister of the Armed Forces, a post which normally does not have responsibility for military production including production in the field of atomic energy. De Rose reiterated what Ambassador Alphand and M. Pelen<sup>3</sup> had said to the State Department in Washington on May 26 concerning the French position on cessation of tests.<sup>4</sup> De Rose said that he personally has long felt that for both internal and external political reasons France must test a weapon of her own fabrication. France would be willing to carry out such a test underground and in accordance with any agreed rules on controlling fallout, but it would not forego testing entirely. He thought that General de Gaulle's views would be along these lines, but said that he had no confirmation of this based upon personal contact with the General.

He also repeated what Ambassador Alphand had stated in Washington: that while France wants at least a few bombs under her exclusive control, she does not regard this as a substitute for integrated defense. France does not aspire to autonomy in the field of nuclear weapons.

He said that France would not agree to a cessation of tests unless (1) there were also an agreement with the USSR on controlling production or (2) the United States would give France either a certain number

Source: Department of State, Central Files, 751.13/6-1158. Secret.

<sup>&</sup>lt;sup>1</sup> Jean Tricornot de Rose.

<sup>&</sup>lt;sup>2</sup> Dated June 11. (Department of State, Central Files, 751.13/6–1158)

<sup>&</sup>lt;sup>3</sup> Pierre Pelen, Counselor in the French Embassy in Washington.

<sup>&</sup>lt;sup>4</sup>No record of this conversation has been found.

of bombs or at least as much technical information as France could get on her own by carrying out the tests she looks forward to. He admitted that there was no strong likelihood of achieving an agreement on controlling production in the near future and recognized that even the amended Atomic Energy Act of 1954<sup>5</sup> would not permit the transfer to France of atomic weapons, thereby leaving the alternative of supplying information on weapons production as the only practicable negotiable possibility.

#### Max Isenbergh

Special Assistant for Atomic Energy

## 21. Telegram From the Embassy in France to the Department of State

Paris, June 14, 1958, 7 p.m.

5950. I had a long talk this morning with Minister of State Guy Mollet. He was in a confident and optimistic mood and said that while things were not "good" they were "better" and that he could now look at future and see an end of road.

He said that few weeks ago he had had to make most important decision of his political career. He had no reason to regret his decision. General de Gaulle (a really "great man" whom oddly enough he had not known personally until few weeks ago) had lived up to all his commitments to Mollet.

Two problems still paramount, a) new constitution and b) Algiers, in that order in Mollet's opinion.

1. He believes new constitution will be worked out which should be much more satisfactory to foreign governments entering agreement with France since there will some chance of French Government making commitments remaining in power long enough to carry them out.

<sup>&</sup>lt;sup>5</sup> A proposed amendment to the Atomic Energy Act of 1954 permitting the transfer of nuclear materials information to other nations passed Congress and was signed by the President on July 2, 1958. (72 Stat. 276)

Source: Department of State, Central Files, 751.00/6–1458. Confidential. Repeated to London and Algiers.

2. Eventual solution to Algeria not yet clear but it will probably not be integral part of France which "ultras" desire. Although de Gaulle "being Anglo-Saxon rather than French" insists that "they asked for de Gaulle now they've got de Gaulle; they asked for integration now they'll get integration".

Mollet believes there will be some sort of federated relationship, recognizing Algerian origin and individuality but linked with France.

3. Mollet told me that de Gaulle wants him to take a trip to the U.S. Not on diplomatic mission, that is too limited, but with rather broad undefined scope to "explain to our American friends" de Gaulle's views and policies. For example, that de Gaulle has no intention of ending the Republic, that he is not for a one-party system and what his views on constitution and Algeria are, etc.

De Gaulle would like Mollet to start rather quickly, but Mollet thinks it would be better if he waited few weeks in order get his thoughts clarified and also by then form of constitution and developments in Algeria will be more clearly defined and he will thus be talking on firmer ground.

I suggested that it might be advisable to start after Secretary Dulles' visit here. He concurred saying this would permit him to be here for conversations and also the Secretary might be able to suggest to him specific subjects to clarify to Americans.

In answer to my specific questions he said he would also visit Canada and England and laughingly confirmed my description of him as "in charge of Anglo-Saxons".

While in States he expects to have talks with American officials, give press interviews, etc.

This subject should be treated confidentially until officially confirmed by French.

4. In clarification of de Gaulle's reference to relation with West in his radio address last evening,<sup>1</sup> Mollet said that General based this on discussions he had had with the cabinet in which the General had made it absolutely clear that while he would have preferred the EURATOM, Common Market and other European agreements had been conceived differently, France was committed to them and France would honor her commitments. De Gaulle, according to Mollet prefers confederated Europe to federated Europe.

5. With respect to NATO de Gaulle considers that French who should be most interested and who are the most threatened are not

<sup>&</sup>lt;sup>1</sup> De Gaulle's address on policy aims was broadcast over French radio and television on June 13. For text, see de Gaulle, *Statements*, pp. 9–10.

assuming their full responsibilities therein and should play stronger and more effective role in their own defense and interests.

6. I asked Mollet what de Gaulle meant by the statement in last night's speech "being of the West but not confined to the West." He said that the General considered that while USSR talked great deal about peace did not contribute toward it. Western democracies are constantly being placed in negative positions by USSR. De Gaulle favors in company with British and U.S. France assuming more positive approach to put USSR on the defensive, etc.

I remarked that he wanted France to be more West than the West. "Exactly", he replied.

7. Among other things he said he did not know how General would deal with Soustelle but Soustelle could be very useful were he also to make trip to U.S. such as Mollet plans. Soustelle could explain Algerian situation and atmosphere to Americans which must be very confusing to them.

Lyon

# 22. Telegram From the Department of State to the Embassy in France

June 17, 1958, 5:31 p.m.

4743. Paris tel 5950.<sup>1</sup> Dept much interested in Mollet's remarks.

1. Re para 5 on NATO. Sources close to de Gaulle continue stress he wishes France play stronger role in NATO. Other reports have indicated his alleged dissatisfaction with NATO command structure. Department would be interested in receiving on continuing basis any clarification that may be discreetly obtained as to what specifically de Gaulle has in mind.<sup>2</sup>

Source: Department of State, Central Files, 751.00/6–1458. Confidential. Drafted by Looram; cleared by the Office of European Regional Affairs, the Executive Secretariat, and Murphy; and approved by Elbrick. Repeated to London.

<sup>&</sup>lt;sup>1</sup>Document 21.

<sup>&</sup>lt;sup>2</sup> The following sentence was deleted from the final text of this paragraph as sent to Paris: "Is it merely question emphasis as to France's role giving for example greater importance to activities French Military Representative on Standing Group or does he contemplate revision NATO command structure?"

2. Para 7. It is highly doubtful that Soustelle could play useful role here in furthering French-American relations despite his familiarity with Algerian situation. Is this device remove Soustelle temporarily from Paris and Algiers political scene? Leave to Embassy's discretion whether feasible or wise endeavor discourage Soustelle trip to US.

Dulles

#### 23. Editorial Note

At the 369th Meeting of the National Security Council on June 19, Director of Central Intelligence Allen Dulles discussed France during his briefing on significant world developments. That portion of the memorandum of discussion by S. Everett Gleason, June 20, reads:

"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.

"Secretary Dulles inquired about the prospects for the French gold loan. There was no available information on the subject at this time." (Eisenhower Library, Whitman File, NSC Records)

## 24. Telegram From the Embassy in France to the Department of State

Paris, June 19, 1958, 8 p.m.

6058. Deptel 4743.<sup>1</sup> While no member Embassy staff has yet talked directly with de Gaulle on this subject from various conversations which we have received second hand, his ideas on NATO piece together as follows:

De Gaulle originally was opposed to conception of NATO but now that it has become a fact of life and France is committed to it, he has grown to accept the Alliance and the shield concept. However, he considers that as France is the geographical heart of the Alliance, has a great deal at stake, is as much if not more menaced than any one of the 15 members, France should play a more active role in this matter. De Gaulle feels that up to now France has left her fate, so to speak, to others by allowing the planning to be made by Americans, the principal command to be in other than French hands, French interests to be subordinated, etc.

General de Gaulle has indicated that he wishes France to assume her responsibilities to a greater extent and that he hopes to see her assigned more responsible commands, especially in the Mediterranean area. For example, making Medoc (now French admiral) directly responsible to SHAPE instead of present chain of command through CINCAFMED might be something he has in mind.

General Norstad is expecting to see de Gaulle shortly and this should be opportunity for learning more of de Gaulle's views on NATO.

#### Houghton

Source: Department of State, Central Files, 751.00/6–1958. Confidential. Repeated to London.

<sup>&</sup>lt;sup>1</sup>Document 22.

# 25. Telegram From the Embassy in France to the Department of State

Paris, June 20, 1958, 5 p.m.

6074. Deptel 4744.<sup>1</sup> We have no firm indications of de Gaulle's thinking on possible summit conference and issues which might be discussed there. Laloy, who was present at meeting with de Gaulle last week when summit matters were discussed briefly, said he had following impressions of his views:

1. De Gaulle exhibited no particular reaction one way or other concerning idea of summit meeting. He did not seem to feel that it was pressing matter, but he did not appear opposed to it in principle.

2. Firmest point which emerged was importance which de Gaulle attaches to nuclear question. He not only insists on link between cessation of tests and of fabrication of weapons, but goes further in making quite explicit his view that France should have its own atomic bomb. According to Laloy, de Gaulle will resolutely oppose any agreement with Soviets which would have effect of shutting France out of "nuclear club".

3. De Gaulle did not discuss in any detail problems of German reunification and European security. However, Laloy thought he detected interest on de Gaulle's part in some kind of European security arrangement "which might help the Poles." There was no talk of Rapacki plan<sup>2</sup> as such, but Laloy believes de Gaulle may be interested in using it as base of discussion. Laloy hopes, however, that de Gaulle can be persuaded that from strictly military point of view, entirely apart from political aspects, Rapacki plan is dangerous. Laloy also has impression that de Gaulle might be willing consider security arrangement which would be based on status quo (i.e. divided Germany). In this regard Laloy suggested that de Gaulle might be fairly close to British thinking, and added that lack of firmness on Adenauer's part

Source: Department of State, Central Files, 751.00/6-2058. Confidential.

 $<sup>^1</sup>$  Telegram 4744 to Paris, June 17, requested any evidence the Embassy had on de Gaulle's views on a possible summit meeting. (*Ibid.*, 396.1/6–1758)

<sup>&</sup>lt;sup>2</sup> The Rapacki Plan, first proposed by the Polish Foreign Minister Adam Rapacki in a speech to the U.N. General Assembly on October 2, 1957, called for the establishment of a denuclearized zone in Poland, Czechoslovakia, the German Democratic Republic, and the German Federal Republic. The U.S. reply of May 3 rejected the plan as "too limited in scope to reduce the danger of nuclear war or provide a dependable basis for the security of Europe." For texts of the Polish note of February 14 and the U.S. reply of May 3, see Department of State *Bulletin*, May 19, 1958, pp. 821–823.

concerning German reunification would not be helpful in persuading de Gaulle to take different line. (Embtel 5759).<sup>3</sup>

4. Question of non-aggression pact with Soviets was raised at meeting, but de Gaulle evinced no special interest in it. He said that such pacts did not mean very much and that it was something which could be considered later.

5. De Gaulle gave no sign of thinking in terms of making spectacular gesture toward USSR or of breaking sharply with established Western positions. Laloy added, however, that de Gaulle will want his letters to Khrushchev to have "distinctive flavor" (Embtel 5972),<sup>4</sup> although this did not mean they would do violence to agreed concepts.

Laloy said that draft reply to Khrushchev's last letter<sup>5</sup> is now before de Gaulle, and that he expects discussion of this letter in next few days will elicit more definite views from de Gaulle concerning summit; Laloy regretted he did not have anything more precise to give us at moment, but emphasized truth of matter is that de Gaulle has simply not had opportunity to give close study as yet to East-West problems. This is reason behind French request for postponement of Working Group on German Reunification (Embtel 6027).<sup>6</sup> In preparing for Macmillan and Dulles visits,<sup>7</sup> Laloy expects de Gaulle will "work into" summit problems and that in process his views will become clearer.

Department repeat as desired.

Houghton

<sup>&</sup>lt;sup>3</sup>Not found.

<sup>&</sup>lt;sup>4</sup> Dated June 16. (Department of State, Central Files, 700.5611/6–1658)

<sup>&</sup>lt;sup>5</sup> For text of Khrushchev's letter of June 11 to the President in which he asked if the British and U.S. Governments really wanted a summit meeting and Eisenhower's July 2 reply, see Department of State *Bulletin*, July 21, 1958, pp. 95–101.

<sup>&</sup>lt;sup>6</sup> Dated June 18. (Department of State, Central Files, 762.00/6–1858)

<sup>&</sup>lt;sup>7</sup> For Macmillan's account of his visit to Paris for talks with de Gaulle on June 29, see *Riding the Storm*, pp. 446–449. Regarding Dulles' July 5 visit with de Gaulle, see Document 33.

## 26. Telegram From the Embassy in France to the Department of State

Paris, June 23, 1958, 8 p.m.

6127. 1. De Gaulle faced as were his predecessors with three major problems (not in order of importance): Constitutional reform, economic readjustment, and North African relations. Other important issues (east-west relations, European integration, administrative reform) must be dealt with, but first three will determine success or failure of De Gaulle experiment. This telegram will discuss constitutional reform and other problems will be subject separate telegrams.<sup>1</sup>

2. Ministerial committee for constitutional reform meeting for first time this morning (June 23) under chairmanship Debre. This committee plans to develop first draft of constitution by end of July. Special constitutional consultative committee, made up of jurists and members of Assembly and Senate universal suffrage committees, will then examine government draft and give its advice. Council of State will also be consulted. Final government project will then be adopted by Cabinet by end of August. Referendum campaign will take place in September and referendum will probably be held September 28 or October 5.

3. Despite tremendous importance of constitutional reform for future of France, it must be realized this problem currently overshadowed by and in sense dependent on what happens in Algeria. Situation in North Africa is such that De Gaulle must make evident progress by end of summer in his eventual program for Algeria. To extent he successful in Algeria any constitutional text he likely to propose can reasonably be sure of obtaining comfortable majority in fall referendum in view general dissatisfaction with present regime. If he runs into serious difficulties in Algeria, however, events could conceivably deteriorate rapidly and outcome of referendum could be jeopardized.

4. There has been no further elucidation of De Gaulle's constitutional ideas beyond indications reported Embtel 5938<sup>2</sup> sent Algiers 733. Increasing commentary, speculation, and criticism can be expected in coming weeks. Although there are few defenders of present system, it does not follow that mere modification of bad system equivalent to

Source: Department of State, Central Files, 751.00/6–2358. Confidential. Repeated to Algiers.

<sup>&</sup>lt;sup>1</sup> Document 29 and telegram 6173 from Paris, June 25, which assessed the achievements of de Gaulle's government during its first 3 weeks in power on the subject of North African relations. (Department of State, Central Files, 751.00/6–2558)

<sup>&</sup>lt;sup>2</sup> Telegram 5938 from Paris, June 13, discussed press speculation on what the broad lines of de Gaulle's constitutional reform would be. (*lbid.*, 751.00/6–1358)

creating good one. Based on general reports so far of De Gaulle's thinking, Embassy finds certain aspects encouraging: greater separation of responsibilities between executive and legislative, increased stability of executive, probable trend toward regrouping of political forces into smaller number of parties. Other features have met with criticism from different quarters. Among the more debated points are:

(A) Emphasis on building form of corporate state with various socio-economic groups wielding direct power independently of elected representatives of people as whole;

(B) Proposal that Assembly must designate successor government and program before it can overthrow current one. This could lead to form of immobilism by making virtually impossible change of government. Assembly might in that case prefer weak head of government rather than one who might later come into conflict with deputies;

(C) Concept of increasing power of President of Republic while retaining Premier in charge of Government. This is a system used by virtually no other major power today and recent historical precedents (e.g. Weimar Republic) not encouraging.

5. New constitution immediately raises problem of need for new Assembly and perhaps new President of Republic. It is generally believed in political circles here that new Assembly elections will be required and will probably be held at end of October or in November. In the event new presidential elections are held (on basis of enlarged college) this would probably be in December.

6. Assembly elections in turn raise problem of electoral law. De Gaulle government has committed itself not to include such law in constitution and not to enact one by virtue of special powers given to government for 6 months. There are many means, however, of making change. De Gaulle could include principle of new law in constitution, leaving drafting to Assembly, or he could simply have constitution include statement to effect law could be promulgated by governmental ordinance. It is generally believed (with little concrete evidence to date) that De Gaulle currently favors a majority system list voting by department with either one or two ballots.

7. There is also possibility present law might be maintained. De Gaulle might not wish to impose one and Assembly might be reluctant to discuss one as first item of business (on theory that this would make bad impression on electorate and thereby work against incumbents). In such case "apparentements" (party alliance system) which were directed against De Gaulle and Communists in 1951 and were largely ineffective in 1956 might be expected to play important role and assist Gaullists.

## 27. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to Secretary of State Dulles

June 26, 1958.

#### SUBJECT

Scope of Your Meeting with de Gaulle

I believe that the primary purpose of your forthcoming talks with de Gaulle should be to establish a personal contact which would serve as an important basis for U.S. relations with France under the de Gaulle regime. De Gaulle's anti-American disposition and his mystical nationalism will not facilitate U.S.-French relations. A personal relationship with yourself should serve to dispel some of his misconceptions and instill greater confidence in U.S. leadership.

It is a one-man government—all important decisions will be made by de Gaulle. For that reason it would be important to probe his thinking and intentions and at the same time to get across our own views. Over the past twelve years de Gaulle has given much thought to France's basic problems and to the principal issues outstanding in the world and, therefore, he has definite views on these issues. But it is doubtful that he is fully informed on all aspects of recent developments. As a result his thinking may be in ferment as he is being brought up to date. (He will also be greatly preoccupied with Algeria.) Despite his autocratic temperament, de Gaulle is subject to influence. This meeting should, therefore, provide a unique opportunity to convince the man who will govern France for the next two years as to the validity of our policies.

Under the circumstances, it would be desirable for your meeting to be as informal and intimate as is possible with a person like de Gaulle. It should consist of a wide exchange of views on world problems with no fixed agenda and no decisions. During the conversations, de Gaulle will expect you to set forth your opinions very frankly on issues which are of paramount importance to the United States. On the other hand, he may be suspicious of any indication that the U.S. is trying to pressure him to align his policies with ours or that the U.S. is interfering in matters which he considers of more direct interest to France, such as North Africa and European integration. We should accordingly concentrate on issues which are of fundamental concern to U.S. security and on issues where he may be susceptible to influence. Much of the initiative in the discussion should, on the other hand, be left to de Gaulle.

Source: Department of State, Central Files, 751.11/6–2658. Confidential. Drafted by Looram and initialed by Elbrick, Calhoun, and Murphy. A handwritten note on the source text reads: "Sec saw."

It is suggested that after the initial exchange of courtesies and your reference to your earlier meeting with de Gaulle, you might wish to extend him the President's greetings and state that he looks forward to meeting with de Gaulle. However, in view of the President's heavy schedule and de Gaulle's own preoccupations in France, such an early meeting was not feasible and the President hoped that in his behalf, you might have full and frank exchange of views on issues of interest to France and the United States. If de Gaulle is in agreement, you might wish to lead off with your estimate of Soviet capabilities and world strategy-both short and long-term-and how they should best be met. De Gaulle's views on the specific questions of summitry, disarmament, European security, etc. are not known. While his views on East-West matters have reportedly changed very much since 1944 and he is generally considered to be pretty sound now on these issues, he is nevertheless unpredictable. Anybody who considers that he alone can save his country may someday decide that he is the only one who can save the world. His old concept of France serving as the "bridge" between East and West may not be entirely extinct.

The primary difficulty you should expect to encounter in your talks centers on de Gaulle's determination to have France become the fourth nuclear power. Inherent in this issue are de Gaulle's two basic concerns: one, that France regain her stature as a world power and two, that she be treated by the U.S. on a basis not less favorable than that accorded the U.K. For this reason a generally negative response would risk having an adverse effect on the course of the talks and to some degree on de Gaulle's future attitude toward the U.S. On the other hand, de Gaulle would resent an apparent lack of frankness on our part. What will be particularly difficult to explain is why we will not provide France with the same nuclear information we intend to supply the British once the French explode a bomb, which may not be far off. In this connection, the question of France resuming her place in the "three power club" will probably be uppermost in de Gaulle's mind, but he may not broach the subject directly.

Another possible source of contention may arise in discussions on the Middle East in general and Lebanon in particular. Given his background, de Gaulle will be especially suspicious of any attempts by the U.S. and U.K. to exclude France from the Middle East.

North Africa will reportedly not be raised by de Gaulle, but rather by Couve, so it is not anticipated that this will be a contentious issue at this juncture—it may become one later on, for de Gaulle will consider that NATO should be an alliance not merely covering the NATO geographical area, but to apply to all issues in various parts of the world where NATO members' interests are involved. But if the subject of North Africa does arise, this would provide a good opportunity to hit hard again on French rumors that we are trying to displace France from North Africa, take over the Saharan oil, etc.

On the Far East, de Gaulle's views on Communist China are not known. The recent hardening of the Soviet line and the possibility of Communist China's contribution to these developments may be a salutary influence on de Gaulle. However, given the existing sentiment in France, U.K.'s recognition and de Gaulle's desire to maintain Socialist support, de Gaulle may be tempted to recognize Communist China.

Submitted herewith is a list of the topics that may arise during your talks and that indicate the general course of the discussion, as far as can be anticipated at this juncture.<sup>1</sup>

## 28. Memorandum of Conversation

June 27, 1958.

SUBJECT

The Secretary's Forthcoming Meeting with General de Gaulle

PARTICIPANTS

M. Hervé Alphand, French Ambassador Mr. Charles Lucet, Minister, French Embassy The Secretary

Mr. C. Burke Elbrick, Assistant Secretary Mr. Matthew Looram, WE

The French Ambassador said he had been informed that his Government was in agreement that the Secretary's talks with General de Gaulle should consist of a general exchange of views with no fixed agenda and that there should be no final communiqué. The French Government considered, he said, that the following subjects might be discussed between the Secretary and the French Prime Minister:

 $<sup>^1\,\</sup>rm Not$  printed. The list of topics included East-West relations, Near East, North Africa, Far East, and contingency topics.

Source: Department of State, Central Files, 611.51/6–2758. Confidential. Drafted by Looram and initialed by Elbrick.

preparation for a summit conference and East-West relations, including COCOM; (2) disarmament; (3) IRBM's and nuclear weapons;
 the Middle East; (5) the Far East. The Ambassador observed that the French Government evidently attached considerable importance to the question of missiles and nuclear arms. He also noted that his Government wished to discuss the question of East-West trade, which had not been originally envisaged.

The Secretary stated that with regard to East-West trade, it was his understanding that considerable progress was now being made in the negotiations, which it was hoped would soon result in an over-all agreement reflecting substantial liberalization of trade. He added that given the complexity of the subject, he would not be in a position to discuss the matter in great detail.

M. Alphand stated that a very important topic would be the question of a summit meeting. For instance, he asked, what should we do if Gromyko refused to continue negotiations with the Ambassadors? Should we then have a meeting of the Foreign Ministers?

The Secretary replied that he had no intention of transferring to the Foreign Ministers the task that was properly that of the Ambassadors. He had too many world responsibilities to permit embarking on another Palais Rose conference<sup>1</sup> lasting for an extended period of time. The Secretary stated that he had long been convinced and recent developments tended to confirm this conviction that the Soviets were unwilling to negotiate seriously with the West unless it was solely to their advantage. In every instance when we had tried to deal with a question on its own merits, the Soviets lost interest. Their conduct with regard to the Geneva conference has been extraordinary: on June 24 they were agreed to the conference and the following day they reversed themselves an agreement on the cessation of tests was obtained in advance.

With regard to the amendments to the McMahon Act,<sup>2</sup> the Ambassador stated that he had recently discussed this matter and how the amendments might be applied to France with various members of the Administration and the Congress. In every instance, he said, he had found that there was much good will toward France and that cooperation with France in this field was generally favored as soon as France became qualified for such assistance. The interpretation of this last

<sup>&</sup>lt;sup>1</sup> Documentation on the Four-Power Exploratory Talks on European Security at the Palais Rose, Paris, March 5–June 21, 1951, is printed in *Foreign Relations*, 1951, vol. III, pp. 1086–1138.

<sup>&</sup>lt;sup>2</sup> An amendment to the Atomic Energy Act of 1954 permitting the transfer of nuclear materials and information to other nations passed Congress and was signed by the President on July 2, 1958. (72 Stat. 276)

phrase, however, could constitute a significant obstacle. The Ambassador thought that in his talks with General de Gaulle, it would be very helpful if the Secretary could say that cooperation with France in this field would be possible once France demonstrated that she had a stable government.

The Secretary said that he was giving a great deal of thought to this matter. It must be recognized, he said, that when these amendments were formulated, there was not much sympathy for France becoming a nuclear power.

The Ambassador agreed, but said that Senator Anderson had recently indicated to him that he was quite sympathetic to France now. He had told the Ambassador that he was against a great many nations sharing U.S. secrets, but that this did not apply to a country such as France. He had added that he could not commit the Administration, but that should the Administration decide to exchange information on these matters with France, he personally would not object.

The Secretary warned the Ambassador that remarks made socially were not always confirmed by subsequent actions. Mr. Elbrick added that the basic issue was not merely opposition to a fourth country producing nuclear weapons, but the fact that this might lead to fifth, sixth and seventh countries entering the field.

The Ambassador stated that with regard to IRBM's, he did not really know what position General de Gaulle would take. He understood that de Gaulle had told General Norstad that he was in favor of having IRBM's in France, but had indicated that the agreement with France on this subject should follow the pattern of the U.S.–U.K. agreement, which constituted a strictly bi-lateral arrangement without SACEUR being involved.<sup>3</sup>

M. Alphand stated that he supposed that General de Gaulle would also raise the question of the NATO command structure. The Secretary suggested that this might better be discussed with the U.K.

On the Middle East, the Ambassador stated that he could officially deny recent rumors to the effect that General Catroux might undertake a mission to Nasser. The U.S. and the French positions in regard to Nasser therefore remained the same, and there was no desire on the French part to seek Nasser's assistance with regard to Lebanon.

The Secretary stated that he certainly hoped that a political solution would be possible in Lebanon. However, he said, we must be sure that

<sup>&</sup>lt;sup>3</sup> Reference is to the agreement between the United States and the United Kingdom on the supply of Intermediate Range Ballistic Missiles to the United Kingdom effected by notes exchanged at Washington on February 22, 1958. (9 UST 195)

such a solution should not in any sense constitute a step in an irreversible trend towards Nasser's domination of the Middle East.

The Ambassador said that we were in agreement that President Chamoun should continue serving until the end of his term, but no longer.

The Secretary agreed, but said it was important that there be a good successor to President Chamoun and there did not appear to be many people qualified for this role. The next president should be a Christian and oriented toward the West. Moreover, the election of a new president presupposed a period of calm in order to permit the normal constitutional processes to follow.

The Ambassador asked whether the Secretary had any more information with regard to Mr. Hammarskjöld's recent visit to the Middle East.<sup>4</sup> The Secretary replied that we had been informed that Mr. Hammarskjöld felt that his visit might result in bringing an end to Syrian military assistance and that a period of calm might then follow to permit moving ahead with the normal constitutional processes.

The Secretary asked what de Gaulle wished to discuss on the Far East, which was listed among the topics. The French Ambassador stated that he really did not know, but supposed it would concern Indonesia and possibly IndoChina.

# 29. Telegram From the Embassy in France to the Department of State

Paris, June 30, 1958, 7 p.m.

6270. Embtels 6127, 6173.<sup>1</sup> Reftels discussed problems of constitutional reform and North African relations under de Gaulle government. This message pertains to East-West problems and related questions.

<sup>&</sup>lt;sup>4</sup> Hammarskjöld traveled to the Middle East June 18–26 to confer with leaders in London, Beirut, Amman, and Cairo about the crisis in Lebanon.

Source: Department of State, Central Files, 751.00/6-3058. Secret.

<sup>&</sup>lt;sup>1</sup>Document 26 and footnote 1 thereto.

Among factors motivating de Gaulle's attitude with regard to these problems are (1) his almost mystical belief in special "mission" of France and France's grandeur and prestige; (2) his determination that France should play leading role in international relations, admittedly not on par with U.S. and USSR, but certainly as equal of U.K. and conceivably as balancing power between U.S. and USSR; (3) his appreciation as military man of facts of Soviet military force and danger which this represents; (4) his own role as historical figure, which induces him to wish play distinctive part in world events.

All of these factors taken together point up problems we may anticipate for the Atlantic Alliance in days ahead. However, in few weeks since de Gaulle's investiture he has given no signs of intending to embark on spectacular initiatives which would have effect of rupturing Atlantic Alliance.

Whatever his preferences may be fact is that de Gaulle has assumed power this occasion at period when France is bound by network of Alliances (NATO, European treaties) which have developed in last decade and there is to date no evidence he will not respect accords which France has signed. This would be consistent with his reputation as "man of honor"; also, far-reaching consequences of actual break with NATO would so add to de Gaulle's already enormous burden it is difficult believe he would seriously contemplate such steps. Where problems will come in immediate future is in de Gaulle's attempts enhance France's role in existing organizations, to seek special benefits for France, or to undertake steps which, while perhaps not constituting actual rupture with existing policies, may strain them pretty far.

On NATO itself, de Gaulle has already suggested that he will wish to have some changes made in command structure to give French more substantial role. Embassy is commenting separately on his attitudes concerning such matters as IRBM's, atomic stockpile, and nuclear weapons cooperation.<sup>2</sup> On all of these matters, de Gaulle's preoccupation with France's prestige and "mission", as well as determination not to take back seat to anyone, especially U.K., are important motivations. These attitudes need not seriously jeopardize NATO, however, and it seems doubtful that he contemplates breaking with Alliance over them.

De Gaulle apparently has not reached any firm conclusions concerning matters relating to European security and German reunification. We are told that to date his reaction to briefing on Western position on these questions was not hostile, but neither was it enthusiastic. His position as expressed in those paragraphs which we understand he personally prepared in draft French note in reply to Khrushchev's June 11

<sup>&</sup>lt;sup>2</sup> See Document 30.

letter<sup>3</sup> is indicative of his determination press independent point of view when he regards it in French interests. De Gaulle is said to be somewhat intrigued by idea of working through Poles, possibly by variation of Rapacki plan, to loosen Soviet hold in Eastern Europe. There is also talk that he may consider recognition of Oder–Neisse line as gesture support Poles. There is absolutely nothing concrete to any of these stories, however, and it probable that de Gaulle's thinking has not jelled on security problems. So far, he has given every indication of being willing listen attentively advice his experts and there has been no evidence that he is attempting to implement policy of "equilibrium" between East and West. Statements of his Foreign Minister have, in fact, indicated contrary.<sup>4</sup> His military advisors are said to be solidly opposed on military grounds to disengagement in Europe and this presumably will impress de Gaulle.

Like previous premiers, de Gaulle is under no strong public pressures to negotiate with Soviets. Nagy execution<sup>5</sup> and recent examples of Soviet intransigence diplomatic field reduce still further appeal of sitting down at conference table with Soviets. While de Gaulle would probably feel that his participation in summit conference would enhance French prestige and fit his own position as historical figure, there are no signs that he is greatly tempted by thought of such conference under present conditions. It seems reasonable assume that brutal facts Soviet conduct since World War II have revealed to de Gaulle extent Soviet menace and dangers dealing with Kremlin.

De Gaulle, whose immediate and major preoccupations are with North Africa, constitutional reform, and economic readjustment, seems to be proceeding slowly and cautiously on East-West matters. Although he may eventually feel impelled to take drastic actions, particularly if internal stability and solution of North African problems are not achieved (and these are very big "ifs"), his interviews with Spaak and General Norstad,<sup>6</sup> while raising certain storm signals, have been reassuring.

Prospects are that going may be somewhat rough at times, but Embassy's conclusions, based on evidence to date, is that there is good reason hope that de Gaulle will not undertake major changes in France's

<sup>&</sup>lt;sup>3</sup>See footnote 5, Document 25.

<sup>&</sup>lt;sup>4</sup> In telegram 6181 from Paris, June 26, Houghton reported that Couve de Murville at a diplomatic press luncheon on June 25 confirmed that France would observe its European treaty commitments. (Department of State, Central Files, 751.00/6–2658)

<sup>&</sup>lt;sup>5</sup>On June 17, it was announced in Budapest that M. Imre Nagy, Prime Minister of Hungary during the October 1956 uprising, had been executed.

 $<sup>^{6}</sup>$  No records of de Gaulle's talk with Spaak on June 23 or his talk with Norstad on June 24 have been found.

policy on East-West problems, and that he will be inclined to be cool toward Soviet blandishments. In view of apparently tentative state his thinking on many of these problems, it is certain that discussions with Secretary on East-West matters will be of utmost importance.

Houghton

## 30. Telegram From the Embassy in France to the Department of State

Paris, June 30, 1958, 7 p.m.

6275. Ref Deptel 4934.<sup>1</sup> No precise information is available on position de Gaulle plans to take on IRBM and atomic stockpile questions and probably will not be available before meeting.

De Rose of Foreign Office stated week ago to Embassy officer that his office has prepared factual briefs for de Gaulle on present status IRBM and stockpile negotiations. De Rose also said de Gaulle would undoubtedly wish have thorough-going discussion of IRBM and stockpile questions, along with "central" question of nuclear cooperation. De Rose added that Foreign Office in dark as to what position de Gaulle would take and gave impression he very likely will keep his views to himself until meeting.

De Rose stated today that de Gaulle had met last Saturday with officials responsible for nuclear, IRBM, and stockpile matters. De Gaulle posed number of searching factual questions and terminated hour-anda-half interview by saying, "Thank you very much, gentlemen. I will read your briefs." No clue given as to position he plans to take. De Rose reaffirmed that de Gaulle likely to keep his position to himself until Dulles meeting.

Meanwhile, below are our best estimates of possible lines de Gaulle may take.

Source: Department of State, Central Files, 611.51/6–3058. Secret; Limited Distribution.

<sup>&</sup>lt;sup>1</sup> In telegram 4934 to Paris, June 26, Dulles requested the Embassy to send any information "discreetly" obtained from French Government sources on the position de Gaulle would likely take in his talks with Dulles on U.S. assistance to the French nuclear weapons program, IRBMs, and the NATO stockpile. (*Ibid.*, 611.51/6–2658)

(1) IRBM's (a) De Gaulle can be expected to try to maximize French role in control and command over IRBM squadrons for France. He will probably seek an agreement which is as close as possible to the US–UK bilateral, thereby trying to minimize or eliminate SACEUR's role. (Thurston is sending separate message on specific proposals on control made by General Ely to Norstad just before French political crisis began last April.<sup>2</sup> This may be put forward again.)

(b) De Gaulle may also seek to link military nuclear cooperation as quid pro quo for French agreement on introduction of IRBM's.

(2) NATO atomic stockpile. (a) De Gaulle may propose that France have greater voice in the decision to use nuclear weapons. This may apply not only to nuclear weapons which may be located in France (in which France already has a voice through April 1954 exchange of letters<sup>3</sup> and would continue to have a voice in any new arrangements in this field) but more generally to nuclear weapons located in the NATO area. Proposal may be for establishment of some sort of US–UK–French "political standing group" for making basic decision on use of nuclear weapons for NATO. In his recent talk with Norstad, for example, General de Gaulle referred to desire of France to participate in "world nuclear plans". He also spoke in this general vein to Jebb.

(b) De Gaulle may also propose eliminating U.S. custody and control features from NATO atomic stockpile as presently conceived and converting it into a stockpile in which NATO as an organization has custody and control, which was what the French originally had in mind when they first proposed the NATO atomic stockpile in May of 1957.<sup>4</sup>

### Houghton

<sup>&</sup>lt;sup>2</sup> In telegram 6277 from Paris, June 30, Thurston stated that Ely proposed to Norstad in writing on April 18 that the French military units equipped with IRBMs under the command of a French General be assigned to SACEUR under conditions stipulated in the NATO documents currently in effect. Thurston stated that Norstad did not make known his views to the French at the time, but should the proposal be renewed, Thurston said Norstad would be disposed to accept it provided there was clarification of NATO's requirements for "operational control" over IRBM units. (*Ibid.*, 611.51/6–3058)

<sup>&</sup>lt;sup>3</sup>Not further identified.

<sup>&</sup>lt;sup>4</sup> On May 2, 1957, at the North Atlantic Council Ministerial Meeting at Bonn, Pineau proposed that France be permitted to stockpile atomic weapons under NATO auspices. Regarding this meeting, see *Foreign Relations*, 1955–1957, vol. IV, pp. 167–169.

#### 31. Editorial Note

At the 371st Meeting of the National Security Council on July 3, Director of Central Intelligence Allen Dulles discussed France during his briefing on significant world developments. That portion of the memorandum of discussion by S. Everett Gleason, July 5, reads:

"Turning to France and General de Gaulle, Mr. Dulles pointed out that the new French Prime Minister was facing two emerging problems of some magnitude. It was clear from all the reports that there was much uneasiness in the French Army in Algeria with respect to De Gaulle's leadership. This was particularly true among the younger officers in the Army. While General de Gaulle has not lost control of the French forces in Algeria, he would not find it easy sailing in future dealings with them. Secondly, Mollet's courageous stand, in risking his political future by supporting De Gaulle, now threatened a schism in the Socialist Party. The left wing of the French Socialist Party might well go the way of the Nenni Socialists in Italy, and ally themselves with the French Communists.

"Mr. Dulles pointed out that the Governments of Tunisia and Morocco have agreed in principle to the establishment of diplomatic relations with the Sino-Soviet bloc nations. Such relations may actually be established in the near future." (Eisenhower Library, Whitman File, NSC Records)

### 32. Memorandum of Conference With President Eisenhower

July 3, 1958, 11:28 a.m.

#### OTHERS PRESENT

Secretary Dulles Mr. Gerard Smith Mr. Elbrick Mr. Farley Mr. Allen Dulles Deputy Secretary Quarles General Goodpaster

Source: Eisenhower Library, Whitman File, Eisenhower Diaries, Top Secret. Drafted by Goodpaster. The meeting took place after the National Security Council meeting.

Secretary Dulles said the group was meeting to review some of the problems he foresaw in his meeting in Paris with De Gaulle. As a general policy, he felt we should assist De Gaulle. There is some reason to think that he is all that stands between France and chaos, or a popular front at least. He thought we should give some public sense that we are supporting De Gaulle. However, it is clear we must limit our support in two respects which touch on De Gaulle's pride and sense of French grandeur. This was shown clearly during Macmillan's talk with De Gaulle.<sup>1</sup> The first is our attitude toward France as a nuclear power and the second is to his proposal for a US–UK–France triumvirate to run the world. [12-1/2 lines of source text not declassified]

[6-1/2 lines of source text not declassified] He did not know if he could obtain De Gaulle's agreement to this, since there are ample indications that what De Gaulle wants is a Western atomic "standing group" consisting of the US, UK, and France.

Mr. Quarles said he thought we should consider where we would go if forced beyond the stand outlined by Mr. Dulles. The President stated strongly that he has always personally favored giving our allies information as to these weapons. [8 lines of source text not declassified]

The Secretary then summarized other matters likely to arise: our respective evaluation of the Soviet threat; European security plans (De Gaulle was initially drawn to the Rapacki plan); disarmament (De Gaulle has linked cessation of testing to cutoff of weapons production); attitudes toward a Summit meeting; the French nuclear weapons program; command structure in Europe (Mr. Dulles will leave this to the military people); IRBMs (this depends on what is done regarding nuclear weapons); European integration moves (here the British are asking us to help them in their "free trade area" pitch to De Gaulle, but we will not get far into this); Lebanon (the French want to avoid military intervention since they can't take part, and wouldn't want to be omitted); Nasser; Israel (De Gaulle will probably dilute this relationship

<sup>&</sup>lt;sup>1</sup> In a June 30 letter to Dulles, Viscount Hood, Minister of the British Embassy, stated that the June 29 talks between de Gaulle and Macmillan were extremely friendly. He reported that de Gaulle agreed with the United States and the United Kingdom on many of the major issues, particularly in his attitude toward the Russians, but was unyielding about the need for France to become an atomic power. In a July 2 letter to Dulles, Hood enclosed a brief summary of the talks. He stated that Macmillan and Lloyd hoped Dulles could help them on the Free Trade Area question. Hood wrote: "The General still regards this as an economic matter and has not yet realised that it is primarily political. If he would only give the word for this plan to go forward, ways and means can be found of meeting practical points involved. If, however, he does not give that word, the political dangers for Europe are very great. Would you please try to press this point home?" (Department of State, Presidential Correspondence: Lot 66 D 204)

somewhat); Algeria (De Gaulle may not talk about this, but if he does, Mr. Dulles will simply listen); trade with Communist China.

There was agreement that any idea of a US–UK–French triumvirate along the lines mentioned was completely unrealistic and to be avoided.

In concluding, the President said he thought the nuclear question should be attacked by laying out very frankly with De Gaulle what we would be in a position to do, and expressing readiness to explore beyond this to see what could be done by liberal interpretation of existing authority.

> **G**. Brigadier General, USA

### 33. Editorial Note

Secretary of State Dulles left Washington on July 3 and flew to Paris for his July 5 talks with President de Gaulle. He was accompanied by Assistant Secretary of State for European Affairs C. Burke Elbrick and Matthew J. Looram of the Office of Western European Affairs. Documentation on this meeting is in Department of State, Conference Files: Lot 63 D 123, CF 1036. Copies of the memoranda of conversation are *ibid.*, Central File 611.51.

Dulles and de Gaulle met twice on July 5, first at 10:30 a.m. and later at 2:45 p.m., see Documents 34 and 35. At 4:30 p.m., the Secretary met with Foreign Minister Couve de Murville and discussed many issues. The memorandum of their discussion about East-West relations is printed as Document 36. Memoranda of their conversations on Indonesia, the Middle East, and the Chinese Communists are scheduled for publication in the relevant *Foreign Relations* volumes. Memoranda of their conversations on North Africa and on the aviation agreement, in which Couve said France was planning to denounce its agreement with the United States, are not printed.

At 6 p.m., the Secretary met with the Secretary General of NATO, Paul-Henri Spaak, while Looram met with Louis Joxe, Secretary General of the French Foreign Ministry, to discuss nuclear stockpiles and NATO. See Part 1, Documents 152 and 153, respectively.

A copy of the joint French-U.S. communiqué on the de Gaulle– Dulles conversation, dated July 5, is in Department of State, Conference Files: Lot 63 D 123, CF 1036.

The Secretary and his party left Paris at 12:30 a.m. on July 6 and arrived in Washington that same evening.

## 34. Memorandum of Conversation

Paris, July 5, 1958, 10:30 a.m.

SUBJECT

The Secretary's talks with General de Gaulle in Paris, July 5, 1958

#### PARTICIPANTS

General Charles de Gaulle, President of the Council of Ministers French Foreign Minister Maurice Couve de Murville M. Louis Joxe, Secretary General of French Foreign Office French Ambassador Hervé Alphand M. Georges Pompidou, Director of de Gaulle's Cabinet M. Jeanvis-Marc Boegner, member of de Gaulle's Cabinet M. Claude Lebel, member of French Foreign Office The Secretary Ambassador Amory Houghton Mr. Cecil Lyon, Minister, American Embassy, Paris Mr. C. Burke Elbrick, Assistant Secretary for EUR

Mr. Matthew Looram, WE

General de Gaulle opened by saying he was pleased to welcome the Secretary. The Secretary had been kind enough to come to Paris and therefore he, General de Gaulle, was prepared to listen.<sup>1</sup>

The Secretary stated that it was a great pleasure for him to meet with General de Gaulle again. He recalled his meeting with the General in 1947<sup>2</sup> under very dramatic circumstances, when it seemed possible that France might have recourse to the General if it were not to fall under Communist domination. France had need of the General today and all friends of France rejoiced in de Gaulle's being in office. On his arrival at the airport, the Secretary said, he had noted that it was our national holiday and had pointed out that we had never forgotten how much we owed to France in gaining our independence. France had a host of friends in the United States and in fact was probably the most beloved of our allies. However, in recent years France had not been held in respect to a desirable degree and we hoped very much that under de Gaulle's leadership French prestige would be restored.

Source: Department of State, Central Files, 611.51/7–558. Secret. Drafted by Looram and initialed by Elbrick. A summary of this conversation was sent to the Department in Secto 2 from Paris, July 5. (*Ibid.*)

<sup>&</sup>lt;sup>1</sup> De Gaulle also thanked the Secretary for the message that he brought from President Eisenhower. The message, dated July 3, invited de Gaulle to visit Washington. (*Ibid.*, Presidential Correspondence: Lot 66 D 204)

<sup>&</sup>lt;sup>2</sup> For documentation on Dulles' conversation with de Gaulle on December 6, 1947, in Paris, see *Foreign Relations*, 1947, vol. II, pp. 793–794.

The Secretary stated that the West faced today probably the greatest threat that had ever confronted it, namely that of Soviet imperialism. There were differences of opinion as to whether Russian nationalism or Communism played the greater role in Soviet imperialism. Certainly there existed the traditional nationalism, but an essential element was the Communist Party's global ambitions. Recent developments with regard to Yugoslavia confirmed Soviet insistence on international Communism conforming to Moscow. The negation of the individual, a materialistic and atheistic conception of the world and the prohibition of any diversity were meshed together in the principles of the Soviet Communist Party. If all peoples acted in conformity, they held there would be eventual peace and prosperity throughout the world. It was thus that their aspirations were universal.

Certainly, the Secretary stated, there was great force and power in Communism, given the fact that it represented a creed rather than solely the ambitions of a leader or of a nation. The Soviet bloc had thereby succeeded in dominating a third of the world's population. Our western civilization had on the other hand lost some of its spiritual fervor. It was the dynamic opposed to the quiescent.

The threat of Communism manifested itself in many ways, the Secretary said. One of the advantages of Communism was that it was elusive: one could not negotiate with Communism per se. One had to negotiate with Communist Governments, but these were only a facade for the Party which could then oblige the Governments to break their agreements. Our agreement with Litvinov recognizing the Soviet Union included a provision that the Soviet Government would undertake no action to overthrow our Government. This did not, of course, inhibit the activities of the Communist Party in the United States. However, the Soviet Government denied any collusion with or responsibility for the Communist Party. The Soviets thus had a negotiating advantage over us.

Soviet Communism constituted a grave military threat. The Communist bloc controlled nearly a billion of the world's population and enormous resources. Imposing great austerity, they were able to extract greater labor than was possible in a free society. They had thus been able to develop rapidly a heavy industry and a powerful military potential.

The Secretary continued that he did not believe that it was possible for the West to effectively counter the Soviet military threat without close cooperation within NATO. It had been our experience, moreover, that close military cooperation within NATO could not be maintained in peace time unless NATO also provided for political consultations. It had recently developed in fact that member nations had brought ever more important matters to the Council's attention. In all frankness, the Secretary stated, he frequently found the extensive NATO consultations aggravating, inasmuch as they greatly delayed actions that should be taken promptly. Despite the many disadvantages however, these political consultations were necessary. NATO must accordingly evolve into a political association as well as a military alliance.

The Secretary stated he believed that we had developed an answer to the Soviet military threat provided that we maintained an effective military deterrent and also an area defense. We had in fact an effective military deterrent, although our area defense was not as effective as we would like. The Soviets had concentrated on missiles at the expense of long-range bombers. They had not as yet developed an effective ICBM, whereas we had several years superiority in bombers. We calculated that in the next year the Soviets would have a few ICBM's in production and probably also in location. By that time we would have IRBM's coming out of production, and if we were able to locate them satisfactorily, they would offset the Soviet ICBM's. We ourselves expected to have ICBM's in appreciable production in 1959 and the Polaris in production by the end of 1960. Our military people believed that for several years, possibly five, our long-range bombers would constitute the most effective delivery of nuclear weapons on a strategic basis. It was true that the Soviet Union had had an initial advantage with regard to missiles in outer space, but they had concentrated on these for a very long time. In the United States we did not seriously undertake such a program until the outset of the Eisenhower Administration five years ago. We had not as yet caught up with the Soviets in all respects in this field, but we are closing the gap rapidly.

It was important, the Secretary said, to develop area defense. Apprehension of nuclear war on the part of the peoples of the free world would increase after a stalemate in weapons and delivery systems had been reached. If neither side were prepared to accept the consequences of nuclear war, it might result in a shift of military power back to local actions.

As far as the United States was concerned, the Secretary stated, he was absolutely confident that we would be willing to use our strategic power rather than to see the world conquered bit by bit. Our intentions, however, were less important than what people—both our allies and enemies—thought they were. Thus it was important to think in terms of area defense and to create a situation so that nations threatened by attack by the Soviet Union would not fear that their safety depended solely on a strategic power under the control of another country and would not fear that such nuclear power might not be used in an emergency. We were, therefore, seeking to develop within the limits of our legislation a concept and practice for modern weapons, particularly tactical nuclear weapons, to be available in the NATO area under such conditions that the countries concerned would have complete confidence

that such weapons would in effect be used in accordance with plans worked out in advance, rather than to have the use of the weapons depend on a political decision from far away. The Secretary stated that this proposition had not been sufficiently considered by the various interested agencies of the United States Government to permit him to go into greater detail at this time. However, he was in a position to say that the United States Government would be willing to explore this matter with the French Government in order to ensure that in the event of a major attack on French or United States forces in Europe, nuclear weapons available to NATO would be used immediately without having to depend on a United States political decision, concerning which the French might have some doubts. In this connection, the Secretary stated, we would be prepared to see French forces fully trained in the use of such weapons and French equipment adapted to deliver them. This would be done in the context of NATO and NATO strategy. It was also our intention to assist, if so desired, in the development of atomic propulsion for French submarines.

The Secretary stated that we favored a broad concept, possibly initiated by France within the NATO context, so that each member state would not feel compelled to develop an independent nuclear potential. With regard to an independent nuclear effort, he was not referring, the Secretary stated, to France; this was a matter for France itself to decide. However, if one after another NATO state were to embark on an independent nuclear program, it would indeed be wasteful and would seriously dissipate our total resources. The United States had developed a reliable nuclear deterrent that could be used for NATO. We had spent enormous sums in this development, and this potential must be made available to the members of NATO under a reliable system, because individual states, such as for example, Germany, Italy and others, could not each produce a significant nuclear potential.

The Secretary noted that Communist non-military subversive aims constituted a serious threat. The Soviet bloc was effectively using its economic resources to subvert other areas and thereby extend its control. The cold war was being actively prosecuted on this front now. Moreover, the Soviets were adroit in identifying all points of friction in the world and in throwing their support to either one side or the other—if not to both—in order to intensify divisions and in order to make one of the parties eventually dependent on the Soviet Union. This was the case of Nasser, and even in our hemisphere the Soviets had penetrated universities and labor unions and had excited the latent fear and hatred of "the colossus of the North", so as to impair good relations in the Americas. French intelligence probably had more information than ourselves with regard to the military assistance rendered the Algerian rebels from the Soviet bloc. In Indonesia the Soviet bloc had provided large quantities of matériel to the Indonesian Government in order to gain the Indonesian army's support in helping to crush the rebellion. The situation there was one of grave concern to us, for if Indonesia should fall under Communist control, this development would serve to jeopardize the strategic position of all the free countries in the area. The Chinese Communists had also stepped up recently their hostile activities in the area, threatening Burma, Laos and Cambodia with subversion and contributing to the aggravation of the Indonesian situation. The situation in Lebanon was also serious.

With regard to Germany, the Secretary said, we felt it to be of utmost importance that while Germany was under Adenauer, it be tied in as closely as possible with the West. The Secretary stated that he had had occasion to observe developments in Germany after World War I. Immediately following the War, there had been a strong tendency in that country toward pacifism and liberalism, but we all knew that it had not lasted very long. There were now three possible futures for Germany: (1) a Germany absorbed by Communism and thus joining the Soviet bloc; (2) a neutralized Germany; or (3) a Germany tied to the West. The first alternative would give immense superiority to the Soviet bloc. The second alternative was equally dangerous, if not more so. An uncommitted Germany would represent a balance of power utilizing bargaining and blackmail for its own purposes, which could well lead to another war. The Secretary recalled that he had discussed this matter with General de Gaulle in December of 1947 and that de Gaulle had seemed to be concerned by this same possibility. The third alternative was thus the only one acceptable, namely to tie Germany in with the West in as many ways as possible, so that German nationalism could not again become an independent force. This assumed, of course, that the other countries of the West would be strong so that Germany would not be the dominant element.

With regard to the role of the Great Powers in the free world, it seemed to him, the Secretary stated, that the Great Powers had always had and would continue to have special responsibilities. Under present conditions, however, these responsibilities must be exercised carefully so as not to give the impression of dominating the smaller nations, which today attached importance to the principle of sovereign equality of all nations. In every society a minority always dominated; the question was how to do it? If the minority affronted the majority, it lost influence. However, if discreetly exercised, and these responsibilities would also be exercised by France, the minority influence could be effective and durable. Formalization of groupings for directing the free world would be resented, but there was no reason why this should not exist in fact.

Concerning a summit meeting, the Secretary stated he felt that the Soviet Government had hoped to bring the Western powers into a conference on such terms and conditions as to make it appear that we accepted and were even party to the status quo in Eastern Europe. The Eastern European satellites constituted the greatest weakness in the Soviet bloc. Poland and Hungary would never accept to be ruled forever by Moscow and as a result there was great restiveness in these countries. The Soviet leaders were at a loss as to know how to deal with this situation: a policy of leniency did not succeed and yet they were reluctant to revert to a harsh policy. Western refusal, the Secretary stated, to go into a conference in which we would not speak of German reunification and the implementation of the Yalta Agreements had dissipated some of the Soviet zeal for a summit conference. The Secretary said he saw no great advantage in a summit conference. However, the United States was prepared to explore in a methodical way to see whether it seemed possible that a constructive result might be achieved by such a conference. Under such circumstances, we would be prepared to have one. So far, however, there seemed little ground to hope that a summit conference would be merited or that it could be a serious meeting rather than a spectacle.

General de Gaulle replied that he admired very much the Secretary's philosophy and the logical way in which he had developed his exposé. He was glad to speak frankly.

With regard to the position of France, he said, French opinion had been demoralized during the last few years. The reasons for French weaknesses were well known: it had been subject to any number of foreign invasions and to 13 changes in regime in modern history. The United States was very rich and therefore powerful. If the United States had been invaded many times, had endured changes in regime and lacked modern natural resources, such as coal and petroleum, the United States might well be in the same position as France. However, France still had considerable importance in the world. "The proof is that you, Mr. Secretary, are here today and that I am also here."

With regard to the present Soviet threat, General de Gaulle stated that it was perhaps less certain that Communism rather than Soviet nationalism played the dominant role. Certainly we had to deal with both nationalism and Communism, but Soviet imperialism accorded with the nationalist tradition of the Czars, Lenin, Stalin and Khrushchev. It was true that the Soviet Government utilized the excuse of the Communist party, "much as you do the American Congress". There was admittedly a unity between Communism and nationalism. This was not true in the case of the Poles where Polish nationalism was stronger than Communism. He agreed with the Secretary that this aspect was very important and that in fact Russia had not conquered the satellites. With regard to the Soviet military menace, the United States, General de Gaulle stated, had enormous resources and accordingly the primary responsibility for the defense of the free world. However, the United States could not do it all alone and the nations of the free world had to contribute to the defense of the West. As to the organization of the defense, it was obvious that certain nations must play a greater role and this applied also to France. It was important not only for the world but for France that in view of its great history, France felt that it was playing a significant role in world strategy. If it did not feel so, it would not throw itself enthusiastically into the effort of defending the free world. France's role and position both in NATO and the world had not been given full consideration before now.

General de Gaulle stated that responsibility in the nuclear defense of the world was most important. The United States obviously had a preponderant role at the present. The relative and varying differences in superiority between the USSR and the United States were not important as long as one still had the means for destroying the other. France, in view of its smaller resources, was behind in the development of nuclear armament but was nevertheless on the way to becoming a nuclear power. France would have an atomic explosion within some months; he could not say for certain when this would occur, but in any case he could be certain that France would have atomic bombs. Of course, he said, the French program could in no sense be comparable to that of the United States or the Soviet Union and it might take 25 years before France would have a significant nuclear potential.

De Gaulle said that he understood the Secretary's point of view that in an alliance it might seem pointless for individual member states, such as France, to make a great effort to have atomic bombs, given the fact that the United States already had a sufficient quantity. Why should we not, he said, be content with the United States distributing arms to the NATO allies for immediate use? Certainly France did not reject this proposal. If France were given nuclear weapons or produced them thanks to United States assistance, this would be an economy and thus a reinforcement of the alliance. France would use such weapons as it had used other U.S. military equipment and as the United States had in the past used French military equipment. However, the delicate question, he said, was that of the disposition of these weapons. If the United States were to make weapons available to be used by the United States and French forces on the condition that the order for their use had to be given by the United States or by SACEUR, this proposition had little interest. The disadvantages of having nuclear weapons on French soil were not equalized by France playing a role in their use. It would be acceptable for nuclear weapons to be located in France according to a general NATO plan, but in that case France must have control over the custody

and disposition of these weapons. The United States could be associated with such control. Moreover, the weapons could be utilized in accordance with NATO plans, providing France had the same plans. There must be an arrangement at the summit for French participation in the plans for world security and armament. As to NATO atomic arms located in France—and for that matter in Germany where France shared responsibility for control—the disposition of the arms must be under French responsibility with U.S. participation. This applied to IRBM's, warheads, NATO stockpile and nuclear arms for U.S. forces.

With regard to NATO, General de Gaulle said, the organization was not presently satisfactory. The NATO area was not large enough. NATO should extend to Africa and to the Middle East. There could be no defense of Western Europe unless North Africa, for instance the Sahara, and the Middle East were included. Certainly France could not feel secure if the Mediterranean and its southern shores were not included in the NATO defense. France was currently torn between Africa and Europe and this situation was not reflected in NATO. Similarly, the NATO commands must be reorganized.

With regard to the Middle East, de Gaulle stated that he was in general agreement with the U.S. position. Help should be given the Arab nations even to the extent of providing arms in order to prevent others from exercising dominant influence over these countries.

With regard to Lebanon, General de Gaulle said it was important not to precipitate matters. It should be left to the Lebanese to work out their own solution. Any Western intervention would risk having grave consequences in all the Middle East. It was preferable to find someone to replace President Chamoun and to help such a successor bring matters under control. In the Middle East there were many solutions and in fact sometimes situations were never completely resolved.

On Germany de Gaulle stated he recalled his conversation with the Secretary in 1947. Following World War II, he said, he had favored a confederation of German states. This might possibly have led to an arrangement between Eastern and Western Germany. In any case this formula had not been followed. Nothing could be done about the present division of Germany. We must live with it and assist the Federal Republic in remaining with the West. "The present situation does not bother us". There was at present no rivalry between France and Germany and the relationship would remain satisfactory as long as Germany had no ambitions.

With regard to a summit meeting, de Gaulle stated he felt the Soviets had pushed for such a meeting primarily for propaganda purposes. At the same time they, of course, did not wish to be vexed by a discussion of the satellites. He did not think that the question of German reunification or the satellites was of capital importance. What was capital was the issue of disarmament, on the condition that there would be real and complete disarmament. Proposals such as test suspension had no interest for France. There was no reason to try to divert us from the main question of disarmament and at the same time to prevent us from becoming an atomic power. Irrespective of world opinion, France would not participate in any agreement on test suspension. Within a year France would have its tests, possibly underground, which would not hurt anyone.

There were many plans, General de Gaulle said, such as the Rapacki Plan and proposals for inspection zones against surprise attack. France would be willing to consider these proposals, but we must be alert to traps. The Rapacki concept might possibly be acceptable, but not its geographic limits. Any such plan must include a large area of the Soviet Union. Any zone of inspection should not put any of us at a disadvantage and it should not push Western defense to the Atlantic. In order to please the Poles, however, it might be possible to indicate that the West would consider such a plan or at least not to reject it summarily.

In summarizing General de Gaulle said that: (1) France must really be associated with the defense of the free world. While no treaties were necessary, France must play a role at the summit and feel that it was really participating in world strategic plans and armament; (2) any nuclear arms made available under NATO planning on French soil must be under the direct responsibility of France, with the United States participating in this control. This applied to bombs, warheads, etc.; (3) NATO must be extended towards Africa and the Middle East, and the command structure must be reformed. General de Gaulle mentioned that he had recently seen General Norstad who had made a very good impression on him. The political functioning of NATO would be facilitated by France, the United States and the United Kingdom cooperating closely at the summit. On the whole, he said, he thought that Spaak made a good Secretary General.

The Secretary stated that with regard to Lebanon, he agreed with the General's view that military intervention by the West should be avoided if possible, in view of the unfortunate repercussions it would have on the Arab world. He thought that the prospects were good that this might be avoided and that a political solution could be found. The three Western Ambassadors were not conferring with regard to finding a new successor to President Chamoun. General de Gaulle interrupted to say that the trouble was that Chamoun did not wish to get out. The Secretary replied that he would nevertheless have to go. It was not practicable to amend the Constitution to permit a second term of office. He had recently spoken with the Lebanese Foreign Minister on this matter and had urged that serious thought be given promptly to finding a successor. On July 24 Parliament would be called back to deal with this matter and it was accordingly important that it be dealt with now as rapidly as possible. The Secretary stated that he intended to discuss this matter with Mr. Hammarskjöld at lunch next Monday.<sup>3</sup>

General de Gaulle stated that if the United States and the U.K. intervened at Chamoun's request, France "would in any case be present". France had many interests in Lebanon and if the other Western powers were to intervene, France would do likewise.

The Secretary stated he understood the French interest. He had nevertheless frankly explained to Ambassador Alphand the disadvantages of French intervention in view of France's close ties with Israel and also in view of the Algerian situation. The best thing would accordingly be for nobody to intervene. General de Gaulle stated that the Lebanese situation was special: it was an artificial state composed of two communities. He did not believe that the Algerian situation had much relevance to the question of intervention. Should the three powers intervene, it would be Western intervention and there would probably be little distinction in the eyes of the Arabs between any of the three powers.

The Secretary said that while we all agreed that intervention would be bad, we were also in agreement that should Lebanon be taken over by Nasser it would have a disastrous effect on the other Arab states. A solution must accordingly be found to ensure genuine independence of Lebanon. He hoped and trusted that this would be possible.

General de Gaulle stated that it should be possible to find a good successor to Chamoun and to render him discreet assistance. It was essential that the new successor regain control over the army. Chamoun could not do this in any case. In view of their economic interests, the Lebanese wished to remain independent. A Lebanese solution must be found and Chamoun did not constitute such a solution.

With regard to the nuclear problem and disarmament, the Secretary stated that he was frankly skeptical that we would ever have an effective disarmament plan to eliminate completely the use of nuclear weapons in war. Once a weapon had been discovered, nothing could be done to prevent its use in time of war. Even if every nuclear weapon were destroyed today, nuclear weapons would be back in use thirty days after a major war had broken out. Therefore, while from a standpoint of public opinion, we must strive to this end, he was personally skeptical that in view of the increased use of nuclear power for industry, etc., it could be excluded from use in war.

<sup>&</sup>lt;sup>3</sup> Dulles met with Hammarskjöld at the Department of State on Monday, July 7, 1:20–3:20 p.m. (Princeton University Library, Dulles Papers, Daily Appointment Books) No record of this conversation has been found.

General de Gaulle stated he basically agreed. However, while skeptical like the Secretary, he felt one must not reject consideration of disarmament plans. He concurred, however, that atomic weapons could not be made to disappear.

The Secretary felt that the greatest hope might lie in the proposals for zones of inspection against surprise attack. Given the enormous power of retaliation, he did not think that any power would start a war unless it felt that it could destroy its adversary. If an inspection zone of the polar region and of Europe could be established, this would constitute a great step toward reducing the likelihood of war and thus lead in effect to a gradual disarmament. The Secretary stated he was somewhat encouraged in this connection by the latest Soviet note on zones of inspection against surprise attack.<sup>4</sup> By a curious coincidence, the recent action of the Congress in making Alaska the 49th State might be helpful in connection with a polar inspection area. Heretofore the Soviets had complained that the Arctic inspection zone included part of the Soviet Union but not really any integral part of the United States. The Soviet proposal for a European inspection zone was unacceptable, but we should find out whether this might be subject to negotiation.

General de Gaulle stated in this connection that it seemed to him that the Soviet Union frequently wished to have private conversations with the United States and thereby attempt to divide the United States from its allies and also give the impression that countries, such as France and Germany, should be treated as American satellites. This he felt was a trap. The Secretary stated that this was one reason why he did not like parity. General de Gaulle agreed stating it was better to have twelve Soviets facing us at a conference table rather than the Soviets accompanied by the Satellite states.

The Secretary stated that he felt that the Soviet Union might wish to reduce its military expenditures, given the enormous demands on the Soviet economy. The Soviets, with one-third the gross national product of our three countries (U.S., U.K. and France), was carrying the same military burden as was carried by all of the West. The Secretary stated that the current increase in cost of modern weapons was fantastic. He believed that the Soviet Union was over-extended and must be facing a difficult problem in trying to meet all its requirements. Thus, it was not hopeless that there might be some reduction in military expenditures on both sides. The inspection zones against surprise attack seemed to be the

<sup>&</sup>lt;sup>4</sup> For text of Khrushchev's July 2 letter to Eisenhower in which he proposed joint steps toward solving the problem of preventing surprise attack, see Department of State *Bulletin*, August 18, 1958, pp. 279–281.

most dependable formula, and the latest Soviet note indicated that they might have arrived at the same conclusion.

In concluding, the Secretary said he wished to express his great satisfaction for having had this talk with the President of the Council. It was President Eisenhower's great hope, and in fact the hope of all of us that General de Gaulle would be able to resolve the very difficult problems facing France in order that France might resume its high place in the councils of the world, which its history, traditions and resources justified.

General de Gaulle replied that he was also very pleased to have had this talk. He hoped that the United States would maintain its strength and its liberal spirit. Each nation had its day. "Yours is now—you and the Russians". He hoped that the United States would remain as it was today. He thought it would, at least for his lifetime. He stated that he believed no other power had probably ever had greater or heavier responsibilities than the United States had today. He had great esteem and admiration for the way the President and the Secretary carried out both their national and international responsibilities.

### 35. Memorandum by Secretary of State Dulles

Paris, July 5, 1958, 2:45 p.m.

## MEMORANDUM OF PRIVATE AFTER-LUNCHEON CONVERSATION WITH GENERAL DE GAULLE (In the French Language)

General de Gaulle explained his ideas as regards a new Constitution. He said that the President would be without governmental responsibility but will have authority to dissolve the Parliament and call for new elections. The government and cabinet would be such as to eliminate the ties which have bound ministers to various parliamentary party groups and which thus destroyed the unity and effective governing ability of the cabinet. He felt that there was little doubt but what the new

Source: Department of State, Central Files, 611.51/7–558. Secret. Drafted by Dulles. The copy of this memorandum in the Eisenhower Library, Whitman File, International File bears the President's initials.

Constitution would be adopted because the people generally recognized that the old Constitution was not workable and also because he expected to have the support of both Left Wing and Right Wing elements such as Mollet and Pinay.

General de Gaulle emphasized again the importance of France feeling that she was a world power. Unless the French people felt that, France would quickly degenerate. I said that I recognized that this was in the French tradition and that its preservation was in the interest of the free world and Western civilization. I said, however, that I could not but point out that a world role for France could only come about pari passu with the internal strengthening and recovery of France. It was important and a big step forward that General de Gaulle had come to power but until the phase he represented had been consolidated by constitutional amendment, fiscal stability, a settlement of the Algerian problem and the like, there persisted doubts.

General de Gaulle said that the new gold loan was going well and they felt confident that the foreign exchange situation was in hand for at least this year. I said that France was rich but that the French people had grown not to trust the government and to lend it their money. I recalled my remark to Monnet that the American people were being called on to loan their money to the French government because the French people were too thrifty and too wise to do so.<sup>1</sup>

General de Gaulle spoke of the Algerian problem. He said that his main purpose for the time being was to calm things down. He hoped that the Algerians would vote in the referendum on the new Constitution. I asked whether this Constitution would involve a change in the provisions relating to the French Union. He said that they would be altered radically and that this would be particularly valuable in the case of Black Africa. I recalled the relationship we had with the commonwealth in Puerto Rico which gave them self-government within the context of our Constitution. This gave them great advantages in the way of trade, travel and so forth with the United States. We had offered them independence but they did not want it. General de Gaulle said he was aware of this relationship and hoped that something like it might develop in relation to France's African possessions.

He said that as far as Algeria was concerned his thought was to take one step at a time and not prejudge the future. It might be possible to establish a 10-year arrangement and decide at the end of that time what the next stage would be.

General de Gaulle said he recognized that the age of colonialism was over but that it was necessary to move slowly if there was to be

<sup>&</sup>lt;sup>1</sup>Not further identified.

genuine independence. I recalled Stalin's speech of 1924 on "The National Problem", and how the Soviets' strategy was to force rapid independence which would break ties with the West, and then to absorb them in the Communist bloc. I pointed out that we had spent 50 years preparing the Philippines for independence. I also recalled that when our own government was formed very little direct power was given to the people by popular vote. General de Gaulle interjected that premature independence meant dictatorship such as the dictatorship of Nasser.

General de Gaulle recalled his talk with President Roosevelt in Washington in 1944 when Roosevelt had pressed, he thought too hard, for the principle of independence of then-colonial areas.<sup>2</sup>

Reverting to Europe, I said that France would encounter great jealousy from Italy and Germany and that anything France could do to allay this would be helpful. I asked whether he planned to see Adenauer. He replied somewhat vaguely that he would be glad to see him if Adenauer wished this. He added that there were no problems between France and Germany. He recognized that there was a great deal of jealousy in Italy. I said that I thought that Fanfani was a very good man. General de Gaulle said that he did not know him personally, but had heard good of him.

General de Gaulle said that he thought that the continental nations had gone too far in creating supranational institutions. He said that these did not have any popular support but tended to thwart national aspirations. He did not know whether they would last. He would be loyal to treaties that had been made but felt that the right way was to build on the basis of nations and cooperation between nations but not to get into the supranational field.

He remarked that Macmillan had been much excited about the Common Market and the Free Trade Area. He said "probably some compromise will be found. We do not want to have an economic war with Britain."

I said I felt the United States might have an interest in a Free Trade Area. General de Gaulle asked whether we had made any demands in this connection. I said that I thought none had been formulated to date.

[1 paragraph (7-1/2 lines of source text) not declassified]

General de Gaulle, concluding, asked me to express his warmest regards to President Eisenhower. He said he had good relations during difficult days and that General Eisenhower had made them less difficult. He asked whether the President was greatly overworked. I misinterpreted this remark to indicate that he was perhaps thinking of a date

<sup>&</sup>lt;sup>2</sup> De Gaulle, who visited Washington for talks with U.S. officials July 6–10, 1944, met with President Roosevelt on July 6, 7, and 8.

for coming to Washington and said I thought that his schedule was pretty crowded until September. General de Gaulle said that he was not now thinking of a trip to the United States. He had too much to do. His inquiry related only to General Eisenhower's health and his hope that he was not overworked.

I expressed in conclusion my own great esteem for General de Gaulle and my opinion that he was playing a vital role and that we all wished him success. Earlier as we were leaving the luncheon table, General de Gaulle had remarked to me that whereas up to four or five years ago he had wanted to be Head of Government, he had in recent years lost that ambition and now was serving only out of a sense of duty.

John Foster Dulles<sup>3</sup>

<sup>3</sup> Printed from a copy that bears this typed signature.

## 36. Memorandum of Conversation

Paris, July 5, 1958.

SUBJECT

The Secretary's Talks with the French Foreign Minister, Paris, July 5—East-West Relations

#### PARTICIPANTS

French Foreign Minister Maurice Couve de Murville French Ambassador Hervé Alphand Mr. Louis Joxe, Secretary General of the French Foreign Office M. Jean Daridan M. Jean Laloy M. Pierre Sebilleau M. Jacques Baraduc

The Secretary Ambassador Amory Houghton Mr. Cecil Lyon Mr. C. Burke Elbrick Mr. Andrew Berding Mr. Philip Farley Mr. Randolph Kidder

Source: Department of State, Central Files, 611.51/7–558. Secret. Drafted by Looram and initialed by Elbrick.

Mr. John Tuthill Mr. Russell Fessenden Mr. Matthew Looram

The French Foreign Minister raised the question of the current Geneva technical talks and the latest Khrushchev letter.<sup>1</sup> He was concerned, he said, that the Soviets were putting a great deal of political emphasis on the Geneva discussions rather than confining them to technical matters.

The Secretary replied that he shared this concern. On the whole the meeting today, he had been informed, had gone off fairly well, although we had perhaps been premature in accepting the agenda which had a political coloration. The Secretary stated that we must be particularly careful on this score. He suspected that if a gap developed between the Western and Soviet positions, the Soviets would pull out before this crystallized.

The Foreign Minister agreed and stated we must also be careful as to how this matter was handled in the UN. He suspected that the Soviets would take advantage of the recent report of the UN Radiation Committee.<sup>2</sup> The Secretary agreed that certain aspects of the report lent themselves to unfavorable propaganda.

M. Couve de Murville stated that what worried the French Government was that the Geneva technical talks and the last Khrushchev letter indicated that the Soviets were trying first to reach a partial agreement on disarmament to stop tests and second to obtain the neutralization of Central Europe. If they succeeded in these respects it would be very serious indeed.

The Secretary agreed that we would hardly be willing to go to a summit conference if the result of such a conference would permit the Soviet Union to obtain two such significant political successes. The Secretary asked what the French position was on the surprise attack zones of inspection.

The Foreign Minister replied that he favored a study by experts on this matter, providing that there were no commitments as to the areas, that it would be a technical and not political study and that agreement to such a technical conference would not imply agreement to a summit meeting. We must be very careful, he said, with regard to the area concerned. The Soviets' present plan of an area extending 800 kilometers both east and west from the Elbe would extend only to the Soviet borders on the east, but to the Atlantic, even including the UK, on the west.

<sup>&</sup>lt;sup>1</sup>See footnote 4, Document 34.

<sup>&</sup>lt;sup>2</sup> Reference is to the 228-page Report of the U.N. Scientific Committee on Effects of Atomic Radiation adopted by the 15-member Committee at its fifth session held June 9–13, 1958. (U.N. doc. A/3838)

The Secretary stated that the Soviets had based their objection to the Arctic Zone of inspection on the fact that it included Soviet territory but no part of the United States. This argument might now be countered by the recent inclusion of Alaska as a federal state. In any event the Soviets wanted to include Western Europe in an inspection area, but no part of the Soviet Union.

The Soviets' big problem, the Secretary said, was how to handle the Eastern European satellites and one of their principal objectives was to get Western ratification of the political status quo in Eastern Europe. Last fall, the Secretary said, he had told Gromyko that we did not wish to surround the Soviets with a cordon of hostile states.<sup>3</sup> He had told him that the Soviet Union should let the Eastern European States have their independence on the basis of close and friendly relations with the Soviet Union. The present Soviet policy would only result in the Soviet Union being surrounded by hostile states. Mr. Gromyko had replied that the Soviet Union did not need any lessons from him. Nevertheless, the Secretary said, given past Soviet policies it was obvious that if the satellites were accorded liberty now, there would be a strong trend in these countries against the Soviet Union. For this reason the Soviets in order to maintain their position in the area were constrained to continue to exercise a repressive policy. This situation constituted a very serious danger, as it could possibly develop into a war some day.

<sup>3</sup>Gromyko and Dulles met in Washington on October 5, 1957.

# 37. Telegram From Secretary of State Dulles to the Department of State

Paris, July 5, 1958, 5 p.m.

Dulte 1. Eyes only for Acting Secretary for President from Secretary.

Dear Mr. President: We have just finished a morning group conference with General de Gaulle and luncheon and then a private tete-àtete—some five hours in all. We covered the waterfront, and although

Source: Department of State, Central Files, 611.51/7–558. Secret. A copy of this telegram in the Eisenhower Library, Whitman File, International File, bears the President's initials.

some differences of viewpoint emerged, there was no sharpness at any point. The atmosphere was friendly throughout and my associates feel that the meeting can be rated as a success. Further details are being cabled <sup>1</sup> and I will report personally on Monday morning.<sup>2</sup>

The differences of emphasis related primarily, as we anticipated, to France's desire to establish a sort of world directorate with U.S. and U.K. and to General de Gaulle's antipathy to "supranational" organizations. There was considerable discussion about nuclear weapons. General de Gaulle did not press for assistance in their developing a nuclear weapon, but we did discuss at considerable length the placing of NATO stockpile weapons under joint control [1-1/2 lines of source text not declassified].

The General sent his obviously very sincere regards and best wishes to you.

Faithfully yours, Foster.

### Dulles

# 38. Telegram From the Embassy in France to the Department of State

Paris, July 8, 1958, 12:37 p.m.

91. Have just received de Gaulle reply to President's letter delivered by Secretary. Unofficial translation follows:

"Dear Mr. President: Your letter which was delivered to me by Mr. Foster Dulles<sup>1</sup> gave me great pleasure. Thanks to him I was able to learn

<sup>&</sup>lt;sup>1</sup> A summary of Dulles' morning conversation with de Gaulle was transmitted in Secto 2 from Paris, July 5. (*Ibid.*) The memorandum of this conversation is printed as Document 34.

<sup>&</sup>lt;sup>2</sup> On Monday, July 7 at 10:30 a.m., Dulles briefed the President on his trip. The President approved the draft of a letter to de Gaulle expressing his thanks and best regards. (Memorandum of conversation with the President by Dulles, July 7; Eisenhower Library, Dulles Papers)

Source: Department of State, Central Files, 711.11–EI/7–858. Confidential; Niact. <sup>1</sup> See footnote 1, Document 34.

the overall views of your government regarding the principal problems of the world. And I indicated to him those of mine on the same subjects. I am certain that our talks were very useful in pinpointing the conditions of cooperation between our two countries in the interest of the free world.

I was very touched by your kind recollection. You are aware of mine of you and of our relations during the difficult and glorious days of the war. Moreover, I am very attracted by the suggestion of visiting you some day as you have proposed to me. Meanwhile, for the forthcoming months, you are right in thinking that it would be extremely difficult for me to take this trip. But I am confident that we shall find the means of seeing one another again in the future. You can be sure that it will give me the most profound satisfaction to meet with you who today bear great responsibilities.

Accept, I pray, the assurances of my highest consideration and of my faithful and warm friendship. Signed C. de Gaulle."

French wish release letter 2200 hours Paris time if President has no objections. Please instruct.

### Houghton

## 39. Memorandum of Conversation

July 9, 1958.

#### SUBJECT

The Secretary's Talks with General de Gaulle

#### PARTICIPANTS

French Ambassador Hervé Alphand M. Charles Lucet, Minister, French Embassy

Mr. C. Burke Elbrick, Assistant Secretary Mr. Matthew Looram, WE

The French Ambassador stated that he thought the Secretary's meeting with General de Gaulle at Paris had been a great success.<sup>1</sup> The

Source: Department of State, Central Files, 611.51/7–958. Secret. Drafted by Looram.

<sup>&</sup>lt;sup>1</sup> In telegram 120 from Paris, July 9, Houghton reported that Dulles' talks with de Gaulle and Couve de Murville were an "outstanding success" and that Dulles' visit might be regarded as an "important historical development in French-US relations." (*Ibid.*)

Secretary had made a brilliant exposé which had obviously impressed the General very much. Mr. Elbrick agreed that the conversations had been very useful.

M. Alphand stated that a great deal would need to be done to put into action the thoughts that were expressed at Paris. He had no instructions at the moment, but he wished for his own benefit to clarify his thinking on some of the aspects of the talks.

The Ambassador stated that during the conversations de Gaulle had emphasized the necessity of France playing a greater role in NATO and world affairs and the Secretary had agreed that some nations, presumably the U.S., U.K. and France, had special responsibilities and interests in the world. The Secretary and de Gaulle apparently felt that no spectacular agreement between the three powers was necessary and no impression should be given of a three-power world directorate. This relationship should therefore not be formalized but should exist in practice. The Ambassador stated that it had not been clearly spelled out in the talks, however, just what had been meant by this and how it should be realized. The Ambassador opined that it might not be appropriate to create a political standing group; nevertheless, there should be much greater coordination between the three.

Mr. Elbrick recalled that during the conversations, the Secretary had indicated the importance he attached to NATO consultations despite the obvious inconveniences. It would thus be impractical and undesirable to set up any world triumvirate; on the other hand, it was clear that certain countries would continue to exert very great influence on world affairs. Mr. Elbrick stated he had spoken to the French Foreign Minister about this, emphasizing that any impression that there would be established a political standing group in NATO would be counter-productive.<sup>2</sup> There was an intention, nevertheless, to coordinate closely and discreetly our policies on a wide range of subjects.

M. Alphand stated that when he had seen General de Gaulle the day prior to the meeting with the Secretary, de Gaulle had been much more legalistic in his concept of the tripartite relationship. The Ambassador had warned him that the basic objective could be attained without formalization. In fact, de Gaulle had replied to the Secretary, M. Alphand said, that he did not attach importance to the legal framework, but was more interested in such a relationship existing in practice. Actually, the Ambassador stated, we did have coordination on summitry, Germany and Lebanon. However, he felt that it was important that no individual action be taken on these matters without prior consultation between the three. For instance, he said, in the case of Lebanon the

<sup>&</sup>lt;sup>2</sup>No record of this conversation has been found.

French had recently been informed that after U.S.-U.K. consultations, instructions had been sent out to the U.S. and U.K. Ambassadors in Lebanon to urge President Chamoun to consider finding a successor, when it was well known that France was opposed to this course of action. [4-1/2 lines of source text not declassified]

[1 paragraph (4-1/2 lines of source text) not declassified]

The Ambassador stated that de Gaulle had also indicated that the three military members of the Standing Group should have greater responsibility with regard to strategic world plans. The Ambassador accordingly thought that the three military members should deal with other areas of world defense rather than just NATO. Should this develop, it might be necessary to give greater stature to the military members. Mr. Elbrick stated that he would give consideration to this over-all idea. The obvious difficulty was that any such activity might become generally known.

Mr. Elbrick asked what de Gaulle had meant by suggesting the extension of NATO to North Africa and the Middle East. It seemed to him the application of this concept would involve many serious difficulties. He supposed that the Algerian problem would first have to be on its way to being resolved before this concept could begin to be implemented. However, did the French Government have in mind eventually including Morocco and Tunisia in NATO?

The French Ambassador said he thought so, but he recognized the obvious difficulties and would first have to have instructions from Paris before he could speak authoritatively on this question.

The Ambassador also stated that he understood the U.S. had military boards which were concerned with the study of world strategy and the use of modern weapons. He believed that both the U.K. and France had some representation on these boards, although the French representation was small and should be increased.

M. Alphand stated that he was not sure that he fully understood what the Secretary had stated with regard to atomic weapons in Europe. He gathered that the purpose of the Secretary's concept was to allay the fears of some NATO members regarding the possible hesitancy on the part of the United States in giving the order in the event of an emergency for the use of nuclear weapons located in Europe. However, the Ambassador asked, he was not sure how these weapons would be made available, to exactly whom they would be made available nor who would have the last say as to their use.

Mr. Elbrick stated that this concept had not been sufficiently thought out here to permit explanation of the details at this juncture. Our concept, however, which had considerable significance, was that we might be prepared to make arrangements so that weapons located in Western Europe would be made immediately and dependably available in the event of a major attack and in accordance with the established NATO plans. The purpose was to ensure that a NATO government, such as the French Government, would never have any doubts as to the use of such weapons should French forces be subject to a major attack in Europe. Mr. Elbrick stated he did not think that General de Gaulle had fully understood this.

The Ambassador said he thought this was the case. De Gaulle had referred to IRBM's, which he believed should be given to France, to include also continued U.S. participation in control and for use in accordance with strategic plans. However, M. Alphand said, there was a fine distinction on the question of control. He was not sure that U.S. legislation would permit the fulfillment of General de Gaulle's wishes in this respect. Mr. Elbrick agreed that he was not sure at all. The Ambassador stated that he understood that U.S. IRBM's would soon be ready to be shipped. He supposed that if there were no agreement with France shortly, they might be shipped to another country. He thought that it might be preferable to have this matter negotiated directly between the U.S. and France rather than by General Norstad with the French Government.

Mr. Elbrick stated that we might be confronted with considerable difficulties on this over-all subject in view of the limitations of our own legislation—difficulties which might not be able to be surmounted without amendment to the legislation. On the other hand, he said, the Secretary was anxious to do something quickly on this whole nuclear problem.

The Ambassador stated that according to U.S. legislation, the missile itself could be in the hands of local authorities but not the warheads. Actually this was a theoretical distinction, as each would be an integral part of the whole weapon which would necessarily imply joint U.S.-French control. It was, therefore, possible that something mutually satisfactory might be able to be worked out. He noted that General de Gaulle had stated that he did not intend to use these weapons beyond the limitations of NATO's strategic plan.

The Ambassador said that the Secretary had stated that the United States was prepared to cooperate with France on the question of the nuclear submarine. It was obvious, however, that given the recent U.S. legislation, France was not yet qualified to receive an over-all exchange of nuclear military information.<sup>3</sup> In fact, according to a strict interpretation

<sup>&</sup>lt;sup>3</sup> The amendment to the Atomic Energy Act of 1954, passed by Congress and signed by the President on July 2, 1958, which permitted the transfer of nuclear materials and *Continued* 

of the Joint Committee's Report,<sup>4</sup> one explosion would not be sufficient and under the circumstances it might take as many as ten years before France would be qualified to obtain such information. De Gaulle had not insisted on this matter, but the Ambassador knew that he was anxious to have an exchange, which would be only normal between allies. He hoped that it might be possible to alter the interpretation as contained in the Joint Committee's Report, as greater stability was developed in France.

Mr. Elbrick said that this might be possible. Certainly the previous unstable political situation in France had had an influence on the legislators. However, there were also other important considerations, namely the desire of the Congress not to encourage proliferation of nuclear weapons. If the interpretation were changed for the benefit of France, this would tend to encourage other countries to enter into the production of nuclear weapons.

On summitry the Ambassador said he thought there was really no basic disagreement between the two governments. It was certain, nevertheless, that the French Government was concerned by the Soviet intention to split up the disarmament package and concentrate on bringing about both a cessation of nuclear tests and an inspection zone to include Western Europe. The French Government felt strongly that it should be made clear to the Soviets that the study of an inspection zone against surprise attack should refer solely to the Arctic zone. The French Government felt that the inclusion of a European inspection zone would only be possible if it were an integral part of an over-all disarmament plan. He therefore thought that it was most important that we consult closely on the U.S. reply to the latest Khrushchev note.

Mr. Elbrick stated that the Secretary felt that the concept of a zone of inspection against surprise attack might be the only dependable step leading toward gradual and effective disarmament. Obviously the United States Government could not agree with the Soviet proposal for a European inspection zone extending on either side of the demarkation line of Eastern and Western Germany. Nevertheless, we were inclined to reply affirmatively to the Soviets on the question of technical studies

information to other nations, stipulated that the transfer of such material to that nation had to be necessary to improve its atomic weapons design, development, or fabrication capability. Sections 91c and 144c of the Act authorized the furnishing of nuclear materials for weapons and weapon fabrication information to an ally which "has made substantial progress in the development of atomic weapons." (P.L. 85–479; 72 Stat. 276)

<sup>&</sup>lt;sup>4</sup> Reference is to the Report of the Joint Committee on Atomic Energy to Congress of June 5, 1958, written in support of the 1958 amendment to the Atomic Energy Act of 1954. The distinction adopted by the Congress under P.L. 85–479 provided that non-nuclear parts of atomic weapons could be transferred only to a nation that had made substantial progress in the development of atomic weapons. (S. Rept. No. 1654, H. Rept. No. 1849, 85th Cong., 2d Sess. p. 12)

on an inspection zone against surprise attack. These would have to be solely technical talks; the question of the zone would be one for political negotiation.

The Ambassador stated that he thought that discussion of an abstract inspection zone was dangerous and that it should be made clear to the Soviets that we were thinking solely in terms of the Arctic zone.

CBE

# 40. Editorial Note

In telegram 139 from Bonn, July 15, Ambassador David K.E. Bruce reported on increasing German anxiety about de Gaulle. Bruce stated that following a period of watchful waiting, responsible German Government and official circles had shown considerable uneasiness during the previous weekend about de Gaulle's ability to restore political health in France and his intimations of a more aggressive and independent French role in NATO. The Ambassador reported that the German press echoed the apprehension about France's future role in Europe. He said the postponement of the proposed meeting of de Gaulle and Adenauer had only encouraged the view that relations between the two countries had worsened. (Department of State, Central Files, 751.13/7–1558)

# 41. Memorandum of Conversation

August 15, 1958.

[Source: Department of State, WE Files: Lot 61 D 30, Memoranda of Conversation—1958. Confidential. 2 pages of source text not declassified.]

# 42. Memorandum of Conversation

August 21, 1958.

[Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. 1 page of source text not declassified.]

# 43. Memorandum of Conversation

August 21, 1958.

#### SUBJECT

The President's Talk With French Foreign Minister, Couve de Murville

#### PARTICIPANTS

The President M. Couve de Murville, French Foreign Minister M. Herve Alphand, French Ambassador Mr. Christian A. Herter, the Acting Secretary Mr. C. Burke Elbrick, Assistant Secretary, EUR

After an exchange of amenities, there was a brief discussion of developments in the Special General Assembly in New York. The President felt that the Arab resolution<sup>1</sup> which had just been introduced was generally satisfactory and Couve de Murville agreed. Couve de Murville observed that the resolution renewed the pledge of the Arab League against interference in the internal affairs of member states. In response to the President's expression of optimism with respect to developments in the Middle East, Couve said that he felt the situation in Lebanon and Jordan was better. It was essential that we have time to work out a solution. He thought that the Special General Assembly should complete its work by tomorrow.

Source: Eisenhower Library, Whitman File, International File. Drafted by Elbrick. Also published in part in *Declassified Documents*, 1982, 910.

<sup>&</sup>lt;sup>1</sup>Reference is to the resolution presented by 10 Arab nations and adopted unanimously by the Assembly on August 21 which requested the Secretary-General to make practical arrangements to facilitate early withdrawal of foreign troops from Lebanon and Jordan.

The French Foreign Minister said that General DeGaulle had arrived in Madagascar to begin his African tour which will take ten days.<sup>2</sup> The President spoke of the desirability of cooperation among the less developed countries of the area, mentioning, particularly, the possibility of improving the economic situation of those countries with modern techniques in agricultural production. Couve de Murville said that most of these countries are very primitive and that the populations need a certain amount of education before they will be able to adopt such modern techniques.

The President asked if there was any hope of progress in connection with the Algerian problem. Couve de Murville said it was difficult to say. There is a great psychological problem to be solved in this area, as between the Moslem and French populations, and the French Government is making every effort to convince the people of Algeria that they should participate in the forthcoming referendum. The people could, of course, vote against the constitution if they so desire, but the important thing is that they vote. The matter of the future status of Algeria could be discussed afterwards between the French Government and the Algerians. In response to the President's question, the Foreign Minister said that no authoritative group had yet been found with which the French Government could deal. The President expressed his fears regarding developments in North Africa and said that a solution of the problem of Algeria is indispensable. He was confident that General DeGaulle could accomplish this, if anyone could. He said that we would be presented with a very difficult situation in the forthcoming General Assembly if no real progress had been made meanwhile. Couve de Murville agreed.

The President said that he would like the Foreign Minister to convey his special greetings to General DeGaulle. The President was particularly anxious for the General to make a success of his present efforts; he said that France is in great need of the stability which DeGaulle desires to bring about.

Couve de Murville referred to the question of the suspension of nuclear tests (he was informed that the American Government's statement on this subject would be released at 2 p.m. tomorrow)<sup>3</sup> and reminded the President that the French Government does not agree with the action contemplated in the statement, in that it is not prepared to announce the same kind of undertaking on its part. The President said that we feel that

<sup>&</sup>lt;sup>2</sup> From August 22 to 27, de Gaulle toured the French colonial territories in Africa to explain the provisions of his proposed constitution to the local population, especially those relating to the future status of the overseas territories.

<sup>&</sup>lt;sup>3</sup> For text of Eisenhower's August 22 statement on the conclusion of the Geneva meeting of experts, see Department of State *Bulletin*, September 8, 1958, pp. 378–379. The President announced his willingness to negotiate a nuclear test ban.

some action on our part is necessary because the United States is now being made to appear in the eyes of the world as a "warmonger". Couve de Murville remarked that the United States has done all that it really needs to do in this field, but the French must carry out testing in order to produce weapons in the future. The President said that scientists in this country have said that we are on the threshold of great developments in the peaceful uses of atomic energy and the production of power. They feel that revolutionary advances in this field can be made through testing and they do not like the idea of a test suspension for this reason. He felt that the Geneva results were very promising, but he assumed that Soviet scientists are not uninfluenced by Soviet politicians; while scientists could agree on a testing method the Government could refuse to implement the agreement. By our statement on suspension of testing we will offer the Soviets an opportunity now to "deliver". If they do not respond we shall have to resume tests.

Couve de Murville said that tests are only a consequence of production and that the next step is to cease production. The President felt that if agreement is reached to establish teams to supervise testing, this would lead naturally to another step in disarmament.

Returning to the question of possible resumption of testing in the United States, the President said that this would be entirely contingent on such progress as we might make with the Soviet Union. If we cannot reach an agreement we will be obliged to go as fast as we can in developing weapons. The President believed that Soviet self-interest would dictate reaching some kind of agreement, since the Soviet Government cannot continue its very expensive arms program and at the same time satisfy the people of Russia and the satellite countries.

The President thanked Couve de Murville for calling upon him and reiterated his request that Couve convey his best wishes to General DeGaulle.

# 44. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to Secretary of State Dulles

September 9, 1958.

SUBJECT

French Political Situation

Source: Department of State, Central Files, 751.00/9–958. Confidential. Drafted by Looram, sent through Murphy, and initialed by Jandrey.

The following are some impressions on the latest French political developments gained by a Department officer who has just returned from a brief visit to Paris:<sup>1</sup>

# French Constitution

Few Frenchmen are enthusiastic about the Constitution,<sup>2</sup> but at the present it is expected that it will be approved by over 60% of the Metropolitan voters at the September 28 referendum. Abstentionism is the main danger. Despite some difficulties in French Guinea, the Black African territories should approve the Constitution and thus opt to remain at least for the present in the French Community. It is anticipated that the Algerians under military pressures will approve it overwhelmingly.

The French Left objects to the strong powers given the executive branch and to the diminished role of the legislature. They feel the Constitution will establish a conservative, static and authoritarian regime. The Right, on the other hand, dislikes the liberal features provided for the African territories. Both feel the Constitution contains germs of conflict between the President and the Prime Minister and object to the fact that a vote for or against the Constitution has a different significance respectively in Metropolitan France, Algeria and the African territories.

Nevertheless, fear of a military "coup d'etat" or civil war, disgust with the former regime and general if not enthusiastic approval of de Gaulle are expected to induce the majority of voters to approve the Constitution. This is the basic and somewhat risky assumption of even those opposing or planning to abstain on the Constitution—in fact many would not oppose if they thought it would not pass. The vote on September 28 is not so much a vote on the Constitution as it is a plebiscite for de Gaulle.

#### Assembly Elections

On the assumption that the Constitution will pass, political figures are much more interested in the electoral system that will be used for the National Assembly elections presumably to be held in November. The type of system adopted will have a bearing on the outcome of the elections, so the issue is now under hot dispute in the Cabinet. As matters stand, it is expected that de Gaulle will end by favoring a system that will reduce the Communist representation and probably result in a Center-Right orientation of the next Assembly.

<sup>&</sup>lt;sup>1</sup>Not further identified.

<sup>&</sup>lt;sup>2</sup> De Gaulle's proposed constitution attempted to combine the features of a presidential type of government, including an independent and powerful Executive, with a parliamentary system in which the executive would be responsible to the legislative branch of the government.

# **Presidential Elections**

It is expected that de Gaulle will be elected President of the Republic after the beginning of next year. Although the term will be for seven years, de Gaulle owing to health reasons and personal inclination will probably not choose to remain in office for more than two or three years.

# Algeria

De Gaulle is considered by most informed Frenchmen still to favor a federal solution for Algeria, but to feel, also, that he must move very cautiously, given the strong views of the Army. The fact is that de Gaulle is far less nationalistic and far more liberal than the younger generation of military officers. The Army is in complete control in Algeria and while getting fed up with the exigencies of the "colons", is strongly wedded to the impractical formula of integration. De Gaulle reportedly hopes—probably in vain—that there will be a sizeable minority of "no" voters in the Algerian referendum and that a considerable number of deputies sympathetic to the nationalist cause will be elected from Algeria in November. Under such circumstances he could thus play the role he prefers, namely that of supreme arbitrator, rather than an initiator of new policy.

In any case de Gaulle has succeeded so far, despite heavy pressures, not to tie his hands on the Algerian issue and particularly not to endorse integration. Moreover, his advocacy of internal autonomy and evolution toward independence for the Black African territories should have a bearing sooner or later on Algerian developments.

# 45. Letter From President de Gaulle to President Eisenhower

Paris, September 17, 1958.

DEAR MR. PRESIDENT: When I had the pleasure of meeting with Mr. Foster Dulles last July,<sup>1</sup> I informed him of my views regarding the

Source: Eisenhower Library, Whitman File, International File. Secret. The source text is a translation. Attached are the French texts of the letter and the enclosed memorandum. Dulles, who received the French texts from Alphand on September 25, sent them and the translations to the President under cover of a September 25 letter in which he wrote: "I told the French Ambassador that this memorandum raised very major problems and would probably require considerable study both by the Department of State and the Department of Defense." Both de Gaulle's and Dulles' letters bear Eisenhower's initials. (*Ibid.*)

<sup>&</sup>lt;sup>1</sup>See Document 33.

organization of the defense of the free world. The events which have since occurred have reinforced the French Government's conviction in this regard. This has determined the French Government to make certain propositions to the American and British Governments.

Because of the importance of the problem, I have instructed Mr. Alphand to raise this matter personally with you in my behalf. I hope that the enclosed memorandum, which I am also having sent to Mr. Macmillan, may be the object without delay of a full discussion among the three Governments.

I appreciate how much the Far Eastern situation may be causing you preoccupations and I wish to assure you on this occasion of my sincere and trusting friendship. I hope all the more that we may be able to work together under better conditions in order that our alliance may become more coherent and more effective. It is in this spirit that I inform you of the conclusions to which I myself have come and concerning which I would be very happy to know your personal views.

Please believe, dear Mr. President, in my loyal sentiments and in the assurances of my very high consideration.

C. de Gaulle<sup>2</sup>

# Enclosure<sup>3</sup>

### MEMORANDUM

Recent events in the Middle East and in the straits of Formosa have contributed to show that the present organization of the Western Alliance no longer corresponds to the necessary conditions of security as far as the whole of the free world is concerned. The sharing of the risks incurred is not matched by indispensable cooperation on decisions taken and on responsibilities. From this the French Government is led to draw conclusions and to make several propositions.

1. The Atlantic Alliance was conceived and its functioning is prepared with a view to an eventual zone of action which no longer corresponds to political and strategic realities. The world being as it is, one

<sup>&</sup>lt;sup>2</sup> Printed from the English translation that indicates that de Gaulle signed the original French-language copy.

<sup>&</sup>lt;sup>3</sup>Secret. The source text is a translation.

cannot consider as adapted to its purpose an organization such as NATO, which is limited to the security of the North Atlantic, as if what is happening, for example, in the Middle East or in Africa, did not immediately and directly concern Europe, and as if the indivisible responsibilities of France did not extend to Africa, to the Indian Ocean and to the Pacific, in the same way as those of Great Britain and the United States. Moreover the radius of action of ships and planes and the range of missiles render militarily outdated such a narrow system. It is true that at first it was admitted that atomic armament, evidently of capital importance, would remain for a long time the monopoly of the United States, a fact which might have appeared to justify that decisions on the world level concerning defense would be practically delegated to the Washington Government. But on this point, also, it must be recognized that such a fact admitted originally no longer is justified by reality.

2. France could, therefore, no longer consider that NATO in its present form meets the conditions of security of the free world and notably its own. It appears necessary to it that on the level of world policy and strategy there be set up an organization composed of: the United States, Great Britain and France. It would be up to this organization, on the one hand, to take joint decisions on political questions affecting world security and on the other, to establish and if necessary, to put into effect strategic plans of action, notably with regard to the employment of nuclear weapons. It would then be possible to foresee and organize eventual theaters of operations subordinated to the general organization (such as the Arctic, the Atlantic, the Pacific, the Indian Ocean), which could if necessary be subdivided into subordinate theaters.

3. The French Government considers such a security organization indispensable. It (the French Government) subordinates to it as of now all development of its present participation in NATO and proposes, should such appear necessary for reaching agreement, to invoke the provision for revising the North Atlantic Treaty in accordance with Article 12.<sup>4</sup>

4. The French Government suggests that the questions raised in this note be the object as soon as possible of consultations among the United States, Great Britain and France. It proposes that these consultations take place in Washington and at the outset through the Embassies and the Permanent Group.

<sup>&</sup>lt;sup>4</sup> Article 12 of the North Atlantic Treaty provides for consultation among the signatories for the purpose of reviewing the Treaty should any member request it after the Treaty has been in force for a minimum of 10 years.

### 46. Memorandum of Conversation

MC-12

New York, September 26, 1958, 3 p.m.

#### SECRETARY'S TRIP TO NEW YORK1

#### PARTICIPANTS

United States	France
The Secretary	Foreign Minister Couve de Murville
Mr. Greene	Ambassador Hervé Alphand

#### SUBJECT

Expansion of NATO

The Secretary referred to General de Gaulle's letter of September 17 to President Eisenhower<sup>2</sup> and recalled that he had explained to Ambassador Alphand that it raised major problems which would have to be carefully studied within the United States Government.<sup>3</sup> It seemed to the Secretary that the proposal represents a search for a more responsible and dependable way to deal with the problems of the world, or at least a part of it, than is now offered by the United Nations. He noted that the United States Government has been giving thought to the future of the United Nations just because its prospects do seem dim. The Foreign Minister said that he thought General de Gaulle was concerned with how better to organize the Western world and the Western alliance.

The Foreign Minister told the Secretary that General de Gaulle had showed to Spaak, in greatest confidence, his (de Gaulle's) memorandum which he had sent to President Eisenhower and Prime Minister Macmillan on September 17.<sup>4</sup>

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret; Presidential Handling. Drafted by Greene. This meeting was held at the Waldorf Astoria.

<sup>&</sup>lt;sup>1</sup>Dulles was in New York to deliver a speech.

<sup>&</sup>lt;sup>2</sup> Document 45.

 $<sup>^3</sup>$  The memorandum of Dulles' conversation with Alphand on September 25 has not been found, but see the source note, Document 45.

<sup>&</sup>lt;sup>4</sup> Dulles discussed the de Gaulle memorandum with Norstad that morning; see Part 1, Document 156.

# 47. Telegram From the Department of State to the Embassy in France

September 29, 1958, 6:02 p.m.

1090. Deliver following message from President to de Gaulle: "September 29, 1958.

Dear Mr. President: As an old friend of France, I extend my personal congratulations to you on the outcome of the referendum on the new French Constitution.<sup>1</sup>To me the decisive result recorded by yesterday's voting is not only an outstanding success for yourself but also a most inspiring development for France. The outcome is greatly encouraging to France's friends throughout the world. For me it demonstrates the determination of the French people to build anew for the future.

Please accept, General, my heartfelt congratulations and best personal wishes.

Sincerely, Dwight D. Eisenhower."

White House plans release foregoing text Tuesday afternoon provided French have no objection. Please confirm time of delivery.

Dulles

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Official Use Only; Priority. Drafted by Looram and approved by Dulles and Goodpaster.

<sup>&</sup>lt;sup>1</sup> As a result of the referendum of September 28, the Constitution was approved in metropolitan France by 79.2 percent of the voters and in Algeria and every part of the French Union except Guinea.

# 48. Letter From President Eisenhower to President de Gaulle

October 2, 1958.

DEAR GENERAL dE GAULLE: I have received your letter of September seventeenth<sup>1</sup> and am deeply grateful for your assurances of friendship at a time when the Far Eastern crisis is so grave.

The matters which you raise in your letter and its accompanying memorandum are important indeed. We shall give them the earnest and thorough consideration they merit.

As soon as we have made a full study of the issues involved, I shall write to you again.

With best personal wishes,

Sincerely,

#### **Dwight D. Eisenhower**<sup>2</sup>

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret. Dulles sent this letter to the President under cover of an October 1 memorandum. (Eisenhower Library, Whitman File, International File) After the President signed the letter, it was delivered to Alphand on December 2.

# 49. Memorandum of Conversation

Paris, October 2, 1958.

#### PARTICIPANTS

M. Jean Laloy, Director European Affairs, Quai d'Orsay Walter J. Stoessel, Jr.

In conversation with Laloy this afternoon, he mentioned in passing that one encouraging development during the past few months had been an increased realization on the part of de Gaulle of the international nature of the communist threat. Laloy thought de Gaulle's trip

<sup>&</sup>lt;sup>1</sup> Document 45.

<sup>&</sup>lt;sup>2</sup> Printed from a copy that bears this stamped signature.

Source: Department of State, WE Files: Lot 61 D 30, de Gaulle Government—1958. Confidential. Drafted by Stoessel.

through Africa had been instrumental in bringing this about. Laloy referred to the Dulles-de Gaulle conversations last July, during which de Gaulle had said he felt the communist threat was largely a reflection of traditional Russian nationalism. There are indications now, Laloy remarked, that de Gaulle appreciates that the danger is considerably broader than this.

Laloy went on to say that this development in de Gaulle's thinking apparently paralleled a certain shift in the thinking of Secretary Dulles on the problem of nationalism and the emergence of new, independent states. Laloy said that Lucet, an officer of the French Embassy in Washington in Paris on home leave, had brought back word that the Secretary is becoming increasingly concerned at the prospect of backward areas achieving independence prematurely. If this trend continues, Lucet reported the Secretary as believing, the Soviets will be given great opportunities for trouble making and the older Western nations will find it harder and harder to maintain stability in these areas. According to Lucet, the Secretary is even reported as having second thoughts about the advisability of permitting the Algerians to obtain independence if they want it.

Laloy said that, if true, such a trend of thought on the part of the Secretary, taken with the evolution of de Gaulle's thinking about communism, would be one good augury for US-French relations.

Laloy seemed rather gloomy, however, about questions concerning the NATO Alliance and de Gaulle's attitude toward the Alliance. Without being specific, he predicted troubled times ahead for the Atlantic Alliance, which would "go beyond" problems of the stockpile, missiles, etc. Given de Gaulle's firm views on communism, Laloy thought he would not wish to weaken NATO as a force for security, and could be persuaded to develop his ideas within the context of the Atlantic Community. Nevertheless, Laloy felt the process would be difficult and one requiring great forebearance and understanding on our part in order to "bring the General along" and not to arouse his hostility.

Laloy was pleased that the communiqué issued following the Adenauer–de Gaulle talks<sup>1</sup> had brought forth a sharp blast from

<sup>&</sup>lt;sup>1</sup> For text of the "Joint Declaration of Common Aims" issued by Adenauer and de Gaulle at the conclusion of their meeting at Colombey-les-Deux-Eglises on September 14, see *The New York Times*, September 15, 1958. For Adenauer's account of this meeting, see *Erinnerungen*, pp. 436–439. For de Gaulle's account of this meeting, see *Mémoires*, pp. 184–190. In telegram 630 from Bonn, September 17, Bruce conveyed Adenauer's impressions of this meeting. Adenauer judged that 11 years out of politics had drastically changed de Gaulle's attitude toward world affairs. He believed de Gaulle had vague reservations about the structure and military organization of NATO. De Gaulle had also said he thought it worthwhile to negotiate with the Soviets on measures for curtailment of nuclear and conventional armaments. Bruce reported Adenauer had left Colombey relieved, surprised, and content. (Department of State, Central Files, 651.62A/9–1758)

Khrushchev. The Khrushchev statement on this subject, and his "advice" to French people not to vote for the constitution, seemed to be calculated slaps at de Gaulle.<sup>2</sup> Laloy thought the Soviets have definitely removed France from the list of "countries to be flirted with", and were resigned to the necessity of dealing with an anti-communist French government. Laloy thought this sentiment had probably been reinforced by the results of the referendum, which, whether de Gaulle intended it that way or not, made him appear as the "man who defeated the communists".

Laloy thought the Soviets would not delay much longer in recognizing the Algerian provisional government.

# 50. Memorandum of Conversation

October 6, 1958.

#### SUBJECT

Representations of Ambassador Brosio to the President re de Gaulle letter

#### PARTICIPANTS

The President The Acting Secretary The Italian Ambassador Mr. Jandrey, Acting Assistant Secretary for European Affairs

Ambassador Brosio said that he had been asked by Prime Minister Fanfani to express directly to the President his strong reaction to the unexpected French moves. The Ambassador said that when the Italian Prime Minister met with General de Gaulle<sup>1</sup> and when the General met with Chancellor Adenauer nothing of the character of the recent de Gaulle letter had been revealed. On the contrary the General stressed the importance of European cooperation. Consequently the de Gaulle letter came as a real shock.

The Italians were given information about de Gaulle's approach to the U.S. and U.K. and the recent conversation between Couve de

<sup>&</sup>lt;sup>2</sup> Reference is to two statements by Khrushchev, printed in *Pravda* on September 16 and 22, which were highly critical of de Gaulle.

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Jandrey.

<sup>&</sup>lt;sup>1</sup> Fanfani conferred with de Gaulle and Couve de Murville on his visit to Paris August 7–8.

Murville and the Italian Ambassador to France had not improved the situation. Couve de Murville said that NATO was not good enough and must cover a wider territory. Such a philosophy would reduce NATO to nothing.

The President said that it was hard to understand what is in the mind of another person. He personally had known General de Gaulle for a long time and found him essentially honest. De Gaulle says that on the one hand we have NATO with its present responsibilities and here are three countries with responsibilities that are world-wide. The President said that there had been no change in our policies. We hailed a stronger government in France but we have not suggested or even hinted at a system involving control of the world by a few powerful nations. We have placed our hope in the UN, in NATO and other alliances such as SEATO. The President said that he could not believe that anyone, including General de Gaulle, would want to weaken NATO. The U.S. is not giving any comfort or assurance to anyone who tries to control the world.

The President stated that in his opinion the least said about this proposal the better. He did not wish to have questions about it asked at a press conference. The President added that the free world must work cooperatively and cited the Cyprus problem as an example of the need for cooperative effort. In the West he said the great thing is NATO and the important point to remember is that real strength rests in our union.

The Italian Ambassador said that he was pleased to hear the President say this as Italy felt the same way. The French proposal would destroy NATO and it should be considered in the NATO forum.

The President said that he had been associated with the British for many years during the war and after it and we had never thought of a special circle within NATO. He suggested that the best course to follow was to sit quietly and not exaggerate the situation.

The Italian Ambassador said that with the President's support this problem could be resolved and he would be pleased to report his conversation with the President to the Italian Prime Minister.

The President reiterated that while the members of NATO may vary in their economic strength and in other ways each could be as strong as the other in our cooperative effort. All the members of NATO must be free but there need be no fear that we shall on a clandestine basis attempt to control the world. In closing the President said that France occupied an important position in Europe with many of our supply lines passing through it. We could not therefore reject the French proposals out of hand, especially with a person such as General de Gaulle but he said again that publicity would make the problem more difficult.

# 51. Telegram From the Department of State to the Embassy in the United Kingdom

October 8, 1958, 9:17 p.m.

3587. Paris for USRO and Embassy. Dept has had informal discussion with British Embassy on de Gaulle memorandum on reorganization NATO.<sup>1</sup> Difficulties posed by de Gaulle suggestion for joint military planning explored. Noted this idea not new with French; was proposed at Bermuda meeting<sup>2</sup> and was Bidault suggestion in 1953.<sup>3</sup> Reluctance military enter into such planning with French noted and it informally agreed obstacles probably too great be overcome.<sup>4</sup>

In discussing political aspects de Gaulle proposal noted that our initial reaction had been one of realization adverse effect acceptance would have on Germans<sup>5</sup> and Italians. Effect would not be confined to NATO allies alone; Morocco and Tunisia, for example, would probably react adversely. In view all problems memorandum raises, first thought might be wholly negative reply. Recognized, however, such attitude could seriously damage relations with France and perhaps lead French initiate actions unfavorable to present NATO cooperation. While it thus seems necessary work out some sort of mechanism with French which might partly meet de Gaulle desires, must be recognized problem increased as result leaks of substance de Gaulle proposals. Leaks have already generated hostility and suspicion which could make any tripartitism more difficult.

British stated they without precise instructions. Their impression from messages seen is that UK believes extreme care must be exercised

Source: Department of State, Central Files, 740.5/10–858. Secret; Limit Distribution. Drafted by L. Dean Brown, cleared by the Office of European Regional Affairs and the Office of British Commonwealth and Northern European Affairs, and approved by McBride. Repeated to Paris, Bonn, and Rome.

<sup>&</sup>lt;sup>1</sup> A copy of the October 6 memorandum of conversation between Caccia and Herter about the de Gaulle letter is *ibid.*, 751.11/10–658. Telegram 1167 to Paris, October 3, relayed information about the letter given to the Department by the British Embassy. (*Ibid.*, 611.51/10–358)

<sup>&</sup>lt;sup>2</sup> Reference is presumably to the Bermuda Conference December 4-8, 1953.

<sup>&</sup>lt;sup>3</sup> Reference is to Bidault's proposal to Dulles in July 1953 during the Tripartite Ministers Meetings at Washington July 10–14, 1953, that the tripartite political standing group handle worldwide problems.

<sup>&</sup>lt;sup>4</sup> For a detailed account of the military objections, see JCS 2278/5, October 17, 1958, published in *Declassified Documents*, 1981, 301.

<sup>&</sup>lt;sup>5</sup> In telegram 728 to Bonn, October 8, Dulles reported that German Ambassador Grewe had called on him that day to state his government's concern about the recent communications from de Gaulle and the repercussions they might have on the NATO community. The Secretary reassured the Ambassador that de Gaulle's points deserved consideration but that he doubted the necessity or practicality of enlarging the NATO area, and that any attempt to establish a three-power political directorate within NATO would cause difficulties within NATO. (Department of State, Central Files, 740.5/10–858)

in handling replies in view French situation and de Gaulle personality. UK has, of course, special interest in not arousing unnecessarily French hostility as, for example, in view Free Trade Area negotiations.<sup>6</sup>Also important prevent French receiving impression that US and UK had been heavily pressed by other countries and had made their decisions as result these pressures rather than on substance. British believe that while formal tripartite machinery is probably out of question, there is perhaps room to expand present tripartite discussions to broader areas and subjects. Africa, Middle East, and Far East provide areas about which we could talk to French.

Dept. noted point four of memorandum suggested discussions in Washington on its substance. Such discussion might prove easier course than full substantive reply dealing with details of French proposal.

UK representatives felt it undesirable attempt now full substantive reply. Noted even first course presents considerable difficulty as French could be expected press for implementation suggestions as, for example, enlargement of competence of Standing Group which other NATO nations would resist.

British said problem basically two part: how to develop some form informal tripartitism and how to reply to French. Latter could take either form of suggesting talks or noting difficulties with certain proposals and suggesting others. On balance, believed it better course send de Gaulle further interim reply in which we state (1) our belief NATO is effective instrument which we wish maintain and strengthen, (2) idea basic revision NATO raises many problems, (3) US and UK willing talk about matter with French.

Dept suggested possibility some informal tripartite meeting in Washington. Such meeting could address itself to broad range problems and situations and to de Gaulle proposals.

All above was tentative exploration courses open to US and UK. No commitments made. Each side will explore within own department.

Addressees comments invited.7

### Dulles

<sup>&</sup>lt;sup>6</sup> Regarding the breakdown of the meetings of the Intergovernmental Committee on the Establishment of a Free Trade Area in Paris November 13–14, see Part 1, Document 39.

<sup>&</sup>lt;sup>7</sup> Telegram 1303 from Paris, October 11, indicated that the Embassy opposed a negative reply to de Gaulle, favored preliminary discussions in Washington, and stressed the seriousness of de Gaulle's views on France's role and on the necessity for recognition of France's position as a world power. (Department of State, Central Files, 740.5/10–1158) In telegram 1980 from London, October 10, the Embassy replied that de Gaulle's proposals posed a difficult problem for the United States and the United Kingdom, and questioned the wisdom of informal tripartite discussions because of the risk of offending the Germans and the Italians. (*Ibid.*, 740.5/10–1058) In telegram 1157 from Rome, October 10, the Embassy replied that any suggestion of a tripartite meeting would have serious adverse effects in Italy. (*Ibid.*) No reply from Bonn has been found.

### 52. Memorandum of Conversation

October 9, 1958.

#### SUBJECT

Organization of Free World Defense

#### PARTICIPANTS

The Secretary of State His Excellency, Sir Harold Caccia, Ambassador of Great Britain The Viscount Hood, Minister, British Embassy J. Graham Parsons, Deputy Assistant Secretary for Far Eastern Affairs

During a call devoted for the most part to Far Eastern subjects, the British Ambassador gave the Secretary a copy of General de Gaulle's message of October 7 to Prime Minister Macmillan (copy attached).<sup>1</sup> This referred to the problem of the organization of world security and to reasons why de Gaulle thought this problem should be taken up again as a whole.

In the foregoing context the Ambassador wondered what means there might be to broaden somewhat the handling of collective defense. Could it be possible, for instance, to organize some form of free world mobile force instead of the U.S. and UK always having to produce forces needed, as in Lebanon and Jordan? It was, he commented, easier to see difficulties in all such proposals than positive means to bring them about. Possibly there could be a US–UK–French mobile division.

The Secretary said that, of course, one should try to come up with some positive response to the recent de Gaulle initiative. It was quite clear that the organization of the free world was inadequate at the present time. One should not turn de Gaulle down out of hand. The Secretary was not sure, however, that a three-power force was the answer as one ought to get away from the great power concept which was not popular in many quarters. Lord Hood interjected that there was also the problem of the circumstances in which such a force could be used.

The Ambassador, in apparent reference to the reluctance of smaller powers to join in such a force, remarked that the Danes and Norwegians, for instance, would be most reluctant to commit themselves outside the NATO area. He had been thinking of other positive ideas it

Source: Department of State, WE Files: Lot 72 D 441, de Gaulle Letters. Secret; Limited Distribution. Drafted by Parsons. A summary of this conversation was transmitted in telegram 3674 to London, October 10. (*Ibid.*, Central Files, 740.5/10–1058)

<sup>&</sup>lt;sup>1</sup>Not printed. This message, in which de Gaulle stated he did not object to Macmillan discussing his ideas on the organization of the defense of the free world with Adenauer, was transmitted in telegram 3634 to London, October 9. (*Ibid.*, 740.5/10–958)

might be possible to put forward. One such was to resort to pre-clearing of policy and action at least in certain areas. The Secretary pointed out that we have done this to some extent although perhaps less of late. Sir Harold pointed out "summitry" as an example and the Secretary mentioned the German problem as having been handled this way. Lord Hood remarked that soon Germany would have to be brought into the picture and it would thus cease to be a tripartite affair. The Secretary pointed out that the Italians were also eager. He went on to say that NATO consultation was helpful but it cannot range over all areas because many do not like to have their affairs covered in this way. There was the device of the SEATO Protocol which gave protection to certain countries in that area but you could not do this without the consent of the countries thus covered. He referred to the Middle Eastern Resolution<sup>2</sup> in this context where countries were covered that asked for such protection. In Africa, however, there were areas that would be highly sensitive to such activity.

The Secretary continued saying that a formal extension of the NATO Treaty area would be quite impractical. Apart from the problem of Senate ratification, there would be objections both on the part of those who had to give extended commitments and on the part of some in the extended treaty area. [3-1/2 lines of source text not declassified]

# 53. Editorial Note

Following his return to the Embassy after his conversation with Dulles (see Document 52), Caccia wrote to the Secretary of State that he had found a telegram from Macmillan asking him to inform Dulles of the details of the Prime Minister's conversation with Adenauer about the de Gaulle proposals. Caccia enclosed a summary of the conversation between the German and British leaders in Bonn on October 8 and 9. Macmillan believed, wrote Caccia, that they should deal with the memorandum without delay because Adenauer was seriously disturbed about it. Macmillan counseled against giving the impression they were rejecting the memorandum out of hand. He recommended the general line should be that the British and U.S. Governments agree

<sup>&</sup>lt;sup>2</sup>Reference is to the joint congressional resolution approved by the President on March 9, 1957, which established the American Doctrine for the Middle East.

that there was a problem but that the proposals made were not necessarily the best ones to solve it and further exploration would be useful. Caccia wrote that Macmillan recommended agreeing to tripartite discussions in Washington which would take place in the near future. A handwritten notation on Caccia's letter indicates that the Secretary saw the letter.

In an October 15 reply to Macmillan, Dulles thanked him for his report of his conversations with Adenauer and agreed they should press forward with their discussions about the nature and time of their replies to de Gaulle. The Secretary concluded: "I am not optimistic as to the results of any informal tripartite discussions with the French. Nevertheless, I believe that we must go ahead with them, keeping our allies informed." (Department of State, Presidential Correspondence: Lot 66 D 204)

For Adenauer's account of his meeting with Macmillan, see *Erinnerungen*, pages 436–437. For Macmillan's account of this meeting, see *Pointing the Way*, pages 452–455.

# 54. Telegram From the Embassy in France to the Department of State

Paris, October 9, 1958, 8 p.m.

1272. In visit this afternoon to bid good-bye to de Gaulle<sup>1</sup> principal point raised was his deep conviction that NATO should be made to fit more nearly the realities of the world situation as he had outlined in his letter and memorandum to the President. He asked that in conveying upon my return his high regards to President and Secretary I stress with them importance he attaches to problem. He again suggested that initial discussions take place in Washington through Embassies and Standing Group.

In addition he made it clear that he thought results of referendum<sup>2</sup> were very good for whole free world.

#### Houghton

Source: Department of State, Central Files, 740.5/10–958. Secret; Limit Distribution. Repeated to Bonn, London, and Rome.

<sup>&</sup>lt;sup>1</sup> Houghton came to the United States October 16 on leave and returned to Paris in mid-November.

<sup>&</sup>lt;sup>2</sup>See footnote 1, Document 47.

# 55. Memorandum From the Deputy Assistant Secretary of State for European Affairs (Jandrey) to Secretary of State Dulles

October 9, 1958.

SUBJECT

Reply to de Gaulle Letter

### Discussion:

Now that the President has sent an interim reply (Tab A)<sup>1</sup> to General de Gaulle's letter (Tab B),<sup>2</sup> we must face the problem of coping with the thoughts contained in the letter, though there is no particular hurry about replying. We are discussing what might be next steps with the British Embassy here.

In general we have had the following approach to the de Gaulle initiative:

1. The General proposes the "expansion" of NATO in the military field to a form of tripartite military planning, while in the political field he proposes the old idea which Bidault first outlined to you in July, 1953 of the tripartite political standing group to handle worldwide problems.

2. The concept of tripartite military planning stands very little chance of acceptance in U.S. military circles. Even bilateral military planning with the British has met serious obstacles in Defense, and we feel relatively certain there is no possibility in this direction. It is possible that there could be some expansion of at least the information made available to the Standing Group (without expanding its responsibilities) and there may be some other way in which the French can be given an additional role in military planning, but this is extremely doubtful. We have discussed this matter with Mr. Irwin who will look into such possibilities as may exist.

3. Although de Gaulle refers only briefly to the problem of nuclear cooperation, we know this is much in his mind from his presentation to you on July 5 (Tab C).<sup>3</sup>Therefore, this question may arise in more acute form with the French later. It is doubtful, for reasons which you know, that we will be able to satisfy the French to any substantial degree in this field.

Source: Department of State, WE Files: Lot 72 D 441, de Gaulle Letters. Secret. Drafted by McBride, concurred in by the Office of European Regional Affairs and the Office of British Commonwealth and Northern European Affairs, sent through Murphy and Calhoun, and initialed by Calhoun and Jandrey.

<sup>&</sup>lt;sup>1</sup>Document 48.

<sup>&</sup>lt;sup>2</sup> Document 45.

<sup>&</sup>lt;sup>3</sup>See Document 34.

4. The idea of a formalized tripartite political standing group is likewise unacceptable to us, particularly since to de Gaulle publicizing the existence thereof would probably be a major factor. There are both NATO and extra-NATO reasons which are overriding against an attempt to establish this type of organism. Although the Italians have been the most vociferous in opposing the idea, others both in Europe and elsewhere would react against the tripartite concept, and it would unquestionably be counter-productive for the U.S.

5. However, because of the problem of our relations with de Gaulle, whose position in France is obviously much stronger than that of the prime minister during the Fourth Republic, and the necessity for maintaining good relations with France, it is not possible, as the President indicated to the Italian Ambassador (Tab D),<sup>4</sup> to envisage a flat rejection of the de Gaulle proposal. Since, in the military sphere, the de Gaulle ideas seem impossible of achievement, it is the political field where we must find a counter-proposal or counter-suggestion sufficiently substantive to prevent a major explosion on his part with the concomitant loss of French active participation in NATO, etc.

6. Since the French political proposals are likewise unacceptable, our tactic must be that of the counter-proposal. As it is unlikely that any counter-suggestion will go far enough to meet the General to any great extent, we should attempt to allay the effect of our negative reaction.

7. All of the above corresponds closely with the working level thinking of the British insofar as we know it.

8. In the light of the above analysis, we would propose as the next step the following:

a) We should each send in the next few weeks a further rather brief reply to the French to the effect that these problems seem extremely difficult to handle, and that their proposals are not entirely spelled out in the de Gaulle memorandum. In this reply we would raise a few warning flags and take issue with one or two of the de Gaulle statements with which we disagree, such as the thesis that NATO is superannuated. We could also indicate the trouble which a revision of the NATO treaty would cause in our view. We would conclude that in view of the complexity of the entire matter, it would seem desirable to have some initial tripartite talks in Washington along the lines which de Gaulle suggests. These could be at the Ambassadorial level with Mr. Murphy or Mr. Elbrick, or possibly a tripartite meeting at the Murphy–Joxe–Hoyer-Millar level could be arranged.

b) The above suggestion would provide an opportunity for spelling out the reasons for our difficulties with the de Gaulle plan, and also for clarifying certain points which are really unclear. It would be a much better means of thrashing out the problem with the French than by a relatively negative written reply. Furthermore, it would both give the

<sup>&</sup>lt;sup>4</sup>See Document 50.

three countries concerned an opportunity of seeing if there were areas for greater tripartite cooperation, and also would in fact, by the very occurrence of such talks, be a step in the direction which the French desire.

c) Furthermore, such talks need not be limited to the de Gaulle proposal but could include a rundown on other problems of interest. We would be interested in discussing both North Africa and Black Africa with the French, and it would seem that we could arrange to give them, and the British, a good briefing on the situation in the Far East and the Near East. Such an exercise might be useful per se.

d) While it is recognized the above does not represent any large degree of satisfaction for the French, it might be the best first step and perhaps during such talks we could work out certain procedures and programs which might find favor with de Gaulle, though it is clear any form of tripartitism must remain on an informal and flexible basis. Furthermore, any steps in this direction must be explained most carefully in advance at least to the Italians and Germans, as well as to Spaak who has indicated a feeling that the three powers should provide leadership in NATO.

e) It is possible that in discussions with the British and French, we could at least identify areas where tripartite consultation on a more or less regular basis might be justified (i.e., through common SEATO membership; through perhaps a greater identification of position in the Middle East than has heretofore been true). Then, at a later date, when a final reply is sent to de Gaulle it could embody the results of these talks, and might contain additional positive elements to anything we could envisage now. Furthermore, the French would be thoroughly conditioned as to the U.S.–U.K. view.

#### Recommendation:

That you authorize EUR to explore the possibility suggested in (a) above further with the British. If they agreed, we would try to draft two similar but not identical brief letters to de Gaulle for delivery in two or three weeks, as outlined above, and proposing talks in Washington as the French have suggested at the Ambassadorial or "Permanent Undersecretary" level.<sup>5</sup>

<sup>&</sup>lt;sup>5</sup> Dulles initialed approval of the recommendation on October 10. In a memorandum to Elbrick, October 10, Greene wrote that the Secretary's approval of the recommendation was subject to the following:

<sup>&</sup>quot;1) The 'next few weeks' mentioned in 8(a) should be foreshortened as much as possible. In this connection the Secretary understands that you are starting the discussions with Lord Hood on October 11.

<sup>&</sup>quot;2) The Secretary is concerned that there be prepared in advance an adequate explanation, for public use, of the tripartite meeting envisaged at the end of 8(a). Particularly if these talks were to be at the Permanent Under Secretary level, it would be impossible, and probably imprudent, to try to keep them secret. Explanation would also have to be given other interested governments, probably privately, before the talks begin.

<sup>&</sup>quot;3) Might it not be desirable to include Spaak in these talks?" (Department of State, WE Files: Lot 72 D 441, de Gaulle Letters)

Greene based his remarks on Dulles' handwritten notations on the memorandum printed here.

# 56. Telegram 1293 From the Embassy in France to the Department of State

Paris, October 10, 1958, 6 p.m.

[Source: Department of State, Central Files, 751.5611/10–1058. Secret; Limit Distribution. 2 pages of source text not declassified.]

# 57. Telegram From the Department of State to the Embassy in the United Kingdom

October 11, 1958, 6:51 p.m.

3694. Paris for Embassy and USRO. In meeting with UK Embassy (Elbrick–Hood)<sup>1</sup> today it agreed recent events, especially Adenauer–Macmillan meeting, dictate change in timing of reply to de Gaulle. Presently planned to draft further reply de Gaulle during coming week which would, essentially, suggest holding three-power exploratory informal discussion in Washington on Ambassadorial level about two weeks after delivery. Replies would be generally similar in concept but not worded alike.

At time delivery such letter to French anticipated Adenauer, Fanfani and Spaak would be informed both of meeting and reasons for holding it.

In replies proposed we not simply pose series questions, as Chauvel had suggested to Foreign Office, but raise certain warning flags and take issue on some points de Gaulle has made. Would conclude that because of complexity subject we agreeable three-power discussion Washington in two weeks.

Recognizing that while we would not want draw public attention to such informal discussion French might do so, agreed that we should tell French at some time that we must keep Spaak, Adenauer and Fanfani

Source: Department of State, Central Files, 740.5/10–1158. Secret; Limit Distribution. Drafted by Brown and approved by Timmons. Repeated to Paris, Bonn, Rome, and Ottawa.

<sup>&</sup>lt;sup>1</sup> A memorandum of this conversation, dated October 11, is *ibid.*, 751.11/10–1158.

informed. In addition letters noted above we would also recognize necessity keeping certain interested NATO parties informed during and after Washington talks.

Generally agreed de Gaulle has put finger on problem of NATO but has proposed unacceptable solution in tripartite inner directorate. He has raised two problems which are not necessarily related: extension NATO responsibilities and France's position in NATO. Second seems of most importance to him so that improvement NATO alone would not satisfy him. British noted de Gaulle seeking greater say in nuclear matters which poses real problem.

Considerable attention paid to role of Spaak. We noted Secretary's belief Spaak needs get into matter. British informed us Spaak to see de Gaulle on Wednesday to give him written comments on memorandum.<sup>2</sup> Roberts authorized discuss matter with Spaak in advance. Was noted that difficulties loom ahead as it probably impossible prevent leakage Spaak actions to Rome and Bonn Foreign Offices. While this is problem we must live with, hope it would be mitigated by actions contemplated above.

Dept plans initiate drafting beginning next week. Will keep addressees advised and welcomes their comments.

This cable based on uncleared memo of conversation.

Dulles

### 58. Editorial Note

On October 13, Secretary of State Dulles discussed the de Gaulle memorandum with President Eisenhower. Dulles suggested it might be necessary to meet in Washington with the British and French about the memorandum. In his October 13 memorandum of this conversation, Dulles wrote: "The President felt this would be all right if it were held at a sub-Secretary of State level. He also thought it would be important to make it clear in advance to Adenauer and to the Italians that the meeting

<sup>&</sup>lt;sup>2</sup> Spaak did not meet with de Gaulle. (Telegram 1341 from Paris, October 14; *ibid.*, 740.5/10–1458) In reply to a letter from Dulles of October 10, Spaak wrote on October 15 that he intended to have his written comments on de Gaulle's memorandum "transmitted" to de Gaulle. (These letters are printed in Part 1 as Documents 160 and 161.) Burgess transmitted to the Department of State a draft of Spaak's October 15 letter to de Gaulle in French in Polto 991 from Paris, October 15. (Department of State, Central Files, 740.5/10–1558) No other draft of Spaak's reply to de Gaulle has been found, but Spaak later summarized his response in *Combats Inachevés*, pp. 182–187.

was for the purpose of discussing the plan and was not the beginning of carrying into effect the de Gaulle plan." (Eisenhower Library, Dulles Papers)

On October 15, Dulles sent the President a draft of a reply to de Gaulle's September 17 letter and memorandum. In his covering memorandum, Dulles wrote the President that the draft incorporated the suggestion for informal tripartite discussions in Washington in the near future and that the reply had been discussed with Lord Hood, Minister of the British Embassy. Dulles reported that the British planned to send a similar reply, possibly within the week. A typed notation at the end of this memorandum reads: "Foster, I agree we should not do this 3 power business *unless* we *have* to. DE" (*Ibid.*, Project Clean Up, France)

On October 16, Dulles telephoned the President to say that since sending him the draft reply to de Gaulle, he had talked with General Alfred M. Gruenther, former Supreme Allied Commander of NATO Forces in Europe, and John J. McCloy, Chairman of the Board of Chase Manhattan Bank, who strongly opposed even preliminary discussions about tripartite talks. The Secretary told the President he himself doubted whether it was wise to have these talks. The President suggested that the three delegates discuss the subject at a U.N. dinner but Dulles indicated that it would have to be done in Washington. (*Ibid.*, Dulles Papers, General Telephone Conversations)

On October 17, Dulles left Washington to attend the funeral of Pope Pius XII in Rome on October 18 and, while in Rome, he had discussions with Prime Minister Fanfani of Italy, Foreign Ministers Couve de Murville and von Brentano, and Foreign Secretary Lloyd. On October 19, he flew to London for consultation with British officials and from there, he went to Taiwan, returning to Washington on October 23.

On October 20, while en route to Taiwan, Dulles wrote a letter to Adenauer in which he acknowledged that de Gaulle's proposals for a fundamental change in the organization of NATO might have caused the Chancellor deep concern. Dulles informed the Chancellor that "the best interim move may be a willingness to let the French Ambassador at Washington expound to one of my associates and to the UK Ambassador at Washington what his thoughts are. Then I hope this particular approach could be dropped in favor of a broader study on how further to improve NATO, a problem in which we all have deep concern." (Telegram 803 to Bonn, October 20; Department of State, Central Files, 740.5/10–2058)

On October 20, Eisenhower sent his reply to de Gaulle (Document 63). It was identical to the draft prepared in the Bureau of European Affairs that Dulles sent him except that the reference to informal exploratory discussions 2 weeks hence was omitted.

# 59. Memorandum of Conversation

October 17, 1958, 12:15 p.m.

SUBJECT

DeGaulle Letter

#### PARTICIPANTS

The Secretary Sir Harold Caccia, British Ambassador Lord Hood, Minister, British Embassy Mr. C. Burke Elbrick, EUR Mr. Robert H. McBride, WE

The Secretary stated that we had developed second thoughts on the question of tripartite talks on the deGaulle letter. He was concerned lest we set a pattern of tripartite talks which should be avoided. We must avoid creating the impression that the "three" are deciding the future of NATO. Therefore as a first step we thought it preferable to address certain questions to Ambassador Alphand bilaterally, requesting clarification on the significance of some of the points raised by the General. The Secretary added that the President agreed with him that we should not hold tripartite talks unless we had to.<sup>1</sup>

Ambassador Caccia stated that Selwyn Lloyd felt strongly about the need for tripartite talks. The US and the UK have been placed in the middle of this problem and of course we do not wish to offend the Germans, the Italians or NATO. However, we must keep deGaulle friendly, and he is also important. Since we will in all probability be turning deGaulle down on the substance of his proposals, at the very least we should agree to tripartite meetings which would be restricted to a discussion of the memorandum itself, and not get into other fields. We would keep the Germans, Italians and Spaak informed, and would inform the French that we would have to follow this procedure. Spaak expects tripartite talks, and indeed apparently feels the next step will be for the US and UK to discuss the whole problem with the French in order to ascertain more fully the views of the latter.

The Secretary said that we were not turning down the French, nor refusing to meet with them, but we merely thought it was preferable first to ask Alphand certain questions, particularly with regard to such ideas as the revision of the North Atlantic Treaty, and how it was

Source: Department of State, Central Files, 740.5/10–1758. Secret; Limit Distribution. Drafted by McBride.

<sup>&</sup>lt;sup>1</sup>See Document 58.

envisaged that areas outside NATO would be persuaded to accept extension of NATO to cover them. The Secretary added that much depended on Spaak now. He noted that, with regard to tripartite talks, once they started, it was difficult to stop them. He also raised the question of how to handle the public relations problems. He realized it was hoped nothing would become public, but he thought maintaining secrecy was most unlikely, and that furthermore if tripartite talks began, the French would thus have achieved one of their objectives, and would be likely to publicize this fact.

Ambassador Caccia said the UK envisaged that we would explain in NATO first why we were having these talks, and that this would take the sting out of a leak. The Secretary said we should prepare to meet a wave of indignation in Italy if this became public, and that the Germans and others would also be unhappy, particularly if it appeared that the three countries were discussing the future of NATO.

The Secretary added that, if the fact of the talks become publicly known, we would be obliged to give out something regarding the substance. Publicizing the deGaulle memorandum was highly dangerous. The Asian and African nations would be opposed to this concept, and the entire idea of tripartite operations outside the NATO area was unacceptable to them. We could not maintain the position publicly that we were merely discussing a letter, without being willing to say something of its contents. Therefore tripartite talks could be a very costly operation, and could spread consternation in NATO, and in the Asian and African countries.

Ambassador Caccia noted that deGaulle had written a letter to two other parties and it was natural for the recipients to discuss the communication with the sender, providing others concerned were kept informed.

The Secretary proposed that the decision should be held up for a couple of days since he was seeing Fanfani on Saturday and Lloyd on Sunday. He thought the question of tripartite talks raised problems which had not been fully thought through. Ambassador Caccia repeated that the British position was that, since we were turning deGaulle down on the substance of his plan, we should make concessions on form.

The Secretary repeated that this was a problem of presentation, and, if it appeared we were seriously considering some form of tripartite world directorate, this would be a catastrophe in Italy and Germany, and would have terrible repercussions in Asia and Africa. He said by far the best development would be the withdrawal of the deGaulle letter.

Ambassador Caccia said he assumed the British could at least delay the delivery of any letter to deGaulle until Monday since this had been the original planned delivery date of the British letter. He assumed there would be no trouble in withholding delivery of the British reply to deGaulle until after the Secretary saw Lloyd on Sunday night.

In the meantime, the Secretary believed we should concentrate on the problem of presentation if the existence of tripartite talks should leak. He added there would be a storm here if the substance of the letter were revealed, and it appeared that we were considering the revision of the NATO treaty. It was agreed there would be no action vis-à-vis the French until after the Secretary and Lloyd had talked, and a study had been made of the public impact especially in the Asian and African countries.<sup>2</sup>

<sup>2</sup>No record of such a study has been found.

# 60. Memorandum of Conversation

October 17, 1958, 2:48 p.m.

SUBJECT

DeGaulle Letter

#### PARTICIPANTS

The Secretary Ambassador Hervé Alphand, French Embassy M. Charles Lucet, Minister, French Embassy Mr. C. Burke Elbrick, EUR Mr. Robert H. McBride, WE

The French Ambassador said that he would like to report to Paris before the Secretary's departure regarding US consideration of the secret letter which General deGaulle had sent to the President. The Secretary noted this communication did not appear to be so secret any more. Alphand remarked that a copy had been given to Spaak, and it had been shown to the Germans and Italians. The Secretary noted that there had been references to the letter in the Italian press.

The Secretary replied to Alphand's query to the effect that we were studying the letter hard. He said Spaak had also been active on this front. Alphand said Spaak's Boston speech<sup>1</sup> seemed to reflect the same

Source: Department of State, Central Files, 740.5/10–1758. Secret; Limit Distribution. Drafted by McBride.

<sup>&</sup>lt;sup>1</sup> For text of Spaak's speech to the Atlantic Treaty Association dinner on September 27 in Boston, see Department of State *Bulletin*, October 20, 1958, pp. 607–611.

basic concerns as those contained in the General's letter. The Secretary stated he agreed with the General's basic concept that the scope of world problems was greater than ten years ago when it had appeared possible that regional defense concepts alone would suffice. He added that he had pointed out in Senate testimony on the North Atlantic Treaty in 1949 that it was dangerous to limit security concepts. The establishment of fixed defense areas merely diverted the attack elsewhere. Since the establishment of NATO we had been obliged to plug up gaps in other parts of the world through additional pacts such as SEATO and the Baghdad Pact, and through bilaterals with Japan, Korea, the Republic of China, etc. Parenthetically the Secretary remarked that while we had favored the Baghdad Pact, we had never favored the inclusion of Iraq as this placed pressures on this Arab country which eventually led to a violent overthrow of the regime. Because of the inclusion of Iraq, we had not actually joined the pact, but since Iraq was no longer an active member, we were now collaborating more closely with the remaining members which embody the Northern Tier group.

The Secretary added that we had proposed in Paris last December liaison among the various defense pacts, but he was not sure this was adequate. He doubted it was practical to enlarge the NATO area, and believed we should develop means to combat our global concerns by means other than amending the NATO treaty.

Ambassador Alphand expressed the desirability of including coverage of Africa in the treaty area. The Secretary said it was doubtful the African countries would wish to be included. He noted the opposition of the Scandinavian countries to enlarging the treaty area, [less than 1 line of source text not declassified]. He said the General's concept of the problem was acceptable but that the mechanics of carrying out his ideas seemed to present difficulties. He also said a tripartite directorate would cause difficulties, and mentioned especially Italian sensitivities. He said he would discuss this question with Fanfani in Rome tomorrow. He also thought it would be most unfortunate if the General's ideas were to be made public.

Ambassador Alphand agreed publicity would be undesirable and that it would be misunderstood in Germany and Italy as well as in Africa and the Middle East if it appeared that there was an effort to impose a tripartite directorate. He did not believe this was the French intention. The Secretary noted that such an inference could however be drawn from the deGaulle memorandum.

The Secretary concluded that whatever talks were held on this subject should not become publicly known. He believed we would be ready for talks in some form by the beginning of the week. Ambassador Alphand said that he was gratified that he could report to Paris that we were studying the memorandum actively at the highest levels. The Secretary said he had discussed this matter with the President yesterday,<sup>2</sup> and that we would be ready to discuss it further with the French by early next week.

<sup>2</sup>See Document 58.

# 61. Telegram From the Embassy in Italy to the Department of State

Rome, October 18, 1958, 11 p.m.

Secto 5. Secretary today discussed de Gaulle proposals successively with Fanfani, von Brentano and de Murville, each of whom has also talked with the other. To Fanfani he said he was not so much worried about proposals themselves which would in any event not be adopted but by possible disastrous effects of discussions of letter on rest of NATO and on a number of states in North Africa and ME. He commented thing to be avoided at all costs was publication of text of letter. He saw in his view there was validity to analysis of certain NATO limitations and problems contained in note but remedies suggested were faulty.

Fanfani agreed on all counts. Said he had discussed matter with Couve at dinner October 17 and had told him second part of letter, i.e., remedies could have effect of atom bomb on NATO. He said Couve was having numerous second thoughts and was in full agreement that general NATO discussions should be avoided while still insisting suggested remedies "constructive". Fanfani pointed out publication of letter and inference it being seriously studied would place disastrous weapon in hands of Nenni and Ollenhauer.<sup>1</sup> We must hope elements of story which have already leaked will be lost in discussion of current French problems. If nevertheless story becomes publicly inflated we must attempt pass it off as one of numerous routine attempts to lubricate NATO machinery which received only passing consideration. He

Source: Department of State, Central Files, 740.5/10–1858. Secret; Priority. Repeated priority to London, Paris, and Bonn.

<sup>&</sup>lt;sup>1</sup> Erich Ollenhauer, Chairman of the German Social Democratic Party.

agreed most emphatically on importance of avoiding any formal discussion since it might reach public attention.

Secretary observed British had proposed informal discussions in Washington between British and French Ambassadors and someone below Secretary's level, possibly Murphy, which would allow French feel they having chance to expose position and modify it gracefully. Fanfani, while appearing unenthusiastic did not take exception this idea, merely observed that any action which would calm the situation down and save face for author of the note was a good idea.

In subsequent conversation with von Brentano, Secretary noted French pressing for agreement to initiation tripartite talks in Washington. Von Brentano agreed with his thoughts that while problems de Gaulle raised need to be considered, proposals for amendment North Atlantic Treaty and establishment of world triumvirate wholly unacceptable, impractical and dangerous, latter especially in Africa and Middle and Far East. Secretary said that while USG disposed to agree to French request for conversations it would, in the event they occur, take this line.

Secretary and von Brentano also agreed that public knowledge of fact of de Gaulle proposals would be dangerous and even fatal for NATO. Hence the German Government is trying to keep the whole affair quiet and the Chancellor has written de Gaulle suggesting that if it must be discussed it is better discussed in NAC.<sup>2</sup> As it seems unlikely to the Germans that de Gaulle would withdraw his letter, the purpose of discussion in NAC would be to demonstrate to de Gaulle how bad his idea is. Von Brentano said he would speak frankly to de Murville along these lines when he saw him later in the evening after the Secretary.

On tripartite discussions in Washington, the Secretary told von Brentano British are willing even though opposed to de Gaulle program and von Brentano said that such discussions would be all right if directed toward convincing the French of the dangers.

Secretary then saw de Murville and reiterated his concern at the danger of de Gaulle's letters becoming public. He expressed readiness to discuss the matter privately "among ourselves" but thought it would be better not to start tripartite talks in Washington without first thinking through how a leak would be handled. As a new thought he asked de Murville to consider the possibility that he might write a supplementary letter to the Secretary, along the lines that it is necessary to consider certain problems confronting the Allies (i.e., the first part of de Gaulle's letter). The Secretary said that if there were a leak such a letter could be published in explanation without running the grave risks, on which he

<sup>&</sup>lt;sup>2</sup>Not further identified.

elaborated further. De Murville undertook to consider this suggestion. He went on to criticize Spaak who he thought responsible for de Gaulle's letters getting around in the first place and observed that the effects in the Middle and Far East of its publication would be the opposite of what France intends in those areas. He also seemed uneasy about extent to which Fanfani has been talking against the proposals and implied he disagreed with the thought he attributed to Fanfani that the matter should be discussed in NAC.

Dulles

# 62. Memorandum of Conversation

Brize Norton Air Force Base, England, October 19, 1958.

[Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret; Limit Distribution. 2 pages of source text not declassified.]

## 63. Letter From President Eisenhower to President de Gaulle

October 20, 1958.

DEAR GENERAL DE GAULLE: I have given considerable thought to the views expressed in your letter of September seventeenth. You have posed serious questions which require earnest thinking and careful study.

The central problem you raise—the organization of the free world's defense—is very much on my mind also. I agree that we should constantly seek means for making that organization more effective.

We are, I believe, in full agreement that the threat we face is global and that our policies should be adapted to deal with the world-wide nature of the threat. Although recognizing that more needs to be done, we believe that our policies have to an extent already been adapted to this end. It is in recognition of the need to deal with the world-wide threat that the United States has joined with its allies in establishing elements of strength throughout the world. The United States and France are closely associated in certain of these groupings, such as NATO and SEATO. The United States has also associated itself with many other countries, in both multilateral and bilateral arrangements, all directed toward the same general purpose. We have also sought to give recognition to the fact that the threat is more than military through our economic, financial, and technical assistance programs designed to aid nations throughout the world to resist subversion.

As for the Atlantic Alliance itself, I believe there has been a significant evolution in NATO over the past two years. Consultation in NATO has in fact been extended well beyond the confines of the European area. We, for example, have sought to use the NATO Council to inform or consult with our allies on the threat facing the Free World in the Far East and the Middle East. We have also sought to use the Council to develop common policies toward the Soviet bloc. We feel that this "habit of consultation" among the NATO nations must be still further broadened but that this cannot be forced. I do not believe that we can afford to lose any of this developing intimacy among all the members of NATO and the closer bonds it forges.

As for the means for dealing with the problem which you propose, our present procedures for organizing the defense of the Free World clearly require the willing cooperation of many other nations, both

Source: Eisenhower Library, Whitman File, International File. Secret. The text was transmitted in telegram 1392 to Paris, October 20 (Department of State, Central Files, 740.5/10–2058), and handed to Pompidou at 11 a.m. on October 21. (Telegram 1434 from Paris, October 21; *ibid.*, 740.5/10–2158)

within and outside NATO. We cannot afford to adopt any system which would give to our other allies, or other free world countries, the impression that basic decisions affecting their own vital interests are being made without their participation. As regards NATO itself, I must in all frankness say that I see very serious problems, both within and outside NATO, in any effort to amend the North Atlantic Treaty so as to extend its coverage beyond the areas presently covered.

All this having been said, I must add that I recognize that a community association to live must constantly evolve and find means to make itself more useful in the face of changing conditions. I am quite prepared to explore this aspect of the matter in appropriate ways.

With best personal wishes,

Sincerely,

Dwight D. Eisenhower<sup>1</sup>

<sup>1</sup> Printed from a copy that bears this stamped signature.

# 64. Telegram From the Department of State to the Embassy in France

October 25, 1958, 7:14 p.m.

1508. Paris for Embassy and USRO. Following is summary Secretary's talk on de Gaulle memorandum with French Ambassador afternoon October 25 based on uncleared memorandum of conversation:<sup>1</sup>

Alphand referred to Secretary's suggestion to Couve in Rome re sending new and more general letter which could be published if necessary and said Couve had instructed him inform Secretary he saw great difficulty with this. Alphand said deGaulle did not wish appear be changing his mind. Furthermore if second letter were published, those

Source: Department of State, Central Files, 740.5/10–2558. Secret; Limited Distribution. Drafted and approved by McBride and cleared by the Executive Secretariat. Repeated to London, Bonn, and Rome.

<sup>&</sup>lt;sup>1</sup> Copies of the memoranda of conversation summarizing this discussion and other topics discussed (Guinea, Formosa situation, nuclear test suspension, and FLN political activity in the United States) are *ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199.

who already knew of first letter would be suspicious, and first letter might be made public anyway. French Ambassador said Couve had already informed UK Ambassador Paris along these lines with expression hope tripartite talks could begin here. He quoted British as not opposed to such talks. Alphand said therefore he wished know if we were ready for discreet talks either on bilateral or tripartite basis. He believed such talks should begin well in advance of December NATO meeting.<sup>2</sup>

Secretary explained our principal worry was not with proposals reorganize NATO though this was difficult enough, but with concept of extending NATO area to Middle East, Africa, etc. Should this idea become current, effect in these areas would be extremely bad. Alphand said even if memorandum published we could always indicate we disagreed with its contents, but repeated hope we could discuss substance of problems raised by deGaulle because they do exist.

Secretary said he preferred first meeting be bilateral, since tripartite meeting might well attract attention. Purpose of first meeting would be to decide on public line should letter become public. He stressed we did not wish to advertise our differences which might be case in event of publication before agreed line reached.

Secretary repeated that extension NATO to Asian and African countries would obviously require consent these areas. We could agree that threat to peace anywhere in world is of course concern to all, but extension scope of NATO treaty was more difficult. Alphand said he was sure deGaulle did not have in mind imposing our will on anyone since this was contradictory to policy he was following in other problems. He did not believe deGaulle had in mind tripartite world directorate.

Secretary suggested bilateral talks on this point of public line be followed. After that were decided he thought we could go on to tripartite talks, but stressed bilateral talks first preferable to avoid attention before we are ready cope with this attention. Alphand said he would report Secretary's views to Paris. Secretary added he had no objection to concurrent Franco-British talks here, and thought we could come together at later date. Alphand concluded that bilateral talks might cover point of what to say if deGaulle letter published and what to say if tripartite meeting were held and this fact became public.

### Dulles

<sup>&</sup>lt;sup>2</sup> For documentation on the December 16–18, 1958, NATO Ministerial Meeting, see Part 1, Documents 166 ff.

### 65. Memorandum of Conversation

October 27, 1958.

SUBJECT

De Gaulle Letter

#### PARTICIPANTS

The Secretary Sir Harold Caccia, British Ambassador Lord Hood, British Minister Mr. Jandrey, Acting Assistant Secretary—EUR

The Secretary referred to his conversation Saturday afternoon with Ambassador Alphand who had suggested the talks begin either on a bilateral or trilateral basis.<sup>1</sup> The Secretary indicated to Ambassador Alphand that he favored bilateral talks in order to see if we could agree on the public positions which would be taken during trilateral talks. He also told the Ambassador that he had no objection to bilateral talks taking place between the British and French at the same time.

The Secretary indicated that he expected talks with Ambassador Alphand to begin this week in order to determine how the matter could be handled with respect to both NATO and the Afro-Asian area outside the NATO framework. The Secretary said that he had mentioned this latter aspect as the one giving him the greatest concern. The Secretary expressed his belief that both Ambassador Alphand and Couve de Murville were aware of this aspect of the matter and would try to mitigate the effect of it.

The Secretary told Ambassador Caccia that he wanted to add one other thought: He knew of the concern of the United Kingdom with the free trade area and hoped that this problem and the de Gaulle letter would not get mixed up. Ambassador Caccia said that the British view was that this was not a good time to step on General de Gaulle's toes having in mind the free trade problem. He replied to the Secretary's suggestion that he would not want to see a "deal" worked out involving these two problems, that he had never seen a vestige of a sign of a deal. The Secretary told the Ambassador that he did not want this situation to develop in such a way as to jeopardize our excellent bilateral arrangements which could be ruined by any formalization of tripartite arrangements.

Ambassador Caccia mentioned having seen Alphand over the weekend and that Alphand had said the Secretary had asked two

Source: Department of State, WE Files: Lot 72 D 144, de Gaulle Letters. Secret. Drafted by Jandrey.

<sup>&</sup>lt;sup>1</sup>See Document 64.

questions with respect to the de Gaulle suggestions: (1) was it the French idea that the tripartite arrangement would be imposed on the Afro-Asians? (2) Was it clear that there was no intention of exercising tripartite control so far as NATO was concerned?

The Secretary said that these were matters to be discussed bilaterally. He added that if tripartite talks took place, they would become known and this would raise the danger of the contents of the de Gaulle letter also becoming publicly known.

The Ambassador gave the Secretary for perusal a copy of a telegram from British Ambassador Jebb covering his talk with Couve de Murville on the two questions which the British had raised with de Gaulle. (The substance of this telegram is being transmitted to the Department by Ambassador Caccia and will be attached to this memo.)<sup>2</sup>

<sup>2</sup>Not found.

## 66. Memorandum of Conversation

Paris, October 28, 1958.

### PARTICIPANTS

M. Jean-Marc Boegner, Diplomatic Advisor, Cabinet of General de Gaulle Randolph A. Kidder, Counselor of Embassy

De Gaulle Proposals for Tripartite Organization and Reorganization of NATO

When I called on Boegner today to deliver the original of President Eisenhower's letter of October 20,<sup>1</sup> Boegner gave me a monologue on the reasoning behind de Gaulle's position. He said that one must accept the fact that in the world of today great powers have certain responsibilities; this must be recognized by everyone. The United States, for example, has greater responsibilities than France, but France has worldwide responsibilities itself and must be in a position where decisions affecting its interests will not be taken without advance consultation and coordination—he referred in this regard to Quemoy. France was accepted as one of the great powers in 1945, in spite of the period of trial and tribulation through which it had just gone, but as a result of a series of weak and unstable governments it let its position slide. It now has a strong and stable government and must return to the position lost

Source: Department of State, WE Files: Lot 61 D 30, Memos of Conversation—1958. Secret. Drafted by Kidder.

<sup>&</sup>lt;sup>1</sup>Document 63.

through years of weakness. The present flap, resulting from publicity about General de Gaulle's proposals, may be in a sense unfortunate but at the same time it may be serving a useful purpose by bringing the issue to a head. Germany, which is less important militarily than France, and Italy, as well as the smaller countries, will have to get used to the fact that France will play the leading role on the Continent. Boegner expressed the view that these other countries would in the end accept de Gaulle's views and that, as a result of closer cooperation between the United States, the United Kingdom and France, the Free World would be in a better position to face the monolithic structure of the Communist world.

Boegner commented that there is little logic in the argument that the United States should not make decisions affecting other countries on a tripartite basis with the United Kingdom and France without consulting those other countries. He said the way it is now the United States takes decisions affecting other countries on a unilateral basis, or sometimes, as in the case of Lebanon and Jordan, on a bilateral basis with the United Kingdom. He termed the practice of "informing" NATO about our decisions in other parts of the world, such as Quemoy, as inadequate and as being really little but a gesture of courtesy.

On the subject of the Secretary's suggestion to Couve de Murville in Rome that Couve write a supplementary letter to the Secretary, Boegner explained that the General's opposition was based on his belief that such a letter would represent a watering down of his original proposal.

[Here follows discussion of unrelated matters.]

# 67. Telegram From the Department of State to the Embassy in France

October 31, 1958, 8:52 p.m.

1594. Paris for Embassy and USRO. Following is summary Secretary's talk with French Ambassador October 31 on deGaulle letter based on uncleared memo of conversation:<sup>1</sup>

Alphand said French idea was not extend geographic responsibility of NATO. They rather wanted strategic military planning on

Source: Department of State, Central Files, 740.5/10–3158. Secret; Limit Distribution. Drafted by McBride; cleared by the Office of European Regional Affairs, the Executive Secretariat, and Murphy; and approved by Elbrick. Repeated to London, Bonn, and Rome.

<sup>&</sup>lt;sup>1</sup>Not found.

tripartite basis covering such areas as Africa and Middle East as well as political planning. Other NATO parties would not be directly involved. Alphand added French entirely clear tripartite decisions could not engage others. Principal French thought was organize more effectively consultation among three powers who shared extra-European responsibilities and who were (or were about to be) atomic powers.

With regard to procedural aspects, French hoped deGaulle memorandum would remain unpublished but thought line developed in foregoing paragraph could serve for public presentation if necessary. Regarding possibility publicity re tripartite talks if such talks held, French thought there was no reason publicize talks but neither should we seek to hide them. There were ample precedents for tripartite talks in connection with disarmament, German reunification, summit matters, etc. We would simply say deGaulle had addressed message to US and UK, and three nations directly concerned were discussing it.

Secretary thought paper should be developed on public line re tripartite talks. This should refer to deGaulle initiative and fact matter had been discussed with Germans, Italians and Spaak. He thought we should indicate talks here were part of series of exchanges re problem of organizing free world more effectively. Alphand pointed out French would not discuss matter in same terms with Germans and Italians as with UK and US. He thought it would be difficult to speak of tripartite talks as "part of a series".

Secretary noted deGaulle memorandum as now interpreted had nothing to do with NATO and that tripartite framework was justified by French on different grounds. Alphand said NATO might be involved but neither treaty area nor text would be altered. Main stress was on secret tripartite arrangements covering area outside NATO. Tripartite decisions could be reported to NAC if necessary. Secretary concluded French were now presenting quite different approach which, while eliminating certain problems, raises others, and he would wish consider more fully. He noted French idea for tripartite war plans in areas such as Africa and Middle East would raise serious problems.

Alphand inquired if he could report Secretary was not rejecting tripartite talks. Secretary replied he was not rejecting tripartite talks but was considering problem of how to explain them. He added another problem in this worldwide planning operation was that in areas such as Far East only US able and willing make real contribution. If new French approach implied they were willing create power in FE and accept responsibility there, we would be most interested. Alphand said one of French points was that in present situation US could take decisions alone in Far East for instance which might engage France. Secretary noted that under this criterion, many other nations also affected, and this seemed hardly appropriate yardstick. Alphand repeated basic French thesis was that tripartitism justified as including those countries with extra-Atlantic responsibilities and nuclear potentiality. Secretary indicated view US would remain only Free World power able carry financial burden having significant nuclear capability. Furthermore there was question conventional capability in which French contribution greatly reduced as result Algerian war.

Dulles

# 68. Letter From the British Ambassador (Caccia) to Secretary of State Dulles

November 7, 1958.

DEAR MR. SECRETARY: The Foreign Secretary has asked me to let you have for your personal information the attached account of his conversation with M. Couve de Murville in London yesterday about General de Gaulle's ideas on tripartite co-operation.

If you could manage it before leaving for Seattle,<sup>1</sup> I should be most grateful for an opportunity of a word about this. We have had other reports of the General's views from other sources, which I should also like to mention.

Yours sincerely,

Harold Caccia

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret; Personal. A handwritten notation on the source text reads: "Sec saw."

<sup>&</sup>lt;sup>1</sup> Dulles attended the Colombo Plan Meeting in Seattle November 10–13.

# [Attachment]<sup>2</sup>

# RECORD OF CONVERSATION BETWEEN MR. SELWYN LLOYD AND M. COUVE DE MURVILLE IN LONDON ON NOVEMBER 6, 1958

## General de Gaulle's Plan

M. Couve de Murville began our discussion by saying that he wished to make it perfectly plain that there was no connection between the French attitude about the Free Trade Area and General de Gaulle's memorandum of September 17.

2. I asked him to elaborate on the following two points in the General's memorandum:

(a) "A new body". M. Couve de Murville said this did not mean that the General wanted to create a new tripartite body or organization. What he wanted was "organised consultation". Such consultation already took place between the French, Americans and ourselves on matters such as Disarmament and Germany, but it should be extended to other problems of common interest to the three countries, particularly in the Middle East and Far East.

(b) "Joint decisions". M. Couve de Murville said that consultation was pointless unless designed to reach agreement. Perhaps "common position" was a better description of the aim of consultation as the General understood it. There was no question in the General's mind of the imposition of decisions on others, although in practice if France, the United Kingdom and the United States took the same line in NATO, the other members usually followed suit.

3. I said that any too obvious "organised discussion" or "common positions" in NATO would be badly received by others. A continuation and extension of informal private consultation on the present pattern might, however, be possible.

4. M. Couve de Murville said that he quite understood that there must be private United States/United Kingdom consultation on nuclear questions. Nor did he object to action without consultation in emergencies. But there should, if possible, be proper consultation before emergencies arose.

5. M. Couve de Murville said that it was unfortunate that the memorandum had become associated in people's minds only with NATO. M. Spaak had wrongly taken it as directed against himself.

6. There were really two distinct questions which occupied the General:

(a) Consultation, both political and military, outside NATO;

(b) The military reorganisation of NATO covering such matters as areas and commands.

<sup>&</sup>lt;sup>2</sup>Secret; Personal.

As to (a) the General would not be satisfied with the types of political exchange of views now carried on in NATO. (b) was a NATO concern, but the General was not aiming to bring about far-reaching changes in the NATO structure. His main concern was the Mediterranean area where, although the metropolitan departments of Algeria were covered, the French Government felt that the military organisation was not adapted to its task. It should cover the whole of North Africa, including the Sahara, and its planning should be directed towards Libya, Suez and even the Red Sea.

7. I raised the question of "strategic plans especially those involving the use of nuclear weapons" mentioned in the General's memorandum. M. Couve de Murville said that he assumed that the United States Government had strategic plans both in the NATO sector and elsewhere. While the United States disposed of most of the means to carry out these plans, it was very desirable that there should be consultation between the three Powers in this field too. Even if the Americans had no such plans, the other two Powers ought at least to know the position. I said that we surely had adequate general information on United States planning as regards Europe through the Standing Group. I also emphasized that it was most important not to risk prejudicing political consultation by pressing for military information.

8. We agreed that further discussion was best pursued on a tripartite basis in Washington (assuming that we all reached agreement on the press statement<sup>3</sup> and that the discussions actually started). My strong advice to M. Couve de Murville was that the French representative should say very little about strategic plans and should concentrate on political consultation. I underlined the danger of the "institutional" aspect of the General's memorandum.

9. M. Couve de Murville confirmed that he would remain in close touch during the tripartite discussions with other interested NATO countries and that he had done his best to reassure them. He also confirmed that the French Government were opposed to any discussion of the General's proposals at the December NATO meeting, though he recognised that there might be a discussion about political consultation on the basis of a paper produced by M. Spaak.<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> Text of the proposed public announcement for the tripartite talks was transmitted in telegram 1643 to Paris, November 5. (Department of State, Central Files, 740.5/11–558) The announcement stated that the de Gaulle proposals were concerned with better coordination of policies and resources and that the French–U.K.–U.S. discussions were part of a general survey and were exploratory.

<sup>&</sup>lt;sup>4</sup> On November 8, Stoessel indicated that Laloy reported that Couve de Murville's talks with Lloyd on November 6 were confined largely to the Common Market–FTA problem. Laloy had stated that the talks did not advance matters and the atmosphere was "rather heavy." (Memorandum of conversation by Stoessel, November 8; *ibid.*, WE Files: Lot 61 D 30, Memos of Conversation—1958)

# 69. Telegram From the Department of State to the Embassy in France

November 18, 1958, 10:02 a.m.

1797. For Ambassador from Secretary. Re your memorandum November 7<sup>1</sup> you may convey following message verbally de Gaulle:

"President and Secretary both asked me convey their warm personal wishes.

President asked me say once again he hoped very much General would find it possible visit this country. As soon as General finds such visit possible, we could proceed arrange date suitable both President and himself.

Secretary further asked me state he was looking forward to tripartite conversations in Washington on General's proposals.<sup>2</sup>Secretary emphasized he personally admired very much General's courageous and imaginative leadership in working to resolve many difficult problems that had plagued France for so many years. It was his earnest hope that de Gaulle would succeed in building new and strong France that would resume its rightful place in world. Secretary said we had need of de Gaulle's experience and vision in dealing with grave issues that confront West and it was thus his desire that we work closely together to this end. Any formalization of special relationships would be resented in world but this fact should not preclude evolution on ad hoc basis of closer cooperation."

## Dulles

Source: Department of State, Central Files, 751.13/11–1858. Secret; Priority; Limit Distribution. Drafted by Looram; cleared by McBride, Elbrick, Calhoun, and Minnich at the White House; and approved by Dulles.

<sup>&</sup>lt;sup>1</sup> In his November 7 memorandum to Dulles, Houghton outlined a proposed message that he might convey verbally to de Gaulle upon his return to Paris. The text was transmitted in Tedul 2 to Seattle, November 10. (*Ibid.*, 751.11/11–1058)

<sup>&</sup>lt;sup>2</sup> In a telephone conversation with Murphy on November 8 at noon, Dulles said: "He thought all de Gaulle wanted was to crystallize the tripartite relationship. He tells us one thing; he tells others something else. He wants to dramatise before the world France's gradual emergence as a third great power. Anything which will bring about this result, he will accept. If we ask him just what his program is, he will be hard put to come up with something." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

## 70. Memorandum of Conversation

November 20, 1958.

SUBJECT

De Gaulle Memorandum

#### PARTICIPANTS

The Acting Secretary M. Joxe, Secretary-General, French Foreign Office<sup>1</sup> Ambassador Hervé Alphand, French Embassy M. Lucet, French Minister Mr. Livingston T. Merchant, EUR

Mr. Robert H. McBride, WE

M. Joxe said he wished to discuss first the subjects raised in the de Gaulle memorandum. He said this was a vast field, but he hoped we were about ready to discuss it tripartitely. He said the question of tripartitism was implicit and even explicit in the memorandum and thus tripartite talks were one of the main things the French were interested in.

The Acting Secretary said he thought we would be ready about the 26th or 27th of the month, but that we wanted time to notify the Germans and Italians and the NATO Council first. Joxe noted de Gaulle was seeing Adenauer on the 26th.<sup>2</sup> He added he himself had recently seen Adenauer in Germany and they had discussed this matter of more or less permanent tripartite consultation on political and military matters, and that the Chancellor had not been disturbed thereby. The Chancellor was opposed, Joxe added, to a tripartite directorate or specific organism but did not object to regular exchanges among the three countries, provided the effect was not to weaken NATO. Adenauer had added that the Germans were not responsible for any public misinterpretation of de Gaulle's ideas which might have occurred.

Joxe then passed on to the Italian problem which he said was more sensitive. He had discussed this in Paris recently with Folchi, and also earlier in Rome with Gronchi and Fanfani. He thought the Italian ambitions in the Near East and the Mediterranean generally had much to do

Source: Department of State, Central Files, 740.5/11–2058. Confidential. Drafted by McBride and approved by Herter on December 11. See also Document 71.

<sup>&</sup>lt;sup>1</sup> Joxe came to Washington for talks with Department of State officials November 20–21, after meeting in New York with the French U.N. Delegation and with Hammarskjöld.

<sup>&</sup>lt;sup>2</sup> For de Gaulle's record of this meeting at Bad Kreuznach on November 26, see *Mémoires*, pp. 190–191. For a summary of Alphand's report to Dulles on this conversation, see Part 1, Document 40, footnote 1.

with their attitude, and he speculated that they wished special ties with the three powers particularly over Middle Eastern questions. He agreed that before any tripartite talks were to begin the Germans and Italians should be informed. He noted the French would also wish to inform the Italians and Germans of the talks. He thought the draft press release which we had accepted covering tripartite talks was good and was accurate.<sup>3</sup>

The Acting Secretary asked what line the French would follow in general in tripartite talks. Ambassador Alphand said that he would begin with a general exposé of the French thesis, and would answer such questions as were posed and were covered in his instructions, and would refer others to Paris. He said he would cover the following two general categories: first, the question of general strategic organization of the free world and the various potential theatres of operations. Most of this was primarily military and lay outside the NATO area. The second area which he would cover was political and military and related to the better organization of tripartite consultation and planning. If these discussions related to NATO matters, they would be related to NATO. If there were tripartite agreements on these NATO matters, the three would make recommendations to NATO. If there were no tripartite agreement, NATO would be informed anyway. If the discussions related to matters extraneous to NATO, presumably the Council would not be informed.

Joxe said he thought de Gaulle's basic thought was to establish an organic tripartite contact on world problems, including arrangements for nuclear weapons, both tactical weapons and IRBMs. De Gaulle did not wish to damage NATO but he did wish constant tripartite consultation, and some special statute covering nuclear weapons, even if this could not be the same as the bilateral US–UK agreement. He stated that de Gaulle considered NATO a valid instrument of policy but believed it had limitations for France.

Joxe said he thought the US wished to have discussions in NAC on the de Gaulle memorandum and said he did not believe this was a happy idea. Tripartite talks at least in this stage would probably not touch on matters within NATO's competence. If the tripartite talks led to the establishment of common positions, NATO should be informed thereof, but he did not believe there should be tripartite discussions of the substance of the memorandum in NAC simply because de Gaulle had given Spaak a copy on a personal basis. He had gathered that the Secretary's idea was for the three representatives to NATO in Paris to

<sup>&</sup>lt;sup>3</sup> For text of this December 4 Department of State announcement, see Department of State *Bulletin*, December 22, 1958, p. 1012.

discuss the problem with Spaak. He wondered what the US position would be if Spaak recommended that the whole matter should be discussed in detail in NAC.

The Acting Secretary stated that we did not have to discuss every point in NATO, but if matters were discussed in tripartite talks which had been the subject of NATO interest, then we should report our findings to NAC. We must avoid developing in the other NATO countries a suspicion that we were in fact developing a tripartite world directorate. Mr. McBride added we thought from the Secretary's previous talks on this subject that he believed we should inform NAC before the talks started. He had not discussed the exact procedure for keeping NAC informed on the talks after they began but obviously this must be done, even if NATO were not informed of the details of each discussion.

Ambassador Alphand said we could consult Spaak 24 hours before the talks started and the press release was issued. It was noted that the Department had sent instructions to USRO to concert with the British and French Permanent Representatives now regarding an approach to Spaak. We were waiting to hear from Paris the results of this first tripartite talk there. Ambassador Alphand said that he believed the question of continuing NATO consultation was met by the last sentence of the agreed communiqué regarding keeping other interested parties informed.

The Acting Secretary concluded that it was hard to cover this point exactly now since our agenda was unknown. Joxe said he would consider this problem further, and agreed it was probably a good idea to ask Spaak for his views now. Joxe said he would inform Paris of the foregoing and communicate with us further. He thought the problem was to determine where informing the Council stopped and consulting them on each detail began. The Acting Secretary said undoubtedly informing NAC was one of the subjects we would want to discuss tripartitely. It was agreed that the communiqué which we had accepted probably formed the real basis for our handling of the problem of informing NAC.

## 71. Memorandum of Conversation

November 20, 1958.

SUBJECT

Atomic Submarine for France

[Here follows the same list of participants as Document 70.]

M. Joxe said he would discuss a variety of subjects with Mr. Merchant tomorrow<sup>1</sup> but did wish to raise the problem of the atomic submarine for France. He said it had been reported to him that there was now a certain reticence on the US part on this subject. He said it would be more than regrettable, indeed it would be catastrophic, if, after so much discussion, the sending of security teams, etc., the US were not to deliver on this commitment. Furthermore this would nullify much French research which had been done with the clear understanding of US cooperation in this field. He added we must not reverse ourselves on this subject.

Ambassador Alphand said he had seen Mr. McCone on this subject,<sup>2</sup> and added that the latter appeared not to know about the extent to which it had progressed, or about the security investigation which had been held. He said Mr. McCone had said it was not clear that the existing legislation gave the AEC the authority to give France a reactor for example for this purpose. He quoted Mr. McCone as saying that the legislation was subject to varying interpretations on this point, but concluded that Mr. McCone had been pessimistic. Ambassador Alphand said he had been shocked to learn that if Senator Anderson did not accept the interpretation that the existing legislation gave the necessary authority, the whole effort to obtain a nuclear submarine for France would have to start over again.

The Acting Secretary said that the President would have to make a certification on the security point, following receipt of a recommendation from the AEC and the Defense Department. The legislation was

Source: Department of State, Central Files, 740.5/11–2058. Confidential. Drafted by McBride and approved by Herter on December 11. See also Document 70. Another copy of this memorandum of conversation is in Department of State, Central Files, 751.5621/11–2058.

<sup>&</sup>lt;sup>1</sup> During a luncheon with Merchant on November 21, Alphand and Joxe briefly mentioned the tripartite talks. Alphand suggested that "NATO not be brought into these talks but that we might inform Spaak personally regarding them." He said that he expected no difficulty with the Germans and that the Italians were the most difficult. (Memorandum from Murphy to Merchant, November 21; *ibid.*, WE Files: Lot 72 D 441, de Gaulle Memos, Nov. 1–Dec. 31, 1958)

<sup>&</sup>lt;sup>2</sup> No record of this meeting has been found.

curious in not permitting the President to take the initiative without the receipt of advice from the AEC and Defense. Ambassador Alphand said Mr. McCone had said he must see Senator Anderson on this problem. This was a surprise to the French as they had thought this point had been clear. The Acting Secretary noted that the AEC could act only as a body and that the Chairman could not proceed alone. Furthermore the AEC was very much subject to the Joint Committee on Atomic Energy of the Congress.

Ambassador Alphand concluded that the French wished to send a team here on this subject in early December so that the agreement could be signed before Congress convened, and the lying-in period could begin promptly in January.

## 72. Memorandum of Conversation

November 28, 1958.

SUBJECT

Atomic Cooperation

#### PARTICIPANTS

M. Hervé Alphand, French Ambassador M. Charles Lucet, Minister, French Embassy The Secretary Mr. R.H. McBride—WE Mr. L.D. Brown—WE

The Ambassador said that he thought that the matter of U.S. assistance to France in regard to an atomic submarine had been settled in principle. France, he noted, wanted to send a mission to the U.S. soon to negotiate the appropriate agreement and to have this negotiation underway before the NATO Ministerial Meeting. He wondered if there were reasons for what seems to be a delay.

The Secretary replied that there seem to be difficulties. Although he had not yet received formally the report of the security investigation, he

Source: Department of State, Central Files, 751.5621/11-2858. Secret. Drafted by Brown.

understood that there would probably be some problems to be ironed out. It may not be possible to so do before the December NATO meeting. When the report is received, it will be studied to see if the problems it raises can be dealt with at the same time that negotiations are underway. This may prove to be impossible.

The Ambassador said that he had recently talked to Admiral Rickover who had expressed his opposition to assisting France in obtaining a nuclear submarine.

The Secretary replied that the principle had been decided by the President. There is no desire to evade assurances given last year and repeated to General deGaulle in July.<sup>1</sup>

<sup>1</sup>See Document 34.

# 73. Memorandum From the Assistant Secretary of State for European Affairs (Merchant) to Acting Secretary of State Herter

November 28, 1958.

SUBJECT

Franco-American Relations

Since my return<sup>1</sup>I have been both struck and disturbed at the manifest deterioration of our relations with France. Of course for a number of years we had always expected that the return of General deGaulle, if it occurred, would make our problems with the French more difficult, and that France, under these conditions, would follow a more nationalistic line. Our fears have certainly not proved groundless. At the present time there are an inordinate number of problems which are causing difficulties in our relations with the French. Most of our problems both in NATO and in the UN in some way involve the French. The over-all state of our relations can only be summarized as unsatisfactory. In view of the

Source: Department of State, Central Files, 611.51/11-2858. Secret. Drafted by McBride.

<sup>&</sup>lt;sup>1</sup>Merchant was Ambassador to Canada until November 6 and became Assistant Secretary of State for European Affairs on November 18.

fact that we have been able to give little or no satisfaction to France on most of these problems, I am concerned that there may be a major blowup on the General's part, and that we may be publicly blamed for current difficulties in which France may find itself. These problems currently fall into three principal areas: (1) Africa, (2) Europe, and (3) atomic and disarmament questions.

Under the first general heading should be listed the following:

1) UN debate on Algeria.

2) Activity of FLN agents in US.

3) Moroccan base negotiations and "Moroccanization" of US bases through elimination of French intermediary role.

4) Tunisian arms and continuing Tunisian demands for additional arms even after completion of the present program.

5) Guinea, with a special reference to UN admission during present UNGA session.

6) Cameroons, problem of resumed session of UN.

Under the second general heading should be listed:

- 1) DeGaulle Memorandum.
- 2) Common Market and Free Trade Area.

Finally, under the third category should be listed:

- 1) IRBM's for France.
- 2) NATO atomic stockpile.
- 3) Atomic submarine.
- 4) Treaty on suspending nuclear tests.
- 5) Maintenance of disarmament "package".

6) Undesirability of any European zone resulting from surpriseattack talks.

It would be too lengthy to detail the differences of US and French views on all of these problems, most of which are extremely well known to you already. However, it makes an impressive list and in almost every case there is a serious divergence of view. Although the problems are of a different nature and in many of these cases it is impossible to give any degree of satisfaction to the French, I nevertheless believe that we should examine all French problems confronting us in the light of our total relationship with France, and the extremely thorny nature of our relations at the present time. It is for this reason also that our tripartite talk in Washington on the deGaulle memorandum may be of some use in smoothing down the generally ruffled nature of French feathers. While it is unlikely that we can give satisfaction to any of the principal objectives of deGaulle in the memorandum itself, it is possible that our acceptance of a tripartite Foreign Ministers meeting in Paris at the time of the NATO meeting would also be most helpful in this context.

In certain other fields we are also attempting to satisfy French feeling. There is relatively little that can be done in Morocco or Tunisia, but we should certainly make every effort to mitigate a bitter debate on Algeria in the UN. Likewise, we must continue to make every effort to prevent the issue of Guinea's membership in the UN from arising, although success of these efforts appears extremely unlikely. We should also continue to give serious consideration to abstaining in the event that a debate does arise in the Security Council. Likewise, it is possible that we may be able to solve the submarine problem and we are making efforts in this direction. It would also be highly desirable to continue to give as much weight to French views as possible in connection with the possible breaking of the link between the cessation of nuclear tests and progress in other aspects of disarmament. Furthermore, we should also continue to oppose the concept of a limited European zone which the Soviets have fostered through the Rapacki Plan and other maneuvers.

Conclusion: There is perhaps little that can be done to improve our relations with deGaulle at this time, given the complex and fundamental nature of most of the problems involved and the difficulty of the U.S. position which is satisfactory to the French. However, in view of the very wide ranging nature of these problems it would be desirable if the totality of our relationship with the French could be considered in dealing with each of these individual problems. This is particularly true in the light of certain French policies which we desire to continue to foster—especially the French contribution to NATO, the development of a stable French Community, an Algerian settlement, the settlement of the Free Trade Area question, the continued non-recognition of Communist China by France.

We should, however, gratefully note that there now appears to be no basic difference between the French and our own reaction to the Soviet note of November 27 on Berlin.<sup>2</sup> Moreover, de Gaulle's attitude insofar as it has been revealed seems stout with respect to the U.S.S.R.

## 74. Telegram 2020 From the Embassy in France to the Department of State

Paris, November 29, 1958, 5 p.m.

[Source: Department of State, Central Files, 740.5/11–2953. Secret; Limit Distribution. 1 page of source text not declassified.]

<sup>&</sup>lt;sup>2</sup> For text of the November 27 Soviet note on Berlin, which proposed the transfer of East Berlin from Russian to East German jurisdiction and the establishment of a "free city" of West Berlin, see Department of State *Bulletin*, January 19, 1959, pp. 81–89.

# 75. Telegram From the Embassy in France to the Department of State

Paris, November 29, 1958, 6 p.m.

2023. For Secretary. Saw General de Gaulle this afternoon and conveyed orally messages Deptel 1797<sup>1</sup> which evidently pleased him.

As to President's invitation to visit U.S. he replied that though he would like to come he could not leave France in the foreseeable future for any length of time. He commented that his trip to see Adenauer was really not a trip at all as he was absent only a few hours.<sup>2</sup> He expressed the hope that the President one day would again visit France.

Referring to Secretary's messages he said that although tripartite meetings were not exactly taking the course he originally foresaw he agreed that they should proceed in Washington and "we will see what develops."

In conclusion he made reference to seriousness of Berlin problem. Houghton

## 76. Editorial Note

France held its first National Assembly elections under the Fifth Republic on November 23 and 30. The Gaullist Union for the New Republic (UNR) won 188 seats; the National Center of the Independents (CNI), Rightists, also known as Moderates, 133 seats; the Popular Republican Movement or Catholic Center Group (MRP) and the Christian Democracy (CD), 57 seats; the French Socialist Party (SFIO), 41 seats; the Radicals and Center-Left, 37 seats; the Communists, 10 seats; and the Far Right or Poujadists, 1 seat. In telegram 2041 from Paris, December 1, Houghton wrote that the massive Gaullist vote was evidenced not only

Source: Department of State, Central Files, 751.13/11–2958. Secret; Limit Distribution. A handwritten notation on the source text indicates that a copy of the telegram was sent to the White House.

<sup>&</sup>lt;sup>1</sup> Document 69.

<sup>&</sup>lt;sup>2</sup> See footnote 2, Document 70.

by UNR's large success but also by the fact that the traditional parties, which took a pro-Gaullist stand, gained or held their own while those parties that took a negative or equivocal position, such as the Communists, Radicals, and Poujadists, were the main losers. (Department of State, Central Files, 751.00/12–158) In despatch 1052 from Paris, December 15, Kidder wrote a detailed analysis of the election. (*Ibid.*, 751.00/12–1558)

On December 21, a special college of "grand electors" named General de Gaulle to a 7-year term as President of the Republic beginning January 8, 1959. In a December 23 message, Eisenhower wrote de Gaulle: "May I express my sincere congratulations on your election as President of the French Republic. I know that I speak in behalf of all the American people when I wish you continued success as the leader of the great country which we are proud to call our oldest ally." This message was transmitted in telegram 2270 to Paris, December 23. (*Ibid.*, 751.11/12–2358)

### 77. Memorandum of Conversation

December 4, 1958.

#### SUBJECT

Tripartite Talks, December 4

#### PARTICIPANTS

M. Hervé Alphand, French Ambassador

- M. Charles Lucet, French Minister
- M. Jean de la Grandville, French Counselor

Lord Hood, U.K. Chargé

- Mr. Charles Wiggin, First Secretary, UK Embassy
- Mr. Robert Murphy, Deputy Under Secretary
- Mr. B.E.L. Timmons, RA
- Mr. Robert McBride, WE
- Mr. Robert Donhauser, G
- Mr. L. Dean Brown, WE

Source: Department of State, WE Files: Lot 72 D 441, de Gaulle Memos, Nov. 1–Dec. 31, 1958. Secret; Limit Distribution. Drafted by Brown. A summary of this conversation was transmitted in telegram 2041 to Paris, December 4. (*Ibid.*, Central Files, 740.5/12–458)

After Mr. Murphy opened the meeting, Ambassador Alphand said that the French Government wanted the talks to be informal and exploratory. There were "no commitments". This would permit free and frank discussion.

Mr. Murphy agreed and said he would like to raise three preliminary points. First, all three should stick to the supplementary press guidance.<sup>1</sup> (M. Alphand and Lord Hood confirmed this was acceptable to their governments.) Second, there was the problem of informing NATO. So far, he noted, this had gone smoothly<sup>2</sup> but he wondered how it should be handled in the future.

M. Alphand said that a decision on this matter could not be made until we had seen how the talks would go. As the French proposals do not directly concern NATO, the French would oppose informing the Council. If, however, substantive matters are discussed which are of interest to NATO, the same process as was earlier used could be employed again. The French Government wished to avoid NAC discussion of the talks as this could lead to grave difficulties.

Mr. Murphy reserved the U.S. position, stating that it would be necessary to say something to NATO soon.

Lord Hood said that we would have to be more forthcoming with NATO, especially if we had several meetings. He echoed Mr. Murphy's observation that we would have to inform NATO soon. M. Alphand did not appear to relish the prospect. It was agreed that further discussion of this point would be deferred.

As a third point Mr. Murphy said he wanted to bring up the question of further meetings. He thought it possible to hold one more, perhaps on December 8 or 9, before the NATO Ministerial meeting.

M. Alphand thought there might be time for two meetings before his departure for Paris on December 12. He added that the three Foreign Ministers could pursue the discussions in Paris.

It was agreed that this suggestion would have to be considered further in light of progress made.

Mr. Murphy then offered the floor to M. Alphand.

<sup>&</sup>lt;sup>1</sup> A copy of the press guidance that provided statements to be used by press spokesmen in answer to possible questions about the tripartite talks is attached to the December 2 memorandum from Merchant to Murphy. (*Ibid.*, WE Files: Lot 72 D 441, de Gaulle Memos, Nov. 1–Dec. 31, 1958)

<sup>&</sup>lt;sup>2</sup> On December 1, the Italian and German Embassies were informed of the plan to have these talks. On December 2, the matter was discussed with Spaak, and on December 3, the three Permanent Representatives informed the other twelve on an individual basis. (Memorandum from Merchant to Dulles, December 3; *ibid.*) The French Government agreed to this method of informing the members of the NAC 24 hours before the tripartite talks, a proposal made by Merchant. (Memorandum of telephone conversation between Merchant and Alphand, November 27; *ibid.*, Central Files, 740.5/11–2758)

The Ambassador said this was a delicate subject. The terms of reference of the tripartite group are those laid down in the jointly-agreed communiqué.<sup>3</sup> The original memorandum must be studied. The "tripartite group" would then have to consider what recommendations it wishes to make to implement the ideas in the memorandum. Assistance of NATO and military experts might be needed.

The French aim, he said, is to reinforce and make more efficient the alliance. The General's ideas are inspired by the fact that NATO no longer corresponds to the present day situation in the world. When NATO was created ten years ago as the result of the Prague coup, the Soviet threat was military and European. The threat still exists but has changed directions. It is, as M. Spaak has pointed out, global. It extends to political and economic fields. NATO has become "too narrow". For example, it does not cover North Africa or the Middle East, yet these areas have become the southern flank for the defense of Europe. In time of war these areas would undoubtedly be areas of operation. There is the problem of Black Africa and Communist infiltration there. There are dangers in the Indian and Pacific Oceans. Developments in all these areas affect the three. NATO is like the Maginot Line. It is admirable in its way but doesn't cover the whole front. It can be outflanked by the Communist threat.

The second consideration, he continued, is the weapons field. There have been great changes therein in the past ten years. All areas are now targets. Long range missiles had made the NATO defense zone militarily meaningless. In 1949 the U.S. had had a monopoly of atomic weapons. Unfortunately (in the sense that the Soviets now have them), this is no longer true. Mr. Dulles had long ago recognized the limitations of NATO. Testifying before the Senate Foreign Relations Committee in 1949, he had said that a shortcoming of NATO was the fact that it was not adapted to the scope of the situation.

Various remedies, Alphand continued, have been tried. Since the report of the three Wisemen<sup>4</sup> we have expanded political consultation. This is insufficient, as Spaak himself recognized in his recent report.<sup>5</sup> The French proposals are entirely different but do not mean that any reduction in this consultation is desired. The second remedy tried has been the creation of new pacts. These are useful but leave some danger

<sup>&</sup>lt;sup>3</sup>See footnote 3, Document 70.

<sup>&</sup>lt;sup>4</sup> For text of the Report of the Committee of Three on Non-Military Cooperation in NATO released by NATO on December 14, 1956, see Department of State *Bulletin*, January 7, 1957, pp. 17–28.

<sup>&</sup>lt;sup>5</sup> Reference is to Spaak's Report on Political Consultation, which was discussed at the NAC meeting on December 17. See Part 1, Documents 169 and 170. No copy of the report has been found.

areas uncovered. Coordination between pacts is lacking and suggested machinery to overcome this deficiency would be cumbersome. The French proposals are simple. They are designed to secure world-wide coordination. France, he said, attaches great importance to the outcome of the talks. The French proposals have two parts. The first is political and strategic. General de Gaulle proposes a U.S./U.K./French organization on this plane which will seek to arrive at common decisions on matters concerning world security. Why three countries? Because their interests are wider than those of the other 12 in NATO. The U.S. and U.K. are atomic powers; France will become one in a few months. Admittedly, the U.S. will remain the major nuclear power but France will possess great destructive capability. This organization would not be a "directorate", a term invented by the press. It could never be that. Instead it would be organized, regular and permanent consultation not just on urgent cases (he mentioned Lebanon, Jordan, Quemoy and Suez) but would also provide for long range planning so that there would be no surprises as the French had experienced in recent cases. Risks thus far taken have been too great not to have been preceded by such consultation. Consultation exists already for Germany and disarmament. This should be extended. Since the proposed organization is not a directorate, no veto by one of the others' policies is involved. Decisions would not be imposed on fourth powers let alone on NATO, but prior agreement among the three would make the agreement of others easier to obtain. This, he noted, has been true in NATO. The French proposal, he repeated, is general consultation of the three, "outside NATO", on all matters of importance in the world. NATO, of course, would be kept informed of matters which relate to it.

The second part of the proposal is purely military and "outside NATO." There is no intention of extending the political guarantees of NATO to other countries. It is not likely that the Scandinavians would agree to this. Furthermore, areas which might naturally be covered (he cited Libya, Morocco and Tunisia) would probably not accept coverage. "Military dispositions" of NATO, however, should be re-organized to take into account other theaters of operation. As an example, thought has to be given to the coordination of African commands with European commands. There has to be blueprint planning of what to do in case of war contingencies or emergency situations in other areas. It was ridiculous that the Standing Group does not consider contiguous areas. Whether this requires a revision of the treaty is a matter for the experts to consider. The French hope their proposals can be carried out without treaty revision.

Mr. Murphy thanked the Ambassador for this clarification. He expressed misgivings at the thought of another institution being established as this could lead to doubt and suspicion among our allies. He asked if the process of day-to-day bilateral consultation could not serve the same purpose. He then emphasized his belief that Europeans tend to overlook the tremendous step taken by the United States in 1949 in ratifying NATO. Other NATO powers, he noted, also share the risks and responsibilities. Perhaps what is called for is an expansion of political consultation within NATO rather than a narrower three-power organization which is bound to cause doubts. While other NATO countries might agree with much of the French analysis, they might not necessarily agree to the suggested cure.

M. Alphand said that political consultation within NAC should be continued but it is insufficient. Additionally, the three powers should go into the Council with common views and not have surprises.

Mr. Murphy commented that the speed of events sometimes makes full prior consultation impracticable.

Lord Hood said that General de Gaulle has put his finger on the problem of the new direction of the threat, a subject which has been of concern to the U.K. for some time. The question is what remedy should be sought. France has proposed its idea of a remedy. The clarification which Ambassador Alphand has provided is helpful. He has said, continued Lord Hood, that there is to be no directorate, that there is no idea of imposing decisions on others, and that there will be no veto. Lord Hood then asked if the French proposal is basically organized and regular consultation.

M. Alphand agreed, adding that the aim of this consultation is to establish common positions and agree on common action.

Lord Hood stated that this poses problems. The Italians and Germans believe they are of comparable stature. The smaller countries will think the three are trying to impose decisions on them. As for the U.K., it has its special relationship with the Commonwealth to consider, and there is indeed the problem of most of the free world, committed or uncommitted.

Lord Hood expressed his belief that if anything were to be undertaken in this field it would have to be kept most informal and institutionalization avoided. He asked if the French had specific proposals as regards machinery.

M. Alphand replied that General de Gaulle has not been specific on this point. As a personal view he said that he believed that the organization should logically be set up in Washington, where the Standing Group and the Military Planners (possibly he meant the Military Committee) are. The talks could be conducted by the Ambassadors and the representative of the Secretary of State with the help of the highest representatives of the military available, e.g. the Standing Group acting in national capacities. This would give the Standing Group people a new hat as advisers. They would concern themselves with the second part (military) of the French proposal in a non-political and purely military context.

Lord Hood asked if a secretariat or staff would be needed. M. Alphand said this did not seem necessary but would really depend on how the organization developed. Lord Hood asked if it would have a name.

M. Alphand said that he did not think this necessary. He repeated that he visualized a system of organized consultation with a regular schedule.

Mr. Murphy asked if the French Government had a written agreement in mind.

M. Alphand said that an exchange of letters might be required.

Mr. Murphy asked if we could consider the past to see how consultation might work. He suggested we consider how we would have handled the Formosa or the Lebanon matter; as these are mentioned in the French memorandum.

M. Alphand digressed to state that in consultation there would have to be a study of all areas, from the economic, political and military view.

Lord Hood commented and Mr. Murphy agreed in terms of volume and scope of work this would be a very large undertaking.

M. Alphand said he could foresee consultation taking place on a series of levels and in other capitals: heads of government, foreign ministers, experts.

M. Alphand here asked to go off the record in order to give some completely personal views. He said that he thought General de Gaulle had very much in mind the wartime relationship of Roosevelt, Churchill, and Stalin from which the General had been excluded. The three leaders had consulted and planned on a world-wide basis. General de Gaulle wants a similar relationship with the President and Prime Minister Macmillan with Khrushchev excluded. It is this thought which seems to constitute the inspiration for the present proposals which are very personal to de Gaulle.

Lord Hood said that wartime conditions are necessarily different. The idea of regular tripartite meetings on all levels in peacetime would be most difficult. He then asked if it were the Russian threat these proposals were aimed at or whether, for example, they included political development in Africa.

M. Alphand said that the proposals are directed towards meeting the Soviet threat. He noted that this threat and emerging nations often mingle and the whole matter would need study.

At Mr. Murphy's suggestion he then reviewed the history of de Gaulle's proposals. These go back to conversation the General had had

with Prime Minister Macmillan and Secretary Dulles. He had promised each one that he would submit his thoughts in writing. This had been done. These were shown to Spaak on a private basis. Unfortunately, they were leaked. The French gave the papers to the Italians and Germans in Paris. De Gaulle saw Adenauer. Couve de Murville had discussed the subject with Lloyd. Joxe had seen Fanfani. Alphand has talked with the Secretary several times. Courcel had discussed the proposals with all the NAC Permanent Representatives in Paris.

Mr. Murphy commented that all these conversations implied that other countries had a legitimate interest in the tripartite talks. One result had been that the impression was left that the talks would have an effect on NATO. He then reverted to the wartime relationship of the three leaders, noting that it had developed in a natural way. At that time, it had not been deliberately brought to the attention of other countries, which does not seem to be the case in the present situation. He questioned whether the injection of the question into NATO was wise.

Lord Hood said that we must be careful not to give the impression that we are trying to fix things up behind the backs of others. Because of the need to avoid so doing, the U.K. Government tends to oppose any formalization or institutionalization of consultation.

Ambassador Alphand said this is probably due to the fact that the English have no written constitution. The French tend to be more legalistic. He could not say what form the organization should take or how it would be established, perhaps by formal written agreement, perhaps by an exchange of letters, or even perhaps by an oral understanding.

Mr. Murphy drew attention to the General's references to the Middle East and Formosa in the memorandum. He asked how things would have been different if tripartite "agreement" had existed.

M. Alphand said that in the case of Formosa the United States had primary responsibility. The French Government had been unable to express its views as to the possible effect elsewhere of actions taken or contemplated in the Far East. Tripartite consultation would have provided the opportunity.

Lord Hood questioned this, pointing out that the French Government had been at perfect liberty to make known its views through the usual diplomatic channels as indeed the U.K. Government had done.

Mr. Murphy said that the door was always open and he could not understand what prevented the French from discussing such matters bilaterally.

M. Alphand said that the French proposals are not solely concerned with discussing matters on a "crash basis." They were also looking towards establishment of common views in advance. Mr. Murphy said that this would imply detailed planning covering every area and every eventuality.

M. Alphand replied affirmatively, adding that one would have to start with obvious threats in obvious areas.

Mr. Murphy asked if, for example, the group would try to make intensive studies and have contingency plans for each country in the Middle East as well as area plans and studies.

M. Alphand said that this is what the French have in mind.

Mr. Murphy said that something more than consultation is clearly involved. The French Government is attempting to set up common policies and common programs of action. It would involve basic strategic planning. It went far beyond the concept of informal consultation. It would call for a large organization with a large staff.

Lord Hood said that the French seem to want military planning which was beyond his competence to discuss. He expressed the hope that there is no intention of tinkering with the text of the North Atlantic treaty. He asked if M. Alphand could elucidate.

M. Alphand said that military planning is definitely a part of the French proposals. For example, the military planning for the defense of Europe should be coordinated with that for the Middle East and for North Africa.

Lord Hood said that in reaching remedies for the problems of the Western alliance, the French Government seems to be discarding not only the report of the Wisemen but also other regional organizations. He asked why the military planners of these groups could not work together.

M. Alphand said it would be much simpler for the three to study such matters and that Mr. Macmillan himself had said the existing organizations were "too cumbersome."

Reverting to the Lebanon case, Mr. Murphy noted this had happened swiftly.

Lord Hood noted that difficulties which had arisen in the Lebanon crisis did not come from inadequate consultations. There had been a basic difference on policy on this issue with France.

Mr. Murphy asked what procedures the French had in mind if the three discussed matters which concerned other countries; how would they be informed; would there be a tripartite approach to them.

M. Alphand said that first a tripartite approach would have to be established. It could then be tried out on the others.

Mr. Murphy then referred to the text of the de Gaulle memorandum and expressed his apprehensions at the use of the word "subordinate" in Point Three. He asked if this meant that France would not cooperate in certain defense programs presently before NATO. Air defense and the atomic stockpile were cited as examples.

(The discussion became confused at this moment with M. Alphand making a series of statements, some actually contradictory.) M. Alphand said that the French Government believes it absolutely necessary to "organize cooperation." If this is not possible France would want to freeze things as they are, as NATO is no longer adapted to the present situation.

M. Alphand admitted that he did not know how revision of NATO could be achieved. But if France can't get the tripartite consultation it seeks and NATO remains unchanged, then France has no interest in NATO in its present form. In short, France has to reserve its right to "denounce" NATO or seek a revision of the treaty.

Lord Hood said that it surely could not be the French intention to destroy NATO.

Mr. Murphy said that the French would not want to paralyze NATO or reduce its effectiveness. He said that he did not understand how this French position on subordination and revision related to tripartite consultation. Lord Hood and he agreed that the French seem to be confusing two completely separate issues.

Ambassador Alphand started to retreat. He said the French do not propose to take no active role in NATO. Essentially the French reserve their position on their right to seek revision of the treaty pending these consultations. If it should turn out that a tripartite group cannot be established without revision (so as to take care of theaters of operation, etc.) then it might be necessary to revise NATO. The French intention, he stressed, is to reinforce the defense of the West. NATO seems to be inadequate for this aim. If it can be achieved without revision, fine; if not then revision is necessary.

Mr. Murphy said that NATO is a regional grouping as contemplated by Article 52 of the U.N. [Charter].<sup>6</sup> It is not intended to be a universal organization.

Ambassador Alphand argued that experts might discover that we could not coordinate NATO and North Africa militarily without changing the treaty.

Lord Hood said tentatively that it might be possible to implement the second part of the General's proposal without treaty revision. He wondered if the French were thinking in terms of establishing joint

<sup>&</sup>lt;sup>6</sup> Article 52 of the U.N. Charter states that nothing in the Charter precludes the existence of regional arrangements for dealing with the maintenance of international peace, provided such arrangements and their activities are consistent with the purpose of the United Nations.

command structures outside the NATO area, as, for example, in North Africa, for planning in case of war. (M. Alphand did not comment on this.)

Mr. Murphy noted the risks we run in letting the NATO treaty be opened to revision. The Soviets have long aimed at breaking up NATO. We should not give them opportunities.

Mr. Murphy then pointed out that there are some fears that certain NATO defense programs are being held up. General Norstad seemed to be worried by this. The LOC had just been settled, however, and he felt sure no "freeze" existed. There are the problems of the atomic stockpile and air defense. There was no reason to be suspicious but he wanted to draw these matters to M. Alphand's attention.

M. Alphand said that there is no connection between these matters and the de Gaulle proposals. While he was not informed in detail on them, he felt sure that they are military problems which can be treated on their merits. If there is uneasiness, he added, it should be expressed by the State Department in Paris.

Lord Hood summed up by saying that he was sure that the U.K. Government would feel that it was being asked to enter a "vast enterprise." London would not be antagonistic to the development of tripartite consultation but would want to see a pragmatic approach, discussing appropriate subjects ad hoc. While the discussion had clarified some points, it would be helpful if the French could define more precisely the fields where they want to see a start made.

M. Alphand said that he would seek further instructions. As de Gaulle is handling the matter personally, he might be unable to get any reaction until after the General had returned from his Algeria visit on December 8.<sup>7</sup>

It was agreed that another meeting would be held before M. Alphand's departure for Paris next week if French reactions are available before he leaves.

<sup>&</sup>lt;sup>7</sup> De Gaulle visited Algeria December 3–7.

### 78. Memorandum of Conversation

December 10, 1958.

#### SUBJECT

Second Tripartite Meeting, December 10

#### PARTICIPANTS

M. Herve Alphand, French Ambassador M. Charles Lucet, French Minister Sir Harold Caccia, U.K. Ambassador Lord Hood, U.K. Minister Mr. Charles Wiggin, First Secretary, U.K. Embassy Mr. Robert Murphy, Deputy Under Secretary Mr. Robert McBride, WE Mr. Russell Fessenden, RA Mr. Robert Donhauser, G Mr. L. Dean Brown, WE

Mr. Murphy opened the meeting by stating we were anxious to hear the replies of Paris to the questions asked at the December 4 meeting.<sup>1</sup>

M. Alphand said that he had no answers but rather more "preliminary" questions on which the French Government wanted our views. In response to a query he said General de Gaulle had seen our questions and had personally studied the matter. The French counter questions were, in fact, General de Gaulle's own.

Ambassador Alphand read the questions, first in English and then in French. (As they were couched in the first person form, it was obvious that de Gaulle had, in fact, taken a hand in the drafting of Alphand's latest instructions.)

The questions were:

(1) Is it possible or not to establish a program of common action related to world problems (citing Berlin, Iran, Communist infiltration in Africa, the Middle and Far East) with such a program to be so constructed as to restore the initiative to the West and not let it be or appear to be a prerogative of the East? For example, could there not be common economic and social planning for underdeveloped countries and a common political policy towards them instead of always finding ourselves in a position of having to counter Communist moves ad hoc.

(2) Is it possible or not on the military level for the three to act strategically in common in case of military conflict anywhere in the world?

Source: Department of State, Central Files, 740.5/12–1058. Secret. Drafted by Brown. <sup>1</sup> See Document 77.

This would entail advance planning taking into account our other allies. An example would be the decision whether or not to use nuclear weapons.

Continuing to read from his instructions, M. Alphand said that the aim is to establish a "permanent and organized agreement" among the three. This aim and the questions, he continued, should be studied before we go into such details as to where the organization should be or who would take part.

Lord Hood asked M. Alphand to explain his ideas on what the first question meant.

M. Alphand said that the Soviets always take the initiative or we react to what they are doing. The West should have its own plans so that it can take the initiative. The General certainly wanted to establish a program of common action and he believed we tend to act in a disorderly manner and occasionally get in each other's way.

Lord Hood asked if this meant that the three should draw up plans and then, when they are to be executed, bring in others.

M. Alphand replied affirmatively.

Mr. Murphy asked if this would mean specific plans for all countries and areas or an overall plan for all.

M. Alphand said that it would have to be a series of plans. Some would be drawn up now, others later. There should be a harmonization of our positions on aid to underdeveloped countries. This is but an example.

Sir Harold asked if it were the French proposal that the first action under the proposed formula would be to list all the problems. After these were identified, a study could be made of how they were to be treated. It is not as if the question of aid to underdeveloped areas has not been studied at length; it has. It is additionally a question whether this is really a subject the three could deal with. There are many organizations already in the field. The UN, the Colombo plan,<sup>2</sup> unilateral programs, the Bank, and the Fund<sup>3</sup> are but examples. Would it be the thought that all these should be taken into account and a master plan drawn up?

Mr. Murphy asked if it would rather be ad hoc, such as a special study of a problem as Indonesia.

M. Alphand said that it was not just the General's intention to draw up a list of problems. It was more to set up a program of action throughout the world and to study the means of solving the problems.

<sup>&</sup>lt;sup>2</sup> The Colombo Plan for Cooperative Economic Development in Southeast Asia, established by the United Kingdom in 1950, included Ceylon, India, Pakistan, and the British territories of Malaya and Borneo.

<sup>&</sup>lt;sup>3</sup> Reference is to the Export-Import Bank and the International Monetary Fund.

Mr. Murphy said that this is being done, as, for instance, with the Colombo plan.

M. Alphand agreed but said that there are problems to which insufficient attention has been paid. Two of these, for example, are Sudanese cotton and Icelandic fish.

Mr. Murphy questioned this, saying that in the case of Iceland there has been multilateral consideration through the OEEC and there has been considerable consultation on the problem bilaterally as well as multilaterally. Solutions, he noted, are not easy to work out.

Mr. McBride pointed out that the Soviet economic threat has been studied and discussed by NATO political advisers for at least eighteen months.

Mr. Caccia said that the General's idea on the economic side seems to be that we should study what is being done, then ask if it conforms to a pattern, and finally assess whether it is good enough.

M. Alphand replied that the general idea is to draw up common plans for areas where there is a Soviet menace. In the past there have been differences among the three. There was no desire to destroy that which exists. The objective is to achieve, at least, some degree of advance tripartite agreement.

Mr. Murphy asked if the French mean to draw up a list of problems not covered satisfactorily by existing arrangement and then for the three to meet and formally to thrash them out.

Mr. Caccia pointed out that what had been done would have to be taken into account. If the proposals were as he understood them, we would need a large research staff.

M. Alphand said he wanted to repeat what he had stated during the last meeting: France does not oppose NATO consultation. It believes that it would be easier to get solutions if the three have an advance agreement.

Mr. Murphy said that the French proposals go far beyond NATO. Perhaps it had been unfortunate that so much emphasis had been placed on NATO in earlier discussions and in the memorandum itself. Other organizations exist and are as much concerned. The OAS and SEATO are but examples.

M. Alphand said that NATO had been cited only as an example of an organization which is not sufficient. But the questions put to him have been about machinery. The French Government wants to know the reaction to the questions of principle. If our reply is along the line that de Gaulle's plans are "too big" or that there is "too much else in the field", then there is little point in talking about details or, in fact, in continuing the discussion. Sir Harold said that he believed that one had to get down to details before one could decide if the French proposals are practicable. This would be true in any study of the under-developed countries. In such a study one would have to know who the other donors might be; there are, of course, lots of recipients. It would be difficult not to bring other donors into the discussions at an early stage.

Mr. Murphy pointed out that the United States already has a large Mutual Assistance program. Would this be subject to discussion and debate among the three? Would the French-proposed organization pass on United States plans?

M. Alphand said that France too has a large program in relation to its national product. It gives as much in francs as the United States does in dollars. Programs should be concerted. Consultation would not interfere with unilateral programs but would ensure that they are adapted to each other.

Sir Harold noted that most countries giving aid are already committed.

M. Alphand repeated that it is not the French idea to abandon present programs. The French understand Commonwealth commitments.

M. Alphand then said that on the political level there must be better coordination and consultation. The French do not want to be surprised as they had been several times in the past few months.

Mr. Murphy and Sir Harold both said that surprises sometimes cannot be avoided. The coup in Iraq had taken even Nuri Pasha by surprise.<sup>4</sup> It is not reasonable to blame the West for not having uncovered in time the plot in Iraq.

Mr. Murphy asked if the French had in mind a sort of international military staff to prepare contingency plans for every eventuality in every country.

M. Alphand said that if he understood his instructions correctly this was the case.

Sir Harold, emphasizing that he was asking questions in order to explore and not making any commitments, repeated again his early question as to whether or not it would be better to start with an assessment of the more critical areas and problems to see what was being done and who was concerned. If Berlin is taken as such a problem, the three are not the only ones concerned.

Mr. Murphy said that he could not agree that the West had never taken the initiative. There had been the establishment of the German Federal Republic, the Marshall Plan, NATO itself (although this had

<sup>&</sup>lt;sup>4</sup> A military coup in Iraq on July 14, 1958, toppled the government of King Faisal and led to the deaths of members of the royal family and Premier Nuri Said.

admittedly been a reaction to the Prague coup), and the U.S. Military Aid Program.

Sir Harold then took the case of Iran, cited by General de Gaulle. He pointed out that there would have to be basic research into Iran's problems, resources, and prospects. (M. Alphand agreed that the past would have to be considered.) Once this was done one would have to see if there were solutions and to whom they would be suggested.

Mr. Murphy recalled that the United States has a large aid program for Iran. (Sir Harold commented that the International Bank also assists.) Mr. Murphy continued that there is the matter of military aid to Iran which involves questions as to what forces Iran should have. Iran is a member of the Baghdad Pact where such matters are discussed in appropriate committees. The Pact itself seems to be the place to continue these discussions.

Mr. Caccia asked how country X would feel if it knew that the three had estimated that it was exposed to a Soviet threat and that the three were studying ways and means of keeping it propped up.

M. Alphand said that coordination of our actions will make it easier for others to come along. The country in question need not know what we were doing; in each case we would have to take the "way of thinking into account".

Mr. Caccia said that this brings up the question of machinery and form of agreement.

M. Alphand replied that he could not respond to this. He had been asked to discuss the "two questions of principles". The French want us to study these.

Mr. Caccia remarked that thus far we had only looked at the political and economic aspects of the two French "principles." Could a look be taken at the second?

M. Alphand read again the second point. He said it provides for military planning in case of attack in one part or another of the world.

Mr. Caccia noted that the use of atomic weapons is a highly political question.

M. Alphand said he knows that it is a decision for the President to make with regard to use outside the NATO area. Within the area there are the rules of the Anglo-American agreement<sup>5</sup> and NATO itself.

M. Alphand said that in the military field one must consider again what exists. There are plans for Europe but none for Africa and the Middle East where the threat exists. In case of war in Europe these areas

<sup>&</sup>lt;sup>5</sup> For text of the atomic energy agreement for mutual defense purposes between the United States and the United Kingdom signed at Washington July 3, 1958, and entered into force August 4, 1958, see Department of State *Bulletin*, July 28, 1958, pp. 157–164.

would become theaters of operation. There is no coordination at present.

Mr. Caccia asked if these two were the primary areas in French eyes.

M. Alphand said this is his view.

Mr. Murphy said that it is natural to discuss all these matters bilaterally. He is puzzled as to why an organization or institutionalization is needed. It may be true that the three have great responsibilities; this is reflected in the association we have, as represented by the present meeting or the Bonn discussions. Why does it need a formalized institution?

M. Alphand said that it is General de Gaulle's view that the three must coordinate their ideas before discussing them with others.

Mr. Murphy noted that we do get together to consult.

M. Alphand admitted this is true so far as Germany and disarmament are concerned. It doesn't apply to all things. He said that he thought the US/UK reactions to the French proposals could be summarized in questions we had put to the French: First, would what already exists be dropped? The answer to this is "certainly not." Second, would a catalog of what exists need to be drawn up? (Sir Harold interjected that there would have to be two catalogs: one of problems and a second of what is being done.) M. Alphand continued, saying that the third question concerned other countries; for example, Iran. If the three discussed it, how and when would Iran and the Baghdad Pact be brought in. (Sir Harold said he doubted if it would be helpful for Iran to learn that its problems had been discussed tripartitely.)

The fourth question, M. Alphand said, is whether the French proposals imply the establishment of an organization so large as to be impracticable and, if so, should there not be a priority list.

Sir Harold said that the problems mentioned in this meeting alone would entail a major operation. He would be unable to operate with his present staff and on the basis of such information as he receives.

Mr. Murphy agreed, stating that the French seem to be proposing a tripartite machinery roughly comparable to the policy-making machinery which already exists within the United States Government, that is to say a tripartite "inter-agency" machine.

Sir Harold said that this is why he believes that the question of machinery and agreement is important. The objective and the means to attain it must be studied at the same time.

M. Alphand reverted to his earlier arguments. If liaison between pacts is too "cumbersome", as Prime Minister Macmillan has said, is not coordination among the three much simpler?

Sir Harold said that the French proposal seems to be that the three should identify all the world's problems be they military or economic. So having done, and plans drawn up how to meet these problems, then the three would consider how to bring in others, either individually or in groups.

As an example, said Mr. Murphy, we could take Japan with which the United States is negotiating a security treaty. If this were discussed tripartitely we would have to bring in the Japanese at some stage and other Asiatic countries as well. The South Koreans would be greatly interested.

To Sir Harold Caccia's question as to whether General de Gaulle had a considerable and continuing operation in mind, M. Alphand replied affirmatively. In answer to Mr. Murphy's questions, he said that he did not know whether General de Gaulle or Couve de Murville would raise the matter during the Paris meetings. He thought there might be some discussions and suggested that the Secretary be informed of the present meeting.

In reply to a question, M. Alphand said that his instructions were that the subject of the tripartite talks should not be raised in NAC.

Mr. Murphy said that someone, perhaps the Italians, might raise it anyway.

Mr. McBride commented that the problem did not seem a very pressing one and it might be possible to answer inquiries in a general way.

M. Alphand suggested that the three Permanent Representatives might get together and take a common line. It should be that the talks are "very exploratory" and that there is nothing of substance to report.

Mr. Murphy did not comment on this. Sir Harold Caccia said that the Canadians for one were likely to show great interest.

It was agreed that there should be nothing said to the press. The date of the next meeting was left open to be decided after M. Alphand's return from Paris about the first of the year.<sup>6</sup>

<sup>&</sup>lt;sup>6</sup> In a December 10 memorandum to Dulles, Murphy reported that Alphand had no answers to the questions Hood and he had raised on December 4 but had instead two questions from de Gaulle. After stating the questions, Murphy wrote that the French aim, according to Alphand, was to establish permanent and organized agreement among the three powers. Murphy noted that as Alphand had no further instructions, "we essentially went over the same ground as we did last week." Murphy concluded:

<sup>&</sup>quot;It is difficult to tell where we go next on this problem. It is evident that de Gaulle, by asking additional questions, is seeking our approval to the broad principle of advance consultation on a plane which would be almost all-inclusive before he will respond to our questions on how such an organization would function and how it could be made acceptable to other nations. Alphand told me that you will undoubtedly be seized of this matter in Paris, probably by both Couve de Murville and de Gaulle. There will be no further Washington meetings until Alphand returns around January 1 from Paris with answers to our questions." (Department of State, Central Files, 611.41/12–1058)

# 79. Memorandum of Conference With President Eisenhower

December 12, 1958, 2:30 p.m.

#### OTHERS PRESENT

Secretary Dulles Secretary Herter Mr. Greene Mr. Hagerty General Goodpaster Major Eisenhower

[Here follows discussion of unrelated matters.]

The discussion then proceeded to the subject of General De Gaulle. Secretary Dulles desired to point out that De Gaulle is becoming increasingly troublesome. To this the President offered the warning that De Gaulle is capable of the most extraordinary actions. He recalled an instance during World War II in which De Gaulle had informed the President (then Supreme Commander, Allied Expeditionary Forces) that he (De Gaulle) would remove all French forces from SHAEF command. The President had, in the presence of Churchill, informed De Gaulle that such removal would be satisfactory since the Americans and British would win the war anyway. However, De Gaulle could expect not another round of ammunition nor support of any kind, and would therefore be reduced to impotency. This attitude is not recommended, of course, for adoption by the State Department under present circumstances, particularly in the light of De Gaulle's present position of power and influence. It is offered only as illustration of the type of action that De Gaulle is capable of. The President added to watch out for him.

[Here follows discussion of unrelated matters.]

### John S.D. Eisenhower

Source: Eisenhower Library, Whitman File, DDE Diaries. Top Secret. Drafted by John S.D. Eisenhower on December 15.

# 80. Memorandum of Conversation

USDel/MC/9

Paris, December 15, 1958, 12:10 p.m.

[Source: Department of State, Conference Files: Lot 64 D 560, CF 1169. Top Secret. 1 page of source text not declassified.]

# 81. Memorandum of Conversation

USDel/MC/15

Paris, December 15, 1958, 4:30-6:05 p.m.

# UNITED STATES DELEGATION TO THE MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL

Paris, France, December 16–18, 1958<sup>1</sup>

#### PARTICIPANTS

United States

The Secretary of State Ambassador Houghton Mr. Merchant Mr. Lyon Mr. McBride France

General de Gaulle Foreign Minister Couve de Murville Ambassador Alphand M. Joxe M. Boergher M. Lebel

SUBJECT

de Gaulle Memorandum, Berlin

After the opening amenities, the Secretary said he would first like to express admiration for the accomplishments of General deGaulle since their last meeting in July.<sup>2</sup> General deGaulle pointed out that things were never finished, but that on some issues progress had been made. The Secretary said that as problems were settled, new ones arose.

This led General deGaulle to state that we might discuss first Berlin which was the most burning and immediate question. He noted the three Foreign Ministers had taken a position yesterday on Berlin, in

Source: Department of State, Conference Files: Lot 64 D 560, CF 1169. Secret; Limit Distribution. Drafted by McBride on December 16. The meeting was held at the Hotel Matignon.

<sup>&</sup>lt;sup>1</sup> For documentation on this meeting, see Part 1, Documents 166 ff.

<sup>&</sup>lt;sup>2</sup>See Documents 34-37.

which the German Foreign Minister later concurred, which appeared quite satisfactory to him.<sup>3</sup> The General added that the West should never cede in the face of a threat. He added he would study the proposals made, but that in general he followed the principle that we should most certainly not retreat in the face of a menace.

The Secretary said that he did not recall whether he had discussed with the General in July the question of Khrushchev. He said he was more dangerous than Stalin because he was not the cold, calculating type but was boastful and full of his own importance. He had some of the traits of Hitler. DeGaulle added that Khrushchev was less sure of his domestic position than Stalin. He had not followed the same methods domestically as Stalin, and accordingly was weaker.

The Secretary said that if the Soviets obtained a success in Berlin, this would be the beginning of most serious developments. He added that he thought our declaration yesterday had been good. If the GDR agents were to interfere with us, we should put on a show of force to see if they reacted. The U.S. thought this was desirable but the U.K. and France had not had a chance to consider our ideas. DeGaulle added that he would consider the proposals which had been made yesterday. He believed that if the Soviets threatened war, we should accept that challenge, even if it meant war. The only way to prevent war was by accepting the challenge and we should make this clear.

The Secretary said that we were convinced the Soviets did not wish war now. However, they will keep probing and it is essential that we show firmness. He thought the power of our combined forces will prevent the Soviets from pushing to the point of battle. However, we must always be prepared for the ultimate. The Secretary added that he had spoken to General Norstad about certain measures which might be taken to tighten up the situation with regard to Berlin.<sup>4</sup> He said these measures would fall short of an alert which might be alarming, but the significance of which would not escape the Soviets. He said General Norstad thought there were some small measures he could take. The Secretary said that we hope that, if General Norstad so recommends, the French Government could accept these measures.

<sup>&</sup>lt;sup>3</sup>For text of the quadripartite communiqué on Berlin issued December 14, see Department of State *Bulletin*, December 29, 1958, pp. 1041–1042. The Ministers affirmed the determination of their governments to maintain their position and their rights with respect to Berlin including the right of free access.

<sup>&</sup>lt;sup>4</sup> A copy of the December 15 memorandum summarizing Dulles' conversation that day with Norstad about Berlin (USDel/MC/8) is in Department of State, Conference Files: Lot 64 D 560, CF 1169. For Dulles' summary of this discussion, see Document 82.

The Secretary noted we had employed firmness twice this year, in Lebanon and in the Formosa Straits. In the latter area we had accumulated the greatest fire power ever gathered in one place. He thought the effect had been good. He added he wished to thank General deGaulle for the indication of support for our policy in the Formosa Straits which he had given in his letter to the President.<sup>5</sup> General deGaulle said France had of course not participated on a basis of equality with the US and the UK in the landings in the Middle East, but that once troops had disembarked, he wished them success. Perhaps the problem in Lebanon was not settled forever, but in the short-run we had prevented a new subversion which would have had bad effects. He did not believe the landings in Lebanon had helped, however, with the situation in Iraq. The Secretary agreed that we had not solved all of the problems of the Middle East. He noted Assistant Secretary Rountree was currently in the area. We had evidence of a behind-the-scenes struggle between the Communists and Nasser, and he believed we perhaps had little reason to be happy whoever won.

The Secretary said he did not believe there had been much progress in the tripartite talks being held in Washington. He thought perhaps there was lack of comprehension as to what the French objectives were, and he believed there has been some sparring going on. DeGaulle said that, on this subject, he wanted to state first, that the Berlin situation had of course arisen subsequent to his memorandum, and he did not wish us to think he was attempting to profit from this situation to push forward his ideas. He said there was no relation between the Berlin situation and the need for revitalizing the structure of the alliance. He said the fact the Berlin situation had arisen showed, in the French view, some of the flaws in the functioning of the alliance. The Berlin crisis had been unforeseen but there would be others. It was pure coincidence that the crisis had arisen in Berlin, and indeed he thought this might be a cover for some Soviet move elsewhere. The Soviets were developing their moves against the West in a manner unfavorable to the West, and the situation was unsatisfactory from the French viewpoint. France he said, must call the attention of the US Government to this situation, and he asked the Secretary to convey his concern to the President. DeGaulle added that the foregoing did not affect Franco-American solidarity particularly on the Berlin issue.

He added that it was ironic that the Berlin situation, in which France felt solidarity with the US, should happen at just the moment that various manifestations of US policy were giving displeasure to France.

<sup>&</sup>lt;sup>5</sup> Document 45.

DeGaulle said that the action of the US representative to the United Nations in his voting on the Algerian resolution had shown that he had adopted an attitude that was, at the very least, unclear.<sup>6</sup>

DeGaulle said that, in the case of Guinea, France had accepted and indeed granted independence, but saw no reason to rush Guinea into the UN, where she merely added another voice to those raised against France. Accordingly France had asked the help of her friends to prevent her accession to the UN. In these cases the attitude of the US was not satisfactory to France, and it was a coincidence this had occurred at the same time as Berlin.<sup>7</sup>

DeGaulle said that the functioning of our alliance ("le jeu de notre alliance") was involved. The present structure of the alliance does not give France confidence. France is unsatisfied regarding the resulting deployment of her own resources in the event of a crisis. He continued noting that the Secretary had said there might be misunderstanding regarding the French objective and accordingly he would attempt to dispel this. Insofar as France was concerned, the functioning of the Atlantic Alliance gave no assurance that if war broke out the proper decisions would have been arranged in advance. The map showed where such events might occur. It is for this purpose that organic talks ("pourparlers organiques") should take place in Washington. Since both France and the US must foresee all possibilities, even given the great differences in our means, a common strategic understanding was necessary. In the event of an outbreak of war, especially an atomic war, the present situation would be unsatisfactory from the French viewpoint. Such a war could under existing circumstances break out without France's being consulted by her allies.

DeGaulle quoted Khrushchev as saying that Western Europe could be crushed in 24 hours;<sup>8</sup> he added, at least she should have the right of consultation with her atomic allies ("allies atomiques"). In light of this situation there was need for a permanent strategic understanding. Such an arrangement should not be too difficult since one element already existed in the NATO Standing Group, and this could be expanded.

General deGaulle added that the second principal element in his thinking was NATO. He said he would not take the liberty of discussing

<sup>&</sup>lt;sup>6</sup> Reference is to the defeat on December 13 of a U.N. General Assembly resolution, introduced by 17 Asian and African nations, which was designed to recognize the right of the Algerian people to independence and urged negotiations between France and the provisional government of Algeria. The vote was 32 to 18 with the United States and 29 other countries abstaining.

<sup>&</sup>lt;sup>7</sup> Reference is to the U.N. Security Council vote of 10 to 9 on December 9 to recommend Guinea for U.N. membership, which the United States supported.

<sup>&</sup>lt;sup>8</sup> This statement has not been further identified.

NATO in this way if France were not necessary to her allies. However, if France is useful and even necessary, then France should speak, giving its frank convictions on NATO. We created NATO at a given point in time when the Soviet menace existed only in Europe (except of course for the Far Eastern menace). Therefore we restricted NATO to Europe where the principal threat to the West then existed. Only European forces were involved except for the major and welcome US contribution in ground forces, navy and air forces to which the General paid tribute. Since then, the political and therefore strategic menace has expanded greatly to include the Middle East, etc. NATO was founded on a very narrow basis to cover a very narrow theatre of operations. It no longer meets the existing threats. Although there is presently a threat to Berlin, this may well be a cover for a threat of an operation elsewhere. The present NATO zone no longer meets the political and strategic needs of the West. It should be extended to the Middle East and to Africa, at least to that portion of the continent from the Sahara North. The greatly increased range of aircraft and above all the development of atomic missiles meant the situation had gone beyond the continental European theatre. Therefore, NATO as presently constituted did not satisfy France in that it called for the integration of the forces of various nations under a US commander. Therefore, necessarily the basic strategy of NATO as presently constituted must be a US strategy, limited to a narrow zone. It does not cover French responsibilities outside Europe.

The physical means of France, including bases in France, were thus disposed of in a manner unsatisfactory to France, the General said. This included the development of a psychological defense posture in France which did not take account of France's needs. The rebirth of France and her ability now to play a greater role in the world was not taken into account. France feels that she is an instrument of the total defense without having the right to take basic decisions involving her own defense. This led to undesirable repercussions in French public opinion, in the state of morale of the French military command, and of the French armed forces themselves. In the event of war this situation would be even more serious. Therefore, it was essential to re-establish the structure of the alliance.

DeGaulle added that the problem of the opinion of other countries had been raised in the event that the three arranged the essential elements of Western defense including the reorganization of NATO. He said only one country need realistically be considered in this context, and that was of course Germany. The General said he knew and respected the present rulers of Germany, and had an increasing regard for the contribution which Germany could make. However, he said, Germany still has not reached the stage of full development. The country has no frontiers, is divided into three pieces, and still operates under certain liens. Furthermore it has no extra-European projection. Therefore, Germany could not today speak with the same voice as the other three powers. He added this was not intended in any way to minimize the value of German cooperation and eventually of her contribution to the common defense. However, he concluded that it was not necessary to add Germany to the three nations whose contributions formed the real essence of Western security. Yesterday there was a Far Eastern problem, today there was a Berlin problem, tomorrow there would be a problem in Iran or somewhere else, and the three powers must be in accord and able to act in agreement wherever such a question arose.

DeGaulle concluded that these were the French ideas for reforming NATO. France, under present circumstances would not break ("briser") NATO; however, France would not add to her present contribution to NATO. Therefore, when France was asked to agree to IRBM bases in France, atomic storage rights in France, the air defense of Europe, etc., she would not agree to these requests under conditions where France would not have control over the situation. Under present conditions, France could not agree to these things. Thus, in a situation such as the existing one, NATO would not be growing and developing as it should.

The Secretary said that he agreed that a good deal more could be done regarding consultation and the achievement of common understandings on policies in various parts of the world. However, this should be informal and not formal organic, structural reorganization of NATO in such a fashion that one country would have veto power over others. The most valuable relationships were based on informal relations of trust and confidence. With the rebirth of France under its present leadership, the US will not only find possible but desire closer relationships with France. The formal reorganization of NATO and the construction of a new organism superimposed on NATO would wreck what exists and which has much value.

The Secretary added that US basic policy is widely and publicly known and is based on the fact that the President cannot use the military power of the US without the will of Congress. The structure of US treaty relationships through bilateral arrangements, through SEATO and the Middle East and Taiwan resolutions<sup>9</sup> and of course NATO is widely known. We are quite prepared to discuss fully and intimately with France these problems and to give our thinking thereon. We would expect to exchange reciprocally with France views on the wisdom of various policies.

<sup>&</sup>lt;sup>9</sup> The Formosa (Taiwan) Resolution, signed by the President on January 29, 1955, authorized the President to use military force to protect Taiwan.

The Secretary stated that we were fully conscious of the great power which we have, which constitutes the only effective deterrent against the Communist world, and considered this power a sort of trust of the free world. We wish to use this power in a manner to commend itself to our allies especially those which have worldwide responsibilities. We would be glad to share these burdens of responsibilities with the French and others since this would imply a lightening of the heavy burden which we now bear. DeGaulle said that even though France had greatly less material means, France feels a responsibility in Europe and Africa especially.

The Secretary noted that Africa particularly was suited to such a tripartite study. Africa is vital to the West. If the map is studied from a North-South viewpoint, Africa was the hinterland of Western Europe. Today Africa is being penetrated by Communist agents, and is caught up in the worldwide movement for premature independence. It presents grave problems if not in the fighting war, in the subversive war. France has great influence and interest in this continent, and it would be particularly an appropriate subject to be studied together.

DeGaulle said that the French Community was being established to associate freely numerous territories in common policies. This was a fortunate development for the Free World. However, it was painful to see that one spot of territory which had elected to leave the Community such as Guinea received all the good will and the homage of the world. This was particularly undesirable since Guinea had not yet proved able to establish a real government. It was the creation of one man who took a difficult attitude. Furthermore, in North Africa France was mounting an immense and difficult operation to transform Algeria into a state with associations with the West, and to deny it to the East. If France let Algeria go, it would degenerate into anarchy and eventually communism. Developments in Algeria will be toward liberty, deGaulle said, all in the interests of the West. However, in the UN, the US showed reserve, to say the very least, towards France's position in Algeria. DeGaulle said he stated the foregoing with regard to Africa since the Secretary had mentioned it.

DeGaulle said that he was ready to arrange the independence of countries that had been opened first to civilization by colonization but he wished to point out that France had a long record in this connection and had given independence to Lebanon and Syria before the British had acted in Egypt or Iraq. Morocco and Tunisia had been given independence, after ups and downs of course, and now Black African areas and Madagascar were also being given freedom. The freest possible elections had been held in Algeria where a most complex problem existed. Independence should not be a flag used against the West, and perhaps our policies to date in granting independence had not been wise. Independence with the West, not against it, was required.

DeGaulle concluded that he had been glad to see the Secretary and hoped their next meeting might be the occasion for more levity. He stressed that in the concrete case of Berlin, France would show solidarity with the US.

The Secretary said that on his return to Washington he would attempt to see what more of substance could be given to our tripartite talks and to develop them along the lines discussed here today. Exchanges of views could be held, particularly on Africa, perhaps with the participation of experts. It was shocking that the Free World should be the object almost of hate on the part of ex-colonies when we had given freedom to twenty or more countries whereas the Soviet Union was a hero although it has acted in exactly the opposite way.

DeGaulle said that if the three countries—US, UK and France—had a common policy in Morocco and Tunisia, conditions in those countries would be vastly different. He thought such a common policy would necessarily be a French policy. If this were followed, instead of the present situation of lack of gratitude in these countries, things would be much better. This would be true if we had a flat tripartite policy regarding the importance of Bizerte, the furnishing of arms to Tunisia, etc. In Morocco public order would be improved, the situation of foreigners be much better, and both these countries would come back instead of drifting towards anarchy.

The Secretary closed expressing the hope there could be progress on problems of mutual interest. In departing the Secretary again expressed the hope that General deGaulle would find it possible to visit the United States in the near future, and the General again expressed thanks but indicated that under current circumstances he found it impossible to make plans.<sup>10</sup>

 $<sup>^{10}</sup>$  Dulles told Couve de Murville on December 17 the main points of his conversation with de Gaulle. (USDel/MC/22; Department of State, Conference Files: Lot 64 D 560, CF 1169)

# 82. Telegram From Secretary of State Dulles to the Department of State

Paris, December 15, 1958, 11 p.m.

Dulte 2. Eyes Only Acting Secretary for President from Secretary.

Dear Mr. President: We had this morning the first meeting of the US-Canadian Ministerial Commission on Joint Defense.<sup>1</sup> This was the body which, you will recall, we agreed to when we were in Ottawa together last July.<sup>2</sup> As anticipated, the meeting served more as scenery than as a place for substantive debate although a few interesting points came up. The atmosphere was cordial and I am confident that the meeting will improve our Canadian relations.

Then I had a meeting with General Norstad,<sup>3</sup> who wanted to see me before I saw De Gaulle. He outlined the series of obstructive tactics which he was encountering on the part of the French. I also suggested to him that he might consider a few quiet moves, the significance of which would not be lost on the Russians, to indicate we were tightening up for the Berlin situation.

The big event was my meeting this afternoon with General de Gaulle.<sup>4</sup> We were together for an hour and a half and I am bound to say that it was a most unsatisfactory meeting. He was entirely correct and cordial personally but obviously irritated by our failure yesterday to vote against the Algerian independence resolution in the UN and also our failure to cooperate with them to try to hold up the admission of Guinea to the UN. Basically, however, he went back to his letter to you and made it emphatic that France wanted to establish a definite threeparty organization composed of France, UK and US, which would make global policy and deal with the use of nuclear weapons, etc. He also made it clear that France was not interested in cooperating with NATO on infrastructure, atomic stockpiles, IRBM's and the like when in effect the whole show was being run by the US. I told him that while I thought there could be informal exchanges of views which would be useful, I was convinced there could not be any formal organization of the kind that he envisaged. I do not know what the outcome will be. I think we can make a greater effort at Washington to make them feel that they are

Source: Department of State, Conference Files: Lot 64 D 560, CF 1179. Secret.

<sup>&</sup>lt;sup>1</sup>See Part 1, Document 292.

 $<sup>^2</sup>$  Regarding Eisenhower's and Dulles' visit to Ottawa July 8–11, see Part 1, Documents 280 ff.

<sup>&</sup>lt;sup>3</sup>See Document 80 and footnote 4, Document 81.

<sup>&</sup>lt;sup>4</sup>See Document 81.

in on important decisions and then see whether that in fact brings a dividend in terms of more cooperation with NATO.

We talked about Berlin, and I found De Gaulle quite solid on this point. He specifically mentioned that he had no intention of taking a separate line on Berlin out of resentment at what he considers our separate lines in other affairs.

He sent his best wishes to you. I spoke of the possibility of his coming to the US, but he was very vague and indefinite about this.

Tonight Norstad is giving a big dinner party which I shall forego to conserve strength for the NATO meeting which formally opens tomorrow morning. $^5$ 

Faithfully yours, Foster.

Dulles

#### 83. Record of Conversation

Paris, December 17, 1958.

[Source: Department of State, WE Files: Lot 61 D 30, de Gaulle Government—1958. Secret. 2 pages of source text not declassified.]

<sup>&</sup>lt;sup>5</sup> On December 16, Eisenhower replied: "I hasten to assure you that I fully understand your feeling of frustration after your two long conferences yesterday afternoon. It does seem that our friend should cease insisting upon attempting to control the whole world, of course with partners, even before he has gotten France itself in good order." This message was transmitted in Tedul 7 to Paris, December 16. (Department of State, Central Files, 611.51/12–1658)

# 84. Telegram From the Embassy in France to the Department of State

Paris, December 18, 1958, 7 p.m.

2265. When Couve raised question nuclear submarine with Secretary December 17,<sup>1</sup> latter told him problem was one of security involving presence Communists in Atomic Energy Commissariat. Secretary suggested that if responsibility could be shifted from Commissariat to Defense Department, this obstacle might be overcome since latter appeared to be "clear".

De Rose and Goldschmidt were told by Farley and McBride today that in spite of security problem, we could go ahead with agreement for provision enriched uranium fuel. They added we might be able negotiate agreement covering their fields of cooperation in nuclear submarine propulsion if responsibilities for this program transferred to French Defense Department and these arrangements met security standards.

De Rose and Goldschmidt expressed interest sending mission to Washington in January to work on agreement, nature of which would have to be initially determined by Guillaumat in light available alternatives.

Suggest Department inform French Embassy of general lines of foregoing conversations.

## Houghton

## 85. Memorandum of Conversation

January 7, 1959.

SUBJECT

**Tripartite** Talks

PARTICIPANTS

M. Herve Alphand, French Ambassador

Source: Department of State, Central Files, 751.5621/12–1858. Secret; Priority; Limit Distribution.

 $<sup>^1</sup>$  A memorandum of this conversation (USDel/MC/14) is *ibid.*, Conference Files: Lot 64 D 560, CF 1169.

Source: Department of State, Central Files, 740.5/1–759. Secret. Drafted by Brown and approved by David E. Boster, staff assistant to Secretary Dulles, on January 16.

M. Charles Lucet, French Minister The Secretary Mr. Robert McBride, WE Mr. Dean Brown, WE

In answer to the Ambassador's question as to the status of tripartite consultation as a result of the Secretary's discussions in Paris,<sup>1</sup> the Secretary replied that we should be prepared to resume the discussions on a more positive basis. We could take up in order important areas of the world, exchanging views and expanding on our policies with the hope that we could agree.

The Secretary said that he had suggested to Mr. Murphy that it might be most appropriate to start with the Far East. Korea, Japan, Taiwan, the Philippines are but some subjects. In the Philippines we find the situation not as satisfactory as it had been under Magsaysay. The situation there causes us concern. Our bases are important but the negotiations are not going well. The Formosa area is always explosive. The Chinese Communist aim, and that of the Soviet Union, appears to be to expel us from the Western Pacific. The Indo-Chinese area also provides a subject, one on which the French should be able to provide much information. The situation there is dangerous. (The Ambassador interjected that it is especially so in Laos because of Vietminh infiltration.) The Secretary added that there are difficulties between Thailand and Cambodia.

The Secretary continued, stating that the Far East seems to be the area where we could start. The Middle East, on the other hand, raises a series of problems more difficult to deal with as the situation there is so fluctuating.

The Ambassador then said that the Secretary had asked Couve de Murville what the General meant by "organization". He said that he wants us to know that the General is ready to abandon this idea as long as regular, scheduled tripartite talks are held.

The Secretary replied that what is important is what takes place and not the framework in which it is cast. An elaborate framework could only cause trouble with other countries.

The Ambassador said that he agreed and the talks should go forward. From time to time, he added, they could be supplemented by meetings of the heads of government.

The Secretary said that this would pose problems as it would not be easy for the President to travel. There was, however, our invitation to

<sup>&</sup>lt;sup>1</sup>See Document 81.

General de Gaulle to visit the United States which he hoped would be accepted.<sup>2</sup>

The Ambassador reverted to the Secretary's opening remarks. He said that Couve de Murville had thought that the Middle East was the more explosive area and might first be considered.

The Secretary replied that it is hard to tell which area is more dangerous. There has been new fighting in the Taiwan area. The Far East had been suggested because the lines are more clearly drawn there. Additionally, he had not had a chance to talk to Mr. Rountree. The discussions could start with the Far East. If an emergency situation arose in the Middle East, the discussions could be interrupted for consideration of that emergency.

The Ambassador agreed with this suggestion and said he would support it.

The Secretary noted that we are presently discussing Berlin tripartitely and stressed the importance of this subject. He asked if the Ambassador had yet received instructions.

The Ambassador replied that he agreed with the Secretary's emphasis on the importance of the Berlin discussions. He had not yet received instructions but hoped to obtain them shortly after the new government was constituted on January 8.<sup>3</sup>

The Ambassador then said that the General has ideas on the establishment of theaters of operation in peacetime for wartime use. These could be connected or not to NATO. He asked if this proposal could not be studied tripartitely and simultaneously by the military. The French could use their Standing Group representative, acting in a national capacity. The United States might wish to have a representative of the Joint Chiefs take part. He gave as an example the organization of an African theater to which war in Europe would undoubtedly spread. This, he added, might have to be connected to NATO but there might be opposition from some members, especially the northern ones. It is, however, essential to study the question.

The Secretary said that such a study would have to consider an exchange of views with Spain which has important interests in Africa. He could not, however, give an answer to this question as he would have to consult with the Defense Department.

<sup>&</sup>lt;sup>2</sup>See footnote 1, Document 34, and Document 81.

<sup>&</sup>lt;sup>3</sup>General Charles de Gaulle was inaugurated as the first President of the Fifth Republic for a 7-year term on January 8, 1959. That same day, he announced the appointment of Michel Debré as premier at the head of his 27-member Cabinet and the names of the appointees. On January 15, the National Assembly met and overwhelmingly approved the government's program.

The Ambassador said that the three are discussing Berlin politically and referring military problems to the military. This might provide a pattern.

The Secretary merely replied that we would study the matter.<sup>4</sup>

Dulles discussed with President Eisenhower on January 8 his hope that the tripartite talks might alleviate some of the problems with de Gaulle; see Part 1, Document 185.

# 86. Letter From Secretary of State Dulles to the Chairman of the Atomic Energy Commission (McCone)

January 8, 1959.

DEAR JOHN: The French Government has been advised of the results of the U.S. security review of the Atomic Energy Commissariat (CEA) and of the possibilities which remain for nuclear submarine cooperation.<sup>1</sup> After considering these possibilities, the French have advised us that they wish to proceed immediately with negotiation of an agreement for provision of enriched uranium for a prototype nuclear propulsion reactor to be constructed by the CEA. They wish also to initiate discussions of a broader agreement, with the French Navy as the responsible agency on the French side, embracing transfer of a reactor and pertinent classified information as well as additional fuel. In this connection, I am enclosing a copy of an agreed minute of the conversation of Ambassador Alphand with Assistant Secretary Merchant and Mr. Farley of the State Department.<sup>2</sup> When Ambassador Alphand advised us of

<sup>&</sup>lt;sup>4</sup> The British Embassy was informed of Alphand's conversation with Dulles and stated it was generally in accord with the instructions recently sent it by the Foreign Office. These instructions approved the idea of the Embassies and the Department of State having "informal ad hoc consultations" on different problems on the understanding that no formal machinery be established, that other concerned governments be brought in, and where appropriate NATO would be kept informed. (Telegram 2374 to Paris, January 7; Department of State, Central Files, 700.5/1–759)

Source: Department of State, Central Files, 751.5621/1–859. Secret. Drafted by Farley.

<sup>&</sup>lt;sup>1</sup>See Document 84.

<sup>&</sup>lt;sup>2</sup> A copy of the January 5 memorandum of Alphand's conversation with Merchant and Farley on December 30, 1958, is in Department of State, Central Files, 611.519/1–559. The agreed minute has not been found.

his Government's present proposals, his attention was called to the necessity for a further security review of any program calling for responsibility for the French nuclear submarine program to be assigned to the French Navy, particularly if scientists from the CEA were to be used on an individually-screened basis by the French Navy.

The Department of State considers that it is in the U.S. national interest to cooperate with France in the nuclear submarine field to the extent permitted by our own security requirements and the Atomic Energy Act. I understand that the Atomic Energy Commission is prepared to negotiate an agreement for transfer of fuel for a nuclear submarine reactor, and to explore other measures which might be taken to make further cooperation possible. I hope that you can suggest an early date for receiving the proposed French mission.

Sincerely yours,

John Foster Dulles<sup>3</sup>

<sup>3</sup> Printed from a copy that bears this stamped signature.

## 87. Memorandum of Conversation

January 9, 1959.

SUBJECT

**Tripartite Talks** 

PARTICIPANTS

M. Herve Alphand, French Ambassador M. Charles Lucet, French Minister Mr. Robert Murphy, Deputy Under Secretary Mr. Robert McBride, WE Mr. Dean Brown, WE

Ambassador Alphand said that Paris agrees with the Secretary's suggestion that the tripartite talks start with the Far East. He suggested that an agenda be prepared so that the proper papers could be written and so that Paris could select the experts it would wish to send to the meeting. He plans to discuss this with the British Embassy as well.

Mr. Murphy asked how long it would be before we would talk. In a sense, he said, this depends on Paris.

Source: Department of State, Central Files, 396.1/1–959. Secret. Drafted by Brown and initialed by Murphy.

M. Alphand replied that, once the agenda is prepared, we could start the talks a few days later.

Mr. Murphy asked, in general, what would be on the agenda.

M. Alphand repeated the list he and the Secretary had discussed: Taiwan, Japan, Korea, the Philippines, and the Indo-China area.

Mr. Murphy replied that this seems satisfactory.

M. Alphand then stressed the importance which the French Government attaches to parallel military discussions. He said that the highest French military representative in Washington should discuss with US and UK military the matter General de Gaulle had raised with the Secretary; namely, creation in peacetime of theaters of operation for use in war. Examples are North Africa and the Middle East. This would be strategic rather than political planning. The Secretary, said M. Alphand, had had no objection to this but had said he would have to consult the Pentagon.

M. Alphand read from his instructions which said that political consultation without military planning is not enough  $\ldots$  "military cooperation is just as important as political cooperation as it is this cooperation which governs the future of the North Atlantic alliance."

M. Alphand said he wanted to stress this point. He believes that this discussion can best be done in Washington.

Mr. Murphy asked what form it would take.

M. Alphand replied that it should be in the form of studies. For example, if there is a war, North Africa and West Africa will be involved. Who will be the commander? How will the forces be divided? Should the wartime commander be the inspector in time of peace? How would planning for these areas be connected to NATO planning?

Mr. Murphy asked if there were problems with the Mediterranean command.

M. Alphand replied affirmatively. He said that it would be preferable to discuss this matter in Washington rather than in the NATO forum where there might be trouble. Paris, he continued, has informed him that he will receive more precise instructions on this question of having military talks parallel political discussions. He said these will basically be aimed at discussing blueprints of global defense. He urged Mr. Murphy to expedite Pentagon agreement.

Mr. Murphy asked if the French envisaged involving the military during the Far East discussions.

<sup>&</sup>lt;sup>1</sup> Ellipsis in the source text.

M. Alphand said this might be the case. It depends on how the talks go.

Mr. Murphy said we would study the matter.<sup>2</sup>

In Topol 2358 to Paris, January 16, Dulles stated the Department of State had not given the French any encouragement in connection with their desire to undertake tripartite military planning and no response would be given until the matter was fully cleared with the Department of Defense. The Secretary noted the Department of State had not decided how to respond to this aspect of the de Gaulle memorandum which was at the core of de Gaulle's thinking and "accordingly must be handled with extreme caution." Dulles concluded that the Department did not currently envisage the possibility of a favorable response to the French. (*Ibid.*, 700.7/1–1559)

On January 10, the British were informed and agreed to start tripartite talks on the Far East. (Telegram 2416 to Paris, January 10; *ibid.*, 700.5/1–1059)

## 88. Memorandum for the Record

Paris, January 14, 1959.

The following summarizes discussions which Ambassador Houghton and I had with Minister of Defense Guillaumat, with his Generals Lavaud and Martin participating to some extent.<sup>1</sup>

[Here follows discussion of other subjects.]

In this connection, I mentioned that we were very much disappointed at the delays that had occurred in the broad questions pending

<sup>&</sup>lt;sup>2</sup> After receiving a summary of this conversation (telegram 2416 to Paris, January 10; *ibid.*, 700.5/1–1059), Burgess reported on January 15:

<sup>&</sup>quot;General Norstad and I have most serious reservations about contingent military planning exercise proposed by French in context present tripartite discussions. This proposition is hardly distinguishable from global standing group concept which in our view is not acceptable to other members of Alliance and certain to impose dangerous strain on NATO unity. We strongly recommend that on specific points made by Alphand re NATO military planning and NATO Mediterranean Command arrangements, he be informed that these are matters to be pursued obviously in the first instance with the competent NATO military authorities." (Polto 1958 from Paris, January 15; *ibid.*, 700.5/1–1559)

Source: Department of State, Central Files, 102.202/1–2259. Top Secret. Prepared by Deputy Secretary of Defense Donald A. Quarles. Sent to the Department of State by William B. Connett, Jr., First Secretary of the Embassy in Paris, on January 23.

<sup>&</sup>lt;sup>1</sup> This conversation took place in Paris on January 13. Quarles visited West Europe January 8–29 for discussions with European defense leaders. Highlights of his trip are outlined in a memorandum from Merchant to Dulles, January 30. (*Ibid.*, 102.202/1–3059) Regarding Quarles' conversation with Strauss on January 21, see Part 1, Document 186. Regarding his conversation with Portuguese officials on January 28, see Document 283.

with the French such as the question of storing atomic weapons in France for their and our use. M. Guillaumat indicated that while he and the military were just as anxious as we were to make progress in these areas there were broad political questions pending between General de Gaulle and Mr. Dulles which would have to be settled on that level. Further discussion of these broader questions seemed inappropriate but I was left with the impression that M. Guillaumat's advice to his government would be constructive and favorable from our standpoint.

The atomic submarine was discussed briefly. M. Guillaumat gave me to understand that they were working out the security problem by the device of putting naval officers who were technically competent in charge of their Atomic Energy Commission (Commissariat) operations in this area so that the French Navy would assume responsibility for the security of classified information we would be turning over to them. M. Guillaumat said they originally thought that all they needed was enriched uranium but they had come to the conclusion that they could make much faster progress if they could receive full information on the design of the atomic submarine. There was no mention of the possibility of their Commissariat obtaining additional quantities of enriched uranium for longer range submarine reactor development work. It was understood that best progress could be made by separating out the nuclear submarine agreement from other pending atomic matters.

There was no discussion of other NATO cooperation questions such as integrated air defense, implication being that these were in the broad category of subjects to be covered by General de Gaulle and Mr. Dulles. I would feel confident that the French military, including the Minister of Defense, would be generally of our point of view about these matters. I am sure I left with M. Guillaumat the impression that we on the military side feel some urgency in getting them settled.

It should be added that out conversation throughout was in the best of spirit, with the French perhaps showing some dissatisfaction with the way some of their work had been held up by our failure to provide information on matériel as promptly as they had hoped and with a similar show of dissatisfaction on our part with progress on some of the fundamentals of our relationships.

#### 89. Memorandum of Conversation

January 22, 1959.

SUBJECT

**Tripartite Talks** 

#### PARTICIPANTS

M. Herve Alphand, French Ambassador M. Charles Lucet, French Minister The Secretary Mr. Murphy, Deputy Under Secretary Mr. McBride, WE Mr. Brown, WE

Ambassador Alphand noted that the first substantive tripartite talk would take place before the end of January and would deal with the Far East.<sup>1</sup> This discussion, he continued, should deal with the strategic aspect of the situation and thus become a first step towards what de Gaulle has in mind. Political consultation is but a part of de Gaulle's proposals. The second part is the subject of just received instructions which are of such importance that their contents had to be personally passed to the Secretary.

There are three parts to these instructions, continued the Ambassador. The first is the need for cooperation in world strategy. The defense of the free world is based primarily on the nuclear deterrent. France has no defense without it; it is in American hands.

The Secretary then stated that American nuclear power, as he has often said, is in trust for the free world. The U.S. is always ready to discuss conditions as to how it is to be used and to receive suggestions. Possession of a nuclear deterrent capability is not possible for all nations; it imposes an exceedingly heavy economic burden on the U.S. It must be treated as a common asset. We are quite prepared to talk about it.

The Ambassador then continued from his instructions, saying that General de Gaulle believes defense is a global problem and that it is

Source: Department of State, Central Files, 700.5/1–2259. Secret. Drafted by Brown and approved by Greene on January 30.

<sup>&</sup>lt;sup>1</sup> At a working-level tripartite meeting on January 14, it was tentatively decided the tripartite consultation would be held the last week in January to discuss three items: 1) a report on the U.S. and British reactions to the French request for parallel military talks; 2) the Far East; and 3) other procedural matters including means of informing other countries of the discussions. When the French representative asked if military experts would take part in the talks on the Far East, the U.S. and British representatives expressed a desire to avoid this in the first session and to leave the question of future participation by the military for discussion in the meeting itself. This discussion is summarized in telegram 2501 to Paris, January 15. (*Ibid.*, 700.5/1–1559) Summaries of other preparatory meetings are *ibid.*, 700.5.

impossible to separate one area from another. They must be coordinated. The French, therefore propose a procedural suggestion. UK and French members of the Standing Group together with a US-designated officer should study (a) coordination among theaters of operations; (b) how the deterrent is to be used. It would be impossible for all free nations to study these matters together. The three, US, UK, and France, are or will be atomic powers; it is natural for them to work together. The United States is indeed the trustee but, as the final decision on use will be made in a matter of minutes, there must be preliminary general appreciation of nuclear defense. Details of this could be studied by the above-mentioned group. It would be a personal mission apart from their NATO responsibilities.

The third point, the Ambassador continued, is a specific NATO problem. It is of less moment than the other two. France does not want to imply that NATO is no good or that the Treaty should be changed. The structure of NATO is not, however, a part of the Treaty. It has evolved since as the result of agreement of the governments. The division of commands and the role of French forces within this structure are what concern France.

The Ambassador said that at the time of the EDC debate General de Gaulle had said that armies to be effective must have the belief that they are defending their own soil.<sup>2</sup> They would lose effectiveness if they feel they serve under anonymous command. French remarks in this connection today are not directed at arrangements for Central Europe but rather at the Mediterranean. There the large French fleet does not have the same status as the U.S. Sixth Fleet. France wants it to have this. This does not mean, of course, that there would not be cooperation between the fleets.

To sum up, said the Ambassador, France attaches great importance to coordination, believes the nuclear problem must be tripartitely considered, and wishes changes in the Mediterranean command structure. General de Gaulle has said that progress of the Atlantic alliance is linked to discussion of these matters. If these discussions are fruitful, the alliance will become more effective.

The Secretary replied that he was not competent to talk on the third point (Mediterranean Command arrangements). He suggested that this is a subject for discussion by the appropriate military authorities.

As for the idea of political strategic talks, he said, the French should consider seriously the advisability of exploring the general subject with the State Department, which is the organization which recommends

<sup>&</sup>lt;sup>2</sup> Debate about the European Defense Community continued in the National Assembly from May 27, 1952, when the treaty was signed, to August 30, 1954, when the Assembly rejected the plan. De Gaulle's statement has not been further identified.

foreign policy decisions in which France is interested. He expressed willingness to talk freely and frankly with the French.

The Ambassador said that it is more than information for which the French search. It is the adoption of common views.

The Secretary said that if the French do not like US views then they can seek to have them changed. If changes are to be made, they will be done through discussions with those who shape foreign policy. He repeated his suggestion that France seek common understanding through political discussions. He noted his recent conversation with French journalist Lagrange in which he had said that the French tend to take a logical, schematic approach to problems while the Anglo-Saxons are more pragmatic.<sup>3</sup> The two points of view, however, can be married.

The Ambassador wondered how the NATO theater could be coordinated with the Arctic. This would seem a problem for the military to discuss. He for one would not be competent to discuss military planning for Africa.

The Secretary replied that if there were general nuclear war there would be little need to worry about local theaters. The US and the USSR would be quite devastated. There is, of course, the possibility of a limited sort of aggression which would not lead to general nuclear war, but, as far as general war is concerned, it will be survival which will be the main problem.

The Ambassador pressed towards the point of possible eventual military talks after political decisions are made. He then said that General de Gaulle seeks the same relationship with the President and Prime Minister Macmillan that Roosevelt, Churchill, and Stalin had had. Only this time he wants Khrushchev rather than de Gaulle kept out.

Mr. Murphy inquired if the French were seeking operational planning.

The Ambassador said that, on the contrary, it was broad consideration of global problems that they want.

At the conclusion of the meeting Mr. Murphy informed Ambassador Alphand that we would be ready to start the Far East talks on the afternoon of January 29.<sup>4</sup>

<sup>&</sup>lt;sup>3</sup>This conversation has not been further identified.

<sup>&</sup>lt;sup>4</sup> In a January 22 memorandum of conversation, Brown noted that after this meeting with Dulles and Murphy, Alphand said privately that he understood fully the point that the Secretary had made about the advisability of centering discussions in the Department of State. The Ambassador said that unfortunately French officials had the illusion that real U.S. policies were made in the secret rooms of the Pentagon and they wanted to get into those rooms. (Department of State, Central Files, 700.5/1–2259) For Dulles' report to the President on his conversation with Alphand and Eisenhower's reply, see Part 1, Documents 187 and 188.

#### 90. Memorandum of Conversation

January 27, 1959.

SUBJECT

**Tripartite Talks** 

#### PARTICIPANTS

M. Herve Alphand, French Ambassador M. Charles Lucet, French Minister Mr. Robert Murphy, Deputy Under Secretary Mr. Dean Brown, WE Mr. Thomas McKiernan, GER

Ambassador Alphand said that he had been requested to return to Paris immediately to discuss tripartite talks with French officials.<sup>1</sup> He expects to see General de Gaulle. He said that it is his impression that the Foreign Office understands the reasoning behind the Secretary's proposal that the talks be primarily political.<sup>2</sup> Certain problems, he added, might be referred to the military but the discussions would be centered in the State Department.

The Ambassador then referred to the Mediterranean Command. He had advised Paris that the Secretary had said that this was a matter for military consideration. Paris had replied that it is also a political matter. France wants to change the status of its fleet in the Mediterranean to reflect the fact that its principal task is to defend lines of communication between France and North Africa. Such a change has, of course, important political implications. In the interest of making the French position clear, he believed that he must mention this again before his departure.

Personally, said the Ambassador, he believes that General de Gaulle was upset by the vote in Algeria (which had returned a group of deputies committed to integration and not truly representative of the Moslem masses).<sup>3</sup> The Ambassador thought that this disappointment may be reflected in the General's desire to change the status of the French fleet.

Source: Department of State, Central Files, 700.5/1–2759. Secret. Drafted by Brown and initialed by Murphy.

<sup>&</sup>lt;sup>1</sup> As a result of Alphand's return to Paris January 28–February 2, the tripartite talks were postponed until February 3. For Alphand's account of his conversations with de Gaulle, see *L'Etonnement*, pp. 300–301.

<sup>&</sup>lt;sup>2</sup>See Document 89.

<sup>&</sup>lt;sup>3</sup> Reference is to the election of deputies to the new 585-member French National Assembly held November 23 and 30. De Gaulle announced on October 10 that Algeria would be given 66 deputies in this new Assembly.

The Ambassador noted his belief that de Gaulle is heading in the right direction so far as Algeria is concerned. The new Assembly is largely for "integration" which de Gaulle opposes as he does independence. Despite de Gaulle's clemency actions, terrorism continues. These facts result in a belief that considerable time will be required before a solution is attained.

(The French position on Mediterranean Command arrangements appears to be developing into a major political matter, affecting US/ UK/French relations. The French seem to want to avoid discussing this matter with General Norstad until they have tripartite recognition of the validity of their claim that French Naval Forces should be under some sort of independent French command and that the mission of these forces be related to the French defense of North Africa, particularly Algeria.<sup>4</sup> In addition to de Gaulle's historic views on the necessity of French commanders for French forces there is intermixed French political necessities which seem to include the search for ways to convince the political integrationists and their allies among the military that France will not "abandon" Algeria. This revamping of the command arrangements appears to be regarded by de Gaulle as a step in that direction.)

## 91. Editorial Note

On January 30, Murphy reviewed for Dulles the background of the tripartite talks and said both the French and the British were bringing military representatives, General Gelée and Admiral Denny, to the talks on the Far East scheduled for the following week. Murphy said he would ask the Department of Defense to select a high-ranking U.S. military representative and would discuss the matter at the State–JCS meeting later that morning. Secretary Dulles agreed that there was no objection to the participation of military representatives, including a senior U.S. military representative, at these talks. (Memorandum of conversation by Murphy, January 30; Department of State, Central Files, 700.5/1–3059)

At the State–JCS meeting on January 30, Murphy reviewed the developments in the tripartite political talks he was holding with the British and French Ambassadors on the de Gaulle proposals and the

<sup>&</sup>lt;sup>4</sup> In Polto 2046 from Paris, January 22, Nolting wrote that Spaak had told him that his information indicated that French lack of cooperation in NATO was "designed to increase French bargaining power in Tripartite talks." (Department of State, Central Files, 700.5/1–2259)

French desire for including military and strategic planning talks. He reported that at the series of talks beginning on February 3, the French Ambassador would be accompanied by General Gelée and the British Ambassador by Admiral Denny, and Murphy requested the ICS to appoint a high-ranking U.S. officer to work with him under the title of "military observer." Murphy reiterated the Department's desire to avoid formalization of a tripartite consultative organization which would be destructive to NATO. He characterized the U.S. and British participation in the talks as stalling, although he said the United States would try to meet the French position, wherever possible, without damage to the basic policies of the United States. He said the United States had not agreed to military talks with the French on any other than an ad hoc basis and that the Department was trying to eliminate any strategic discussions from the talks, trying particularly to ensure that the talks did not proceed in a NATO context. The record of this meeting indicates that the JCS later confirmed to Murphy the appointment of Admiral Dennison, Chief of Plans and Policy, Office of the Chief of Naval Operations, as the U.S. military observer. (Ibid., State-ICS Meetings: Lot 61 D 417)

# 92. Memorandum of Conversation

February 3, 1959.

#### SUBJECT

Tripartite Talks, February 3. Procedural and Non-FE Substantive Matters

#### PARTICIPANTS

French

Herve Alphand, French Ambassador Charles Lucet, French Minister General Max Gelee, French Representative, Standing Group Jean Daridan, French Foreign Office Pierre Landy, Counselor Claude Winckler, Counselor *British* Sir Harold Caccia, UK Ambassador Admiral Sir Michael Denny, Chairman of British Joint Services in Washington Arthur de la Mare, Counselor C.D. Wiggin, First Secretary

Source: Department of State, Central Files, 700.5/2–359. Secret. Drafted by Brown and initialed by Murphy. See also Document 93.

E. Youde, First Secretary *United States* R. Murphy, Deputy Under Secretary W. Robertson, Assistant Secretary, FE Admiral Robert Dennison, Deputy Chief of Naval Operations for Plans and Policy Admiral William Miller, Asst. Deputy Chief of Naval Operations for Plans and Policy R. McBride, WE E. Martin, CA M. Green, FE R. Donhauser, G J. Bennett, CA Lt. J.G. G. Gildred, Aide to Admiral Dennison D. Brown, WE

Mr. Murphy opened the meeting with the hope that there would be no publicity. Ambassador Caccia said that the press would undoubtedly be in the corridors after the meeting and something might have to be said. Mr. Murphy reiterated his hope that there would be nothing which would give away the subject of the present talks. (At the end of the meeting Ambassador Alphand left first and was able to give the waiting press a general description of his meeting that morning with the Secretary on Berlin and Germany. This briefing effectively covered up the tripartite talk.)

Mr. Murphy suggested that there should be no formal agenda but rather a general agreement that subjects previously mentioned as suitable for the talks should be covered. This was agreeable to Ambassador Caccia. Ambassador Alphand also concurred, adding that there should be a certain amount of organization of the discussion to make sure that all subjects are covered but this could be done on a day-to-day basis.

Mr. Murphy said that we had received a revised, annotated agenda from Mr. Daridan the night before.<sup>1</sup> It had not been yet studied and could not, therefore, be a basis for our discussions. (The British said they had not seen this document. Copies were given them by the French at that time.)

Ambassador Alphand then brought up the matter of informing others. He said the three Permanent Representatives could be asked to inform Spaak and the other PermReps. France, however, does not want the matter broached in the Council itself as NAC has never been officially informed of the talks. The suggested pattern seemed to have worked satisfactorily in the past.

<sup>&</sup>lt;sup>1</sup>Reference is to the agenda that Daridan gave the Department on February 2 and which he presented to the British representatives at this meeting. No copy of the agenda has been found.

Mr. Murphy said this method of informing NATO members appeared acceptable.

Ambassador Caccia agreed that Spaak had to be informed. He thought the PermReps could coordinate among themselves and arrange a briefing for others. He brought up the UK's special relationship with the Commonwealth and indicated countries like Australia and New Zealand which have a natural interest in Far East matters would have to be advised.

Ambassador Alphand mentioned French clients in the Far East, citing Laos. (This citation has given the British the impression that the French have given us carte blanche to inform others as we deem necessary.)

Mr. Murphy said that we should handle this matter on as generalized a basis as possible. He mentioned the problem of Italy.

Ambassador Alphand replied that the Italians seem much quieter now. Fanfani, for example, had not mentioned this subject the last time he had seen General de Gaulle.

Ambassador Caccia reverted to the Daridan paper. He said that he understood it to be a list of things the French would like to see covered rather than a position paper.

Ambassador Alphand confirmed this and then expressed French gratification for the beginning of the talks. These talks, he continued, are to be political and strategic. It is of satisfaction to the French that military representatives are present. The aim of the discussions should be to outline common approaches to various areas of the world. The talks are starting with the Far East where all three have interests. Those of the United States are greater than those of France. France has interests in the area, however: in Indochina, the Pacific, and the Indian Ocean. These talks should be more than a discussion of political problems. They should also examine the criteria which would justify a war and, more especially, which would justify a nuclear war. At the time of Quemoy there were complaints about the lack of consultation. France agreed with what had been done but believed there should have been greater preliminary consultation.

The Ambassador proposed that strategic matters be dealt with on the Ambassadorial level. Other subjects, more political in nature, could be handled by the experts. The areas which involve strategic implications are China, Taiwan, Korea, Indochina and Indonesia. These are the areas where war is possible. It may be possible for the three to agree; perhaps not. If they can, then this would have favorable repercussions, including public opinion.

Mr. Murphy asked if the previous statement represented thinking which Alphand had collected in Paris during his recent trip.

The Ambassador replied that this is not a new line. It is another form to what he had been saying to the Secretary and to Mr. Murphy in recent months.

At this point Mr. Murphy asked Mr. Robertson to start the discussion off.

Later in the discussion Ambassador Alphand left for his appointment with the Secretary.<sup>2</sup> Mr. Daridan carried on for the French. Before the Ambassador left he said that he was agreeable to discussions on the expert level but believed that there must be a continuation of high-level discussions on the political/strategic subjects he had earlier mentioned.

At the conclusion of the meeting Ambassador Alphand, who had returned, said that the object of this exercise is to decide what would be done in the case of a major war in any of the areas we are discussing, perhaps in the spirit of the *Entente Cordiale*. As time was running out, he suggested a further meeting of the same group. This was set up for 3 pm on February 5.<sup>3</sup>

Mr. Murphy said that Mr. Green of FE would be in charge of scheduling meetings of the experts. These were later arranged among Messrs. Green, Daridan, and de la Mare.<sup>4</sup>

"M. Alphand stressed that de Gaulle had no intention of undermining or disengaging from NATO. On the contrary, his purpose was to strengthen NATO by making its functioning more effective. De Gaulle was insistent on primary French responsibility for communications between France and North Africa. If the French navy were to be removed from NATO control in this connection, it would still cooperate closely with NATO." (Department of State, Central Files, 700.5/2–359)

<sup>3</sup> Bennett's February 5 memorandum of conversation summarizing the discussion about Laos and Indonesia at the tripartite talks that day is printed in vol. XVI, pp. 69–73. A copy of the memorandum is also in Department of State, Central Files, 700.5/2–559.

 $<sup>^2</sup>$  In summarizing Alphand's conversation with the Secretary, Brown wrote in a February 3 memorandum:

<sup>&</sup>quot;The French Ambassador stated that his Government had agreed to having tripartite political talks first and that initial discussions on the Far East had begun that morning. The Secretary said that he was glad to hear this, pointing out that basic foreign policy decisions were formulated in the State Department. He added that he saw no objection, however, to inviting the military to join in on the talks from time to time when specific military problems arose.

<sup>&</sup>lt;sup>4</sup> Daridan told Murphy on February 4 that his government and de Gaulle would probably be disappointed in the February 3 talk concerning consultations in the event of an enemy attack. He made the personal suggestion that perhaps the United States could inform the French of any decision to respond to an attack with nuclear weapons. (Telegram 2806 to Paris, February 4; *ibid.*, 700.5/2–459) In telegram 2609 to Paris, February 7, Dulles indicated that he knew the French desired tripartite advance consultation and would probably wish to exercise the right of veto over the use of nuclear weapons except in event of direct attack on the United States, the United Kingdom, or France. "Needless to say," he wrote, "we do not intend concede either tripartite advance consultation or veto," although the United States would consult NATO before using nuclear weapons if time permitted. (*Ibid.*)

# 93. Memorandum of Conversation

February 3, 1959.

SUBJECT

Tripartite Talks (Discussion of Korea and China)

PARTICIPANTS

(See page 8)<sup>1</sup>

After a discussion of preliminaries and of procedural matters, Mr. Murphy invited Mr. Robertson to start the discussion with a presentation of our views of the Far East situation.

Mr. Robertson opened by noting that he thought we were in general agreement about the posture and threat of Red China. He said that one of the most important factors was the question of the relations between Moscow and Peiping. It has been impossible to find any hard evidence of a rift. On the contrary, available evidence indicates continuing unity. He described the great quantity of aid which the Soviets had given to Communist China, cited Mao's statements in Moscow in November 1957 acknowledging the leadership of Moscow in the Communist world,<sup>2</sup> and read a similar statement made by Chou En-lai in Moscow a few days ago at the Soviet Party Congress.<sup>3</sup> In 1956 Chou En-lai made a trip to Eastern Europe for the purpose of rallying the satellites. Similarly, with respect to Yugoslavia, Mao's position has been the same as that of the USSR. At the time of the Taiwan Strait crisis, Khrushchev paid a visit to Peiping<sup>4</sup> before the shooting began. During the crisis the USSR doubled its shipments of jet fuel to Communist China. While we do not believe that Moscow is enthused about the communes, we believe that Russia's main concern is that the commune program might lead to a possible weakening of Communist China, not any difference in ideology or concern that the communes would succeed. Mao's recent decision to step down from the Chairmanship of the Communist regime did not in our view mean diminution in his influence or power since he retains full power as head of the Chinese Communist Party. He only

Source: Department of State, Central Files, 700.5/2–359. Secret. Drafted by J.W. Bennett of the Office of Chinese Affairs and initialed by Murphy. See also Document 92.

<sup>&</sup>lt;sup>1</sup> The list is the same as the list in Document 92.

<sup>&</sup>lt;sup>2</sup> On November 14, 1957, Mao addressed a conference of the Sino-Soviet bloc leaders held in Moscow November 14-16, 1957, and spoke about the Soviet Union's leadership of the bloc. (Department of State, INR Files)

<sup>&</sup>lt;sup>3</sup> The 21st Congress of the Communist Party of the Soviet Union was held in Moscow January 27–February 5, 1959.

<sup>&</sup>lt;sup>4</sup> Khrushchev visited Peking July 21–August 3, 1958, for talks with Mao Tse-tung.

wanted relief from protocol duties in order to devote himself to important problems.

The "great leap forward" has added to the economic strength of Communist China. But Communist claims have been grossly exaggerated. While gains in food production may have been as much as 15–20 percent, the Communists have been claiming over 100 percent. On the other hand, there are reports of food shortages in Communist China, transportation bottlenecks, and other evidences of poor economic planning. Communist China's dumping of cheap goods on the Asian market has not been just to punish Japan but is part of its drive to gain foreign exchange in order to industrialize. We believe that on balance Peiping's economic policies have had a net adverse effect on other Asian countries.

The military threat is very real, more so than a year ago. Chinese Communist subversion is unabated. They continue to use schools, labor unions, Chinese societies and "red carpet" tours for Asian dignitaries to manipulate opinion in their favor.

Mr. Robertson then recounted the highlights of the recent Taiwan Strait crisis. He noted that in all Communist broadcasts at the time, no distinction was drawn between Taiwan on the one hand and Quemoy and Matsu on the other. Similarly, Khrushchev wrote in his second letter to President Eisenhower that the only way to relieve tensions in the Taiwan Strait was for the United States to get out of the area.<sup>5</sup> The Chinese Communists have refused to talk about provocations at Warsaw and have said only that the United States must get out of Taiwan. It is plain that their objective is to force United States withdrawal from the Western Pacific. In their attacks on the offshore islands the Chinese Communists hoped to get rid of the Republic of China both as a political symbol and as a military force—a military force which constitutes a deterrent to their further expansion. Their ultimate objective was to open the road to all of Southeast Asia.

Ambassador Alphand said he was very grateful for Mr. Robertson's views and that he considered this very important for an understanding of the background. Sir Harold Caccia said he thought we were in broad general agreement on the threat on all of three headings: 1) we agree on the solidarity of the Peiping-Moscow relationship; 2) we agree on the analysis of the economic drive undertaken by the Chinese Communists; and 3) we also agree that the military threat is formidable. He said that Communist China and the USSR make no distinction between the offshore islands and Taiwan, but he noted that,

 $<sup>^5\,\</sup>rm Khrushchev's$  letter of September 19, 1958, to Eisenhower is in volume XVIII, Document 110.

although they do not, the UK does. He wondered if we could reach a position where we were together on this point. The difference between the U.K. and the United States position on this proceeds from the U.K. recognition of Peiping in 1950. The legal consequences of this, he said, are that the offshore islands constitute the "normal" territory of the Chinese [Communists].<sup>6</sup> This is a consideration which does affect our unity.

Ambassador Alphand said that his government takes the same position as we on the magnitude of the Chinese Communist threat. He noted that France does not recognize Communist China, and he said that, if Quemoy had not been defended, Taiwan would have been lost through internal dissolution. Mr. Daridan said that there had been "pressure" in France to recognize Peiping, both from leftists and from businessmen who hoped for increased trade. He said that there would be some advantages in recognition: it would be recognition of a fact which exists and it would open up "possibilities of discussion" with the Chinese Communists. The disadvantage would be the effect of recognition on overseas Chinese in French possessions. In any case, in the present state of France's international relations, recognition of Communist China would be "very difficult." Mr. Daridan mentioned that Huang Shao-ku, GRC Foreign Minister, was in Paris recently and had been told that the French Government would not send an ambassador to Taiwan. Huang, he said, had understood France's position. Mr. Murphy asked if the Chinese Communists frequently come to Paris and were active there. Mr. Daridan said they did a few years ago, but not recently.

Mr. Robertson said one of the things we learned from the Taiwan Strait crisis was that the Asian countries were afraid that the United States would back down in the face of Communist attacks. If we had backed down we would have lost far more than Taiwan as a result. He said that he fully understood the reasons for the U.K.'s different position on recognition. However, in our view China is not different from the other countries of the world now divided by Communism. If there were a "break in the ranks" on the question of recognition, this could lead to an avalanche of countries recognizing Peiping. Today 44 free world countries recognize the GRC, whereas only 22 of them recognize the Communists. Peiping wants to hold on to everything and give nothing. At no point have the Chinese Communists changed their basic hostile and threatening policy. If recognition could enhance free world security, we would be in favor of it; but, if the effect of recognition would be to make the enemy stronger, then in our own selfish interests we must resist. The United States did not recognize Soviet Russia for 16 years, and, if it had been forewarned of Russia's policies as it now is of Communist China's, it is very dubious that it would have recognized

<sup>&</sup>lt;sup>6</sup> Brackets in the source text.

the Soviets even then. For the United States it is not question of recognizing "reality." Since the time of Jefferson we have not recognized governments simply because they exercise de facto control over territory. We also ask that they live up to their international obligations. In the case of the Chinese Communists they expropriated our property, extorted blackmail from some of our citizens, and imprisoned others, subjecting them to brutal treatment. In February 1950 the Chinese Communists called on Southeast Asian countries to overthrow their governments. Later that year they committed aggression in Korea. An armistice was reached with them in July 1953.7 They later violated three of the four principal provisions of this armistice. They violated the Geneva accord on Indochina<sup>8</sup> almost as soon as the ink was dry. They also violated the Agreed Announcement of September 10, 1955<sup>9</sup> by which they pledged themselves to permit the Americans held in Communist China to return home "expeditiously." Returning to the question of recognition, Mr. Robertson observed that in the case of Great Britain recognition took place just after the Chinese Communists had come in and before it was apparent what their policies would be.

Sir Harold agreed and said that recognition now is an "esoteric field" having two aspects: recognition of a reality and recognition as a courtesy. The United States has in fact been dealing with the Chinese Communists even without diplomatic recognition. However, Sir Harold said he thought there were certain benefits to be obtained from recognition, such as the obtaining of information, but these he felt were not too important. He said that recognition of Communist China today would have certain "inescapable consequences" of a practical nature which would be very serious. During the Quemoy crisis the U.K. had done its best not to appear out of line with the United States, but it would have been easier to do so if a line had been drawn down the Formosa Strait. Since there was no such line, the U.K. could only take the position that it did not believe that force should be used in the Communist attempt to exert sovereignty over the offshore islands. The treaty position of the U.S. is, of course, different. The British Government had never been asked to make any commitment and did not feel that it would become involved. Sir Harold said further that he felt that the offshore island crisis was really a "test" of the United States in Southeast Asia, not a test of Chiang Kai-shek.

Mr. Robertson replied that the United States considers that the offshore islands belong to the Republic of China. He said that he agreed

<sup>&</sup>lt;sup>7</sup> The Korean Armistice Agreement was signed at Panmunjom, Korea, on July 27, 1953. (4 UST 234)

<sup>&</sup>lt;sup>8</sup> The Final Declaration on Indochina was signed at Geneva July 21, 1954.

<sup>&</sup>lt;sup>9</sup> The Agreed Announcement by the Ambassadors of the United States and the People's Republic of China was made in Geneva, September 10, 1955.

that—aside from the 45,000 residents of the offshore islands who were strongly anti-Communist—if the offshore islands were to disappear into the sea we would draw a sigh of relief. Militarily speaking, we felt that the offshore islands were more a liability than an asset.

Mr. Murphy asked whether the U.K. considered that the offshore islands were part of the mainland. Sir Harold replied that it did. He said that Taiwan was in a different category. The Japanese surrender of Taiwan was never followed by a "definite assignment." The U.K. and the United States positions were bound to be different, since the U.K. says that Republic of China is not the government of China. Mr. Murphy noted that despite this, the Republic of China had been in continuous control of the offshore islands since before the Communists proclaimed their regime.

Mr. Robertson said that the argument that Taiwan does not belong to China is a little "tenuous" since in fact after the Second World War the Republic of China was assigned the duty of accepting the surrender of the Japanese on Taiwan and has been in control of the island ever since.

Sir Harold remarked that he doubted that we would want him to be persuaded by these arguments. Thereupon Mr. Murphy recalled that when Sir Roger Makins was British Ambassador to Washington he had discussed this point with him and had asked whether Sir Roger did not consider Hong Kong properly part of the mainland since Hong Kong was at least as close to the mainland as the offshore islands of the GRC. Sir Harold rejoined that he had been speaking about the legal side of the question only. He did not think we could change the thinking of his government's "lawyers" on the offshore islands.

Mr. Murphy asked Sir Harold whether the wisdom of recognition of Peiping had been borne out in practical terms. Sir Harold said that the U.K. does not get commercial benefits, as Mr. Robertson had already observed, but he felt it does get benefits from the information obtained information which he thought as good as that obtained by the British Embassy in the USSR. This, he felt, was better than getting information on the mainland "by indirection." Finally, by recognition the U.K. recognizes the fact of Communist control, deplorable fact that it is. The U.K. also avoids the "awkwardness" of having to set up "special arrangements" to talk with the Chinese Communists whenever it has a problem with them.

Mr. Robertson asked whether the British in Peiping could talk to Chou En-lai. Sir Harold said not often. He then said that in the long run recognition by the U.K. stood some chance of "affecting" the nature of the regime itself and its relationship with Moscow.

There was some discussion as to how long the British Chargé in Peiping, Sir Humphrey Trevelyan, had to wait before seeing Chou En-lai a second time after presenting his credentials on arrival. Mr. Robertson thought that it was not until four years later, at Geneva, that Sir Humphrey met Chou again.

Sir Harold said there were two ways of going about recognition. One of them was to do it quickly, as in the case of Cuba. However, when one acts quickly one inevitably runs certain risks and this was so in the case of U.K. recognition of Communist China. Mr. Murphy made the comment that, although we recognized Cuba quickly, we had made a very close advance study of the question and we had good reasons for taking the action we did.

Mr. Robertson observed that in 1950 the U.K. position was similar to that of the United States with respect to the USSR in 1933. To this Sir Harold added that recognition, once done, was a "signal act" to undo.

Mr. Daridan said he had a number of questions: What are present conditions on Quemoy and Matsu? Is Chiang Kai-shek determined to hold the islands? If Quemoy and Matsu were attacked, what kind of a war would result? What weapons would be used? What would be the USSR's reaction? If the Republic of China withdrew from the offshore islands and if Taiwan were attacked, what means would the United States use to defend it? Would there be an attack on the mainland? What would be the USSR's reaction in this case?

Mr. Robertson said that the morale on Quemoy and Matsu had been high, that of the Taiwanese troops gratifyingly so. He noted that the standard of living in Taiwan is the second highest in Asia. Very effective use has been made of United States aid and the land reform program had been very beneficial. The people on Taiwan knew the slave conditions in mainland China and understood that the GRC was their protection against the Communists. The GRC will not under any conditions turn over the offshore islands. We tried our hand at this in 1955 and failed. Of the 18,524 inhabitants of the Ta-Chen islands, only 19 elected to remain when those islands were evacuated in 1955. The population of Quemoy and Matsu is very anti-Communist. Resettlement on Taiwan would be a problem, but the real problem was the psychological one. Chiang Kai-shek will not give up his territory bit by bit in the face of force. If he did so, he feels all faith would be lost in the alliance with the United States. He could not retain the confidence of the anti-Communist Chinese if he gave up the offshore islands, nor could he maintain the morale of the Taiwan population. If the morale in Taiwan were to collapse, this would vastly complicate our problem since Taiwan is strategically and militarily necessary to the collective security of the free world. Thermonuclear war might destroy the world but there comes a point when we must decide whether to surrender the free world simply because the Soviets threaten war.

Mr. Daridan asked if the United States would go to war in defense of the offshore islands. Mr. Robertson said that it was not a question of Quemoy and Matsu. If the offshore islands were evacuated this might help psychologically with some of our allies, but the real problem would not be solved for ten minutes. The real question was whether we would go to war over Taiwan.

Sir Harold observed that the Chinese Communists would themselves be angry if "robbed" of Quemoy and Matsu. It would make an attack on Taiwan more difficult. Mr. Robertson said that Mr. Daridan was asking a question which only the President could answer. He described the terms of the Formosa Resolution which gives the President authority to go beyond the exact limits of the Mutual Defense Treaty. We cannot predetermine the case. A decision would in any case have to be made in the light of the circumstances prevailing at the time. To this Mr. Daridan noted that there was some feeling that the United States' allies might be drawn into a war without consultation. Mr. Murphy commented that in this case our ally was the GRC in Taiwan. He said it is not possible for us to answer the question further. If Taiwan were attacked we would then act under our treaty with the Republic of China. Mr. Green at this point read a pertinent passage from Anna Louise Strong's article in the Moscow "New Times." He said this showed that if we should appear to have divided counsels this would be an added incentive to the Communists for further probing and attacks.

Mr. Robertson said that if the Chinese Communists were to attack Taiwan by force they would be met with force by the United States and Mr. Murphy agreed that this was a fair statement. Mr. Daridan asked for an appraisal of the Russian attitude. Mr. Robertson said that he thought the Russians do not want the Chinese Communists to get into a major war at this time. The Chinese Communists depend on the USSR for war materials. Of all the shell fragments found on Quemoy not one was made in China; most of them were made in Russia with a few old United States shells mixed in. Peiping also depends on Russia for jet fuel and parts. It therefore must have a "green light" from the USSR before embarking on a major war. We believe that our policy on a trade embargo and playing for time had been a factor in maintaining peace in Asia. Russia will exercise its influence to prevent a major war, but in case one should break out its support would be given the Chinese Communists.

Mr. Daridan asked how Hong Kong would be defended. Mr. Murphy said that the United States would naturally take into consideration the views and wishes of the U.K. Sir Harold said that it was a question of intelligence. Was there any intelligence indicating the Communists intended to attack Hong Kong? He believed there was none pointing to an attack in the "proximate future," although the ultimate intentions of the Chinese Communists were wide. The fact that part of Hong Kong is leased territory is not generally understood. The lease expires in 1998. Whether the Communists will "in oriental fashion" wait for that date we do not know. However, if British territory is attacked it is "axiomatic" that it will be defended. Mr. Robertson asked if the Communists did not feel that it is more advantageous to them to have Hong Kong in British hands, thus giving them a port for foreign trade and a "window on the world." Sir Harold thought this was so.

Sir Harold asked: Is it not the object of our policy to "contain China in China?" Mr. Robertson agreed. He said that this was the core of our whole policy in the Far East: to deter Chinese Communist expansion by all means and prevent the taking over of Asia. Mr. Murphy said that we were also attempting to bring about a deterioration of the domestic situation in Communist China and were keeping a close watch on Sino-Soviet relations.

Mr. Robertson noted that the Russians were restraining Peiping for practical reasons. They wanted Peiping to gain ground—not lose.

Sir Harold said that time will tell whether Chiang Kai-shek is right. Chiang's position essentially is that he must have all or nothing.

Ambassador Alphand recalled that before the first World War there had been an *entente cordiale* and the partners understood what would happen if Germany attacked Belgium. He said France wanted to be sure what would be the case in the future war. He said that he understood that if Taiwan were attacked the United States would be ready to go to war. Mr. Robertson said this was true of many places. He said that our Mutual Defense Treaty with the GRC was the same as defense treaties with many other countries.

Mr. Murphy made the point that the primary responsibility for defense of the offshore islands rested with the GRC. If the GRC should be unable to defend them against attack, then we would take another look.

Turning the discussion toward Korea, Mr. Daridan observed that Korea did not seem to be a "showcase" of democracy with the police bill developments which were taking place. Mr. Robertson observed that the United States presence in Korea was to carry out the purposes of the United Nations. He described our large aid program in Korea and mentioned the fact that Korea has an army of some 600,000 men. Our commitment to Korea is far in excess of the intrinsic importance of Korea itself. The last elections held in that country were regarded as generally fair and Rhee's party obtained 70 percent of the vote. So far as the police bill is concerned, we did approach the Koreans on it to get some modifications, although we did not get as many as we would have liked. But our primary problem in Korea is keeping the Communists from taking South Korea and then moving against Japan.

#### 94. Editorial Note

Secretary of State Dulles went to Europe February 3–9 to consult with leaders of the United Kingdom, France, and the Federal Republic of Germany and Secretary General of the North Atlantic Treaty Organization Spaak about the settlement of the German question and the possibility of holding the Foreign Ministers meeting. Documentation on his discussions with Prime Minister Macmillan, Foreign Secretary Lloyd, and General Norstad, SACEUR, in London February 4–5; with Foreign Minister Couve de Murville in Paris February 6–7; and with Chancellor Adenauer and Foreign Minister von Brentano in Bonn February 7–8 is printed in volume VIII. For a summary of his discussions with President de Gaulle and Couve de Murville in Paris, February 6, see Document 95.

# 95. Telegram From Secretary of State Dulles to the Department of State

Paris, February 6, 1959, 9 p.m.

Dulte 8. Eyes Only Acting Secretary for President from Secretary. Dear Mr. President: [Here follows the beginning of the message.]

Toward the close of our meeting <sup>1</sup>I took the initiative in asking General de Gaulle whether he felt that some progress was being made in carrying out his wishes to have tripartite policy discussions at Washington covering an area larger than NATO. He indicated that he thought progress was in fact being made, and while he obviously thought there was room for more progress he made no complaint. I then said that we were sympathetic toward his view that the French interests in the Mediterranean were such that there should not be discrimination against their fleet as against our Sixth Fleet. I said, so far as we were concerned, this was a matter which could be renegotiated with NATO with a view

Source: Department of State, Central Files, 110.11–DU/2–659. Secret. The full text of this telegram is in volume VIII, Document 163. Also published in part in *Declassified Documents*, 1983, 2496.

<sup>&</sup>lt;sup>1</sup> For another brief summary of this February 6 conversation, see Part 1, Document 203.

to achieving parity. De Gaulle said that this was a "very important" statement and it obviously gratified him.

[Here follows the remainder of the message.] Faithfully yours, Foster.

Dulles

## 96. Memorandum of Conversation

March 3, 1959.

#### PARTICIPANTS

Ambassador Herve Alphand, French Embassy Mr. Livingston T. Merchant, EUR Mr. Robert H. McBride, WE

SUBJECT

Atomic Submarine for France

Mr. Merchant called the French Ambassador and said that on the instruction of the Acting Secretary he found it necessary to inform the French that should they proceed with their action in withdrawing their Mediterranean fleet from NATO;<sup>1</sup> legislative justification for furnishing an atomic submarine to France would appear to be removed. He said that if the French action were carried out he thought the Congressional situation would be extremely difficult and that it would in all likelihood prove impossible to obtain passage by Congress of the necessary action. He said that he had thought it was essential that the French be forewarned to this sense and that accordingly he was calling him urgently on the instructions of the Acting Secretary.

Source: Department of State, Central Files, 751.5621/3–359. Confidential. Drafted by McBride and approved by Herter on March 9.

<sup>&</sup>lt;sup>1</sup>See Part 1, Documents 187 ff.

## 97. Memorandum of Conversation

March 4, 1959.

SUBJECT

French Fleet

#### PARTICIPANTS

H.E. Herve Alphand, French Ambassador M. Charles Lucet, French Minister

Mr. Livingston T. Merchant, Assistant Secretary Mr. L. Dean Brown, WE

In reply to Ambassador Alphand's question, Mr. Merchant said that French had not taken the anticipated action in the NAC during the day.<sup>1</sup>

The Ambassador attributed this to his cables to Paris.<sup>2</sup> He then said that the references which the Acting Secretary had made to the tripartite talks and the submarine reactor had been "badly received" in Paris. He said that we should not exaggerate the importance of the French move. It won't change much and is primarily a question of presentation. It would be ridiculous to create a false problem. Off-the-record, he continued, we want to avoid a sort of "diplomatic war" in which the US and France would each counteract moves by the other.

Mr. Merchant agreed with the last point. He then said that he could not agree that this is only a question of presentation. It strikes a psychological blow at NATO at a time when we cannot afford such blows. The long-run implications are bad so far as unilateral actions are concerned. We have always told the Soviets that the Germans could not take unilateral military action. This undermines that contention.

Mr. Merchant said that he had gone carefully over the record of the Secretary's talk with General de Gaulle and was convinced that there never was any question of removal from NATO earmark in time of war. He then read from our record.<sup>3</sup>

Source: Department of State, Central Files, 740.5/3-459. Secret. Drafted by Brown.

<sup>&</sup>lt;sup>1</sup> The French note withdrawing its fleet, expected on March 4, was not delivered until March 6. The text of the note was transmitted in Polto 2536 from Paris, March 6; see Part 1, Document 196.

<sup>&</sup>lt;sup>2</sup> In a March 3 memorandum of conversation, McBride reported that Alphand had persuaded his government to hold up the delivery of the French letter withdrawing their fleet from NATO until after receipt of the report of his conversation with Herter. (*Ibid.*, 740.5/3–359) For the March 3 memorandum summarizing Alphand's conversation with Herter that day, see Part 1, Document 194.

 $<sup>^{3}\,\</sup>mathrm{No}$  record has been found. For a summary of the February 6 meeting, see Document 95.

The Ambassador said that even if France had a national fleet, it would help NATO.

Mr. Merchant then said that we had considered most carefully what we had said about the submarine program. We had made our point at this time because we might be open to a charge of bad faith if we took an action in this field at a later date and had not warned the French in advance that we might have to do so.

The Ambassador replied that he understands that there are already difficulties with the Congress and that the proposed French action might make the situation more difficult. He then said that he had understood from Paris that we had made a new proposal.

Mr. Merchant said that this was not quite the case. We had told de Leusse that he should discuss the matter with General Norstad.<sup>4</sup> This had seemed a new idea to de Leusse. It was not, however; when Prime Minister Debré had talked rather vaguely to Norstad about this subject, Norstad had suggested that he be given a specific proposal.<sup>5</sup> This was the suggestion renewed today by Ambassador Burgess.<sup>6</sup>

The Ambassador said that Spaak had asked the French to keep the matter secret. He doubted that this would be possible and suggested that it be presented to the press in such a way as not to jeopardize the alliance. It could perhaps be presented as a difference in form but not in substance.

# 98. Telegram From the Embassy in France to the Department of State

Paris, March 6, 1959, 9 p.m.

3238. Re Embtel 3194.<sup>1</sup> Couve de Murville asked me to call at 7 this evening. Joxe was also present. Foreign Minister said that telegram had

<sup>&</sup>lt;sup>4</sup> In Polto 2477 to Paris, March 4, Burgess reported he had told de Leusse that day that as the first step in consulting NATO, he ought to talk to Norstad. (Department of State, Central Files, 740.5/3–459)

<sup>&</sup>lt;sup>5</sup>See Part 1, Document 189.

<sup>&</sup>lt;sup>6</sup>See footnote 4 above.

Source: Department of State, Central Files, 740.5/3-659. Secret; Niact; Limit Distribution. Repeated to London.

<sup>&</sup>lt;sup>1</sup> In telegram 3194 from Paris, March 4, Lyon reported that he had tried to persuade Joxe to prevent the French from withdrawing their Mediterranean fleet from NATO by reiterating the arguments used by Herter to Alphand on March 3. (*Ibid.*)

been sent to Alphand instructing him to inform Department that letter to NATO concerning withdrawal of French Mediterranean Fleet from NATO control was being delivered this afternoon.<sup>2</sup> Couve de Murville said in view of my conversation with Joxe March 4<sup>3</sup> he also wanted to tell me personally as he had not been able to see me on that date.

Foreign Minister said:

1. He hoped move would not be taken too dramatically.

2. It would be handled as Cosmic and as far as France concerned there would be no publicity.

3. France was motivated in this move entirely by French reasons, the Algerian situation.

4. He emphasized that only French Mediterranean fleet was concerned and not rest of French fleet, which would continue to be under NATO control.

5. He referred specifically to the *Belleau Wood* and said that as this ship had been lent by United States it had special status and obviously would be one of first to cooperate with NATO fleet operations in time of war.<sup>4</sup>

6. After Ely–Norstad consultation (see Embtel 3222)<sup>5</sup> French realized that even if French Mediterranean fleet were given same status as United States Sixth Fleet it would still be subject to NATO call and this did not give France sufficient freedom of action.

7. France's interests naturally north-south Mediterranean routes rather than east-west.

8. He definitely thought there should be coordination of how French fleet and other NATO naval forces would cooperate in time of war.

I reviewed most of arguments which Acting Secretary presented Alphand March 3<sup>6</sup> and in replying my suggestion that this move would undoubtedly leak, since there were 15 nations in NATO and it would have very bad psychological effect at this time of Berlin–German problem, he admitted it probably would leak though he hoped it would not.

<sup>&</sup>lt;sup>2</sup>See footnote 1, Document 97.

<sup>&</sup>lt;sup>3</sup>See footnote 1 above.

<sup>&</sup>lt;sup>4</sup> The *Belleau Wood* was a small aircraft carrier lent by the United States to France on September 5, 1953, under the Mutual Defense Assistance Program for the specific purpose of antisubmarine warfare and was earmarked for NATO.

<sup>&</sup>lt;sup>5</sup> Telegram 3222 from Paris, March 6, reported that Ely told Norstad the evening of March 5 that the French decision to remove the fleet from NATO was irrevocable and that Norstad's suggestion that the French fleet be put on the same basis as the U.S. Sixth Fleet was not enough to satisfy the French Government. Norstad replied it was a political matter of gravest importance and that if the decision were final, French and NATO political authorities should consult on the method of handling it. (Department of State, Central Files, 740.5/3–659)

<sup>&</sup>lt;sup>6</sup>See Part 1, Document 194.

He also here again emphasized importance to France of Algerian problem.

When I said that it would be setting bad example which other nations might be tempted to follow, Foreign Minister replied that he didn't think any nations in NATO today had problem similar to Algeria, certainly not Norwegians, Danes, et cetera.

When I asked if one might expect decision to be reversed if Algerian war terminated, he referred to France's larger problems in Africa as whole and possibility of Soviet move in that region which was not covered by NATO. I said that in my opinion we all had one concern today and only one, USSR, and hence our concern this area was the same.

In summary, Foreign Minister emphasized that action was inspired entirely because of French problem and in actuality it did not make very great difference and he hoped that it would not become exaggerated or misinterpreted.

Foreign Minister was his usual calm, relaxed, deliberate self, but I didn't feel that either he or Joxe was too happy in giving me this report.

Lyon

# 99. Telegram From the Department of State to the Embassy in France

March 6, 1959, 7:43 p.m.

3256. Paris pass USRO and Thurston. FYI. We have been awaiting receipt French paper on fleet<sup>1</sup> before making any decisions on possible courses of action. Now that paper received we believe we must give it most careful examination. We do not intend take hasty or ill-considered actions or what might be regarded as reprisals and possibly generative further French actions. Our primary concern at this moment is Berlin crisis. We would want to take no actions which would menace essential allied solidarity on this subject.

Source: Department of State, Central Files, 751.5/3–659. Secret; Limit Distribution. Drafted by Brown; cleared by Farley, Timmons, and McBride; and approved by Merchant. Repeated to London.

<sup>&</sup>lt;sup>1</sup>See Part 1, Document 196.

We believe our posture should be one of calm but cold dignity and that we should await reaction of others before charting future course. Specifically we would want to see temper of NAC and perhaps await results Macmillan–de Gaulle talk.<sup>2</sup>

In discussing with French possible effects which their action might have we have mentioned two subjects: tripartite talks and nuclear cooperation. Tentatively we have following thoughts. On tripartite talks we shall simply indicate for time being to French that we are not ready discuss agenda and, if they press, that because of time lapse needed between agenda decisions and tripartite talks we may not be able have talk March 16 as planned. On nuclear cooperation we plan proceed with necessary paperwork, including preparation drafts but not initialing for enriched fuel bilateral and completion security determination for reactor. We would not however indicate to French any possible signature date for first item or further action, such as negotiation draft agreement, which would involve sending French team to US, for second. These are of course stalling actions until we make final determination whether we must be negative.

As for *Belleau Wood* and MDAP supplied naval vessels, we shall unilaterally study appropriate texts. This would be consonant with our belief that any counter-action if taken should confine itself to tripartite and naval fields in order prevent deterioration relations in other fields which could impair our objective maintaining solidarity of alliance. End FYI.

We would of course wish maintain close contact with UK on this subject. In this connection we believe it essential British views closely parallel ours and hope Macmillan will stress to de Gaulle during their meeting next week unfortunate short and long term effects French action.

Herter

<sup>2</sup> Macmillan had discussions with de Gaulle in Paris March 9–10; see Document 359.

## 100. Editorial Note

On March 12, President de Gaulle wrote President Eisenhower to stress the importance of Western solidarity in standing up to the Soviet leaders on the question of Berlin and Germany. In his March 14 reply, Eisenhower praised de Gaulle for his analysis of the artificial crisis created by the Soviets concerning Berlin. Regarding the tripartite talks in Washington, Eisenhower wrote: "I believe, as you expressed last month to Secretary Dulles in Paris, that these talks have already begun to serve a useful purpose. We, for our part, are disposed to continue these talks, and I am gratified that a date has been set early next month for the next meetings in the series." Both letters are printed in volume VIII, Documents 215 and 223.

On March 19, Eisenhower wrote de Gaulle about France's decision to withdraw its Mediterranean fleet from NATO. For text of this letter, see Part 1, Document 204.

# 101. Telegram From the Department of State to the Embassy in France

March 11, 1959, 7:26 p.m.

3320. Embassy pass USRO and Thurston. Department has noted curious discrepancy between deGaulle's attitude on tripartite talks taken with Secretary in February in Paris<sup>1</sup> and that expressed to Spaak recently both by deGaulle and deLeusse.<sup>2</sup> Embassy will recall that in February deGaulle expressed relative satisfaction with progress which talks had made. It is therefore disturbing note this now adduced by deGaulle as a reason for his most unfortunate action re French fleet.

As you know we attach considerable significance to these tripartite talks. We have certainly made no decision break them off, though we have paused to review situation and are not now planning renew these talks until after NATO meeting.<sup>3</sup>

## Herter

Source: Department of State, Central Files, 700.5/3–1159. Secret. Drafted by McBride; cleared by Timmons, Greene, and Murphy; and approved by Merchant.

<sup>&</sup>lt;sup>1</sup>See Document 95.

<sup>&</sup>lt;sup>2</sup>See Part 1, Documents 198 and 199.

<sup>&</sup>lt;sup>3</sup> Alphand met with Murphy on March 11; see Part 1, Document 201.

## 102. Memorandum of Conversation

March 18, 1959.

SUBJECT

French Decision on Mediterranean Fleet and Nuclear Submarine Reactor

#### PARTICIPANTS

M. Louis Jacquinot, French Minister of State M. Hervé Alphand, Ambassador of France

The Acting Secretary Mr. Matthew J. Looram, WE

M. Jacquinot stated that the French Government had been somewhat disturbed by the US Government's adverse reaction to the recent decision on the French Mediterranean fleet. He said that de Gaulle had always been opposed to the integration or "fusion" of the French fleet with foreign forces and had long felt that they should, instead, be closely coordinated with NATO. It was for this reason that de Gaulle had taken this decision. Nevertheless, de Gaulle and his Government continued to remain absolutely firm on NATO solidarity and on western defense. In fact, M. Jacquinot said, he had been authorized to reassure the US Government on this matter. The fact that de Gaulle was so solid on the Berlin issue demonstrated his solidarity on the basic issues.

M. Jacquinot added that the French Government very much hoped that the US Government would continue to carry out the project to provide the French Navy with a nuclear submarine reactor.

The Acting Secretary replied that the French decision on the fleet had had a very unfortunate psychological effect here. What particularly worried us was the attitude that the Congress might have towards supplying the French Navy now with a nuclear submarine reactor. This project would have to be submitted to the Congress for its approval, and, according to the law, any such U.S. assistance had to be within the mutual defense context. Given the French Government's decision regarding its fleet and the fact that the French Mediterranean fleet would thus no longer be a part of NATO forces, the Congress might have serious reservations regarding the appropriateness of such a project.

Mr. Herter added that we had thought it particularly unfortunate that the French decision had been presented as a fait accompli, rather than having been worked out in a cooperative spirit with General

Source: Department of State, Central Files, 740.5/3–1859. Secret. Drafted by Looram and approved by Herter on March 26.

Norstad and the NATO authorities in the first instance. M. Jacquinot admitted that the way in which the matter had been handled might have been maladroit. He thought it would now be important for General de Gaulle and his Government to reaffirm publicly France's solidarity with NATO.

## 103. Paper Prepared in the White House

March 19, 1959.

## FRENCH SUBMARINE REACTOR

French have been interested in submarine reactor since NATO meeting December 1957.<sup>1</sup>

Security has been a prime stumbling block, [1 line of source text not declassified].

Present efforts to supply this have divided themselves into two efforts:

1. An effort to give unclassified aid in the form of material. This effort is about ready to move forward from AEC at any time that the word is received from State.

2. An effort to provide a complete reactor to the French. This has been held up for security reasons. Since the French have agreed to administer this matter through their military establishment (which has been cleared) rather than their AEC, it would appear that this project also could go forward within two weeks.

The procedure in such cases is for the proposed atomic energy agreement between the U.S. and the foreign country concerned to be available to the Joint Congressional Committee on Atomic Energy for 60 days.

Main hazards at this moment to the classified project are as follows:

1. Opposition from Senator Anderson of the Joint Committee. This has been abetted by the stand taken by Admiral Rickover, who believes that the submarine is our last major secret and should not be shared.

Source: Eisenhower Library, Whitman File, DDE Diaries. Confidential. No drafting information appears on the source text. Initialed by President Eisenhower.

<sup>&</sup>lt;sup>1</sup> Reference is to the NATO Heads of Government Meeting in Paris December 16–19, 1957.

2. The matter of the withdrawal of the French fleet in the Mediterranean from NATO. While this action would not in itself present a legal bar to the provision of this reactor, it would serve to heighten the distrust of the Joint Committee and to provide ammunition for Senator Anderson. [3 *lines of source text not declassified*] Mr. Herter informed Alphand, when we first received word of French withdrawal intentions, that the French must realize the adverse effect of such action on the President's ability to comply with their request for a reactor.<sup>2</sup>

<sup>2</sup> Merchant spoke to Alphand at Herter's instruction; see Document 96.

## 104. Memorandum of Conversation

Paris, March 24, 1959.

[Source: Department of State, WE Files: Lot 61 D 30, Memoranda of Conversation—1959. Secret. 2 pages of source text not declassified.]

## 105. Editorial Note

In a March 24 letter to President de Gaulle, President Eisenhower reported on his conversations with Prime Minister Macmillan, who had visited Washington March 19–23. Eisenhower wrote they had discussed at length the matter of meetings with the Soviets on the German problem and other issues. Regarding the tripartite talks, the President wrote: "I discussed the general subject with the Prime Minister and we both agreed that these talks are mutually profitable and that the discussion of Africa scheduled to begin on April 9 can serve an important purpose." In a March 26 letter to Eisenhower, de Gaulle replied he was pleased that Macmillan and the President agreed with him on the need to be firm with the Soviets on the German question. Copies of these letters are in Department of State, Presidential Correspondence: Lot 66 D 204. Regarding Macmillan's visit to Washington, see Documents 355 ff.

## 106. Memorandum of Conversation

USDel/MC/23

March 31, 1959, 11 a.m.

## NATO MINISTERIAL MEETING

April 2-4, 1959

SUBJECT

Tripartite Talks<sup>1</sup> PARTICIPANTS

U.S. Side

The Acting Secretary Mr. Murphy, G Mr. Merchant, EUR Mr. McBride, WE French Side

M. Couve de Murville, Foreign Minister
M. Alphand, French Ambassador
M. Lucet, French Minister
M. de Beaumarchais, Chief of Cabinet to the Foreign Minister

Couve then raised the question of tripartite talks and said he did not believe there was anything special to discuss on this matter. Mr. Murphy noted that the next talks were scheduled for April 15. Couve said that General de Gaulle's principal objective was military more than political and that he was primarily interested in security matters and the defense of the West. He thought that the best possibility would be a discussion between the President and General de Gaulle of this matter. The Acting Secretary said that General de Gaulle had a standing invitation to visit the United States. Couve said that this was not possible now but that if a summit meeting were held undoubtedly a meeting could be arranged between President de Gaulle and President Eisenhower during such a conference.

Couve said that in the military field there were two principal problems in General de Gaulle's mind. First, there was the question of tripartite coordination of defense arrangements in general throughout the world while, second, there was the reorganization of NATO. In the General's mind the first comes first, the global problem should be settled and then the reorganization of NATO accomplished thereafter. It was

Source: Department of State, Conference Files: Lot 64 D 560, CF 1235. Confidential. Drafted by McBride and approved by Herter on April 20.

<sup>&</sup>lt;sup>1</sup> This meeting was part of a series of meetings before the NATO Ministerial Meeting that were held in conjunction with more formal quadripartite and tripartite meetings to discuss preparations for the Foreign Ministers Meeting at Geneva. See Part 1, Document 208.

Copies of separate memoranda of this conversation on negotiations with the Soviets on Germany and Berlin (USDel/MC/19), Spanish membership in NATO (USDel/ MC/20), COCOM (USDel/MC/21), SEATO (USDel/MC/22), and representatives in the United States of the Algerian Front for National Liberation (USDel/MC/24) are in Department of State, Conference Files: Lot 64 D 560, CF 1235.

for this reason that the French had not heretofore formulated clear ideas regarding the reorganization of NATO because they first wish to obtain an agreement on the general problem of a coordinated tripartite approach on a world-wide basis.

Couve said that he spoke on the above problem separately from the specific problem of the French fleet. With regard to the latter, he referred to General de Gaulle's press conference on this subject<sup>2</sup> and said that it was quite clear that France had not intended in any way to weaken NATO. He said that he believed discussions were now in progress on the fleet problem between the French and SHAPE in Paris and also with CINCAFMED in Malta. The Acting Secretary asked if Mr. Merchant would speak on one specific problem which we had. Mr. Merchant said that with regard to the *Belleau Wood* he hoped to be able to talk with the Ambassador in a few days. The French action regarding the fleet had presented us with a difficult legal problem on the status of this vessel, but he hoped to find means of getting around this difficulty.

## 107. Editorial Note

The second stage of the tripartite talks, held April 16–21 at Washington, focused on Africa. Acting Secretary of State Herter summarized the Department of State's view of these discussions among Deputy Under Secretary of State for Political Affairs Murphy; British Ambassador Caccia; and Louis Joxe, Secretary General of the French Foreign Ministry; and military representatives in telegram 4052 to Paris, April 23:

"Both the U.S. and U.K. tried to be responsive during talks, knowing Joxe's eagerness to take back to Paris as favorable report as possible on US/UK reactions to both French expositions, political/economic policies and to French strategic suggestions. Joxe's preoccupation appeared be desire report enough progress so as to head off further negative actions by de Gaulle and perhaps receive high-level agreement go ahead with certain projects presently stalled because of de Gaulle dissatisfaction with course of talks thus far. Joxe informed Department he believes talks off to 'auspicious' start with more to be done and that US had been responsive. He plans to so inform de Gaulle." (Department of State, Central Files, 770.00/4–2359)

<sup>&</sup>lt;sup>2</sup> At de Gaulle's first press conference as President of the French Republic at Paris, March 25, he asserted there was nothing in the change in the status of France's fleet in the Mediterranean that might weaken the Alliance. See *Statements*, pp. 41–51.

For documentation on the five sessions and on the abortive plans for tripartite military talks on Africa, which grew out of these discussions, see volume XIV, pages 44 ff. Although the United States advised the French in June 1959 of its willingness to participate in exploratory military talks on Africa, the French did not respond to this offer.

### 108. Memorandum of Conversation

April 23, 1959.

#### SUBJECT

U.S.-French Nuclear Submarine Cooperation

PARTICIPANTS

Secretary Herter<sup>1</sup> Mr. McCone, Chairman, Atomic Energy Commission Mr. Merchant, EUR Mr. Farley, S/AE

Mr. McCone said that renewal of negotiations on nuclear submarine cooperation with the French gave him great difficulty. In response to the Secretary's reference to Congressional opposition, Mr. McCone said that the initial difficulty was the opposition within the Atomic Energy Commission. The majority of the Commissioners opposed any resumption of negotiations looking toward a classified reactor agreement, even though security in the French Ministry of Defense appeared to be adequate. A majority could be found, he believed, to support an agreement limited to provision of enriched fuel for a prototype submarine reactor.

The Secretary expressed the view that in any case it would not be appropriate to proceed at this time in view of the French action regarding withdrawal of the Mediterranean fleet from NATO. Mr. Merchant said that in talks with the French he had been careful to attribute delays in negotiation to bureaucratic and legal and security problems rather

Source: Department of State, Central Files, 751.5621/4–2359. Secret. Drafted by Farley and approved by Calhoun on April 28.

<sup>&</sup>lt;sup>1</sup>Secretary Dulles resigned for health reasons on April 15. Christian A. Herter became Secretary of State on April 22.

than to the French fleet action, though he was confident the French got the point. He believed it was now important to go ahead to at least some degree. Nuclear submarine cooperation was very important to General deGaulle, and the General believed that he had a commitment from Mr. Dulles on this point. Proceeding with the unclassified enriched fuel agreement would be a useful starting point and it would clearly be undesirable to have an adverse vote in the Atomic Energy Commission on the classified reactor agreement, so that this matter might best be held in abeyance for the time being. Mr. Farley pointed out that the French were awaiting the results of the recent security review of the Ministry of Defense, and would be pressing for resumption of negotiations once that hurdle was cleared.

The Secretary and Mr. McCone agreed that we would proceed promptly to conclude the unclassified agreement covering provision of enriched fuel.

### 109. Memorandum of Conversation

Paris, May 1, 1959, 3:30 p.m.

## UNITED STATES DELEGATION TO THE WESTERN FOREIGN MINISTERS MEETING

Paris, April 29-May 2, 1959

#### PARTICIPANTS

United States

The Secretary of State Ambassador Houghton Mr. Merchant Mr. Lyon Mr. McBride France

Prime Minister Debré Foreign Minister Couve de Murville M. Lucet M. Amanrich<sup>1</sup>

Prime Minister Debré opened the meeting expressing his satisfaction at the visit of the Secretary and referred to the heavy responsibilities which the Secretary had assumed, and the great expectations which the

Source: Department of State, Central Files, 611.51/5–1559. Secret. Drafted by McBride and approved by Merchant. A typed notation at the top of the source text reads: "Approved by Mr. Merchant as more complete record of earlier report which had been approved by the Secretary." A copy of this earlier report, a memorandum of conversation, May 7, also drafted by McBride, is *ibid.*, 611.51/5–159. This meeting was held at the Hotel Matignon.

<sup>&</sup>lt;sup>1</sup>Gérard Amanrich, adviser on diplomatic questions in Debré's Cabinet.

world had for the future. Foreign Minister Couve de Murville said he thought the meetings this week in Paris had gone well, and faster than expected. The Secretary said we hoped the Geneva Foreign Ministers' meeting<sup>2</sup> would also go well though of course that would be more difficult. He hoped the four Western powers could maintain there the same friendly relations. Couve said that the talks of the past two days in Paris proved that we would not organize every step of the Geneva meeting in advance, and that the principal problems were, after all, not among ourselves or even with the British, but with the Soviets. Debré said that the Soviets were very anxious to have some success over Berlin and that the British failure to realize this fact was a serious problem for the Germans and for ourselves. However, to let them have a success on Berlin would definitely harm the Atlantic Alliance.

Couve said that the French believed the Foreign Ministers' meeting was important in itself and not just as a preview to a summit meeting. The Geneva meeting must outline something for the future. The British wished to leave substantive discussion to a summit meeting which was not suited to such discussions. Debré asked if we thought that a summit meeting should have a different and broader agenda than a Foreign Ministers' meeting. The Secretary replied in the affirmative and said that of course at a summit meeting, the Heads of Government were free to evoke any problems which they wished. Debré agreed and said that, if the Soviets really wished to talk about a wide variety of things, we should query them about the Middle East and the Far East. Also, we should warn them about creating incidents in other areas of the world.

The Secretary then referred to the de Gaulle Plan for aid to underdeveloped areas and said de Gaulle was of course free to raise this at a summit meeting, but we would like further details regarding this plan.<sup>3</sup> In reply, Debré referred to East-West differences on a number of issues, and thought that the difficult economic situation in various areas of the world gave the Soviets room to maneuver and to blackmail us. He wondered if we could not reduce tensions by putting an end to this economic battle by applying this plan to these economic battlegrounds. Couldn't we have a common economic policy with the Soviets and for example build the Aswan Dam as a common program. He noted Iraq, Guinea, etc. as examples of the type of area he had in mind. He thought an offer of such a common economic policy in far parts of the world would have a good effect in world public opinion. He stressed this not be just a

 $<sup>^2\,\</sup>text{Documentation}$  on the Foreign Ministers Meeting at Geneva May 11–August 5 is printed in volume VIII.

<sup>&</sup>lt;sup>3</sup> De Gaulle's plan called for the Soviet Union and the Western Powers to cooperate in a common economic policy for underdeveloped nations.

vague offer, but a real proposal to reach an understanding. He thought that if the Soviets rejected our offer it would cause them propaganda difficulties.

The Secretary said we would have difficulties if the proposal were for the pooling of resources for a commonly-administered program, but if it were a proposal for a program employing separate resources, we would of course study it further. Debré said that without commenting at this time on administrative arrangements, he wanted to say that this program would put the Soviets in a difficult position because it would prove that the West is willing to cooperate anywhere in the world. Couve referred to the practice of certain Middle Eastern nations in playing off the West against the Soviets. He said he believed that was what was called "positive neutrality". While the Middle Eastern countries particularly followed this practice, Indonesia was another example.

Debré said that if there were a summit meeting, it was clear especially in Europe that Soviets would use it for massive propaganda purposes. Perhaps the Soviets would wish to settle some issues, and perhaps the British were partly correct in their assessment of the situation, but the principal Soviet interest was in a propaganda success as a further element in their peace campaign. Debré agreed we should continue to develop our ideas, but also remain on guard to prevent such a Soviet propaganda success. He thought US public opinion less susceptible than that in Europe in this context, but stressed we should not underestimate this propaganda aspect of summit meeting, which was fundamental. He thought it would be more difficult for Soviets to use Foreign Ministers' meeting for these objectives and that at the Geneva meeting we should proceed cautiously and simply prevent a rupture there. The Secretary agreed to Debré's comment that a bi-partisan policy now existed but pointed out that even in the United States there were always dangers of foreign policy issues becoming also domestic political problems. Couve said that in France, only the Communist Party opposed French Government policy on Germany and said that the recent foreign affairs debate in the Assembly was proof of this.

Couve asked where a summit meeting should be held, if it is held. The Secretary said we had no fixed position. Couve noted that the British had proposed the summit meeting should be held on board a ship, not a warship. The Secretary said we had some worries about holding it in the United States for security reasons, especially in New York. He noted the presence of extremely bitter Hungarian and other Eastern European refugees in the United States which were hard to control. Couve noted that Khrushchev had spoken on several occasions of holding the summit meeting in San Francisco and believed he wanted to have it in the United States for propaganda purposes. The Secretary agreed that Khrushchev wanted to come to the United States. He said we would not necessarily object except on security grounds but noted that Khrushchev would undoubtedly wish to travel around outside the conference and this might pose problems. Couve said he would undoubtedly like to travel around the United States and show himself to be friendly, etc. The Secretary said he had expressed a desire to see the large industrial cities of our country. Couve referred to the propaganda aspects of the Mikoyan visit<sup>4</sup> and thought a Khrushchev trip through the United States was not a very good idea. The Secretary said there was a certain superstition about Geneva because of past failure, and Couve said we could always shift to Lausanne.

Debré then asked the Secretary if he wished to discuss problems of the Atlantic Alliance. The Secretary replied in the affirmative and said we were disturbed at the failure to settle the atomic stockpile problem. The nine US fighter squadrons for which we wished to introduce atomic weapons were important during the present Berlin crisis. We wished this matter settled because General Norstad said we needed these squadrons properly equipped. If for their own reasons, the French were not prepared to have the atomic stockpile on their territory, it would be necessary to move the squadrons elsewhere.<sup>5</sup>

Debré said that he would like to answer the Secretary's point frankly. He said he and Couve had discussed these problems at length with General de Gaulle. He said that these talks had been necessary as it was unthinkable to take any decisions on these matters without full examination with the General. Therefore the thoughts he was expressing were not personal ones but the considered view of the Government. He added that the time had come to examine here and in the United States the fundamental problem which was posed in the Atlantic Alliance. He said that from the French viewpoint there were three problems which he would outline and that it was within this context which could be solved the difficulty which General Norstad had raised. He said these problems had all been evoked before, and that he realized it was difficult to reach answers to all of them. He said the following were the three problems:

1) The de Gaulle Memorandum of last September<sup>6</sup> wherein the French Government expounded its legitimate desire for permanent tripartite consultations in order to effect world-wide common policies.

2) Debré regretted that previous French governments had never explained this problem and as a result France had suffered greatly from lack of support for her interests in the Mediterranean, Algeria and Africa. He said Joxe had told Couve that the French had not in the past

<sup>&</sup>lt;sup>4</sup> Anastas Mikoyan, Soviet First Deputy Premier, visited the United States January 4–20.

<sup>&</sup>lt;sup>5</sup> Reference is to the nine U.S. fighter squadrons that were part of NATO forces stationed in France.

<sup>&</sup>lt;sup>6</sup> Document 45.

clearly explained this problem. Whether we like it or not, France has as much future in Algeria and in the Mediterranean as in Europe. France wishes to consolidate the Atlantic Alliance through agreement especially with the United States on French objectives in the Mediterranean and Africa. France must square her responsibilities in Europe with those in Africa. The events of May, 1958 in Algeria were caused in large part by the feeling of frustration in Algeria regarding lack of understanding on the part of France's allies, and the lack of a common Western policy for Algeria.

3) Progress must be made in the field of atomic cooperation. It is realized that France is the asker (*demandeur*) in this case. Nevertheless the matter is of extreme importance and France seeks cooperation both in the field of the peaceful uses and military uses of atomic energy.

Debré reiterated that the above represented the official policy of the French Government. He thought progress in these fields was necessary and asked that the United States consider seriously the possibilities of having frank talks on these three points—tripartite consultations, cooperation on the Mediterranean, Algeria and Africa, and atomic cooperation. He said these were three problems to be handled on Franco-US basis. France was admittedly the asker in the fields of tripartite consultation, and atomic cooperation. Point 2—cooperation in the Mediterranean, Algeria and Africa—was an old problem which had been neglected in the past.

The Secretary replied that he would comment briefly. He was sorry the French had linked the atomic stockpile question with the three other questions listed above, as he thought the need for the atomic stockpile was in connection with the common defense, whereas the other three points were ones which should be discussed but disassociated from the atomic stockpile. With regard to tripartite consultations, the Secretary said we were agreeable to such talks, but did not wish to institutionalize them. He noted the recent talks in which Joxe participated in Washington, and the creation of various subcommittees to study specific problems.<sup>7</sup>He thought that on this point we were accordingly moving in the right direction. With regard to point 2 on the Mediterranean, Algeria and Africa, the Secretary said we were studying M. Debré's recent letter to Ambassador Houghton on this subject.8 He hoped we could give a reply but added we needed time to study this problem. With regard to the third point on atomic cooperation, we were bound by certain legislative restrictions.9 Once the French had effected their first atomic explosion, we would be in a different position, and could talk substance to them. We were restrained by legislation from having such discussions

<sup>&</sup>lt;sup>7</sup>See Document 107.

<sup>&</sup>lt;sup>8</sup> For text of Debré's letter to Houghton, April 28, see vol. XIII, pp. 652–654.

<sup>&</sup>lt;sup>9</sup>See footnotes 3 and 4, Document 39.

under present circumstances. With regard to moving ahead on furnishing the French with the submarine reactor, which we had wanted to do, it was not possible at present because of the uncertainty with regard to the position of the French fleet. The Secretary noted we had recently initialed the agreement to furnish enriched fuel to France.<sup>10</sup> However, with regard to the reactor, the Executive Branch of the Government did not see what could be done until we can see where we stand with regard to the French fleet. Under present circumstances, after the Congressional reaction to the fleet action had been so adverse, we did not believe there was a good chance of Congressional approval for furnishing the reactor to France. The Secretary then explained in some detail the structure of the Joint Atomic Energy Committee in Congress and the particularly powerful position which it occupies. Concluding on this point, the Secretary said that we did not of course know the timing of the French plans for the explosion of their first atomic bomb, but legislative restrictions on having talks with them would be alleviated by this action.

Couve inquired if it would be difficult to move the nine US fighter squadrons from France. The Secretary replied that he did not know the technical details but said something must be done even if it were necessary to bring the squadrons back to the United States, since they are useless under present conditions.

Regarding French policy in the Mediterranean, Debré said France would explain this in the framework of the Washington tripartite talks. Regarding the Mediterranean fleet, he thought that during the second half of May, the French would be in a position to present in Washington their ideas for cooperation and for reorganization of the Mediterranean command structure. We must have a new organization in the Mediterranean.<sup>11</sup>Debré asked if there were obstacles to having continuous discussions on these problems including the Mediterranean organization, Mediterranean and African policy, etc. He also asked again if we could now have meaningful talks on atomic cooperation. The Secretary said he did not quite understand the connection between atomic cooperation and the other problems. Debré said these matters were linked in the

<sup>&</sup>lt;sup>10</sup> See Document 112.

<sup>&</sup>lt;sup>11</sup> The previous day, April 30, Admiral Arleigh A. Burke, Chief of Naval Operations, described to Herter a conversation he had had with Admiral Nomy, Chief of Staff of the French Navy, about the withdrawal of the French forces from NATO's Mediterranean fleet. In order to prevent further withdrawals of French forces, Nomy recommended that Herter or Eisenhower make a statement that the situation in the Mediterranean had changed since the NATO command structure in the Mediterranean was established. Burke recommended against retaliation in any form for the French withdrawal and said he would personally review the naval command structure in the Mediterranean to try to find a set of principles for establishing a mutually satisfactory command structure after consulting with the French and British Admirals. A copy of the memorandum of conversation (USDel/MC/8), April 30, is in Department of State, Conference Files: Lot 64 D 560, CF 1275.

French view. He regretted past practices when France had never clearly expounded her view on the importance of the Mediterranean and Africa to France. It was difficult to imagine either French military or civilian authorities giving strong support to the Atlantic Alliance unless that organization and its principal members gave support to French interests in the Mediterranean and Africa. Algeria is as vital to France as anything in Europe.

The Secretary repeated his regret that the French were coupling these issues and making it appear we were asking a favor in the atomic stockpile matter whereas in fact we merely wished to equip the nine fighter squadrons with atomic weapons in order to meet the emergency situation in Berlin, and for the common good. This question should not be coupled with other more long-range issues. Debré said the fault was that of the Atlantic Treaty. He must explain the relationship of tripartite consultations, the French Mediterranean fleet, the atomic stockpile, etc. This was a difficult problem to understand, and the difficulty could be solved only by an overall negotiation covering problems within and beside the Atlantic Treaty. It would not be honest not to state that we will always have these recurring crises, even if there appears to be a linkage of problems which are superficially unrelated, until there is an overall settlement. Fundamentally, Debré continued, these problems are linked because they are all related to the French national security. He thought it was better to state this frankly.

The Secretary said the Prime Minister would understand that points 2 and 3 which Debré had mentioned took time to study and to seek to make adjustments, whereas the problem of the nine squadrons was an immediate one. He said he assumed the Prime Minister would understand if General Norstad found it necessary to move these squadrons. He said he was sorry and hoped that this matter would not leak because it would be extremely awkward, and difficult to prevent an adverse public reaction in the United States if it became known that the French were linking these matters. Debré continued that matters were never so simple as they appeared. He understood the legislative difficulties under which we operated in the field of atomic cooperation, as well as the Congressional problem involved. In the field of atomic research, France was carrying and had been carrying for five years a heavy economic and financial burden in the field of atomic energy both in the peaceful uses and in the military uses sphere. France under these circumstances will continue her atomic program though the burden of this program for France could be reduced through atomic cooperation. Both the military and industrial uses portions of the French atomic program represented a heavy burden for her.

The Secretary explained that the US legislation which covered this problem had not been drafted so as to be discriminatory against France

but rather to protect the whole world from a series of requests to us. We are not wedded to atomic weapons and eventually hope that the world situation will be such that we can get rid of them. However, in the meantime it would be embarrassing to us if we did not have this legislation and received requests from Italy, Japan and others for atomic weapons. France was developing an atomic know-how and the situation would be changed when she had achieved it.

Debré said again that he believed it necessary to speak very frankly about these difficult problems. He said there was no doubt regarding basic French policy. He thought the problems which he had covered should have been explained before. He said all of the efforts of the French Government were to forge a solid France which would be asset to the West, and he believed a good start had been made in this direction.

Debré then turned to the subject of arms for Guinea, and said this situation concerned France considerably. He said there should be an agreement to prevent Soviet arms shipments to Guinea. He said this subject could be discussed in the tripartite forum in Washington but we must prevent finding that in two, three or five years popular democracies had emerged in Africa. He thought Communist efforts were even greater in Black Africa than in North Africa, and said France was prepared to undertake a cooperative effort to prevent Soviet exploitation in this region. The Secretary noted this was a real problem and referred to the emergence of more and more independent states in this area. He thought we had been right to limit arms shipments to the Middle East at one time, and added that difficulty was in policing such an agreement.

Couve said discussions regarding Guinea could continue in Washington. Debré added that Guinea was only the first case, and that there would be other similar ones. The arms shipments from Communist countries were of course in effect gifts and not real sales. Debré said he was also worried by the activity of the recent African Workers' Congress, and in the trend for Black African students to go to Communist bloc countries to study. Couve referred to the problem in the Belgian Congo and said this was too large an area for Belgium to hold and expressed the view Belgium would in fact lose it. Debré said the prevention of the emergence of Communist states in Africa was one more reason for close tripartite consultations. The Secretary said that this situation had been one of the topics discussed with Joxe in Washington. Debré said that the tendency for increased propaganda in Africa based on racial considerations was also disquieting as was the development of a phenomenon such as Sekou Touré. He concluded noting that these situations were another reason to pursue the de Gaulle Plan which was susceptible of putting the Soviets at a disadvantage.

The Secretary concluded that Debré would understand that he was not prepared for a discussion of the Algerian situation as raised in the Debré letter as yet. Debré closed noting the profound concern which France had in the problems which he had outlined to the Secretary today. The meeting terminated at 4:40 p.m.<sup>12</sup>

110. Memorandum of Conference With President Eisenhower

Gettysburg, Pennsylvania, May 2, 1959, 11 a.m.

OTHERS PRESENT

Secretary Herter Major Eisenhower

[Here follows discussion of unrelated matters.]

Mr. Herter then told the President of an unpleasant meeting which he had with Debre.<sup>1</sup> [1-1/2 lines of source text not declassified]

One of the matters on which de Gaulle has been intransigent is that of providing the nuclear warheads for seven squadrons of U.S. fighters which are based in France. Without these warheads, these fighters would, of course, be useless. Debre had informed Mr. Herter that de Gaulle could not give agreement pending the solution of three outstanding problems:

1. The full implementation of the tripartite organization which de Gaulle had proposed in his letter of September 10th.<sup>2</sup> In this regard, Mr. Herter had pointed out that our regularly-held tripartite meetings in Washington had been quite successful. This statement seemed to satisfy the French, who regarded this matter as of secondary importance.

<sup>&</sup>lt;sup>12</sup> In his May 5 memorandum to the Secretary, Merchant remarked he had told Alphand that he found the meeting with Debré (on May 1) "extremely difficult and disturbing." He said he did not want to leave the Ambassador "under any illusion as to our reaction." (*Ibid.*, WE Files: Lot 61 D 30, Debré Govt, 1959)

Source: Eisenhower Library, Whitman File, DDE Diaries. Top Secret. Drafted by Major Eisenhower and initialed by Goodpaster.

<sup>&</sup>lt;sup>1</sup>See Document 109.

<sup>&</sup>lt;sup>2</sup> Herter is referring to de Gaulle's September 17, 1958, letter to Eisenhower, Document 45.

2. Acceptance of proposals included in the very tough letter sent recently from Debre to Houghton.<sup>3</sup> This letter sets forth the French position that Algeria is as important to the security of France as is solution of the Berlin crisis. [2-1/2 *lines of source text not declassifed*]

3. The attainment of nuclear equality by the French and the other three nations. In this connection, de Gaulle feels that we are not nearly so generous as we should be. Here Mr. Herter pointed out the limitation imposed upon our Executive by existing legislation. This legislation requires that we deal only with nuclear capable powers, and leaves us helpless to share secrets with France until they have furnished proof of an independently-developed capability. As to French requests for a nuclear submarine, Mr. Herter informed de Gaulle that the unilateral withdrawal of the French fleet from NATO command completely scuttled any possibilities of persuading Congress to aid France in developing this equipment. We have made progress, in that we are supplying the French with certain amounts of enriched uranium. The President agreed with Mr. Herter in the conclusion that there is no connection between these three points of de Gaulle and the nuclear warheads for the seven squadrons based in France.

Logic notwithstanding, the French believe that a close connection between the nuclear warheads and de Gaulle's three points actually does exist. Mr. Herter pointed out to the French that their attitude should not leak to the press, since it would have most unfortunate effects on our mutual security policy. In connection with these matters, Mr. Herter told the President that the Joint Chiefs of Staff are studying the possibility of redeployment of forces from France. If the French maintain their attitude for an extended period, this must be done. Couve de Murville had agreed on this matter with Mr. Herter.

The President expressed sympathy with the French in that we are handcuffed when the Congress places senseless limitations on the Executive. We depend heavily on an ally like France, if for no other reason than for their important geographical position in Europe. Therefore, if we cannot share secrets freely with the French, we are placed in an extremely awkward position. We have, of course, shared secrets freely with Britain. The President agreed with Mr. Herter that the French position is illogical; however, he also pointed out his opinion that there is no connection between helping the French develop a nuclear submarine and the French views on the NATO command setup. The French regard Algeria as part of metropolitan France. Therefore, they have a problem. In the President's view, de Gaulle is going to cause great difficulties. The question we must face is whether we can accommodate to those difficulties sufficiently to sustain the NATO concept. De Gaulle will work to block us at every point, including insistence on further changes in the command structure.

<sup>&</sup>lt;sup>3</sup>See footnote 8, Document 109.

Mr. Herter pointed out the anomalous situation that the French Air Force is still separate and not under NATO command. He feels that the difficulties over NATO command structure are bound to drag out. Couve de Murville had indicated that the French are concerned over two main areas. First, global strategy, and second, NATO. Couve de Murville further expressed the opinion that the only solution to this matter is for the President and de Gaulle to get together. The President is practically the only individual in the world that de Gaulle respects. To this the President pointed out the inconsistency that de Gaulle has been unwilling to visit the U.S. for talks. He then reviewed some of his former relations with de Gaulle, adding that at the end of World War II neither Roosevelt nor Churchill would even speak to de Gaulle. This had left the President, as Supreme Allied Commander the only link with the French nation. The President then reviewed the difficulties he had with de Gaulle over the matter of holding Strasbourg at all cost during the German winter offensive in 1944. De Gaulle had threatened to withdraw French troops from allied command, and the President had informed him that the French had received their last ounce of logistical support. The matter had been resolved, of course, with Strasbourg being held, but with de Gaulle taking no steps to remove French forces from allied command. The President expressed the view that de Gaulle had been right in his basic point on this item. He wondered about the use in pursuing negotiations against the Russians with the French in their apparent frame of mind.

Mr. Herter advanced the opinion that de Gaulle is capable of thinking in two distinct compartments. One compartment involves negotiations against the Russians and the other compartment involves Algeria and associated problems. De Gaulle is extremely resentful of our action in vote abstention last year in the UN.<sup>4</sup> In addition, a subordinate of Lodge in the UN had talked to an individual of the FLN, and the U.S. Government had refused to withdraw visas of FLN members in the U.S. While we assured de Gaulle that these actions were not significant, he remains intensely sensitive.

During the period, Mr. Herter had an interview with de Gaulle.<sup>5</sup> In this interview, the latter had insisted that the USSR has no interest in Iraq nor in Mid-East oil. The USSR merely wants an entry to Africa. De Gaulle's big idea, which he will push with vigor, is that of coordination of economic help for underdeveloped nations by the West and the East. In this regard, de Gaulle has Africa on his mind. In pursuing this matter with the Russians, he does, of course, want the U.S. to be committed to

<sup>&</sup>lt;sup>4</sup>See footnote 6, Document 81.

<sup>&</sup>lt;sup>5</sup> An account of Herter's conversation with de Gaulle about Berlin and Germany, April 28, is printed in vol. VIII, Document 277.

him first, and he may be right. The President pointed out his misgivings with regard to aid to underdeveloped countries through the UN, and Mr. Herter agreed. He had told Debre that we could never sell the idea to Congress of using U.S. funds in any matter in which the USSR would have a voice.

The President then asked about the attitude of the U.K. in this whole matter. Mr. Herter said that the U.K. had conceded the African interests to France. They had said, "It is your hunt" and indicated they would go along with French projects.

Mr. Herter indicated that de Gaulle plans to make two military commands including Africa. One will include the Sahara and the other will include areas to the South. He stressed the significance of an oil strike in the Sahara and the fact that the French will construct one pipeline which will carry 14 million tons of petroleum per year. The French are fighting with the rebels over the area covered by this pipeline. Also significant is the fact that the U.S. has found oil in Libya, although we are keeping this quiet. In this area have been located 100 feet of oil-bearing sand. The reserves are estimated at some 15 billion barrels. This fact may drastically change the entire Middle East picture.

Mr. Herter then continued his discussion of de Gaulle by saying that the General had sent the President kindest regards. In the initial interview which Mr. Herter had held with de Gaulle prior to his last meeting with Debre, the General had appeared affable, clear, and unemotional. When Mr. Herter pointed out the success of the tripartite talks, de Gaulle had made no comment. It is obvious, however, that all of de Gaulle's aides are terrified of him, and he is the only government in France.

The President then speculated on the possible results of our switching the 7 squadrons to new locations. If this is necessitated, we may have to take another look at NATO and may have to confine U.S. participation to aid on the same basis as Burma. He felt, however, that Europe would go neutral if we were to pull out U.S. troops. The difficulty lies primarily in the personality of de Gaulle. The President stated that he knows of no single soul who can influence de Gaulle. He described de Gaulle's attitude as that of a Messiah complex, picturing himself as a cross between Napoleon and Joan of Arc. He knows all the answers, and thinks only in terms of "Glory, Honor, France."

Mr. Herter voiced his belief that French commitments in Algeria are infeasible. Among other difficulties, France is now encountering resistance from the *Colons*. They are attempting to keep these settlers straight through the use of the Army. De Gaulle has the best chance of any Frenchman to solve the Algerian problem, though even his hope may be slight. Actually, de Gaulle believes that the sentiment in Algeria will change within six months. Others are not so optimistic. To complicate matters, the French asked us to support overflights of Libya in the area of their long common border. The difficulty brewing in this area stems largely from the discovery of new oil. This surprised the President somewhat, but he did express sympathy for the French position in considering Algeria as part of France. He drew a parallel to a situation in which Alaska and Hawaii, now that they have been admitted as states, would see fit to declare themselves independent.

[Here follows discussion of unrelated matters.]

John S.D. Eisenhower

## 111. Memorandum From the Assistant Secretary of State for European Affairs (Merchant) to Secretary of State Herter

May 5, 1959.

SUBJECT

**U.S.-French Relations** 

The French attitude towards NATO and towards US-French relations, as reflected in Debré's espousal of de Gaulle's views in the talk with you, poses the problem of how to ensure continued French solidarity on Berlin and basic East-West issues and at the same time convince the French that hard bargaining with the U.S. or sabotage of NATO will neither help them attain their national objectives or establish a profitable US-French relationship.

One of our principal concerns on the return of de Gaulle to power was that he might act independently and perhaps against our interests

Source: Eisenhower Library, Project Clean Up. Secret. Drafted by Turner C. Cameron, Deputy Director of the Office of Western European Affairs, Brown, and Looram; concurred in by Timmons, Farley, and Joseph C. Satterthwaite, Assistant Secretary of State for African Affairs; sent through Calhoun and Murphy; and initialed by Merchant, Calhoun, and Murphy. At Herter's request, it was sent to Goodpaster by Calhoun under cover of a May 7 memorandum. Calhoun wrote that the Secretary had designated Murphy to coordinate the successive stages of action set forth in the memorandum and stated:

<sup>&</sup>quot;Because the Secretary will not be able to discuss the matter with the President before his departure for Geneva, I would appreciate it if you would brief the President orally on the successive actions we contemplate vis-à-vis the French. Concerning the draft letter to President de Gaulle, the Secretary believes it will have to be revised further in light of developments which take place during the first phases of the proposed action program." (*Ibid.*)

on East-West issues. Since his return to power he has not reverted to these tactics. On the contrary, he has been absolutely solid on East-West issues. This is a cardinal point on the positive side of the ledger but there is no guarantee that at some moment of his choice he might not decide on independent action with regard to East-West issues.

In addition there is the fact that almost every political group in France would support recognition of Communist China if de Gaulle wished to extend it, provided that Communist China aid to the Algerian rebellion had not become a reality in the meantime. De Gaulle has not taken this action, primarily because of his acceptance of the fact that the US has the major responsibility for the peace in the Far East. But, he believes that France has the same sort of major responsibility for North Africa. It is in our interests to keep him solid on these two subjects.

At the same time we cannot let him bargain with us, particularly where NATO is concerned. First, however, we must recognize de Gaulle's policy towards NATO for what it is. His basic objective is to put France back on the map as a great power. To so do he wants to establish a triumvirate of Western leadership in which France would participate as an equal and in world political and military strategy and decisions. Some aspects of NATO as now set up are distasteful to de Gaulle, because he has the feeling that France is completely boxed in by NATO and classified with the other continental powers, large and small, whereas the UK is somewhat removed and the US dominates NATO. He resents the fact that SAC and the UK bomber command do not even come under NATO and might in fact operate independently of it. Even though France is not now a nuclear power and will not be one until long after it has exploded its Sahara bomb, de Gaulle wants to get into the nuclear club now on the basis of future expectations. Moreover, de Gaulle is obviously greatly concerned about African developments and feels that in concentrating on European continental defenses, the West either ignores France's African interests or is prepared to sacrifice them. Finally he is convinced, as we are when it comes to US interests, that the Western allies, particularly the UK and ourselves, should support France where its vital interests are at stake.

De Gaulle's demands for his country are readily understandable, even if unrealistic. He knows that if we wanted to, we could give him far greater satisfaction than we have to date in meeting his requests. If we were willing to give France a status of real partnership in formulating world policies and military strategy, the other problems might be more readily solved. He undoubtedly realizes we are unwilling to do this and has therefore embarked in rough poker-playing tactics with us. The difficulty is that his decisions on NATO matters are due partly to use of these tactics and partly to his basic concepts. We have before us three alternatives: (1) Full acceptance of de Gaulle's demands; (2) complete disengagement from de Gaulle; (3) a middle course.

Acceptance of all of de Gaulle's demands is not possible or even practicable. Neither the US nor the UK is willing to concede to France a special partnership or to set up the regular, permanent tripartite political and military structure he wants to coordinate global policies and strategy. Both countries are pragmatists and see the danger such an organization would pose to their own policies and the problems it would cause with other allies, friends, and even neutrals. We do not have, moreover, the legislative authority to give him the nuclear cooperation he wants and it is doubtful we could obtain it at this time, even if we decided to push hard for it. He wants, however, more than cooperation from us; his aim is tripartite control of the nuclear deterrent and a veto power on its use. The US is not ready to compromise its national security to this extent. De Gaulle wants US/UK recognition of France's preeminent role in Africa. We cannot give him this and maintain our interests in North Africa, which are important today and possibly of even greater value at some future date. The UK is also not ready to extend such recognition.

A complete or even partial disengagement from France would not be in the US interest, particularly at this juncture. It would undoubtedly lead to de Gaulle starting a whole series of actions eventually collapsing NATO. It could lead to independent de Gaulle actions in the East-West arena. It cannot be taken for granted that other NATO countries would side with the US if there should be such a disengagement.

We are left, therefore, with the middle course. This is not the compromise of US interests in order to obtain temporary relief from de Gaulle. It is a combination of firmness on basic matters and a certain amount of flexibility on others which seem somewhat responsive to de Gaulle's more reasonable desires and needs. To this end we make the following recommendations:<sup>1</sup>

1. Close tripartite consultation on East-West matters, especially Berlin and Germany, should of course be continued. Due consideration should be given to any French ideas proposed. This would obviously make it more difficult for France to take independent actions.

2. Tripartite discussion of Africa should continue as it provides a forum for France to make known its views. In the African talks we could be more explicit. We could say:

a. We see no reason for a tripartite military command arrangement in Central Africa. We do believe that the powers now involved in

<sup>&</sup>lt;sup>1</sup> Herter initialed approval of recommendations 1, 2, 4, 7, 8, and 10 on May 6.

the area should coordinate their defensive plans and note that naval planning for the area has been initiated among South Africa, France, Portugal, Belgium and the UK. This could be expanded to cover planning for lines of communication across Africa. We would welcome being informed of such planning.

b. We agree that new arrangements more appropriate to the nature of the Soviet threat may be required in the Mediterranean Basin. Defensive arrangements involving the countries of North Africa and of Southern Europe, with the US and UK associated, is a possibility but only after the problem of Algeria is resolved. In the meantime it is in the Western interest to keep its influence strong in Libya, Morocco and Tunisia.

c. A re-arrangement of Mediterranean naval commands could be considered, in the first instance through appropriate NATO military channels. The French fleet has grown in strength and importance since those commands were first distributed.

3. We should recognize that de Gaulle will continue to pose thorny problems in NATO. We can expect that he may continue to give us difficulties on such matters as integrated air defense, certain aspects of cost sharing, and command arrangements which imply the subordination of French units to foreign command. This will perhaps result in some changes to NATO as we have known it.

4. In the nuclear field we should:

a. Cooperate on the submarine only when convinced it is in the interests of the alliance and so tell the French rather than falling back on the Congressional alibi, which is largely ineffectual with de Gaulle anyway.

b. Inform the French that modern weapons require advance agreement on warhead storage.

c. Consider—once again—the idea of letting de Gaulle in on what it means to be a nuclear power: the responsibilities, the cost, and the range of weapons and delivery systems needed. This could only be done successfully by sending to him privately and secretly a competent military man.

5. We have the Debré letter<sup>2</sup> to consider. It would probably be best to answer it, after we have received Ambassador Houghton's suggestions, in a quiet tone, taking issue with the central contention that we are betraying France by somehow placating the FLN. Alternatively, we could simply acknowledge the letter and suggest the subject be raised in the tripartite talks.

6. In other fields we should continue to act as if the situation is normal. We should do nothing drastic or precipitous. We should cooperate with France on a case-by-case basis, examining each issue on its merits. In each case we should let the French know that we are so doing, that we cannot be blackmailed by having other unrelated subjects raised, and

<sup>&</sup>lt;sup>2</sup>See footnote 8, Document 109.

that Levantine tactics neither pay off nor increase France's prestige. As an example, we should make up our mind well in advance of what position we will take in the General Assembly when the Algerian issue arises next fall, we should tell the French of this decision, and then we should stick to it.

7. We should maintain our insistence on NATO remaining in a high state of readiness. In this connection we should be prepared to redeploy elsewhere in Europe our nine squadrons presently in France. No decision on this movement should be reached until we learn the results of Debré's attempt to get General de Gaulle to reconsider his attitude on storing nuclear weapons in France. If Debré's attempt fails, it is recommended that we approach a letter from the President to General de Gaulle through the following steps:

a. Notification to General Ely by General Norstad that the military situation requires him to redeploy the nine squadrons outside of France and that this movement will begin by redeploying three squadrons within thirty days.

b. This movement should be presented as an urgent military necessity which would not be related publicly to political considerations. This line should be scrupulously followed by all concerned.

c. General de Gaulle's reactions to General Norstad's notification to General Ely should be awaited prior to taking the final step to redeploy the first three squadrons.

d. If General de Gaulle's attitude is still negative, a letter from President Eisenhower should be sent to him before the actual movement of these squadrons, explaining the reasons for these measures. (A draft is attached as Tab A.)<sup>3</sup>

8. We should concert our actions most closely and in advance with the British. Britain, like it or not, is involved on the continent. Its future is bound up in the future of Europe and therefore of France even more closely than is ours. We cannot afford to be separated from the British on this subject and must from the outset seek their advice and support for policies which we are currently contemplating towards France. We should also review with the British any additional actions or revisions of the above-cited courses of action that might subsequently appear to us to be required in the light of further developments in de Gaulle's policies. We should concert with the British on keeping Spaak appropriately informed.

9. The above courses are not without their dangers. They must be continually kept under review in the light of the requirements of the East-West situation.

<sup>&</sup>lt;sup>3</sup>Not printed. This letter about France's refusal to grant atomic storage rights for the U.S. Air Force squadrons stationed in France under NATO was not sent.

10. With respect to paragraph 7 above concurrence by the Department of Defense and the Joint Chiefs of Staff is obviously required. They should be kept informed from the outset of the development of our thinking and plans if you approve the general approach contained in this memorandum.

## 112. Editorial Note

On May 7, representatives of the Governments of France and the United States signed an agreement at Washington entitled "French-United States Cooperation in the Uses of Atomic Energy." It provided for the sale to the Government of France of a specified quantity of enriched uranium for use in the development and operation of a land-based prototype submarine nuclear propulsion plant during a 10-year period. For text of this agreement, see 10 UST 1279. Documentation on the agreement is in Department of State, Central Files, 751.5621/4–259.

# **113.** Telegram From the Department of State to the Embassy in France

May 15, 1959, 9:17 p.m.

4425. Paris pass USRO and Thurston. Murphy discussed May 14 with Caccia broad range of future relations with France.<sup>1</sup> Following subjects covered:

Source: Department of State, Central Files, 711.56351/5–1559. Secret; Limit Distribution. Drafted by Brown, cleared by McBride and the Executive Secretariat, and approved by Murphy. Repeated to Geneva and London and pouched to Tunis, Rabat, and Algiers.

<sup>&</sup>lt;sup>1</sup>No memorandum of this conversation has been found.

1. Nine US squadrons: Murphy said US believes it must redeploy squadrons if unable obtain French agreement to necessary weapons storage. US would probably redeploy in groups of three to other bases in NATO area. This would require SACEUR recommendations, notification of Standing Group, Military Committee and, eventually, NAC. Final decision will be taken after May 16 French High Defense Committee meeting. If French attitude still negative, US will notify Ely of planned redeployment. It also planned recommend to President he write to de Gaulle after above notification made.

Caccia said he understood US thinking and reasons behind decision to redeploy if necessary. Said that in his eyes would be error not to move squadrons after having informed French of belief squadrons must be moved if storage rights unobtainable. Caccia asked if there would be redeployment to UK. Was told military thinking on this question not finalized but it possible several squadrons would go to UK; others perhaps to Turkey and Italy but probably not to Germany. Caccia said he would report this to his Govt, adding that he expected UK would be formally requested through normal NATO military channels.

2. Tripartite Talks: Murphy said French inaction on storage possibly attributable to de Gaulle dissatisfaction with progress tripartite talks. Caccia said African talks were peculiar in that French had left impression they wanted make series of changes in command structure for Africa and Mediterranean and had thereafter seemed to have veered away towards creation purely national French commands for area plus desire for coordination rather than unification military activities in these areas.<sup>2</sup>

Caccia said it UK view we should proceed with tripartite military talks on fact-finding basis. Did not believe these would cover any more territory than during tripartite ambassadorial talks but would indicate responsiveness to French requests. Murphy informed him we have not taken decision on this matter but see certain advantages in holding such talks.

3. Nuclear cooperation: Caccia inquired if French pressing on role in decisions on employment nuclear weapons (this was point stressed by Debre to Macmillan).<sup>3</sup> Was told we have had no specific recent pressures on this subject, which was part of original de Gaulle memorandum, but rather general request for nuclear cooperation. US has, of

<sup>&</sup>lt;sup>2</sup>See Document 107.

<sup>&</sup>lt;sup>3</sup> Debré and Couve de Murville visited London April 13–14 for discussions with Macmillan and Lloyd. In a memorandum to Merchant, May 14, Cameron wrote that Hood had recently described to Department officials part of the Debré–Macmillan conversation, but no memorandum summarizing Hood's remarks has been found. (Department of State, WE Files: Lot 61 D 30, Debre Government—1959)

course, legal restrictions on types of cooperation which can be offered; as for advance consultations with French on use weapons anywhere, US cannot bind its hands.

4. French Mediterranean Fleet: It was noted that neither government has recent information on status discussion between French and NATO military authorities on this subject. Agreed it would be advantageous in further consideration relations with France to have knowledge how these discussions proceeding.

5. Attitude towards France: Agreed it would be unwise permit spread of actions or policies inimicable to our relations with France. Problems should best be handled on case-by-case, pragmatic basis taking into account factors such as French nationalism and sensitivity and apparent willingness French officials accept awkwardness within NATO rather than face up to de Gaulle.

Dillon

## 114. Memorandum of Conversation

May 22, 1959.

SUBJECT

Mr. Pinay's Call on the President

PARTICIPANTS

M. Antoine Pinay, French Minister of Finance<sup>1</sup> M. Herve Alphand, French Ambassador M. Raymond Arasse, Member of M. Pinay's Staff The President Deputy Under Secretary Robert Murphy

Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 149. Secret; Limit Distribution. Drafted by Murphy. The meeting was held at the White House.

<sup>&</sup>lt;sup>1</sup> During Pinay's unofficial visit to the United States to deliver addresses in New York on the French economy and the Common Market, he met with government officials in Washington May 22–23. In a memorandum for the President, May 21, Acting Secretary of State Dillon suggested Eisenhower compliment Pinay, in his conversation with him, on the outstanding success of his economic program and express his concern about de Gaulle's attitude toward NATO, especially toward the question of storage of nuclear weapons for the U.S. Air Force squadrons in France. (Eisenhower Library, Whitman File, Administrative Series)

The President opened the conversation with a complimentary reference to the achievements of the de Gaulle Government in the field of economics and finance, congratulating Mr. Pinay on his contribution to this success and saying jocularly that the United States could now look to France for financial assistance. More seriously, he said that this represented a splendid contribution to the economic health of France and the free world generally and is greatly welcomed by the United States. Mr. Pinay described the French effort expressing satisfaction over the improved French balance of trade and saying that those in France who had attacked him and the program had been confounded by the fact that while the currency devaluation was 30%, the increase of prices had not reached 7%, as the critics of the program had prophesied, but only amounted to 4%. Productivity had increased and the unemployment figure is low. In effect, he finds that there is every reason to be encouraged. French trade with the United States has shown substantial increase. Mr. Pinay brought up no specific French request.

The President tactfully led up to the question of NATO. He referred to his earlier association with Mr. Pinay at the time of the President's tenure as Commander-in-Chief, SHAPE. He said that he had always felt that Mr. Pinay was a staunch supporter of NATO and the Alliance, so that when the President spoke of support of NATO he always felt that he was free to voice the views of great friends such as Mr. Pinay as well as his own. Mr. Pinay replied in the affirmative, saying that his attitude toward NATO has not altered and that he continues ardently to support it as a bulwark of the free world against communism. He said he feels also that that represents the general sentiment of the French people as a whole.

The President made a reference to General de Gaulle and said that at times he found it somewhat difficult to understand General de Gaulle's attitudes on specific items. He referred particularly to the question of the atomic stockpile of weapons for nine U.S. Air Force squadrons in eastern France, about which there has been an extended period of difficulty. He did not understand General de Gaulle's point of view on this subject, because this is such an obvious need, not merely in the United States but in the general interest of the Alliance. Mr. Pinay spoke at considerable length, saying that he at times does not agree with General de Gaulle, but he could assure the President that General de Gaulle is a true supporter of NATO. Pinay, as a civilian, of course, finds it difficult to dispute a military point with General de Gaulle, who is a military man and has that advantage over civilians. The President laughingly said that he found plenty of civilians on this side who did not hesitate to disagree with him. Pinay said categorically that he felt the President is right about this particular item and expressed the opinion that it could be settled in a matter of minutes if the President and General de Gaulle

could get together for a talk. Mr. Pinay pressed this point three separate times. The President said that it might well be that such a thing as a Summit Conference might happen. He understood that General de Gaulle insisted that if it did happen that it be held not in the United States but in Europe. If that happened there might be an opportunity for the President and General de Gaulle to get together for a talk, and he has always said that he is willing to go anywhere if that is necessary to settle urgent questions. Ambassador Alphand translated this in terms that the President had indicated that he would be willing to go to Paris for this purpose. This was then repeated by Pinay in the terms of a conversation of the President and General de Gaulle in Paris, for which Pinay emphasized great enthusiasm. The President did not specifically agree to Paris as the place for such an eventual conversation.

Mr. Pinay also raised the subject of cooperation between the United States and France in the field of atomic energy, stating that this is a key subject in General de Gaulle's thought. The President indicated his awareness of the importance of this question, made reference to the authority of the Joint Atomic Energy Committee of Congress, and there was a reference by Pinay to the vast expense which is unnecessarily being borne by France in research concerning secrets in the atomic energy field which are already known to the United States, the United Kingdom, and, for that matter, the Soviet Union. The President gave this bland and amiable treatment, without any specific commitment.

The meeting closed, with an exchange of friendly expressions and photographs.

#### 115. Memorandum of Conversation

May 22, 1959.

SUBJECT

Talk with French Finance Minister about International Development Association and the deGaulle suggestion

Source: Department of State, Central Files, 398.10/5–2259. Confidential. Drafted by Beigel and approved for Dillon by Robert C. Brewster, his staff assistant, who initialed the source text on May 28. A handwritten note on the source text indicates it was cleared by George Willis, Director of International Finance at the Department of the Treasury, on May 26. The meeting was held at the Department of the Treasury.

#### PARTICIPANTS

Secretary Anderson Under Secretary Baird Mr. Willis

Acting Secretary Dillon Mr. Beigel, WE Mr. Glenn, LS Mr. Pinay Ambassador Alphand Mr. Raymond Arasse, Director of Cabinet for Mr. Pinay Mr. Cottier, French Financial Counselor

This meeting at the Treasury followed lunch at the President's Guest House. Mr. Pinay began by sketching the recent economic reforms and their effects on the French economy. He indicated that the new economic policy has had no serious political or social ill-effects in France. Secretary Anderson agreed that there is frequently a public tendency to exaggerate the likely effects of economic changes, and that this has sometimes been the case here. He said that what disturbed people most in this country about the French situation had been the rapid turnover in French governments. Mr. Pinay said that the French had also severely criticized themselves for this and that France now has a stable government reinforced by the historic stability of the civil service. He said that in spite of wars in Indochina and Algeria and troubles in the Empire, France has shown that it has the resources and ability to reestablish stability, especially since the reform of political institutions. He said recent events have demonstrated the desire and ability of the French people to stabilize their situation.

Mr. Pinay said that he had been authorized to state on behalf of his government that US investors in France would have every assurance of being able to transfer their capital and profits, as well as to introduce US technicians into their plants in France, where necessary. Ambassador Alphand asked in this connection about the status of the negotiations in Paris regarding a bilateral Treaty of Friendship, Commerce and Navigation. Mr. Dillon said that we consider the negotiations to be going well. He said that the FCN treaty is very important to our own business community. Mr. Pinay agreed that the business community has a legitimate right to seek assurances in the form of treaty arrangements and not to rely solely upon the goodwill and vagaries of administrative practice. He said that in the past the unions in France and the Ministry of Labor had protested the arrival of US technicians to work there. He said the head of the government had indicated that he was opposed to such obstacles and they will now be removed.

Secretary Anderson said that many of us realize that France has a great variety of resources and in fact approaches self-sufficiency over a broad area. He said that we also admire the basic conservatism and solidarity of the French people, and realize that many French problems developed because of the nature of the political institutions. He said that we had not envisaged how constitutional reforms might be brought about to remedy this situation, but now that the new pattern of French institutions is quite clear, there has been a restoration of confidence in France and in its capacities. He said the result has been that in the past year many businessmen here have talked about investing in France. He said that he would agree that a new interest will be manifested in the association of French and US capital in a variety of business enterprises.

Mr. Pinay said that the French people were themselves showing a great confidence in the new political and economic regime in France. He said that the rapid subscription to bond flotations had demonstrated the strength of the capital market, and that on the external side almost a billion dollars in foreign exchange had returned to France in four months, in contrast with the loss of about two billion dollars over the preceding twenty-four months. He said in this connection that France would not ask for any additional delay in the sums to be repaid, for instance to the Export-Import Bank next month.

Mr. Pinay continued that he had also become quite convinced that the use of subsidies was highly undesirable either as economic doctrine or as public policy. Secretary Anderson said that we had also had considerable experience with subsidies. He said that he regarded the French program as a classic example of what a resilient government with resources, courage and good sense can achieve in the over-all economic field. He again expressed his pleasure that these changes had been brought about in France under deGaulle and Pinay. Mr. Pinay replied that these measures also had the support of the public and of the Parliament. He said that the constitutional reforms in France have brought about changes in the party composition in Parliament and have eliminated the problem of continuity in government. He said that under the present system it is likely that the government will remain in power for five years, and noted that the constitutional system in the countries around France provides at best for a continuity of only four years.

Ambassador Alphand pointed out and Mr. Pinay agreed that the French system is now much closer to the Dutch and American systems of government, with the members of the cabinet drawn from outside the Parliament and not obliged to seek the reaction and support of their Parliamentary groups. He said that the system of ministers coming from outside the Parliament is now demonstrating its advantages in France. In reply to a comment by Secretary Anderson, he said that there are only six Parliamentary committees under the present system. Ambassador Alphand noted that it is also unnecessary in France to seek Senate confirmation of presidential appointments. Mr. Pinay went on to say that he now felt much more independent when appearing before committees of Parliament than he did when he was himself a member of that body. He said that the members of Parliament on their side also show a realization of this in that they are now much softer in their questioning of ministers.

Secretary Anderson said that he would like to explain our basic thinking on the International Development Association<sup>1</sup> that Mr. Baird had earlier discussed with Mr. Pinay in Paris.<sup>2</sup> He said that we must all now realize that the peoples of the world have shown a greater drive toward economic development since World War II than they did before the war and that this tendency is more likely to accentuate than diminish in coming years. He said that international organizations such as the United Nations are now thinking in economic terms, just as a few years ago thinking was largely confined to political and security terms. He said that the recent effort to establish SUNFED was a notable manifestation of this change in thinking. He said that it would be unfortunate, however, if we tried to bring about the economic development of underdeveloped peoples, and develop their economic institutions, within the context of an organization whose purpose is essentially political. He said that this seems especially to be a problem when the United Nations embodies both the countries of the Free World and those behind the Iron Curtain, and when it includes a veto power that can be exercised by the large powers.

Secretary Anderson went on to say that we recognize that the Iron Curtain countries also have certain advantages in their ability to barter commodities arbitrarily. Mr. Pinay commented that they also have no internal opposition and can readily impose their political viewpoint on their own peoples. Secretary Anderson continued that the Iron Curtain countries are also able to lend their money on arbitrary terms since there is no international market in their currencies, and that their money when made available abroad must invariably be spent in their countries. He said that the Iron Curtain countries in addition do not have the same internal problems as the free countries would face if they overextend themselves in the field of foreign assistance, and that they can deal with problems of inflation through such methods as suspending internal payments. He said that on the other hand the Western nations have certain great advantages. He said that Mr. Dillon and he had discussed this subject with many of the neutral nations who were all opposed to becoming business associates of the Soviets on any kind of equity basis, since the Soviet government while holding such equity interests would seek immunity from all recourse against it in connection with

<sup>&</sup>lt;sup>1</sup> The International Development Association, an international agency composed of 15 nations for financing economic growth in the less-developed nations, came into being on September 26, 1960, as an affiliate of the International Bank for Reconstruction and Development.

<sup>&</sup>lt;sup>2</sup>No record of the dates of Baird's trip to Paris has been found.

investment projects in third countries, in which it might be a participant. He said that most nations seem to welcome foreign investment provided the foreign investors abide by the laws of the land. He said that these nations are also coming to realize more fully the advantages of competition and of shopping around for foreign goods and technical services on a comparative price basis.

Secretary Anderson said that in the context of this philosophy we believe the nations of the Free World should, if possible, within the framework of existing financial institutions, undertake a joint effort in this direction. He said we believe we should stay within the framework of the IBRD which has sixty-eight members, and to which any nation can adhere so long as it is within the orbit of free countries. He went on to say that the US more than any other country is generating non-convertible currencies from such sources as<sup>3</sup> sales of surplus agricultural commodities. He said that one of our interests is to identify any organization that would make use of these currencies, for economic development purposes, with all of the free nations and not merely with the US. We believe the IBRD has this broadly based identification in the minds of other countries. He said that because the IDA would in our concept deal with soft loans and non-convertible currencies it is also most important that it be administered within the framework of a stable and capable institution, thereby avoiding competition between soundly-based hard loan and soft loan institutions. Our thinking is that when a country approaches either the IBRD, the IFC or the IDA, all three doors would lead to the same board of directors and the same management. He said that this would avoid competition and would instead allow hard loans and soft loans to complement each other.

Secretary Anderson said that in our concept capital would be contributed to the IDA on the same basis as the IBRD, with the capacity remaining to readjust national quotas as the financial status of member countries might change, as was the case in the recent readjustment and enlargement of IBRD quotas. He said that those countries such as the US that generate non-convertible currencies would not increase their ownership or management interest in the institution because of the use of such currencies.

Secretary Anderson went on to say that we also realize that potential soft loan borrowers have an insatiable appetite for capital and that we must face the problem of how best to impress upon them and bring them around to accept the notion that there is a reasonable rate of growth to which they should adapt themselves. He said that we believe

<sup>&</sup>lt;sup>3</sup> On a note attached to the source text, dated May 26, McBride wrote in response to a question by Brown that the words "Marshall Plan reflows and" were deleted here by the Department of the Treasury as being incorrect.

the best way to do this is to require that the potential borrowers also contribute in hard currencies to the initial capital of the IDA as well as to the replenishment of capital. He said that this should give such borrowers a greater sense of responsibility. All contributions therefore would be partly in hard currencies. He said that in those cases where the IBRD had need for non-convertible currencies held by such countries as the US, those countries could be compensated by sharing in the earnings generated. He said, for example, if the US makes Indian rupees available to the IDA it could then receive a percentage of the earnings in rupees for return to the US. He said that in connection with the use of soft currencies and the hiring of foreign technicians, it seemed to us quite important to keep Soviet technicians out of such a program since they would use their participation for purposes of subversion and propaganda. He said that we had also explored with a number of countries their willingness to cut loose the national controls over the use of non-convertible currencies in order to make them available to an IDA, and that they had indicated a willingness to do so. He said that the foregoing represents the skeleton of our thinking on the IDA.

Secretary Anderson said that our notion about the timing of developments with regard to the IDA contemplates that during the summer months we would encourage the IBRD to study the record of our conversations with other countries and to develop a paper for circulation to member countries, inviting their comments. The IBRD would then study these comments and work out some broad proposals for consideration at the September meeting of the governors of the Bank, and if the latter agree in principle the Executive Board could then work out the details in the same manner as they handled the increase in the Bank resources over the past year. He said that we realize every country has been burdened by the need to increase its contribution to the Bank this year and that we would expect to take this factor into consideration in working out the details for the establishment of the IDA.

Mr. Pinay said that his comments on this presentation would constitute his personal views only. He said that while the French Government had been seized with this question there had not yet been opportunity to formulate a government position. He said that he fully agreed with the philosophy expressed by Secretary Anderson regarding the approach to the economic development of the underdeveloped countries. He said that those countries that can should therefore help the others. The problem is how best to proceed while at the same time being careful to avoid giving any opening to the Soviets to subvert and propagandize under the pretext of rendering assistance. He said that with regard to the United Nations, it seems largely to represent the beneficiaries rather than the donors of assistance and is analogous to a railroad on which the passengers had the greater voice in determining the fares. He said that he failed to understand any proposal that would give an equal voice to aid-receiving countries.

Mr. Pinay reiterated that his comments were entirely his own since, he said, there are those who believe that if we were all associated together in such a scheme, the advantages of association between East and West would outweigh the drawbacks. He said that he did not share this view and that he agreed with the notion about using the IBRD machinery for this purpose. He said that the US must however proceed step by step, and must through diplomatic channels demonstrate to deGaulle that the idea of having both East and West associated in such an endeavor would present drawbacks far outweighing any advantages. He said that once this is done he could proceed to consider the modalities of the IDA. He said that the presentation to deGaulle should emphasize that the Soviets are prone to seize an occasion to associate themselves with others in such schemes in order to utilize such participation as a mask to carry out their own political purposes. He said that it should not be too difficult to convince deGaulle on this fundamental point, and that after this had been achieved he would proceed rapidly to consider the documents relating to the IDA.

Mr. Dillon said that, in this connection, we realize that deGaulle has suggested that the question of economic assistance to underdeveloped countries be put on the agenda for any summit meeting, and that he had apparently put forward this suggestion with the idea of offering a challenge to the Soviet Union to join us in projects for aiding the underdeveloped countries.<sup>4</sup> He said that the possibility of including this item on the summit agenda was included in the report of the four-power Working Group that prepared for the present meeting of Foreign Ministers.<sup>5</sup>He said that during the course of these preparations the US had focused on other aspects of the Working Group paper, and that the inclusion of this item had been agreed to in the Working Group before it had in fact been discussed generally within this government. He said that discussion of this item at the summit would be contrary to general US policy, and that Secretary Anderson had just described the reasons for our opposition to working with the Soviets in carrying out the development of the underdeveloped countries. He said that we would like to see this part of the Working Group report changed so that it would be understood that we do not wish to see this subject placed on the summit agenda.

<sup>&</sup>lt;sup>4</sup> De Gaulle's initial suggestion was made at his March 25 press conference; see de Gaulle, *Statements*, pp. 41–51.

<sup>&</sup>lt;sup>5</sup> Documentation on the Report of the Four-Power Working Group at the Foreign Ministers Meeting at Geneva May 11–August 5 is in volume VIII.

Mr. Dillon went on to say that we understood deGaulle may believe that the Soviet Union would not accept such a proposal at the summit, and that it would consequently be to our propaganda advantage to make it. He said that our own estimate is just the contrary, that the Soviet Union would accept such a proposal and that we would have trouble thereafter. He said that the Soviets had demonstrated at the United Nations that they had been hopeful the SUNFED scheme would be adopted, in which they could carry out their own political purposes. He said that this concern would seem to be a matter of interest particularly to France, since one of the most dangerous places is Africa, where the Soviet Union has shown a great desire to engage in activities, especially in the newly independent countries such as Ghana, Guinea and the Sudan, and where it is having difficulty doing so. He said that under cover of any broad arrangement such as SUNFED, or the suggestion advanced by deGaulle, the Soviet Union would be able to go into all the African territories and would undoubtedly make a great effort to do so, in the guise of the legitimate effort to assist in economic development.

Mr. Pinay agreed that it was inopportune to put this subject on the summit agenda and said that it could instead be discussed among the chiefs of state informally. He then reverted to the need for documentation setting forth the idea for the IDA. Secretary Anderson said that we had not wanted the idea for the IDA to emerge as only a US idea and for this reason we felt that any precise formulation for general circulation should be prepared by the IBRD staff. Mr. Pinay said that this matter involved a question of tactics. He said that one way of proceeding might be to arrange for Mr. Eugene Black to see President deGaulle to put forward these general considerations to him. Mr. Black might tell deGaulle that his original idea was a good one and that something was being done about it. He said Mr. Black could thereby take advantage of the deGaulle initiative by calling on him and making further suggestions by way of elaboration.

Ambassador Alphand said that the difficulty with such an approach is that Mr. Black would be talking about a proposal directly opposed in its approach to this question to the deGaulle suggestion. Mr. Pinay agreed and said that the approach would have to emphasize the dangers of having the Soviets associated with such an endeavor. He said that a way must be found to handle this discreetly with deGaulle through some diplomatic channel. Secretary Anderson said that we would be guided by this suggestion. He said that if Mr. Pinay would like any elaboration of his presentation today we would be glad to prepare responses to any specific points submitted to us by the French Embassy so that Mr. Pinay would have the answers before he returns to Paris. He said that we would also look into the idea of arranging for Mr. Black to discuss the IDA as the way of handling the idea put forward by deGaulle.

Mr. Pinay said that deGaulle believes that competition between East and West in the economic development of underdeveloped countries is a bad thing and that it leads to overbidding between East and West. He said that it is necessary to convince deGaulle that cooperation between East and West in such endeavors is an even greater danger, in that we would in effect be financing as well as facilitating Soviet penetration into such areas. Ambassador Alphand suggested that two documents must be prepared, one to bring out these dangers, and the other to describe the IDA as the way to bring about better cooperation among the free countries in this field. Mr. Pinay agreed that using the IBRD, as an anonymous or impersonal agency not identified with any one country, is a good idea and less dangerous than any other device. He said that the point could also be made with deGaulle that competition in assisting the underdeveloped countries might be eliminated to the extent it is put into the hands of the IBRD, which would thereby eliminate such competition with the Soviet Union on a national basis. Mr. Pinay said that deGaulle approaches this matter in the spirit of good will and even believes that we can improve the Soviets by bringing them into such an endeavor. He said that he believes this thinking to be incorrect, and that on the contrary, he considers that Soviet performance at all international conferences amply demonstrates that they continue to be steadfastly dedicated to the philosophy of world revolution.

Secretary Anderson again congratulated Mr. Pinay on the work deGaulle and he had carried out in France over the past year which, he said, sets an example for other countries in the Free World. Mr. Pinay said that France is herself again, that the French public is no longer interested and is in fact disgusted with the old politics, and that the old party system had disappeared in France.

# 116. Memorandum of Conversation

US/MC

Geneva, May 24, 1959, 10:30 a.m.

# UNITED STATES DELEGATION TO THE MEETING OF FOREIGN MINISTERS

#### Palais des Nations, Geneva, 1959

#### PARTICIPANTS

United States	France
Secretary of State	Foreign Minister Couve de Murville
Mr. Merchant	M. de Beaumarchais
Mr. Stoessel	

#### SUBJECT

Bilateral French-U.S. problems: Tactics at Geneva Conference

[Here follows discussion of the Air Transport Agreement.]

*DeGaulle Aid Plan.* The Secretary noted that M. Pinay had recently talked with Mr. Dillon and Mr. Anderson in Washington concerning the deGaulle suggestion for a multi-lateral aid program for underdeveloped countries.<sup>1</sup> As M. Pinay had been informed, we were hopeful of obtaining more detailed information concerning the French planning for such a program. Also, Mr. Dillon and Mr. Anderson had advised M. Pinay of our thinking concerning the International Development Agency. The Department is preparing a paper on this subject for the information of the French Government. In response to the Secretary's inquiry, Couve said that he would prefer that such a paper be given to the Foreign Office in Paris by our Embassy. The French Delegation in Geneva would wish to keep current on all developments in this regard, but, especially since other ministries in addition to the Foreign Office are interested in the aid program, Couve thought this procedure was the most appropriate.

Couve observed that he believed deGaulle would not wish to have a technical or detailed discussion of the aid plan at a possible summit meeting. He would only wish to raise it on a general basis. The Secretary stressed the importance of knowing on what basis deGaulle might raise the matter.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1339. Secret; Limit Distribution. Drafted by Stoessel and approved by Herter on May 29. This meeting was held at the Villa Greta. Separate memoranda covering each subject discussed, numbered US/MC/60–65, were also prepared. Copies of the memoranda covering the first item, the Air Transport Agreement (US/MC/62), and the last item, the tactics at the Geneva Meeting (US/MC/63), are *ibid*. A summary of this conversation was sent to the Department of State in Secto 113 from Geneva, May 24. (*Ibid.*, Central Files, 396.1–GE/5–2459)

<sup>&</sup>lt;sup>1</sup>See Document 115.

Couve added that he thought deGaulle's thinking on this problem is motivated by the fact that aid has been an instrument of the cold war. If the cold war is to be stopped, action must be taken in the field of aid, which the Soviets are using in their efforts to penetrate underdeveloped countries. Couve recalled that we have already had bitter experiences on this score in the Middle East, in Asia, and that now difficulties are beginning in Guinea.

*Arms Shipments.* The Secretary observed that Couve's remarks raised another difficult question which concerned arms shipments. He recalled that the Soviets had suggested a year ago the possibility of an arms embargo for countries of the Middle East. This was not taken up at the time, and now we have the problem of competitive shipments of arms to African states. These countries do not need all of the arms they are receiving and the situation promises to become nightmarish.

Couve said he had often reflected on this matter; perhaps we had made a mistake in not arranging to embargo arms to the Middle East. If this had been done last year, perhaps the situation in Iraq would not have developed as it did. Mr. Merchant remarked that one of our problems at the time the Soviets raised the embargo proposal was that it was thought to include Turkey and Pakistan. Couve said that, of course, these countries should not have been affected by an embargo. An arrangement would have been necessary to exclude countries belonging to alliances from the embargo.

Couve went on to say that it might be well if an agreement could be reached to embargo arms shipments to Black Africa. He specified, however, that an embargo would not affect South Africa, nor could it cover areas, such as Kenya, Senegal, or the Belgian Congo, which have special relationships to their mother countries. It may be a good idea, however, to stop arms shipments to countries such as Guinea and the Sudan.

*Nuclear Cooperation.* The Secretary said that he wished to clear up any misapprehensions the French may have to the effect that the explosion of one atomic bomb would be all that is needed to permit intimate cooperation with France in the weapons field. The Secretary hoped that relations with France would develop satisfactorily and that it might become possible in due course to envisage the amendment of the present U.S. law, but he stressed that this was a difficult problem.

Couve assured the Secretary that the French were under no misapprehension concerning the restrictions of the U.S. law. He said that the French have studied the law carefully and understand the situation.

*Nine Squadrons.* In answer to the Secretary's inquiry, Couve said that he had nothing new on this problem. However, he commented that the problems of atomic storage and cooperation in the nuclear field are linked to the development of tripartite talks covering global strategy,

military planning and decision concerning the use of atomic weapons. Couve stressed that cooperation in the military field is basic. He thought that, if a summit meeting is held, direct contact between deGaulle and President Eisenhower on this subject would be very useful.

Use of Atomic Weapons in War; Possibilities of Disarmament. Couve continued the discussion of the problem of atomic weapons by saying that it is important to know how, if war is declared, a decision will be taken regarding the use of nuclear weapons. He thought the decision might have to be taken in a matter of minutes. The Secretary agreed that the time element was crucial, and added that, since we have developed small, tactical atomic weapons, it is becoming increasingly difficult to draw the line with regard to separating nuclear weapons from conventional arms.

After a general discussion of the dangers of general nuclear war, the Secretary commented that, whereas the U.K. feels that it would bear the major brunt of a Soviet atomic attack, we believe that the Soviets will not engage in nuclear war unless they are convinced that they can put U.S. retaliatory power out of commission. This is very hard for them to do, since they would have to hit our overseas bases effectively as well as take care of missile-carrying ships at sea and the planes of SAC, which are constantly becoming more effective due to improvement in refueling techniques.

The Secretary said that, looking somewhat to the future, when intercontinental missiles are operational and hardened pads have been developed, the prospects are discouraging. This is why we earnestly hope that it will be feasible to resume disarmament talks. Couve agreed, saying that a radical solution must be found which will involve cessation of production of nuclear arms and the destruction of those already in existence.

The Secretary said he was in accord with this, although he noted the difficulties involved in detecting the existence of atomic warheads which have already been produced. Also, he said that, in the present situation, the only way in which the West can be protected from the huge masses of the Soviet and Chinese armies is to have atomic weapons. The threat of the solid mass of 175 Soviet divisions makes it essential that our forces, numerically inferior, have atomic arms.

Couve said he thought that, looking into the future, only the Soviet Union could hope to contain China. However, if it ever becomes possible to suppress atomic arms, then it would be necessary for the Western countries to make a greater effort in the conventional field. He thought that the European countries could certainly do so, and that the U.S. would be able to do likewise.

The Secretary said that Khrushchev may wish to discuss the problems involved in nuclear armament at a summit conference. Couve said he thought this might well be true, and that he could have good reason to do so.

*Communications Cable.* The Secretary told Couve that we still hope France will not deliver the communications cable to the USSR, and he mentioned that the Embassy had sent a note to the Foreign Office last week reviewing our position on this subject.<sup>2</sup> Couve said he had no new information on the problem, but that he would look into it. He recalled that the French had previously informed us that they were prepared to stop any further shipments of this cable after the initial shipment of 400 kilometers had been made. However, Couve said he understood the problem which would be caused by setting such a precedent.

*IRBM's in Germany.* The Secretary referred to Gromyko's evident preoccupation with the stationing of nuclear weapons and IRBM missiles in West Germany.<sup>3</sup> He thought it might be possible to make use of the question of the IRBM's at some stage in the negotiations as a trading point. The Secretary suggested that, if Couve talks with Gromyko, he might let it be known that he would be prepared to "act as an intermediary" in attempting to persuade the U.S. to refrain from stationing IRBM's in West Germany. The Secretary said that he had discussed this problem with Secretary McElroy, who felt that we could afford to take such a step. Mr. Merchant noted that, in the past, it has been General Norstad's judgment that there was not a military requirement for the stationing of IRBM's in West Germany.

Couve said that this might appear to be more of a psychological concession than anything else, but he thought it might be important for the Soviets. He noted that we have proposed to extend the prohibition on ABC weapons in the Paris Accords<sup>4</sup> to all of Germany, but that we have not said anything about prohibiting the retention by Germany of such weapons if acquired elsewhere. Couve thought that our refraining from stationing IRBM's in West Germany might foreshadow a situation in which a future united Germany would not be permitted to possess

<sup>&</sup>lt;sup>2</sup> Text of the U.S. note delivered to the French Foreign Ministry on May 15 expressing opposition of the U.S. Government to the French Government's decision to authorize the export of 450 kilometers of a communications cable to the Soviet Union was transmitted in telegram 4188 from Paris, May 14. (Department of State, Central Files, 461.509/5–1459)

<sup>&</sup>lt;sup>3</sup> An agreement for cooperation on uses of atomic energy for mutual defense purposes was signed at Bonn May 5, 1959, and entered into force July 27, 1959; for text, see 10 UST 1322.

<sup>&</sup>lt;sup>4</sup> Regarding the Paris Accords, or the Final Act of the Paris Nine- and Four-Power Conference, October 23, 1954, see *Foreign Relations*, 1952–1954, vol. V, Part 2, p. 1435.

strategic weapons, as opposed to tactical weapons, which Germany could have. This would be very important some ten or twenty years from now when U.S. troops are no longer on the continent and manned bombers will no longer be utilized. The Secretary commented that it was extremely difficult to draw a line between strategic and tactical weapons. He said he continued to hope, however, that within ten years some progress will have been made in general disarmament.

[Here follows discussion of tactics at the Geneva Meeting.]

# 117. Letter From President de Gaulle to President Eisenhower

Paris, May 25, 1959.

DEAR MR. PRESIDENT: DEAR GENERAL EISENHOWER: In view of the friendship which unites our two countries and in view of our personal friendship, I think it would be well if I were to define for you the spirit and the substance of certain measures which France has just decided upon relating to her defense and which go beyond the framework of our present common organization. I am sure you will understand and appreciate the reasons which have led her to these.

But before all else, I wish to tell you that I have never been more convinced that in the present situation the alliance of the free nations is absolutely necessary. The government, the parliament, and the people of France in their immense majority, believe, as I do myself, that in the face of the ambitions and strength of the Soviets and foreseeing what may be the power and imperialism of enormous totalitarian China, and bearing in mind the facilities which the Communist undertakings find in primitive, anarchic or poverty stricken areas, it is essential that the nations which enjoy modern civilization and true democracy remain united to act and to defend themselves. As far as France is concerned, unless she is to succumb some day alone in the advance guard, she belongs without doubt in the camp of freedom. This is to tell you that in taking certain measures in her own behalf which are not "integrated" within NATO, France does not wish to change our alliance.

Source: Eisenhower Library, Whitman File, International File. Secret. The source text is a translation. Attached to the source text, which bears Eisenhower's initials, was the handwritten French text.

Nevertheless, the fact is that this alliance has no common policy other than the direct security of Western Europe. Thus, it is that in the East, the Mediterranean, North Africa, and Black Africa, Americans, Englishmen and Frenchmen adopt attitudes and undertake actions which are quite different. If this is indeed so, how could we conduct in these areas, a strategy which would be common for all of us?

It so happens that the threat from our opponents is now aimed at everything which is Oriental or African. As France is immediately affected she is presently brought to take certain measures which arise from her responsibilities.

For this reason, without anything being changed in France's participation in NATO for Continental Europe, a French command of the Mediterranean, having as its area of responsibility the whole of that Sea as well as North Africa, is about to be set up. This command will receive its missions from the French Government. It is self-evident that our government proposes to study and to settle either with Washington and London or with NATO, according to the case, the conditions under which we could cooperate in this area with whatever might be undertaken by our allies, and vice versa.

At the same time, a French command is charged, for France and the Community, with the defense of Black Africa. We would be quite willing for this command to combine its plans with those of the African states and Western countries who find themselves, like the French, threatened by Soviet activities in this vast part of Africa. Similarly, we are prepared to undertake and practice cooperation in possible theaters in the Indian Ocean and in the Pacific.

Furthermore, may I call your attention to the fact that atomic weapons and the conditions under which these weapons might be used require France to take certain precautions. Obviously the question would appear quite differently if you had made it possible for us to take advantage of your own achievements. But America intends to keep her secrets, vis-à-vis France. This compels us to discover them ourselves and at tremendous cost. On this point, however, we have nothing other to express than regret. This is not the case insofar as America reserves to herself the total decision to use or not to use the nuclear weapons which she has. The consequences which might result for us, from any unilateral action which you might undertake in this area, lead us to formulate explicit requests and to adopt, insofar as possible, certain measures on our own behalf as safeguards.

If there were no alliance between us, I would agree that your monopoly on the opening of atomic war would be justified, but you and we are tied together to such a point that the opening of this type of hostilities either by you or against you would automatically expose France to total and immediate destruction. She obviously cannot entirely entrust her life or her death to any other state whatsoever, even the most friendly. For this reason, France feels it is essential that she participate, if the case were to arise, in any decision which might be taken by her allies to use atomic missiles or to launch them against certain places at certain times. Until she has been able to conclude with the United States and with Great Britain the agreements which seem necessary to her on this subject, she cannot consent to such projectiles being stored on her territory and used from there unless she herself has complete and permanent control over them.

As I have had occasion to write to you previously, I believe that these problems might be solved between us as soon as there has been established between the United States and Great Britain and France organized cooperation in political matters and in strategic matters for the security of the world.<sup>1</sup> I believe that our alliance would be more firm and more active as between itself and others.

I sincerely hope that general circumstances and our own personal circumstances will enable me to examine with you as soon as possible these questions which are vital for our two countries and for the world. If by good fortune you were to come one day to France, I can assure you that you would be the object both from the government and all parts of the population of an enthusiastic and unprecedented welcome. You would receive a massive unmistakable mark of the friendship and confidence of the French people and this would certainly have important consequences throughout Europe and in the entire world.

Please believe, my dear General Eisenhower, my feelings of highest consideration and faithful friendship.

## Charles de Gaulle<sup>2</sup>

In the last hours of the life of John Foster Dulles, whose condition, I know, causes you deep sorrow, my thoughts go out to him who with all his gallantry and all his ardor has so well served the West.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup>See Document 45.

<sup>&</sup>lt;sup>2</sup> Printed from a copy that bears this typed signature.

<sup>&</sup>lt;sup>3</sup> Dulles died on May 24.

#### 118. Memorandum From Acting Secretary of State Dillon to President Eisenhower

Undated.

#### SUBJECT

Proposed Reply to General de Gaulle

General de Gaulle's handwritten letter to you of May 25<sup>1</sup> is a further definition of his thinking. Once again he poses three basic demands: nuclear cooperation including a French role in decisions on the use of nuclear weapons, common strategy and policy for areas of special interest to France such as Africa, and the establishment of organized, tripartite political and strategic consultation on a global basis.

We are unwilling or unable to meet fully these requests, the outlines of which have been apparent since General deGaulle first wrote to you last September. We have made an effort to be partly responsive through a series of tripartite discussions in Washington at the Ambassadorial level on the Far East and Africa. It had been our hope to continue this operation without going too far in a direction which might make our relations with other allies and friendly nations awkward or compromise our basic interests. While the General's letter does not put a stop to this process, it does oblige us to look again at his basic demands. It is quite doubtful that a letter could be written which the General would regard as an adequate reply to his requests. On the other hand, a refutation of them or a refusal to discuss could lead him to take drastic unilateral actions of a nature unfavorable to our interests.

To us it seems that the best tactic would be to acknowledge the letter briefly, to state that the subjects he has raised are of high importance, and to say that it might be best for you to discuss these matters frankly with him in Paris, should a Summit Conference be held in Europe (or in the United States, should the Summit be held here). Such an offer would be responsive to his invitation to you. It would, of course, be conditional on the conference being held and might, in fact, help set the stage for that conference.

It is suggested that you might wish to add to your reply to General de Gaulle a brief hand-written postscript acknowledging his thoughtful words about Secretary Dulles.

Secretary Herter concurs in this recommendation and with the enclosed suggested reply.<sup>2</sup>

## **Douglas Dillon**

Source: Eisenhower Library, Project Clean Up. Secret.

<sup>&</sup>lt;sup>1</sup> Document 117.

<sup>&</sup>lt;sup>2</sup> Not printed. For Eisenhower's reply to de Gaulle's May 25 letter, which followed the Department of State draft verbatim except for the omission of two sentences about the possibility of a meeting between the two men in Washington, see Document 119.

### 119. Letter From President Eisenhower to President de Gaulle

June 5, 1959.

DEAR MR. PRESIDENT: I am very appreciative of your letter of May twenty-fifth<sup>1</sup> and of the careful thought that you have put into it. It raises subjects of the highest importance to which we must both direct our thoughts in order to achieve the harmony of purpose so essential to the free world.

I have given a great deal of thought to your letter and have come to the conclusion that we can deal with these problems best through a personal exchange of views. It had been my hope that you could come to the United States. I realize, however, that you have had tremendous tasks to perform in France and the Community which have prevented you from making such a journey. An opportunity for our meeting together may present itself, however, should the present Foreign Ministers' meeting in Geneva reach a point where a Summit Meeting might be justified and desirable. Such a meeting would probably be held in Europe. Should this be the case, I would be delighted to accept your invitation and would be glad to come to Paris in advance of that meeting in order to see you alone. We could then discuss frankly and fully the problems which confront us and the means by which we can best concert our strengths.

Once we have a clearer indication whether or not a Summit Meeting should indeed take place, I shall write you again to see if we can get a mutually agreeable date.

While realizing the complexity of some of the problems which confront our nations, I place special significance on our basic solidarity of purpose. Particularly, I refer to your statement that in the present situation the alliance of the free nations is absolutely necessary. With our agreement on this as a starting point, I am certain that we can bring all our difficulties into line.

Please accept, Mr. President, the expression of my highest consideration and sincere friendship.

With warm personal regard, Sincerely,

# Dwight D. Eisenhower<sup>2</sup>

Source: Eisenhower Library, Whitman File, International File. Secret. Transmitted in telegram 4753 to Paris, June 5. (Department of State, Central Files, 611.51/6–559) In telegram 4531 from Paris, June 8, Houghton reported that the signed, sealed original letter was handed to de Courcelle, Secretary General of Presidency, at 5:30 p.m. on June 8. (*Ibid.*, 711.11–EI/6–859)

<sup>&</sup>lt;sup>1</sup>Document 117.

<sup>&</sup>lt;sup>2</sup> Printed from a copy that bears this typed signature.

(Handwritten)<sup>3</sup>

Thank you very much for your generous tribute to Foster Dulles. He was a wise and courageous man and a valued friend whose fortitude and determination to maintain the peace and security of the world will be missed by all of us.

D.E.

# 120. Memorandum From Director of Central Intelligence Dulles to President Eisenhower

June 11, 1959.

[Source: Eisenhower Library, Whitman File. Secret. 3 pages of source text not declassified.]

# 121. Editorial Note

On June 11, General Norstad, Supreme Allied Commander, Europe, informed the NAC of his plan to redeploy nine U.S. Air Force squadrons in France because of the unwillingness of France to agree to stockpile the required atomic weapons. After this report, the French Representative stated that his country would not grant nuclear storage rights until it received satisfaction on French aspirations for participation in worldwide strategic planning. While recognizing Norstad's concern about common security risks, the French Representative maintained that France could not make additional commitments in NATO which had no reference to global necessities. (Polto Circular 45,

 $<sup>^3</sup>$  As on the source text; presumably the postscript and initials were handwritten on the original sent to de Gaulle.

June 11; Department of State, Central Files, 740.5/6–1159) On July 8, the United States announced to the NAC its decision to redeploy these squadrons. (Polto 62, July 8; *ibid.*, 711.56351/7–859)

For additional documentation on these questions, see Part 1, Documents 213 ff.

# 122. Memorandum From Secretary of State Herter to President Eisenhower

July 1, 1959.

#### SUBJECT

Offer of Nuclear-Capable Weapons to France

In view of our current difficulties with the French on atomic cooperation, you will be interested in the instructions sent to our Embassy in Paris on June 27,<sup>1</sup> authorizing a formal offer of Nike and Honest John battalions to France. In accordance with recommendations of General Norstad, our message instructs the MAAG to request French confirmation that these weapons will be utilized by NATO-committed forces; that they will be stationed in Germany and that nuclear warheads will be supplied and serviced from the NATO Atomic Stockpile in Germany; and that the equipment will be made available for recovery when no longer so used. Heretofore, offers of advanced weapons to France have referred to the bilateral Mutual Defense Assistance Agreement<sup>2</sup> without requiring confirmation of these specific points. French agreement with respect to the currently offered weapons will, however, apply to Honest John battalions previously accepted by the French and scheduled for delivery later this year; it will not be prerequisite to delivery of a previously accepted Nike battalion which is scheduled to begin in late July

Source: Eisenhower Library, Whitman File, International File. Secret.

<sup>&</sup>lt;sup>1</sup> Telegram 5119 to Paris, June 27. (Department of State, Central Files, 751.5–MSP/ 6–2759)

<sup>&</sup>lt;sup>2</sup> Reference is to two agreements: the Mutual Defense Assistance Agreement signed at Washington January 27, 1950, and entered into force the same date (1 UST 34) and the agreement relating to the disposition of equipment and material no longer required in the furtherance of the Mutual Defense Assistance Program for which notes were exchanged at Paris September 23, 1955, and entered into force the same date. (6 UST 5971)

but will be required before this unit is provided with a nuclear capability.

Implicit in the conditions of the current offer of Nike and Honest John equipment is an offer to the French to arrange to use the NATO Atomic Stockpile in Germany. This is the first time such an offer will be extended. We hope acceptance might in time possibly increase French willingness to permit the establishment in France of the NATO Atomic Stockpile for United States and French use (once French forces gain some experience with the Stockpile). Eventually, a Stockpile agreement, even if only for French forces in Germany, would necessitate a 144(b) atomic cooperation agreement to permit training to enable the French to achieve full operational atomic capability. Until then, however, training would be given to enable them to achieve a limited atomic capability.<sup>3</sup>

# Christian A. Herter<sup>4</sup>

# 123. Memorandum of Conversation Between the Counselor for Political Affairs in the Embassy in France (Kidder) and a French Air Force Officer, Retired (Gallois), July 29, 1959

Paris, July 29, 1959.

[Here follows discussion of unrelated matters.]

To support his theory that the important thing is establishment of a close personal relationship, Gallois states that de Gaulle's isolation from the counsels of President Roosevelt and Prime Minister Churchill

<sup>&</sup>lt;sup>3</sup> Babcock, Chief of MAAG at the Embassy in Paris, handed the formal proposal, transmitted in telegram 166 from Paris, July 10, to Guillaumat on July 13. (Department of State, Central Files, 751.5–MSP/7–1059) On October 8, Babcock received a letter from Labaud stating that he wished to confirm that the French Government accepted the conditions posed by Babcock's letter of July 13. The letter stated: "Furthermore, the fact is specified that acceptance of these conditions applies also to the Nike and Honest John units previously accepted by France." This letter was transmitted in telegram 1578 from Paris, October 8. (*Ibid.*, 751.5–MSP/10–859)

<sup>&</sup>lt;sup>4</sup> Printed from a copy that bears this stamped signature.

Source: Department of State, WE Files: Lot 61 D 30, Memoranda of Conversation—1959. Confidential. Drafted by Kidder.

during the war and his brooding in recent years regarding the weakness and ineffectualness of France have built up in him an intense, although probably unconscious, feeling of need to become associated with the United States on terms such as the British were during the war. What is needed is to give him the feeling that he is being consulted currently and being given information, not necessarily secret, of events before they occur. For example, if the United States has a plan to launch a manned missile into space, the General would be extremely pleased if the United States would take the trouble to send someone over to tell him about it and to explain what it means. A series of these contacts, supplemented by an occasional direct personal message from President Eisenhower from time to time, would, over the long run, do much to change de Gaulle's frame of mind. He is now angry and often acts out of pique, as in the case of the withdrawal of the Mediterranean fleet from its NATO context. He feels that since his return to power he has been knocking at the door of the United States, but that, in sum, all he has received is a polite brush-off. According to Gallois, the General is as susceptible as the next person to the type of flattery which he suggests. The problem is basically a psychological one, and the solution rests in Washington.

[Here follows discussion of unrelated matters.]

#### 124. Memorandum of Conversation

US/MC/160

Geneva, July 31, 1959, 1:15 p.m.

### UNITED STATES DELEGATION TO THE MEETING OF FOREIGN MINISTERS

Palais des Nations, Geneva, 1959

PARTICIPANTS

M. Etienne Manac'h, Member of French Delegation Mr. W.J. Stoessel, Jr., US Delegation

SUBJECT

De Gaulle's Views on Atomic Bomb

Manac'h said that de Gaulle is insistent on the necessity for France to have its own atomic weapons because he feels that, with the development of intercontinental missiles, the U.S. increasingly will be reluctant

Source: Department of State, Conference Files: Lot 64 D 560, CF 1342. Confidential. Drafted by Stoessel. The meeting was held at the Restaurant Bearn.

to use its nuclear weapons against the Soviet Union to defend European countries.

Manac'h, who said his information was based on a talk with a close collaborator of de Gaulle, said that de Gaulle realizes the difficulties and dangers posed by the prospect that additional countries other than France may wish to follow France's example in developing their own atomic weapons. De Gaulle's plan, according to Manac'h, is to develop a "European deterrent" based on French atomic weapons. Under this scheme, France will be the only European country to develop and produce atomic weapons, and she will receive financial assistance in this effort from other European countries, notably Germany and Italy. French atomic weapons will be shared out to other members of the European Community of Six, under conditions governing their use similar to that which the U.S. has established for employment of U.S. bombs located in NATO countries.

Manac'h said that he fully realized all of the difficulties inherent in this reported scheme of de Gaulle's. However, he was confident that this was in the background of de Gaulle's thinking concerning atomic weapons and that it fitted in logically with de Gaulle's ideas on France as the spokesman for Europe.

# 125. Telegram From the Department of State to the Embassy in France

August 1, 1959, 9:38 p.m.

501. Please deliver following to de Gaulle and request on behalf of the President that the information regarding Mr. Khrushchev's visit be held confidential until announcement is made in Washington. Confirm date and time of delivery.

#### "August 1

Dear Mr. President: For some time it has appeared unlikely that the Foreign Ministers would reach a sufficient measure of agreement at Geneva to justify a Summit Meeting. I think you will agree that in a

Source: Eisenhower Library, Whitman File, International File. Top Secret; Niact; Presidential Handling; No Distribution. Repeated niact to Geneva. Another copy of the letter is in Department of State, Central Files, 711.11–EI/8–159.

situation where our hope for minimum progress has not yet been met a Summit Meeting would risk failure. With this in mind I have been in communication with Mr. Khrushchev about a visit to the United States.<sup>1</sup> It seems to me that this would be a logical next step. Certainly a tour by Mr. Khrushchev through the U.S. would provide him with a better picture of our strength and way of life. It would also serve to reduce the atmosphere of crisis should the Foreign Ministers recess without progress. If I were to follow this up with a briefer visit to Moscow this might stimulate further progress at the Foreign Ministers level which could well lead to a Summit Meeting later in the fall.

I would intend in my informal talks with Mr. Khrushchev to do whatever I can to assure that he obtains a clearer understanding of American attitudes, power and resources. I do not want to overestimate the value of my conversations with, and the impact on, him of an exposure to the people and the facts of life in the U.S. Nevertheless I cannot help but believe that the effect might be considerable and that it might promote the very result at a future Summit Meeting which all of us are so eager to achieve.

I hope that the foregoing will appear to you as a sensible view. I expect that the announcement of the visit of Mr. Khrushchev to the U.S., which probably will take place in mid-September, and of my later visit to the Soviet Union will be made early next week, very likely on Monday, August third.<sup>2</sup>

I have been wanting for some time to find an occasion to come to Paris to renew my association with you and to have an exchange of views about problems important to Franco-American relations. Since a Summit Meeting now appears unlikely, at least for some time, I wondered if it would be convenient for me to come some time later this month. I imagine you will be having some ceremonies in Paris on August 25 to commemorate the 15th anniversary of the Liberation. In this connection I well remember that it was on the 27th of August that you and I met in Paris.<sup>3</sup> It occurred to me that if it would be convenient for you to receive me in Paris on the 27th we could renew our association under most auspicious circumstances.

Prime Minister Macmillan has indicated that he feels a Western Summit Meeting would be helpful prior to my meeting with Mr.

<sup>&</sup>lt;sup>1</sup>Khruschev visited the United States September 15–28.

<sup>&</sup>lt;sup>2</sup> For text of Eisenhower's statement made at an August 3 news conference announcing that Khrushchev had accepted his invitation to pay an official visit to the United States in September and that he had accepted Khrushchev's invitation to visit the Soviet Union in the fall, see Department of State *Bulletin*, August 24, 1959, p. 263.

<sup>&</sup>lt;sup>3</sup> Eisenhower and de Gaulle met on August 27, 1944, in Paris to celebrate the liberation of France from German occupation.

Khrushchev.<sup>4</sup> I would of course be glad to attend such a meeting but think it better if such a meeting were to be held that it take place after you and I have had an opportunity to talk together. With warm regard. Dwight D. Eisenhower."

## Dillon

<sup>4</sup> A copy of Macmillan's letter to Eisenhower, June 18, in which he outlines this suggestion, is in Department of State, Presidential Correspondence: Lot 66 D 204.

# 126. Letter From President de Gaulle to President Eisenhower

Paris, August 4, 1959.

DEAR MR. PRESIDENT: DEAR GENERAL EISENHOWER: Thank you for the message you sent me on August 1<sup>1</sup> in which you expressed your thoughts on the Geneva proceedings as well as the inferences you think should be drawn from them.

You apprised me of the invitation you have extended to Mr. Khrushchev for the purpose of enabling him to obtain a more exact picture of life as it is in the United States. You also informed me of your decision to pay a visit after that to Soviet Russia yourself. You are certainly the best judge of the possible results of this exchange of visits, and I wish you complete success. I wonder, however, whether Mr. Khrushchev is really ill-informed regarding the situation in the West and is prepared to rectify, after his trip, the judgment thereof he thinks he should give the people of his country.

I am pleased at your forthcoming visit to Paris. I have already had occasion to tell you how warmly we shall receive you here. As for me, it will personally be very agreeable to renew the ties, already of long standing, but ever alive, existing between us both and to discuss with you the problems that concern us. Such conversations will also permit

Source: Eisenhower Library, Whitman File, International File. Secret. The source text is a Department of State translation. The French text of this letter was handed to Herter by Couve de Murville on August 5 at Geneva. Attached to the source text was the French text of this letter.

<sup>&</sup>lt;sup>1</sup>Document 125.

us to exchange views as to the utility or the disadvantages, in principle, of a summit conference with the Chairman of the Soviet Council of Ministers.

As regards the date of our meeting, I had made plans, and made known my decision to go to Algeria on August 27. If you could envisage arriving in Paris on September 2, 3, or 4, these dates would suit me perfectly. I am prepared, however, to delay my own trip if that would be convenient for you.

With respect to the plan for a meeting of the Western powers proposed by Mr. Macmillan, I think it might be desirable on the eve of a possible summit conference. However, a summit conference is not at all definite at the present time. We shall be able to discuss this during our conversations in Paris.

Accept, dear General Eisenhower, the expression of my high consideration and faithful friendship.<sup>2</sup>

C. de Gaulle<sup>3</sup>

<sup>3</sup> Printed from a copy that bears this typed signature.

## 127. Memorandum of Conversation

August 24, 1959.

SUBJECT

French Atomic Energy Program

PARTICIPANTS

Ambassador Herve Alphand, French Ambassador M. Claude Lebel, French Minister

Mr. Livingston T. Merchant, G Mr. Robert H. McBride—WE

<sup>&</sup>lt;sup>2</sup> In his August 5 reply, Eisenhower thanked de Gaulle for his prompt reply and stated he would like to arrange his visit to suit de Gaulle's convenience. Eisenhower said he hoped to stop in England while in Europe to see the Queen and Prince Philip, Macmillan, and Adenauer and asked de Gaulle to make the decision whether the President should visit Paris on August 27, before going to London, or on September 2, after visiting England. In his August 6 letter to Eisenhower, de Gaulle wrote he preferred to have their meeting in Paris on September 2. On August 7, the President wrote de Gaulle to confirm his arrival in Paris on September 2 and to tell him of his hope to talk with Spaak, Luns, and Segni while in Paris. Copies of these three letters are in Eisenhower Library, Whitman File, International File, and in Department of State, Central File 711.11–E1.

Source: Department of State, Central Files, 751.5611/8–2459. Secret. Drafted by McBride.

During his discussion on other matters Ambassador Alphand stated that the French would probably make their initial atomic explosion in the Sahara "in the first months of next year". He alluded to the campaign against the French explosion on the part of Morocco and others on the grounds that it would increase radioactivity. Alphand said that US experts obviously knew even better than French experts that the explosion of a small bomb in the middle of the Sahara would not increase radioactivity to any noticeable extent. He stressed that the explosion would be a small one. In this context he said that the French Government had spoken to the UK in order to enlist their support in explaining to the other African territories the minimal additional danger resulting from the French explosion. Without formally requesting US support, Ambassador Alphand expressed the view that it might be helpful if the United States could make similar explanations to some of the African states. This is Morocco and Tunisia. In the context of the President's trip to Europe, Ambassador Alphand said that in Paris the atmosphere with regard to Franco-American relations in Morocco and Tunisia was not good. He said that the US decision to ship arms to Tunisia at this time had been unfortunate.<sup>1</sup> He said in Paris it was believed that there existed an agreement that the amount of the arms shipment would be the subject of consultation and that this had not been the case in this particular instance. He said that France, of course, had been in agreement regarding the shipment of a limited amount of arms, but that the absence of consultation on the specific amounts involved in this case had had a bad effect.

Mr. Merchant noted that CBS had a story of this arms shipment over the radio this morning. Ambassador Alphand said that this was most unfortunate and expressed the hope that the vessel on which the arms were embarked would not be seized.

<sup>&</sup>lt;sup>1</sup> For documentation on the discussions with the French about the arms sales agreement between the United States and Tunisia signed June 15 and the U.S. decision to begin shipments on August 24, see vol. XIII, pp. 817 ff.

# 128. Memorandum of Discussion at the 417th Meeting of the National Security Council

August 18, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

 U.S. Policy on France (NSC 5721/1; OCB Report on NSC 5721/1, dated April 22, 1959; NSC Action No. 2087; [document number not declassified]; NSC 5910; Memos for NSC from Acting Executive Secretary, same subject, dated August 13 and 17, 1959)<sup>1</sup>

Mr. Gray briefed the Council on the draft U.S. Policy on France (NSC 5910). (Copy of the briefing note filed in the minutes of the meeting; another is attached to this memorandum.)<sup>2</sup>He first took up the split on Algeria, pointing out that the JCS–OCDM position boils down to throwing our weight behind France, while the Majority propose that we work with both sides and third parties.

The President inquired as to what was meant by supporting France. Did it mean that we would support France in the UN? Mr. Gray said that he didn't think the JCS and OCDM meant that we would give a blank check to De Gaulle. Rather, whereas we now pursued a middle-of-theroad policy, they propose that we support De Gaulle in every way we can where to do so would not run counter to our basic objectives. They propose that we "get off the dime" and take a more positive role even though this might mean immediate adverse impact upon our relations with other countries. Specifically, he believed that JCS took the view that, if De Gaulle makes any reasonable approach to the problem in the UN, we would support him. He called on Mr. Hoegh for further comment on the point.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Robert H. Johnson, Director of the Planning Board Secretariat, on August 26.

<sup>&</sup>lt;sup>1</sup> For text of NSC 5721/1, "U.S. Policy on France," October 19, 1957, see *Foreign Relations*, 1955–1957, vol. XXVII, pp. 181–200. A copy of the OCB report is in Department of State, OCB Files: Lot 62 D 340, France. A copy of NSC Action No. 2087 is *ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council. [*text not declassified*] NSC 5910, "U.S. Policy on France," August 3, 1959, and the August 13 and 17 memoranda are *ibid.*, OCB Files: Lot 61 D 385, France.

<sup>&</sup>lt;sup>2</sup>Not printed.

Mr. Hoegh said that present policy had not worked. We want the French to be relieved of the heavy burden imposed upon them by the Algerian conflict. We would like to see them relieved of the cost of maintaining 16 divisions in Algeria. If De Gaulle were given direct encouragement, he felt the issue in Algeria might be resolved.

The President responded by saying that this would be the trick of the week if we could do it. How could we say that we support the French and still not damage our interests? The whole of our history, the President stated, is anti-colonial, and the French action in Algeria is interpreted by the rest of the world as militant colonialism. To support the French would run counter to everything we have done in the past. Three or four years ago, the President said, he had had Ambassador Lodge get up in the UN to free the United States of any colonial taint by saying that Puerto Rico could have its independence if its people indicated that they wished independence. To stand up with the colonial powers would be to cut ourselves from our own moorings; it was an adventurous idea. With the French already forced to give independence to Tunisia and Morocco, they have no justification for withholding it from Algeria. Their only excuse was that Algeria was more advanced than Tunisia and Morocco-but this was the result of action by the French themselves. For the French to say that they can give up Tunisia and Morocco but not Algeria may appear to be very logical to them, but where would it put us if we were to support them in this view?

Mr. Hoegh said that he hadn't intended to say that Algeria wouldn't achieve independence. All that OCDM had intended was that De Gaulle should be encouraged to get the issue settled. The President responded by stating that if we favored independence, that position would certainly be interpreted by De Gaulle as opposition rather than support.

Secretary Dillon pointed out that we have already said that we support French efforts directed toward an equitable solution in Algeria. The President said that that was correct and that we could not support De Gaulle. The President added that a solution "in consonance with U.S. interests" meant that we should avoid the charge that we were one of the colonial powers. Because we are the most powerful country in the world, we are already considered a supporter of colonialism, and we had great difficulty disabusing the countries like India of this impression. Secretary Dillon pointed out that under the JCS split in paragraph 46<sup>3</sup> we would also not object to the use by the French of MAP equipment in Algeria so long as only conventional weapons were involved. The Secretary felt that the reaction of other countries to such a position would be terrible.

The President pointed out that when Tunisia wanted arms we had been worried that if we gave her arms, it would cause terrific trouble with France. We can't allow ourselves to be put in the position of giving France a blackmail power over our relations with independent nations. The President said he didn't want to discourage honest opinions, but it would take a lot of argument to convince him to approve a policy such as that proposed by the JCS and OCDM.

Secretary Dillon said that a real problem was that we didn't know the French position on Algeria; we were not even sure they had a real position. We were therefore being asked to support a position which was unknown to us. He suggested that the key place in which this issue would arise was the United Nations, and suggested that Ambassador Lodge give his views on the problem.

Ambassador Lodge stated that the question would arise in acute form in the General Assembly this fall. It had been discussed now for four years and the discussion became more tense each year. The issue had become a symbol in the Arab countries and in the Muslim world as a whole. If we identified ourselves one hundred percent with the French, it would weaken our standing in Muslim countries—in Libya and also in countries farther away from Algeria, such as Saudi Arabia, Iran, and Pakistan. He pointed out that our popularity in such countries bears upon our ability to maintain military activities and installations in those countries. He didn't believe that we could hope to stay in such countries whether the people wanted us there or not. In the case of the Suez affair, the President had taken a very strong position on just such an issue. To change our policy on Algeria would have a bad effect even in the Scandinavian countries. He said there were rumors in the UN at present that a resolution would be put forward by Morocco, asking us to

<sup>&</sup>lt;sup>3</sup> Paragraph 46 of NSC 5910 reads:

<sup>&</sup>quot;In the light of the availability of U.S. resources and over-all demands upon them, continue to furnish France military assistance for the purpose of assisting France to fulfill the missions of its U.S.-approved military forces for NATO, so long as we are assured that such assistance will be used only in support of approved NATO military operations. In the absence of unusual circumstances, conventional equipment and advanced weapons and training should be made available to France on a reimbursable basis, except for commitments already made."

A footnote in the text after the words "advanced weapons" in the last sentence reads: "As used in conjunction with the Military Assistance Program, the phrase 'advanced weapons' is defined as missile weapons systems, with or without nuclear delivery capabilities, and such other weapons systems as possess nuclear delivery capabilities."

get out of our bases in Morocco. Our policy in the UN on Algeria should, he believed, be as follows: If the French abstained, the United States should also abstain as it has in the past; if, on the other hand, the French participate in the vote, we should judge the proposed resolution on its merits. He also believed that we should work against any resolution that would make trouble. The French wanted a bad one, but the Algerians were too clever to accommodate them. The Algerians and their supporters would probably propose a resolution which was identical to the one voted upon last year.<sup>4</sup> Since we had abstained last year, it would be very difficult for us to do anything but abstain this year. He believed that subparagraph (2) of the Majority position offered the only promise---the only ray of light. We should give no blank check, no rubber stamp. We should tell the French that we believe in a strong France, but that the strength of France will not be helped by making its name a bad word all over the Muslim world. He said that he spoke as a strong advocate of Franco-American solidarity.

Secretary Dillon said that it was a fundamental feeling in the State Department that the Algerian issue could not be treated separately. State did not believe that we could go along with France on this issue and hope in this way to get them to go along with us on some of the other issues. These issues had to be treated as a package, and we should give France help everywhere that we can. But giving support to France on Algeria may sacrifice more important U.S. interests than supporting her on other matters. The Secretary felt that one of the most important things that could be done was for the President, in his conversations with General de Gaulle, to give De Gaulle a feeling of participation in world councils. The President agreed with this view.

Mr. Gray asked whether the views Secretary Dillon had just expressed weren't best reflected in the third alternative in the paper. In response the Secretary said that he could see little difference between the first and third alternatives. Present policy includes doing what we can on Algeria. He felt that alternative one was written somewhat harshly. Mr. Gray explained that perhaps the reason for this was that the Planning Board was trying to get an exposition of the different points of view. He added that he was sure that acceptable language could be worked out on this question. Secretary Dillon said that Mr. Gray's last remark bore upon a basic element in State's thinking about the paper.

<sup>&</sup>lt;sup>4</sup> Reference is to the defeat on December 13 of a U.N. General Assembly resolution, introduced by 17 Asian and African nations, which purported to recognize the right of the Algerian people to independence and urged negotiations between France and the provisional government of Algeria. The vote was 32 to 18 with the United States and 29 other countries abstaining.

State didn't think the Council should attempt to finalize the paper until after the President's talks with General de Gaulle. Mr. Gray agreed.

The President suggested that the situation here was somewhat like the situation in Berlin, where the Soviets were attempting by their actions to force us into concessions. Similarly, De Gaulle, in an effort to get us to support his views, had refused to accept nuclear weapons without French control of them and had withdrawn French naval forces from NATO control. But we were not going to be blackmailed, the President said, by De Gaulle or anyone else. On the other hand, he could understand why military men could take the position that NATO was more important than Algeria and thus support a position of the sort the JCS was supporting in this paper. But you had to take account of all of the effects of your actions, and on this issue we had to continue to take a somewhat cagey position.

Mr. Dulles pointed out that De Gaulle was attempting to come up with something new on Algeria; he had asked the French Cabinet to present its views, and was also making a trip to North Africa. Secretary Dillon called attention to the fact that on Algeria De Gaulle was more liberal than the French Cabinet.

Mr. Gray then turned to the military aid question, referring first to the discussion of this question in paragraph 16 and describing the split in paragraph 17<sup>5</sup> of the General Considerations. He pointed out that one of the major issues was the use of MAP equipment in Algeria. Mr. Gray said that if the positions on this issue were overstated he was responsible. He had attempted to force this issue to the surface because, he felt, we had a policy which was more honored in the breach than in the observance.

Secretary Dillon stated that it had been our consistent policy to oppose the use of MAP equipment in Algeria; we have told the French this a number of times. Since the war in Algeria had become a hot one within the last three or four years, we have not provided the French with equipment under our military assistance program which would be useful in Algeria. Earlier we had provided them some things—for example, ammunition and jeeps—which could be used and have been used in Algeria. However, the matériel we had provided as military assistance was all mixed up with surplus equipment and other matériel that the French had bought from us; the MAP component was therefore difficult to distinguish. The Secretary didn't believe that, because the French have used in Algeria equipment we have supplied, we should stop giving equipment which is *not* useful to them in Algeria. On the other hand, to

 $<sup>^5</sup>$  Paragraphs 16 and 17 of NSC 5910 are the same as paragraphs 19 and 20, respectively, of NSC 5910/1, Document 145.

make the change proposed by the Joint Chiefs would have catastrophic results. Everyone knows that we have made an effort to prevent the use of our mat[riel in Algeria, and they realize that we can't fully control its use.

The President responded by agreeing with Secretary Dillon that we can't always know what use is made of our equipment, but he was against giving the French equipment for use in Algeria. We should make it clear that we are giving assistance for defense against the Communist menace. Every place in the world our military assistance was for this purpose—either for defense against Communist aggression or for defense against internal subversion. In the whole field of economic help, however, we have had a narrower view than we should have. The real menace here was the one and a half billion hungry people in the world. We haven't been sufficiently alert in meeting this problem. But in the field of military assistance we should continue our present policy of giving aid for defense against Communism.

Mr. Gray then turned to the split in the second sentence of paragraph 46, with respect to providing conventional equipment to France on a reimbursable basis "so far as practicable". The President thought that the United States had stopped providing conventional equipment to France on a grant basis. Mr. Gray responded that there was no clearcut policy. Mr. Stans pointed out that it was indicated, on page 42 of the Financial Appendix,<sup>6</sup> that no grant military assistance was contemplated for conventional equipment. Mr. Gray stated that State and JCS wished some future flexibility in this matter, whereas the Majority wished a flat prohibition against grant aid for conventional equipment.

Secretary Dillon said that he felt it was important to put as much military assistance as we can on a reimbursable basis for balance of payments reasons. He didn't, however, see any difference in this respect between conventional equipment and advanced weapons. In fact, in the long run, we might be better able to sell advanced weapons than conventional equipment. If the Algerian war ended and the French divisions in Algeria were so run down that re-equipping them with conventional equipment in any reasonable time was beyond French capacity, we might decide that grant assistance for conventional weapons was more in accordance with U.S. interests than grant aid for advanced weapons. He was willing, he said, to put in strong language to indicate that, to the maximum possible extent, military aid of all kinds should be on a reimbursable basis.

The President agreed that, in view of the recent doleful report by Secretary Anderson on the U.S. balance of payments situation, it would

<sup>6</sup>Not printed.

be sensible to put all aid on a reimbursable basis. The reserves of many countries were rising, while ours were falling. We should get Europe to pay for its own military equipment and should take the six U.S. divisions out. We had made a deal with the British, in connection with the installation of IRBMs in Britain, that the British would bear certain of the costs. He felt we were in a hazy position on this whole matter.

Secretary Anderson suggested that the problem was that we were getting into a bad position. Everyone agrees to the principle involved, but there was disagreement on how to get started implementing it. Secretary Anderson said that it was not clear from footnote a on page 37 of the Financial Appendix, how much of the aid listed on the military assistance line represented grant assistance.

The President asked what the \$111 million figure for FY 1959 represented. Did it cover infra-structure and logistic lines? Mr. Irwin responded that it was not for infra-structure but for modern weapons and equipment. The President asked whether we weren't closing out all modern weapons in view of the French refusal to permit storing of nuclear warheads in France under U.S. custody. Mr. Irwin pointed out that we were providing advanced weapons to French forces in Germany. He noted that General Norstad had raised the question of whether we should go ahead with advanced weapons for France unless the French agreed that such weapons would remain in Germany or that they would be turned back to the United States when French units were rotated from Germany.

Secretary Dillon also noted that the table on page 37 covered deliveries and expenditures, and that it therefore included assistance programmed in prior years. The President said that if this assistance included modern equipment, and modern equipment was what the French had thrown out of France, we ought to stop providing this assistance.

Secretary Anderson called the Council's attention to the last paragraph on page 43 of the Financial Appendix, dealing with the undelivered balance of grant military assistance and programs for FY 1959–62. Secretary Dillon suggested that not too much emphasis should be placed upon the forecasts included in the Financial Appendix; these forecasts have been made up without consideration of the way we were now thinking.

Secretary Anderson said that we must some time reconsider assistance to France in the light of growing French financial reserves. Secretary Dillon said that he was willing to put assistance now on a reimbursable basis, but he was worried about limiting ourselves to such a basis for the next four to five years. Secretary Anderson suggested that if a change was necessary the policy could be reviewed. Secretary Dillon noted that this would involve coming back to the NSC.

Mr. Gray then pointed out that infra-structure and the costs of NATO headquarters were not included in the military assistance figures in the Financial Appendix. These figures assumed that there wouldn't be any grant assistance for conventional equipment. The military figures therefore covered only advanced weapons, training, packing, etc. The Financial Appendix, accordingly, reflected the Majority view and did not reflect any possible decision to give grant assistance.

The President suggested that the Secretary of the Treasury should tell us which countries appear to be in good financial condition. Except where we had made commitments, no more grant assistance should be given to such countries. We would of course have to continue grant aid to countries like Iran and Turkey. We should have a general policy on military assistance to the effect that if a country can afford to do so, it should purchase its military equipment. If we provided equipment that was not first-line equipment (e.g., T–47 tanks), it could be sold at a reduced price.

Mr. Irwin noted that we are not giving grant aid to Germany or Britain. We have provided France both conventional equipment and advanced weapons on a grant basis. The question was whether we should continue to provide both types of assistance on a grant basis. If we don't give them advanced weapons on such a basis, the French won't meet their MC–70 goals.<sup>7</sup>

The President said that if we have committed ourselves in NATO if our word was pledged—we couldn't renege. Mr. Irwin stated that we were not pledged in the sense that the President suggested. The President nonetheless indicated that he felt we might have made an implicit commitment. Mr. Irwin pointed out that Defense was with the majority on this question.

Secretary McElroy suggested that MC-70 goals weren't going to be met in any event, and that if the French failed to meet their MC-70 goals because of their refusal to buy equipment, this would only mean that another part of those goals would not be met. He felt the United States had to take a strong position on this matter.

The President returned to his suggestion that we should provide grant assistance of all types only to those countries which can't afford to buy military equipment. On the other hand, we should put the proposed qualifications about grant aid for conventional equipment in the

<sup>&</sup>lt;sup>7</sup>MC–70, "Minimum Essential Force Requirements, 1958–1963," was prepared by the Military Committee of NATO in early 1958 as guidance and a yardstick of progress in the 1958 and successive Annual Reviews. See Part 1, Document 131.

French paper if we thought the French could not afford to buy such equipment.

Secretary Dillon said that State was prepared to agree to a suggestion of the Director of the Bureau of the Budget to the effect that "except in unusual circumstances" aid should be on a reimbursable basis. The President agreed to this approach within the context of a general directive along the lines that he had suggested.

Secretary McElroy suggested that one reason for the French reluctance to purchase equipment was the fact that the French were allergic to taxes; it was, in other words, not just a foreign exchange problem in the case of France.

Mr. Gray next referred to the Treasury–Budget proposal in the last sentence of paragraph 46. Mr. Stans immediately withdrew the proposal.

Mr. Gray went on to direct the Council's attention to the split in paragraph 42–a, on nuclear cooperation with France. He summarized paragraph 24 of Basic National Security Policy (NSC 5906/1),<sup>8</sup> and described the split between JCS and the Majority.

The President inquired as to the legal situation. He thought that under the law we could provide help to a country only when it has demonstrated a nuclear capability. Were we talking about a change in the law? Mr. Gray said that under the JCS position such a change was clearly contemplated, and might be necessary under either proposal.

Secretary Dillon pointed out that legislation was to be sought under paragraph 24 of the Basic Policy. He argued that we could not ignore the legislative situation. In his opinion the chances were zero that we could get legislation through Congress providing for bilateral assistance to the French. We shouldn't lead De Gaulle to believe that we would be able to do so. Probably the only way that we could get Congressional approval would be through a multilateral approach. [3-1/2 *lines of source text not declassified*]

# [1 paragraph (8-1/2 lines of source text) not declassified]

The President suggested that it was as if we had been fighting wars with bows and arrows and then acquired pistols. Then we refused to give pistols to the people who were our allies even though the common enemy already had them. We got into the strangest inconsistencies under free governments. He felt the Joint Congressional committee was singularly unenlightened. The President thought that we ought to try

<sup>&</sup>lt;sup>8</sup>NSC 5906/1, "Basic National Security Policy," authorized flexible and selective capability, including nuclear capability, for U.S. forces in opposing local aggression. Approved by the President on August 5, it is scheduled for publication in volume III.

very hard for a multilateral approach, and inquired whether new legislation would be necessary in that case. Mr. McCone said that legislation would be required. Secretary McElroy said that if a multilateral approach involved establishing an "authority", legislation would be required.

Ambassador Lodge suggested that as a former Congressman he was impressed by the way the President had put the matter; he thought that such an argument would be very effective with Congress.

The President said we don't expect a war between the NATO countries. To deny them modern weapons was silly as could be. He thought he should have a very good memorandum prior to his talks with General de Gaulle on what the authority of NATO should be in this area. Secretary Dillon said that that was State's suggestion.

The President concluded this discussion by saying he thought that he would make a great farewell speech in which he would discuss what we do to ourselves in the name of defending ourselves.

## The National Security Council:9

a. Discussed the draft statement of policy on the subject contained in NSC 5910; in light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memoranda of August 13 and 17, 1959.

b. Tentatively adopted the following amendments in NSC 5910:

(1) *Page 29, paragraph 41:* Delete the bracketed sentence and the footnote thereto.

(2) *Page 30, paragraph 41–a*: Include the Majority version and delete the JCS version.

(3) *Page 30–A, paragraph 41–c:* Delete the bracketed language and the footnote thereto.

(4) Page 31, paragraph 41-c-(1), -(2) and -(3): Include the Majority version and delete the JCS-OCDM version.

(5) *Page 33, paragraph 46, first sentence:* Include the Majority version and delete the JCS version.

(6) Page 33, paragraph 46: Delete the second and third sentences and substitute the following therefor: "In the absence of unusual circumstances, conventional equipment and advanced weapons and training should be made available to France on a reimbursable basis."

(7) *Page 33, paragraph 46:* Delete the last sentence and the footnote thereto.

c. Referred NSC 5910 to the NSC Planning Board for review and revision in the light of the discussion at the meeting and of the President's forthcoming meeting with President de Gaulle.

d. Noted the directive by the President that a briefing memorandum on the development of NATO arrangements for determining

<sup>&</sup>lt;sup>9</sup>Paragraphs a–d and the Note that follows constitute NSC Action No. 2120, approved by the President on August 21. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

requirements for, holding custody of, and controlling the use of nuclear weapons, would be prepared by the Secretaries of State and Defense and the Chairman, Atomic Energy Commission, for his talks with President de Gaulle.

*Note:* The action in d above, as approved by the President, subsequently transmitted to the Secretaries of State and Defense and the Chairman, AEC, for appropriate action.

[Here follow the remaining agenda items.]

#### **Robert H. Johnson**

### 129. Editorial Note

President Eisenhower visited Europe August 26–September 7 to consult with Western Allies prior to Premier Khrushchev's trip to the United States in September. After meeting with Chancellor Adenauer in Bonn August 26–27, Eisenhower went to England for a 6-day visit. On September 2, he flew to Paris for talks with President de Gaulle, officials of the North Atlantic Treaty Organization, and Prime Minister Antonio Segni of Italy. Eisenhower returned to Washington on September 7.

Documentation on President Eisenhower's conversations with Adenauer is in volume IX. Regarding his discussions with British leaders, see Documents 365–367. While in London, Eisenhower met with Spanish Foreign Minister Fernando Castiella on August 31 to discuss U.S. economic and military assistance to Spain; see Document 315.

The President, accompanied by Secretary of State Herter and Deputy Secretary of Defense Thomas S. Gates, Jr., arrived in Paris on September 2 for a 3-day visit. For texts of Eisenhower's remarks made upon his arrival and President de Gaulle's response, see Department of State *Bulletin*, September 21, 1959, pages 410–411. Memoranda summarizing Eisenhower's conversations with de Gaulle on September 2 are printed as Documents 130–132. Herter met with Foreign Minister Couve de Murville at 11 a.m. to discuss some logistical details of the conversations between Eisenhower and de Gaulle and the joint communiqué. Copies of the memorandum of this conversation, the press statements, and the chronology of the events of their visit on September 2 are in Department of State, Conference Files: Lot 64 D 560, CF 1456.

On September 3 at 9:30 a.m., Eisenhower and Herter met with Spaak and the President of the North Atlantic Council, Joseph M.A.H.

Luns. For the memorandum of this conversation, see Part 1, Document 222. At 10 a.m., the President, accompanied by Luns and Spaak, visited the North Atlantic Council. Text of his remarks to the Council is printed in Department of State Bulletin, September 21, 1959, page 412. At 10:30 a.m., Eisenhower met with Prime Minister Segni and Foreign Minister Guiseppe Pella. At 12:30 p.m., Herter met with Couve de Murville to discuss a draft of the joint communiqué. At 4 p.m., Herter met with Couve de Murville and Prime Minister Debré to discuss African problems. At 4:20 p.m., the President paid a brief visit to SHAPE; the text of his remarks was released to the press. Eisenhower met privately with de Gaulle at 6 p.m. to discuss Africa and other matters; see Document 133. At 7 p.m., the President and de Gaulle discussed North Africa. The memorandum summarizing this conversation is in volume XIV, pages 612-614. The chronology of the events of September 3, copies of some of the memoranda of conversation, and the press releases are in Department of State, Conference Files: Lot 64 D 560, CF 1457.

On September 4 at 7:30 a.m., the President met briefly with de Gaulle before his departure for Pestwick, Scotland, for a stay at Culzean Castle before returning to Washington on September 7. For the memorandum of this conversation, see Document 134.

For texts of the joint communiqué issued by Eisenhower and de Gaulle on September 3 and of the President's remarks made at the time of his departure from France on September 4, see Department of State *Bulletin*, September 21, 1959, pages 411–413. For text of the President's report to the nation on his European trip delivered by radio and television on September 10, see *ibid.*, September 28, 1959, pages 435–438.

Copies of all the memoranda summarizing the President's conversations with French leaders in France are in the Eisenhower Library, Whitman File, International Meetings. Copies of all the memoranda summarizing Herter's conversations in Paris are in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. The chronologies of their trip to France and the briefing papers prepared in the Department of State on the subjects to be discussed with French leaders as well as many of the memoranda of conversation, summary telegrams, and press releases are *ibid.*, Conference Files: Lot 64 D 560, CF 1440–1443 and 1456–1458.

Herter remained in Paris on September 4 and during the day had conversations with Libyan Ambassador Ben-Halim, Turkish Foreign Minister Zorlu, and Greek Foreign Minister Averoff. The Secretary of State's remarks to a private meeting of the NAC are summarized in Polto 368, September 4. (*Ibid.*, Central Files, 740.5/9–459) For the memorandum of Herter's concluding conversation with Couve de Murville at 5 p.m., see Document 135. The Secretary and his party left France at 7 p.m. Copies of all the memoranda summarizing Herter's conversations on September 4, the chronology of meetings held on that day, and the telegrams summarizing these meetings are in Department of State, Conference Files: Lot 64 D 560, CF 1458.

## 130. Memorandum of Conversation

Paris, September 2, 1959, noon.

PRESENT

The President The President of France Mr. Labelle Lt. Colonel Vernon A. Walters

General de Gaulle opened the conversation by referring to Mr. Khrushchev's forthcoming visit to the United States and indicated that he felt this was fundamentally a matter for the U.S. to decide.<sup>1</sup> President Eisenhower said that in his mind this was a preliminary move, perhaps a last preliminary move in an attempt to bring Mr. Khrushchev to a state of mind which might lead him to make some sort of a reasonable proposal. The President said that he was not negotiating with Khrushchev and that he was not terribly optimistic as to what results might be obtained from his visit, but that he felt that there was some possibility that it might put Mr. Khrushchev into a more amiable state of mind.

General de Gaulle then said that France and Germany had reconciled their differences and that in fact his policy favored ever closer action between the two countries. President Eisenhower said that he felt that this was one of the most favorable developments in Europe. General de Gaulle said that the French were in favor of German reunification, but added wryly they were not in too much of a hurry. He declared

Source: Eisenhower Library, Whitman File, International Meetings. Top Secret. Presumably drafted by Lieutenant Colonel Walters. The conversation was held in de Gaulle's office.

<sup>&</sup>lt;sup>1</sup>Khrushchev visited the United States September 15–28.

that France intended despite<sup>2</sup> some British reserve to going ahead with the Common Market and achieve not only European economic unity but also achieve a real political cooperation. President Eisenhower said that he felt that the British had understood the need for the Common Market and that the setting up of the Outer Seven was being carried through in a sense of a sort of bridge towards the Common Market which might lead to a greater degree of unity at a later date.

General de Gaulle said that he was less optimistic in this respect but stated that France had no intention of carrying out economic warfare against England but desired to achieve good economic relationships with the United Kingdom, but the most important thing was to organize the Common Market.

General de Gaulle then went on to discuss the German problem, expressing the belief that the country would remain divided for a long time. General Eisenhower expressed his agreement and said that he realized that this was something that had to be done step by step as any precipitate action might lead to unfavorable results. General de Gaulle then spoke of Berlin and the President said that it was obvious that they were in complete agreement to remain entirely firm on the principle of not abandoning Berlin to the Soviets, but to examine with a certain flexibility such changes as might be possible in the present arrangements.

General de Gaulle when speaking of the responsibilities of the various powers in NATO said that he was very concerned by the events taking place in Africa, not merely North Africa but also Black Africa. He was convinced that the countries of Africa should sooner or later be able to decide their own future. France had started this process within the framework of the Community.<sup>3</sup> The states which are members of the Community had decided on their own free will to work in common with France for a period of time on matters of defense, foreign affairs, and economy. All this may evolve in the future, but he would not want to see it evolve against France. Certain precautions should be taken to avoid a repetition of what had happened in Guinea which alone had decided to accept the General's offer of complete independence. The Soviet Bloc countries had rushed into the breach and Mr. Sekou Touré had worked with them all the more easily as he himself was a Communist. President Eisenhower asked whether this was actually so, and General de Gaulle repeated that he was a Communist. President Eisenhower mentioned

 $<sup>^2\,{\</sup>rm The}$  words "to fight" were crossed through and the word "despite" was handwritten above.

<sup>&</sup>lt;sup>3</sup> The French Community came into being on September 28, 1958, when the majority of citizens in metropolitan France and the French overseas departments and territories voted in favor of the referendum that approved the Constitution of the Fifth Republic. The French Community included metropolitan France, its 19 overseas departments, 5 overseas territories, and 12 autonomous republics.

that Mr. Sekou Touré was going to visit Washington officially in October.<sup>4</sup> General de Gaulle shrugged and made no comment.

Taking up Algeria, General de Gaulle recalled that France has been established there for 130 years, and as a result of this, there are certain realities that must be taken into consideration. These include the existence there of one million Frenchmen and nine million Moslems. This presents a complex problem that is not easy to solve. It is the sort of situation that would prevail if there were forty million Indians in California.

Algeria, said General de Gaulle, has never been a separate state or country unlike Morocco and Tunisia which had governments and were recognized as states even during the Protectorate. This was a group of men whose evolution was as difficult for Algeria as for France. General de Gaulle felt that the Algerians should have the right to decide their own future. Since his taking power, he had granted them equal rights, universal suffrage, and a seat in the Assembly which involved an automatic majority for the Moslems in representing Algeria at different levels. The rebellion was not yet over. When it is over, and when the time necessary for reorganization has passed, the Algerians will be able to choose between being 100% French, or enjoying a certain autonomy, or else obtain their complete independence. The General said that [although] he had hinted at this previously, he will state it solemnly in about two weeks.<sup>5</sup> But this free choice cannot take place before the end of the rebellion. The President asked the General if he would make this announcement before the end of the rebellion, and the General said that he would. As for the organization which claims to be the government of Algeria, which it is not in fact, this group does not represent the Algerians and represents neither a state nor a majority. General de Gaulle said he would not recognize a group which existed only through the terror of its machine guns. If this movement would achieve power, it would rule through totalitarian procedure and would rapidly degenerate into Communism. General de Gaulle said that he would under no conditions negotiate with them as a government. This would be quite different if the FLN wanted to talk to France as a group of men rather than as a government. A government could result only from the freely expressed will of the people through universal suffrage.

This policy which had been undertaken during the preceding year differs from other policies which had gone before. Bearing these facts in mind, General de Gaulle said that France could not consider discussing

<sup>&</sup>lt;sup>4</sup> Documentation on the State visit to the United States by Sekou Touré, President of the Republic of Guinea, October 26–November 4 is in vol. XIV, pp. 693–706.

<sup>&</sup>lt;sup>5</sup> In his radio–TV address on September 16, de Gaulle offered the Algerian people the right to self-determination, including independence from France. For text, see *Statements*, pp. 52–56.

Algeria which was an internal French affair before the United Nations. The General said his policy would be announced to the world, but it cannot be discussed with this or that young state. General de Gaulle said that this was a very sensitive question for France, and that France hoped the United States would not renew its abstention of the previous year. This would be a very serious matter, especially if it were to occur after the announcement of the new policy.

President Eisenhower said he understood full well that this was an internal French affair, but recalled that France is often attacked on the subject of Algeria by a number of countries. If, therefore, France cannot discuss this problem before the United Nations as though it were a matter involving a foreign country, he felt that at least some one should speak for France and present her program before the Assembly in order to allow friendly delegations to use this presentation in order to win support for the French position.

General de Gaulle replied that his public statement would be perfectly clear on this subject. President Eisenhower mentioned the fact that this was a proud organization and thought that perhaps while<sup>6</sup> not actually taking part in the debate itself, to [France could] present to the Assembly on some other occasion the French position setting forth everything France had done in the economic, social and educational fields. General de Gaulle said he could not have such a statement made during a debate on a hostile motion, but he would take note of President Eisenhower's remarks and emphasized once again how important this matter was to Franco-American relations. The President expressed some concern as to whether General de Gaulle's statement would be made early enough to allow the time necessary to round up support from hesitant delegations, and said that the sooner the General could announce his program, the easier it would be to do this. General de Gaulle then said in great confidence that he would make this speech September 15.

President Eisenhower said that if his speech appeared as an implementation of a policy moving step by step to self determination for the people of Algeria, the United States would study it with the greatest of sympathy. He very much wanted to be able to go along with the French, but in so doing we had two difficulties. One—the long anti-colonial tradition in our country arising from the origin of our own independence, and it was a feeling that was sometimes more instinctive then reasoning; and secondly, the hostility in the United States to the use of force in order to solve problems.

He therefore hoped that General de Gaulle's statement will have all the clarity and strength which is necessary and he was very happy to

<sup>&</sup>lt;sup>6</sup> The word "by" was crossed out and "while" was handwritten above.

have heard this program set forth which is by far the most courageous and realistic on Algeria.

General de Gaulle then spoke of the rest of Africa. He expressed his concern over the progress of Communism in all these areas (Morocco, Black Africa, former British territory such as Ghana, etc.). General Eisenhower said he shared General de Gaulle's concern and that Communists often attempt to "buy" these countries through economic aid and attractive credits which seem very desirable to the local leaders who are thinking only in terms of the immediate future. General de Gaulle indicated that Emperor Haile Selassie had been in Paris on his return from Russia and had told the French President that he had been offered 50 billion francs in Moscow and he couldn't do anything else but take it. Likewise, the Soviets had just offered Guinea 15 billion francs which is a very large amount for such a small country.<sup>7</sup> President Eisenhower said he felt this question could be solved only through close cooperation between all of the Western nations in their efforts to render technical and financial assistance. Only thus can these countries which are not thinking of the future be made to understand the advantages of remaining on the side of the free nations.

General de Gaulle said that France was giving what was for her a great deal of money, most of it without hope of return (except in the case of the oil of the Sahara), to the countries of North Africa and Black Africa. General de Gaulle wondered whether it might not be possible to obtain the support of the Soviet Union on an aid program for specific countries such as Egypt. General Eisenhower said that we had tried to take out the political aspects of assistance through the United Nations but that this had run into a Soviet veto and that this had compelled the West to handle these matters within a Western framework. He referred to his television interview with Mr. Macmillan<sup>8</sup> and said that if the Russians really understood this question, they ought to cooperate themselves.

General de Gaulle then said he would like to speak about NATO. He said that he was heartily in favor of the existence of this alliance and that it should be maintained and developed. He knew General Norstad well and had the highest esteem for him; but NATO had been set up un-

<sup>&</sup>lt;sup>7</sup> After Emperor Haile Selassie's talks with Soviet officials in Moscow June 29–July 12, the Soviet Government agreed to grant Ethiopia a long-term low-interest loan of 400 million rubles for the development of industry and agriculture. In an agreement signed in Moscow on August 26 the Soviet Union agreed to grant Guinea a loan of 140 million rubles to cover the cost of technical assistance for developing agriculture, constructing roads, and building industrial establishments.

<sup>&</sup>lt;sup>8</sup> For text of the report made on television by Eisenhower and Macmillan, broadcast from the Prime Minister's residence on August 31, see Department of State *Bulletin*, September 21, 1959, pp. 405–409.

der an immediate threat which was aimed at Europe alone and it was necessary to work quickly and, under these circumstances, it had been felt that the best method was integration. NATO is still useful but he felt that this integration took away from peoples and the governments, as well as the commanders, the feeling of responsibility of their own defense. One trusted in an exterior agency and the member nations became in a sense spectators rather than participants. This involved a question of organization which should be gradually reviewed insofar as the larger countries are concerned. In the specific case of France, there were additionally the Mediterranean and Africa which are not really covered by NATO and this leads to France feeling herself torn between her Mediterranean and African responsibilities on the one hand and her NATO responsibilities on the other.

President Eisenhower said that he recognized the serious nature of this problem. From the beginning he had wondered how it could be possible to conciliate the need for integration (inasmuch as the idea of a coalition was no longer adequate for modern war) with the need of maintaining the national and patriotic spirit in the member states. His successors, Generals Gruenther and Norstad, had likewise been conscious of this. In the light of the psychological difficulties involved in maintaining in Europe troops from a nation which deep down was reluctant to undertake foreign commitments and in the light of the need to maintain confidence among the Allies, that is to say, to guarantee the maintenance of a powerful American force in Europe, he felt that the idea of a coalition was not sufficient. If there were purely national armies, where would the U.S. put their forces? He felt the best formula was to obtain a greater degree of national support for the idea of NATO rather than to undertake a policy which might run the risk of disrupting this alliance.

General de Gaulle said that this question had become more acute in view of the fact that atomic weapons today were fundamentally in the hands of the U.S. and in a lesser measure Great Britain. The facts of life were that the United States alone was in a position to engage upon an all-out war and that France ran the risk of being committed without even knowing it. This in no wise implied the lack of confidence in the United States but it was merely a question of fact. It was in the light of this that he had sent a memorandum to President Eisenhower and Mr. Macmillan last September.<sup>9</sup>

President Eisenhower said he wished to make it quite clear that unless it was a case of an attack by surprise directed against us, that is to say, a question of defending oneself<sup>10</sup>against bombers in the sky over-

<sup>&</sup>lt;sup>9</sup>Document 45.

<sup>&</sup>lt;sup>10</sup> The word "once" was crossed out and "oneself" was handwritten above.

head, he would never unleash an atomic war without consultation with his principal allies; and, furthermore, with the exception of questions strictly involving NATO (where he felt that the notion of equal partners was essential), he would be very happy to have General de Gaulle participate with the British Prime Minister and himself in a study of all the problems relating to world strategy in order to attempt to reach decisions taken by joint agreement.

The President said he felt it would be very difficult to "institutionalize" these consultations but he would be quite ready to install a direct telephone line to General de Gaulle to enable the same type of discussion when crises occur as now exists between Washington and London to the British Prime Minister. General de Gaulle said that he had felt that the representatives on the Standing Group could discuss the military questions while the ambassadors could handle political questions and the governments could draw their own conclusions without undertaking any changes in NATO's organization.

General de Gaulle then said that France was preparing to explode a nuclear weapon of low yield, that she will continue to work in this field and will eventually build thermo-nuclear weapons. She feels she has to do this because other powers have nuclear weapons. If nuclear weapons were done away with by all parties, France would be delighted to stop her work in this field.

President Eisenhower then said that in 1946, when the United States had a monopoly on nuclear weapons, they had attempted to transfer this monopoly to the United Nations so that this whole effort could be used for peaceful purposes.<sup>11</sup>The Soviet veto, which arose from the fact that they felt their spies had obtained enough information to enable them to build nuclear weapons themselves, had compelled the U.S. to maintain sufficient nuclear strength to deter the Soviet Union from any aggression. Since then, enormous sums had been expended to build a very great number of installations to manufacture U-235 and plutonium and all of our forces right down to battalion had nuclear weapons. It was clear to the Russians that any attack would result in atomic reprisals. There are many people in the United States who are horrified by what has to be envisaged, but as long as you have a man like Khrushchev with the great resources he controlled with the centralized totalitarian dictatorship of which he is the head, it will be necessary to maintain this nuclear strength. General de Gaulle said that he certainly would never think of advising the United States to abandon their deterrent strength as long as the need for it continues to exist.

<sup>&</sup>lt;sup>11</sup> When the U.S. Atomic Energy Commission began meeting on June 14, 1946, the United States proposed the creation of an international atomic development authority to control atomic energy production and to establish effective safeguards in order to provide security from atomic warfare.

President Eisenhower then spoke of the U.S. law relating to the disclosure of nuclear information. He said that he had always felt this law was a mistake. He had fought it as Chief of Staff. Under it, only the United Kingdom could presently receive assistance in nuclear matters as it had demonstrated the capability to detonate nuclear weapons. It seemed to run counter to common sense, but France could receive assistance only after she had expended large sums of money and a great deal of time and had herself detonated nuclear weapons. He regretted this but there was no way he could get around it, although he had succeeded in obtaining two changes to the law.<sup>12</sup> General de Gaulle said that he was not asking for anything.

At this point, it was indicated to the two Presidents that they must leave and the conversation was concluded.

## 131. Memorandum of Conversation

US/MC/26

Paris, September 2, 1959, 4 p.m.

## PRESIDENT'S TRIP TO EUROPE

August–September 1959

#### PARTICIPANTS

United States The President The Secretary of State Ambassador Houghton Mr. Gates Mr. Merchant General Goodpaster Major Eisenhower Colonel Walters (interpreter) Mr. McBride

#### France

President de Gaulle Prime Minister Debré Foreign Minister Couve de Murville Ambassador Alphand M. de Carbonnel M. de Courcel M. Lebel (interpreter) M. Boegner

<sup>&</sup>lt;sup>12</sup> Reference is to the Atomic Energy Act of 1946, known as the McMahon Act, which was signed August 1, 1946. (60 Stat. 755) It was amended August 30, 1954, to become the Atomic Energy Act of 1954 (68 Stat. 919), and amended again July 2, 1958. (72 Stat. 276)

Source: Eisenhower Library, Whitman File, International Meetings. Top Secret; Limit Distribution. Drafted by McBride and cleared by White. The conversation was held at the Elysée Palace. A summary of the conversation is published in *Declassified Documents*, 1987, 741.

#### SUBJECT

Algeria; Tripartite Consultations; NATO and Problems of Nuclear Warfare; Berlin, Khrushchev Visit and Summit Meeting

After welcoming the President, President de Gaulle said he would very much appreciate the President's views on problems of current interest. After expressing his own gratification at being here, the President said there were three main topics of concern. First, there was Algeria in general and the specific problem of what tactics and procedure to follow in the UN debate. Second, there was the need to make sure that we were together on the Berlin question; while third, there was the general question of NATO affairs and what role we believed it should play in our common defense and security mission. He noted he had talked about these matters with General de Gaulle this morning but would be happy to continue discussing them more in detail this afternoon. De Gaulle said he would like to have the President's views on all of these subjects.

The President discussed Algeria first, saying that he very much hoped, if the French developed their program as de Gaulle had expounded it during the morning meeting, it would make the United States position easier. We of course wanted to support our French friends and he hoped the French were taking a course which would make this possible. There is some time to mobilize our strength since the debate cannot begin before the end of the month, and President de Gaulle had indicated his intention of announcing the program before then. The President indicated understanding of the French position regarding their participation in the debate; however, he hoped there could be a clear exposé by France concurrently, perhaps in some other context, of the history of Algeria and what the French had done there. He also thought the French would be well-advised to publicize their program for Algeria as soon as possible.

General de Gaulle said that the UN debate would probably be engaged through the introduction of a hostile motion by some of the African or Asian states, and, in this framework, France could not participate; however, outside of the UN, and in other circumstances, France could explain her position. The President said if President de Gaulle could, at the proper moment, present the French case, it would ease the pressure on us.

De Gaulle said that it was very important that there should be no difference between the French and United States positions at the UNGA. He added France would go as far as possible to be conciliatory, and he hoped the United States would do likewise, even if this caused certain difficulties for us. The most important element of the debate was that France and the United States should be in agreement. The President noted that this issue caused a certain problem for us with public opinion, and we hoped the circumstances would be such that we would not feel constrained to abstain again during the UN vote as we had last year.

Prime Minister Debré said there was a public opinion problem in France, too. French public opinion is now dominated by the Algerian question and there is an extreme view predominating on this issue. The importance of US-French agreement at the UNGA cannot be overestimated. If the positions were divergent there would be a serious break. He stressed that this was not a Government-to-Government problem or a Foreign Ministers' problem but one deeply involving the French people. Unity of purpose on this issue was necessary for allied solidarity. He characterized this issue as stirring a deeply national feeling.

The President said he was sure that the Prime Minister's exposé was true but that it was the problem of statesmen to bring the divergent public opinions sufficiently close together to prevent a rupture in the cooperative attitude of our two countries. In matters where public opinion differed in the two countries, probably neither one was entirely right. Government attitudes should be such that public opinion can follow them in the direction of conciliation.

De Gaulle said that he understood that the United States should reserve its attitude on Algeria until the details of the French program were known. However, he felt that when we saw it published, we would see it was so in conformity with the UN Charter, and with democratic processes, that we would not have difficulty in giving it support. De Gaulle added that, while our two ideas of tactics and maneuver might vary, he could not imagine, after the French program is clarified, that the United States and France should adopt different positions.

De Gaulle continued that there were two different things involved in the Algerian situation. There was the need for a free expression of the will of the people of Algeria through democratic processes, i.e., through voting, on the one hand. On the other hand, there was an organization in Algeria which wants to establish there a government by force over the people. He made it clear that France has not and never will recognize that organization.

The Secretary of State said that, perhaps when the details of the French program were known, there would be a different frame of mind in the General Assembly. At the present time we did not know exactly what type of resolutions would be introduced. The Secretary thought that we were placed momentarily in a somewhat difficult situation because the French program would not be announced until later in the month, and he thought we should get together on what could be done between now and the opening of the UN session and the French announcement of its Algerian program. The President suggested that the two Foreign Ministers should prepare a statement, which must be very carefully worded, saying that the two Chiefs of State had met and discussed Algeria. It could add that General de Gaulle was presently consulting numerous elements in Algeria and in France on this subject, and that France was bringing forward a program which it believed was in accordance with the UN Charter.

General de Gaulle said that he could go further in statements after the French declaration had been made than before. At present we could say that the United States and French Presidents had discussed the Algerian problems as friends, but there must be avoided any statement which appeared in principle to internationalize the Algerian situation.<sup>1</sup> This, de Gaulle added, would make the world draw false conclusions, and it must not appear before the French declaration that the conflict had been placed in an international forum. The President agreed with these statements. De Gaulle preferred not to say that the Algerian question has been debated in detail but rather discussions had been held concerning Africa, especially the North African problem. He thought this would be a better line for a possible Foreign Ministers' statement. Couve de Murville agreed that something extremely general would be better.

The President explained that what he was looking for was something which would permit him to try to influence public opinion in the United States favorably, and also something which would influence favorably as many countries as possible in the UNGA. He said we can make clear that the French consider Algeria an internal affair, and he agreed in fact this was the case. President de Gaulle agreed that it would be obvious to all that the two Presidents had discussed Algeria, but that it should be clear there was no negotiation. The President said the two Foreign Ministers should get ready a statement hinting at the problem and at the prospect of a solution for the study of President de Gaulle and himself.

Prime Minister Debré said that it was not only a question of Algeria but of common attitudes in Morocco and Tunisia, and indeed for all of Africa. In the future there should be a common policy for the whole continent, and this was a necessity to make worthwhile the future of Franco-American relations. The President said he had discussed this with President de Gaulle earlier in the day, and that there should be cooperation in helping new nations and those about to be free. There should be

<sup>&</sup>lt;sup>1</sup> In a September 4 memorandum for Calhoun, Krebs wrote that Herter wished to correct the memorandum of conversation by adding the following at the end of this sentence: "or make it appear that a later statement by de Gaulle on Algeria might be interpreted as resulting from negotiations carried on in his talks with President Eisenhower." (Eisenhower Library, Herter Papers)

technical and economic aid to assist these nations in keeping the values of freedom and in resisting the blandishments of Communism.

The President then passed to a discussion of NATO. He said he should make it clear that we were firmly dedicated to NATO as a means of ensuring collective security. It is because of this that we have put treasure, soldiers and military support into Western Europe, and expect to continue to do so. The President noted that when he came to Europe in 1951 as SACEUR, six United States divisions had been committed to NATO in Europe as a sort of stop-gap measure; however, we had never asked to reduce these forces, both because of our general desire to contribute to European solidarity and also because French forces had unfortunately been withdrawn from NATO for Algeria. Therefore, the questions of NATO and Algeria were linked. Prime Minister Debré agreed that Algeria and the Mediterranean were part of the European security concept.

The President continued that it is important in this context to feel that we are all united in the maximum support of NATO and European security. If this situation obtained, then he felt sure other problems could be solved fairly easily.

De Gaulle said that, with regard to the Atlantic Alliance generally, we must of course maintain it, make it live and further develop it. NATO as now constituted was, however, not entirely satisfactory for two reasons. First, there was the question of integration. This had been all right in 1949 when there was a question of urgency, and he could understand this had seemed a good idea. Now, however, a country like France felt that it was no longer responsible for the defense of its own territory but that this had been entrusted to a collective organization about which little was known and for which it was not responsible. Second, NATO had been created in 1949 when the menace hardly existed except in Europe, but now there was a menace in both the political and strategic fields in the East, and in Africa, so a purely European and North American organization did not correspond to the nature of the present danger and was insufficient for this new threat. Of course we wanted NATO to continue and France did not wish to separate herself from her allies, but there were certain inconveniences in NATO now. At present an outbreak of nuclear war, which would almost certainly devastate France, could occur in such a manner that France could be crushed without ever having had the opportunity of expressing its views and without having any role. De Gaulle said that he supported the idea of consultations with the British and ourselves on worldwide problems and on nuclear matters. He hoped that, through such tripartite consultations, a way could be found for the expression of the views of France in the case of atomic warfare.

The President said that, with regard to tripartite consultations, we were happy to confer in this framework, informally, as we had always consulted with the British, regarding matters beyond the NATO area. We were quite ready to discuss world problems with the other two countries having worldwide responsibilities, and we could establish ad hoc tripartite staff committees to discuss individual problems, for example. We could consult as seems fit on any matter brought up by one of the three. We should not formalize these arrangements as this would cause trouble with our other allies. Likewise, our arrangements should not affect NATO.

Passing to de Gaulle's point regarding integrated forces destroying national morale, the President said he did not believe we could conduct a war, or win a war, without an integrated command. Furthermore, if we all put forces in Europe, some effective form of control was required. It would be a mistake to have a series of national forces. Under this concept, where would United States forces fit into the picture? Would they not have to go home? The President thought that integrated forces should obviously only be used after approval by all, through consultation in the North Atlantic Council or some other appropriate channel. He concluded there must be some form of integrated command.

With regard to nuclear warfare, the President continued, President de Gaulle would recall that we had attempted to have the UN accept responsibility for the atomic bomb, but this had not been possible.<sup>2</sup> The first responsibility of the United States in world security was to keep its deterrent strong. Nuclear weapons, unfortunately, were no longer special but had permeated down to the battalion level, and were being spread even farther. The President said that the United States would never, except in the case of defense against complete surprise, launch a nuclear war without consultation. In view of the possibility of emergency, he suggested to President de Gaulle that he furnish the President of France with certain specialized communications equipment, which had already been given to Mr. Macmillan, to permit instant communication in the case of emergency. The President continued, saying that nuclear weapons now were like the air force used to be. It was unfortunate that they pervaded our entire defense concept but this was true and we could not help it.

The President also said that there must be some way of obtaining national spirit in support of NATO. Consultation on problems of the NATO area should take place in the North Atlantic Council, while he agreed there could be close tripartite consultation of problems outside the NATO area. General de Gaulle agreed that tripartite consultation on

<sup>&</sup>lt;sup>2</sup>See footnote 11, Document 130.

world problems was essential. The President said he thought we would easily work out methods for doing this. In response to de Gaulle's request for his views on other problems, the President first apologized for the length of his presentation on NATO problems, to which de Gaulle said he had found this intensely interesting. The President then said it was hardly necessary to reopen discussion of the Berlin question since there was no difference of view on this subject. He said we were not going to desert over two million Berliners. We were ready to discuss Berlin with anyone, even Khrushchev, but these discussions would have to take place within the framework of the maintenance of our existing rights in Berlin.

De Gaulle asked for the President's views on a summit meeting, which the British often, and the Soviets sometimes, said they wanted. The President said he thought a summit meeting would not be helpful to world peace and would prove a deception unless there were some results therefrom which would give the world confidence. He said he personally would not attend a summit meeting unless there were some assurances in advance that this would bring some productive results. De Gaulle said he had exactly the same sentiments.

The President said he hoped for some result to the Khrushchev visit but was not expecting anything. De Gaulle said he did not expect any results either, and regretted that the decision to invite Khrushchev had been taken unilaterally. However, he did not see any great harm in the visit. The President said he had assured Adenauer and Macmillan, and now de Gaulle, that he would not make any proposals, or start any negotiations. He noted that Khrushchev might take some helpful step towards peace. De Gaulle said if we could convert him to capitalism, that would be the greatest benefit. The President said he was going to show Khrushchev that in our country workers had the right to strike. Indeed, there was presently a major strike in progress and he intended to ask him what he would do in the Soviet Union in these circumstances.

The meeting then adjourned for President de Gaulle to introduce the President to the Chiefs of Diplomatic Missions stationed in Paris.

# 132. Memorandum of Conversation

Paris, September 2, 1959, 5:15 p.m.

PARTICIPANTS

The President The President of France Lt. Colonel Vernon A. Walters

Following presentation of the Diplomatic Corps, the two Presidents went to General de Gaulle's office. General de Gaulle asked the President how he had found Chancellor Adenauer.<sup>1</sup> The President said that he had found the Chancellor in good health and good spirits. The Germans were working like a people possessed. Their crops were good, they were building everywhere; and, added the President, "He is a great admirer of yours". General de Gaulle replied that he also had great admiration for the Chancellor. He had met him first in Germany and the Chancellor had indicated to him that he felt it would be many years before the Germans' cherished dream of reunification was achieved.<sup>2</sup> On his second meeting, he had found the Chancellor somewhat saddened and depressed.<sup>3</sup> He felt that the Chancellor had devoted himself to creating a rich and prosperous Germany and he had been with General de Gaulle when Khrushchev had issued his ultimatum on Berlin.<sup>4</sup> This had greatly shaken the Chancellor as he realized that Germany had only the appearance of power and that, in fact, her future would depend on what other people did. He was therefore glad to hear that the Chancellor was in good spirits.

He then asked the President how he had found the British.<sup>5</sup> The President replied he had found the British hard at work and in good spirits. He said that Mr. Macmillan seemed confident that he would win his election. General de Gaulle interjected that he also felt that Mr. Macmillan would win his election. The President said that the agreement was general between the British and Americans and that the main point

Source: Eisenhower Library, Whitman File, International Meetings. Top Secret. Presumably drafted by Lieutenant Colonel Walters. This conversation was held in de Gaulle's office at the Elysée Palace.

<sup>&</sup>lt;sup>1</sup>Eisenhower met with Adenauer in Bonn August 26–27.

<sup>&</sup>lt;sup>2</sup> Presumably reference is to Adenauer's visit with de Gaulle at Colombey-les-Deux-Eglises September 14–15, 1958. For two accounts of this meeting, see Adenauer, *Erinnerungen*, pp. 436–439 and de Gaulle, *Mémoires*, pp. 184–190.

<sup>&</sup>lt;sup>3</sup> For de Gaulle's account of his meeting with Adenauer at Bad Kreuznach November 26, 1958, see *ibid.*, pp. 190–191.

<sup>&</sup>lt;sup>4</sup> For text of the Soviet note on Berlin, November 27, 1958, see Department of State *Bulletin*, January 19, 1959, pp. 81–89.

<sup>&</sup>lt;sup>5</sup>See Documents 365 ff.

of difference related to the possibility of a summit meeting. The British felt that a summit meeting would be useful even if no concrete progress were achieved. He did not share this belief. On the contrary, he felt it might even be harmful. He did feel that the British were not hostile per se to the Common Market and that the Outer Seven which they were setting up might perhaps provide a bridge for coming in at a later date with the Common Market. General de Gaulle said that he did not quite share the President's optimism on this point. General de Gaulle said he had recently paid a visit to Italy and had been given a great reception in northern Italy.<sup>6</sup> He had found the country somewhat politically unstable. The Italians had a great many Communists. They had the acute problem of southern Italy where standards of living were very low [1-1/2 lines of source text not declassified]. The President then said that he was seeing Mr. Segni and Mr. Pella on the following day and that later Mr. Segni was coming to the United States where the President would see him,<sup>7</sup> and he would be happy to do whatever he could to smooth any susceptibilities they might have. General de Gaulle then asked bluntly, "Are you determined at all costs to prevent Formosa falling to the hands of the Chinese Communists"? The President replied affirmatively. The President then explained the powers Congress had voted to him regarding Quemoy, Matsu, and Formosa.8

General de Gaulle then said that he had recently received the visit of Mr. Kishi, the Prime Minister of Japan, who was a very intelligent man and very interested in aid to underdeveloped countries.<sup>9</sup>The President then spoke of the interest which many of the underdeveloped countries, India in particular, might feel in Japanese techniques that might be more adaptable to their own requirements than those used by the Western countries where the cost of labor was high. The President then said that sentiment in Burma, Thailand, and Cambodia was evolving favorably towards the West. In reply to a question concerning Sukarno, the President said that at one time he feared he might be drifting towards Communism but recently since he had reorganized his government he seemed to be taking a saner view to things and we have resumed our assistance to him. The President then said that in the light of India's previous non-commitment, it was evident that Communist action toward India now would arouse even greater resentment. The President said the situation in Laos was bad but that in South Vietnam.

<sup>&</sup>lt;sup>6</sup> De Gaulle made a State visit to Italy June 23–28.

<sup>&</sup>lt;sup>7</sup>Segni visited the United States September 30–October 4; see Documents 241 ff.

<sup>&</sup>lt;sup>8</sup> Reference is to the Formosa (Taiwan) Resolution, signed by the President on January 29, 1955, which authorized the President to use military force to protect Taiwan.

<sup>&</sup>lt;sup>9</sup> Japanese Prime Minister Nobusuke Kishi made a State visit to France while on his world tour during July and August 1959. He returned to Tokyo on August 11.

President Diem seemed to be making progress in fighting Communism. In reply to a question concerning the Arab world, the President felt that things were improving with relation to the UAR, but that for a time he had feared that Iraq was lost. General de Gaulle replied that he too had shared these fears.

At this time it was indicated to the two Presidents that it was time for them to leave for the Arc de Triomphe and the conversation was concluded.

As the two Presidents were walking to the elevator, the President said to General de Gaulle that it would be very helpful if provocative statements about Algeria could be avoided. General de Gaulle then said that in France the press was free and it was impossible to control it. The President said he was not referring to the press. General de Gaulle smiled, nodded, and said, "I understand, I'll bear in mind what you have said".

# 133. Memorandum of Conversation

Rambouillet, September 3, 1959, 6 p.m.

PRESENT

The President The President of France Mr. Labelle Lt. Col. Vernon A. Walters

General de Gaulle opened the conversation by saying there was something he wished to say to the President in great confidence because he felt it would be helpful to him in judging French attitudes. France had been a great and wealthy country; it was now no longer great nor wealthy, and this knowledge was sometimes difficult for the French to bear. If occasionally sharp words were spoken or strident voices were raised, he would hope the President would understand the context in which these occurred. This is particularly true where African matters were concerned. The President replied that he understood what General de Gaulle was referring to and that he would assure him that no bitter word would ever be spoken by him or by his Administration. He could not answer for Congress, of course, because he could not control what was said. But as far as the Administration was concerned they would

Source: Eisenhower Library, Whitman File, International Meetings. Top Secret. Presumably drafted by Lieutenant Colonel Walters. The conversation was held at the Chateau de Rambouillet.

certainly say or do nothing to block General de Gaulle's efforts to renew France.

[Here follows discussion of North Africa.]

The President then spoke of the International Development Agency as an adjunct to the World Bank. He explained to General de Gaulle the functioning of this body and how it would be used under conditions which the World Bank could not meet at the present time. It would work closely with the World Bank and be able to use the very large engineering organization which the World Bank had set up in order to be able to judge whether projects were economically feasible and would assist in the development of the countries. General de Gaulle said that he knew Mr. Black and certainly had nothing against him or the World Bank, which he felt operated effectively. The President said that if we had such a world agency it would prevent these countries from playing one of us off against the other and would permit us to help these countries on a sound basis. General de Gaulle said he had no objection to this in principle but he did feel that in the cases of countries which were truly independent, like Egypt, this might work effectively; but in other cases, like the states in the French Community, the level of development and the understanding of the leaders was not such that they could properly judge what they needed. The President said that he understood this and he felt where states belonged to a large group that such loans should be secured through the group. Certainly if Puerto Rico requests assistance the United States would be the channel through which they would go. General de Gaulle said one of the difficulties was that the Soviets were offering these countries large credits. He had previously mentioned Emperor Haile Selassie's forty billion francs and now Mr. Touré has sent his number two man to Moscow and the latter has returned with a credit of some 22 billion francs, which was a lot of money for a small country. The Soviets would give them twenty years to pay it back and charge only two percent interest. The President said that this enabled the Soviets to give away surpluses which they wanted to get rid of anyway. He felt it was vital that the Western nations operate together without competing with one another. If, for example, there was a project to be undertaken in Egypt, the Soviets went in as a single bloc whereas the French, the Germans, the British, the Americans and Italians might be competing with one another. He felt that this International Development Agency would go a long way towards obtaining the type of Western cooperation which he felt to be essential.

At this point other members of the staffs of both Presidents entered and a further conversation took place, which is reported separately.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> For text, see vol. XIII, pp. 612–614.

## 134. Memorandum of Conversation

Rambouillet, September 4, 1959, 7:30 a.m.

PARTICIPANTS

The President President de Gaulle Commander Flohic, Aide to President de Gaulle Lt. Colonel Walters

Just before the President's departure from Rambouillet, he and General de Gaulle met on the lawn and briefly discussed the possibility of an agreement concerning the Mediterranean fleets of France, the U.K., and U.S., and likewise such assistance as might be rendered by the United States to France after the French had detonated a nuclear weapon. The President indicated he would like General de Gaulle's views on this subject.

General de Gaulle then said that for the personal and private information of the President, the French would explode their nuclear weapon in March 1960.<sup>1</sup> They have already made all preliminary tests including the detonator and these had been successful. They were as sure as one can be that the test would be successful. If at any time an agreement was reached to destroy stocks of nuclear weapons, France would be only too happy to cease work on her own bomb program. However, a mere agreement to suspend tests would not lead France to suspend her own program of developing nuclear weapons.

General de Gaulle then asked about U.S. progress in missiles. The President spoke at some length describing the Atlas, Titan, and the third-generation solid fuel ICBM. General de Gaulle then asked what U.S. policy towards Europe would be when the U.S. was in a position to base its deterrent missiles in the United States. The President explained the great cost involved in missile launching sites, both "soft" and "hardened", the latter costing ten times as much as the former. The President said that the U.S. would continue to believe in the overriding value of collective security. These policies were assured of continuity by the fact that the Atomic Energy Commissioners changed one by one, although he himself had only 16 months more to serve, but he felt confident that the United States would in no wise diminish its support for collective security because this provided great moral as well as physical strength.

Source: Eisenhower Library, Whitman File, International Meetings. Top Secret. Presumably drafted by Lieutenant Colonel Walters. The conversation was held at the Chateau de Rambouillet.

<sup>&</sup>lt;sup>1</sup>The words "March 1960" were handwritten.

General de Gaulle and the President concluded by stating how much they felt this visit had contributed to mutual understanding and how useful it would be for the future.

## 135. Memorandum of Conversation

#### US/MC/35

## Paris, September 4, 1959, 5 p.m.

#### PARTICIPANTS

#### United States

The Secretary of State Ambassador Houghton Mr. Ivan B. White Mr. Frederick Nolting Mr. Randolph Kidder France

Foreign Minister Couve de Murville Ambassador Alphand M. Charles Lucet

#### SUBJECT

Reported Plan of President Eisenhower to Write General de Gaulle; French Mediterranean Fleet; Dollar Restrictions; Germany and Berlin; Algeria; Consultation; United Nations; Meeting of Two Presidents

The following is a memorandum of conversation between the Secretary of State and the Foreign Minister which took place in the Embassy Residence immediately prior to the Secretary's departure from Paris.

Reported Plan of President Eisenhower to Write General de Gaulle. Couve opened the conversation by stating that he had learned from General de Gaulle that President Eisenhower planned to write a letter to de Gaulle covering three subjects. It was apparent that Couve had only fragmentary information regarding this matter as he mentioned only two subjects and in both cases was extremely vague. He first referred to NATO affairs but specified only the problem of the regulation of the status of the French Mediterranean Fleet. The second subject he mentioned was atomic affairs but he added that he assumed this meant something like the stockpile question.

*French Mediterranean Fleet*. On the problem of the French Mediterranean Fleet, Couve expressed the view that the matter can be resolved

Source: Department of State, Conference Files: Lot 64 D 560, CF 1458. Secret. Drafted by Kidder, cleared by White, and approved by the Office of the Secretary of State on September 20. The conversation was held at the U.S. Embassy Residence.

without too much difficulty. The Secretary pointed out, however, that the Admiral Nomy memorandum<sup>1</sup> does not, he believes, provide a basis on which an agreement can be reached. Mr. Nolting supported that view, saying that, based on memory, he does not think the Nomy memorandum would accomplish the purpose of putting the French Mediterranean Fleet on the same basis as the American and UK fleets. He explained that first priority for US and UK fleets in wartime is within the NATO context, whereas first priority for the French fleet, in the Nomy memorandum, is for national use, NATO employment being a secondary consideration.

*Dollar Restrictions*. The Secretary raised the problem of dollar restrictions in France. Ambassador Houghton remarked that while a large part of the imports from the US are now free, there remain several restrictions. Couve replied that a new series of concessions were expected for October and said that like everyone else the French are moving towards liberty in this field, particularly as regards agricultural products. He expressed the opinion that quotas would probably have disappeared in a year's time. He is, however, aware that there has been discrimination since the war. He himself, however, is all for liberalization.

*Germany and Berlin*. In reply to the Secretary's query as to other matters to be discussed, Couve mentioned Germany and Berlin and expressed the opinion that it would probably be best to let things remain just as they are. The Secretary expressed agreement. Couve then said that the French are now preparing a reply to the Soviet note of August 16.<sup>1</sup> There will be nothing new.

The Secretary said that he discussed these matters with Foreign Minister von Brentano and told Couve that President Eisenhower had asked Chancellor Adenauer if he was giving consideration to a long-run solution of the Berlin problem. The Secretary pointed out that occupation cannot be a permanent solution and added that Adenauer has been giving this matter thought. Although a moratorium may be satisfactory for the time being, we must be thinking of long-term solutions. In regard to Berlin, he said that it doesn't seem to be indicated that the free zone would become incorporated in the Federal Republic or that a corridor would be established. Couve asked whether there might be some solution between the extremes of incorporation by the Federal Republic and the establishment of a free city. The Secretary replied that some solution might be found involving international guarantees with probably some troops remaining.

Couve said that he sees no evidence of change in the Soviet position. The Secretary expressed agreement and said there had been no

<sup>&</sup>lt;sup>1</sup>Not further identified.

suggestion for a reconvening of the Foreign Ministers. However, should Khrushchev come up with new suggestions, this would probably necessitate reconvening. At this point, Ambassador Alphand said we are continuing to meet in Washington on contingency planning and asked if it is really necessary to go on. Couve asked why not? The Secretary added he did not think it likely any contingencies, such as envisaged in the planning, would arise before the exchange of visits between Washington and Moscow.

With regard to Couve's query if all was settled on disarmament, the Secretary replied in the affirmative.

*Algeria.* Couve said that as regards Algeria, all we could do at the moment is to wait. The Secretary pointed out that we shall probably wish to obtain certain clarifications from the French and would probably wish to discuss tactics with them.

*Consultation.* Couve referred to the last clause in the joint communiqué on the talks between the two Presidents and asked if we should not say something to the British about this. The Secretary replied that we should and added that President Eisenhower had talked to Mr. Macmillan about this question and said we would plan to consult as closely with the French as we did with the British.<sup>2</sup>

Couve mentioned that President Eisenhower had told General de Gaulle that for the purpose of tripartite consultation there could be set up a series of ad hoc committees. It was suggested that the details of this might be worked out in Washington. Couve then referred to the specific problem of coordination of views on Morocco and Tunisia and wondered if certain tripartite talks might not take place in Paris. The Secretary commented that as regards Morocco and Tunisia, it would be extremely difficult for us to have the consultation elsewhere than Washington as all our military and financial planning is done there and it would be extremely difficult to provide the necessary experts for consultation in Paris.

*United Nations.* Couve said that he would be in New York as of the 14th and planned to stay until the end of September. In reply to a question which Couve raised, the Secretary stated that the Greeks do not wish to be candidates for a seat in the Security Council.

*Meeting of Two Presidents*. During the conversation, Ambassador Houghton expressed the deep appreciation and admiration of all the

<sup>&</sup>lt;sup>2</sup> For text of the joint communiqué issued by de Gaulle and Eisenhower in Paris on September 3, see Department of State *Bulletin*, September 21, 1959, pp. 411–412. The last sentence of the communiqué reads: "They also examined the means of organizing better cooperation between the two countries in the world as a whole, especially through the expansion of consultations on all major problems, political as well as military."

Americans participating in the Presidential visit for the magnificent effort and job which had been done by the French.

# 136. Telegram From the Department of State to the Embassy in the United Kingdom

September 11, 1959, 3:31 p.m.

2107. Following for immediate delivery is text of letter from President to Prime Minister Macmillan. Advise date and time delivery.

"September 11, 1959.

Dear Harold: My talks with General de Gaulle went very well, I believe. The discussions were completely friendly and open, and it seemed to me that each succeeded in putting across to the other exactly what we had in mind, although the time available was so short that I was obliged to leave one or two items to be covered in a written communication to him.

As anticipated, the question of Algeria, and of U.S. support for France on this issue, was uppermost in his mind. I made it clear that we wanted to support our French friends and hoped they would take a course which would make this possible. His thought is that when the rebellion is over, Algeria will be able to make its choice as to whether to remain completely French, to have a certain degree of autonomy, or to have complete independence. He will make a public statement on this within the next few days, and seemed confident that it will be one both you and I could support.

We discussed very frankly the difficulties that are ahead in the United Nations. The French do not wish to discuss Algeria in the UN, holding that this is an internal affair. We pointed out that someone should speak for France and make a good presentation of what France has done for Algeria in the economic, social and other spheres. If this is done early there will be time to round up other delegations. We are hopeful that his public statement will give the basis we need.

It is clear that he has given a great deal of thought and attention to the problems in Africa, believing that the countries there should sooner

Source: Department of State, Central Files, 711.11–EI/9–1159. Secret; Priority; Presidential Handling. Drafted by President Eisenhower.

or later be able to decide their own future. He said that France has started this process within the French Community, with members deciding of their own free will whether to work in common with France on matters of defense, foreign affairs and economic activity. He noted that Guinea alone has chosen to be independent, but still wants, and is receiving, French help. He expressed a great deal of concern over the threat of communism in the area, and the efforts of the Soviet bloc to "buy" their way into various countries through extending aid to them. (Incidentally, he said flatly that Sekou Toure is a Communist.)

We discussed my suggestions regarding aid to underdeveloped countries primarily.<sup>1</sup> Of course he, again, is concerned most with the French Community. I believe he will agree that it is vital for the Western countries to work together.

Our discussions regarding tri-partite consultations were relatively brief, ending in clear agreement on the idea of conferring informally among ourselves regarding matters that lie beyond NATO. I mentioned that ad hoc staff committees could be established, but that I thought it unwise to establish institutions of a formal or permanent character and he agreed.

He expressed himself as heartily in favor of the North Atlantic alliance, which he felt should be maintained and developed. He raised several questions, all well known, in a very restrained fashion. He questioned the integration of forces as taking from the people a sense of responsibility for their defense, and losing the impetus of patriotism. On this I simply pointed out the necessity of integrated control for effective military operations in the present era, and some of the difficulties that would be inescapable in a coalition of purely national forces—not only for effective combat, but also in failing to provide a basis for the presence of U.S. forces in Europe. Both with him, and in my brief remarks at NATO and SHAPE, I stressed the need to develop a dedication to Western ideas, extending beyond the traditional national patriotism of the past.<sup>2</sup>

He seemed to be satisfied with our discussion regarding the decision to use atomic weapons. I made the point, as we had discussed at

<sup>&</sup>lt;sup>1</sup>See Document 133.

<sup>&</sup>lt;sup>2</sup> For text of Eisenhower's remarks to the NAC on September 3, see Department of State *Bulletin*, September 21, 1959, p. 412. Regarding his conversation with Spaak and Luns on September 3, see Part 1, Document 222. A copy of the September 3 news release summarizing his remarks at SHAPE is in Department of State, Conference Files: Lot 64 D 560, CF 1457.

Chequers,<sup>3</sup> that unless the situation were one of surprise attack, with bombers overhead, we would of course never unleash the use of nuclear weapons without consulting our principal allies. With respect to atomic weapons, General de Gaulle said that France will continue to develop its own. I explained the difficulties deriving from our legislation to him, and he seemed quite aware of them. He did not press for more liberal action on our part, and said he is not asking for anything in this regard.

Finally, with respect to German questions and the visit of Khrushchev and a possible summit meeting, I found a close identity of views. On Berlin we reached complete agreement to remain entirely firm on the principle of not abandoning Berlin but to examine with flexibility such changes as might be possible in the present arrangements. He showed no concern regarding the Khrushchev visit—but no optimism either. He did not think a summit meeting would be helpful unless some constructive result might be anticipated. He felt that some advance assurance of this is essential.

All in all, I believe the visit and the discussions were of real value in demonstrating that we are joined in common purposes. Incidentally, I think General de Gaulle was highly pleased that the ceremonies he had arranged succeeded in showing me such courtesy and so warm a welcome. I was encouraged to find him confident, cooperative, and clearly in command of the affairs of his government.

Thanks very much for the character sketch of Mr. Khrushchev that you sent and for your ideas as to the line I might take in discussions with him.<sup>4</sup> I am grateful for all the help I can get.

With warm regards,

As ever, Ike."

Herter

<sup>&</sup>lt;sup>3</sup>See Documents 366 and 367.

 $<sup>^{\</sup>rm 4}$  Reference is to Macmillan's September 5 letter to Eisenhower. (Department of State, Presidential Correspondence: Lot 66 D 204)

# 137. Telegram From the Embassy in France to the Department of State

Paris, September 15, 1959, 5 p.m.

1196. President Eisenhower's visit to Paris was unqualified success in creating vastly improved atmosphere and in relieving heightened tension in Franco-American relations. Visit had been awaited with almost unprecedented interest and result was personal triumph for President of whom French got new and reassuring picture as man, as Head of State and as symbol of free world leadership.

Personality of de Gaulle, his insistent demands for recognition of France's greatness and place in world, sensitivities created by series of disagreements between France and United States and fear talks might prove difficult gave visit to France certain characteristics not found in visits to England and Germany.

As regards de Gaulle, it quickly became obvious he sincerely wished visit to be complete success. His manner was gracious, friendly and relaxed. During weeks preceding President's arrival French press had devoted much space to French "diplomatic isolation" and to typical Gallic skepticism. Much had been made of existence of basic differences on important issues and on dissatisfaction of de Gaulle with United States failure to respond favorably to demands for actions such as tripartite consultation which would provide form of recognition of France's role in world. Speeches by Prime Minister Debre had heightened anxiety and sensitivity on part of French people. President Eisenhower's public statements were vastly reassuring to them.<sup>1</sup>

Atmosphere started to change markedly (undoubtedly under GOF guidance) approximately week before President's arrival in Paris. Non-Communist press ceased being skeptical and became encouraging. This changed point of view has continued to mark press commentary since visit and although there has been much speculation re possible commitments on substantive political problems which may have been made during talks, we doubt there has been any very real belief that solution of specific political problems would, in fact, be immediately forthcoming. However, there is grateful confidence that personal contact between President and de Gaulle resulted in broad understanding of mutual positions which will enable outstanding differences to be

Source: Department of State, Central Files, 711.11–EI/7–1559. Confidential. Repeated to London, Bonn, and Rome. A copy in the Eisenhower Library, Whitman File, International Meetings, bears Eisenhower's initials.

<sup>&</sup>lt;sup>1</sup> For texts of Eisenhower's public statements made in Paris September 2–4, see Department of State *Bulletin*, September 21, 1959, pp. 410–413.

resolved, will be basis for steady improvement in relations in coming months, and will prevent future misunderstandings. French will be looking for concrete development which will give substance to this belief and reassure them of United States friendship for and support of France.

Immediate problem on which French are looking to United States for support is Algeria. Following on press reports that Hagerty had said United States would make statement following declaration on Algeria by General de Gaulle,<sup>2</sup> press has given increasingly strong impression that United States is now going to support France in General Assembly. Attitude United States may adopt towards Algerian problem following de Gaulle declaration<sup>3</sup> will unquestionably be regarded by French as test case of our real intentions.

French welcomed with great satisfaction statement in communiqué re expansion of consultation on all major problems, political as well as military.<sup>4</sup> This was interpreted as an appreciable success for de Gaulle and has led to expectation that we shall consult France on same basis as United Kingdom and that this consultation will include those parts of world outside of Europe and NATO where France feels particular responsibilities.

There was less interest in problem of East-West relations, partly because attention primarily focused on state of Franco-United States relations and partly because President and de Gaulle were known to have similar views on possible summit meeting and on need for firmness over Berlin.

Nevertheless, French opinion was reassured on matter of exchange of visits between President and Khrushchev, while President's attention in Paris to NATO and SHAPE was reassuring to United States' other NATO Allies. Certainly no one was left in doubt of President's deeply sincere desire seek peaceful solutions to world problems.

## Houghton

<sup>&</sup>lt;sup>2</sup>See *The New York Times*, September 4, 1958.

<sup>&</sup>lt;sup>3</sup>See footnote 5, Document 130.

<sup>&</sup>lt;sup>4</sup>See footnote 3, Document 135.

## 138. Letter From Prime Minister Macmillan to President Eisenhower

London, September 16, 1959.

DEAR FRIEND: I am most grateful for your message of September 11 about your talks with General de Gaulle.<sup>1</sup> Your visit to Paris was evidently a great success. I feel sure that your journey to Europe has had the effect of strengthening the unity of the West. Of course, no member of a democratic alliance thinks exactly like every other member on every point. But your journey will have made people realize that any difference ought to be reconciled in view of the great issues at stake. By all accounts the French people gave you a most enthusiastic reception. I was confident that they would because I have never believed the tales of French hostility.

What you tell me about General de Gaulle's attitude towards the Algerian and African problems supports my belief that he has a fundamentally liberal outlook and that we must do all we can to help him. I am very glad that you encouraged him to have his representatives speak in defense of the French case in the United Nations. But, as you say, we must wait for his public statement before we can decide our tactics in the United Nations.

What you told me about the General's attitude towards N.A.T.O. interested but did not surprise me. Although he may have what seem to us to be rather old-fashioned ideas on such matters as the integration of forces I do not doubt his attachment to the alliance as such. If your visit has put him into a more relaxed frame of mind, we may perhaps meet with rather fewer difficulties from the French in the future on the dayto-day affairs of N.A.T.O.

Of course we are ready, like you, to take part in informal tripartite consultations with the French on any matters which lie beyond N.A.T.O. in which the three of us can be said to have a particular interest. Since these may include military matters I quite agree that the consultations might from time to time be between military experts, always provided that no new formal institutions are created. After all, our Governments are free to have private discussion with what other Governments they choose, on an informal basis.

The General can hardly have hoped that you would be more generous than you were on the point about the decision to use atomic weapons. I did not expect, any more than I believe you did, that he would

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret. <sup>1</sup> See Document 136.

press you for help with France's own programme of development at this stage. But this is a problem which remains to be faced.

You must surely feel very encouraged by your journey to Europe. As you know your visit to this country gave the greatest pleasure not only to my colleagues and myself but to the whole British people. We all of us send you our best wishes for the success of your discussions with Mr. Khrushchev.

Yours ever,

Harold<sup>2</sup>

<sup>2</sup> Printed from a copy that bears this typed signature.

# 139. Letter from President Eisenhower to President de Gaulle

September 21, 1959.

DEAR GENERAL DE GAULLE: As I reflect on my visit and my discussions with you in Paris and Rambouillet, my feeling of gratitude—both for your hospitality and for the opportunity of considering with you questions that concern us both—continues to increase. I look forward to the time when we can renew our talks.

The limitations of time did not permit me to cover adequately several subjects of common interest. I would like at this time to comment on

Source: Eisenhower Library, Project Clean Up. Secret. Sent to Paris in telegram 1289, September 21 (Department of State, Central Files, 396.1/9–2159), and delivered to de Gaulle by Houghton on September 23. (*Ibid.*, 711.11–E1/9–2359)

In response to the President's request, Dillon sent Eisenhower a draft letter to de Gaulle under cover of a memorandum of September 9. After revising the draft, Goodpaster asked Herter and Department of Defense officials to review it. In a memorandum of September 21 to Goodpaster, Calhoun explained that the Secretary of State and appropriate Defense officials as well as Ambassadors Burgess and Houghton and General Norstad had reviewed the revised draft, and he outlined their suggestions as well as his own. At the suggestion of the three U.S. officials in Paris, the first sentence of the second paragraph was revised in the final draft to avoid the possible implication that the points of common interest were limited to two. The White House did not follow Calhoun's suggestion about rewording the last paragraph about Eisenhower's response to de Gaulle's September 16 declaration on Algeria. Copies of the drafts of this letter and of the memoranda concerning it are in the Eisenhower Library, Whitman File, International File.

two particular points. The first is the Medieterranean fleet. We have discussed this previously, and I believe that it should be possible to attain a satisfactory understanding. I do not propose for the United States any special or favored status for its naval forces in the Mediterranean, and I think our naval experts should be able to devise arrangements which would place on the same footing the British, French and U.S. fleets both in peacetime and wartime. With this in mind, I would suggest that both our people raise this matter with our British friends with a view to having the Standing Group consider with SACEUR and SACLANT arrangements that, when approved by the two of us and Mr. Macmillan, would meet the NATO needs in the Mediterranean as regards the naval forces of our three countries, while at the same time satisfying the particular needs of each nation.

Secondly, I would like to mention the question of the storage of nuclear weapons in France for the use of both U.S. and French forces assigned to NATO. I start from the belief that the purpose of storing these weapons in France would be to assure the most effective common defense of Western Europe, of course including France. If the arrangements were properly worked out, I cannot believe there would need to be any impairment of national sovereignty for either of us. The arrangements could rest on a firm agreement that the consent of the French Government would be required prior to the use of such weapons by either U.S. or French forces. [2-1/2 lines of source text not declassified]

This form of close cooperation is, to me, a logical necessity arising out of modern military technology, as is the whole concept of integrated commands. As I indicated when we were together, my own effort to reconcile the needs of modern weapons and techniques with the traditions of national patriotism and esprit led me in 1951 to the concept of joining national forces together into integrated commands. Developments since that time have tended, in my opinion, to strengthen this need. I believe the American forces in Europe, for example, while serving in their own national uniforms and under their own flag, feel also a considerable and a growing—attachment to their collective force and to the North Atlantic Community.

Our talks clarified again, I think, the degree to which we both are attached to common ideals and ideas of Western security. I do not believe that there is any divergence in our objectives, and I present these thoughts as my ideas concerning the best means, in these special fields, of achieving them. I remain convinced that we can so solve these problems that NATO will function the better for it. As you may have seen, at my press conference on September seventeenth, <sup>1</sup> I took the opportunity to say I am greatly encouraged by your courageous and statesmanlike declaration on Algeria, and hope that it will lead to an early peace.

Please accept, Mr. President, the expression of my highest consideration and sincere friendship.

With warm personal regard, Sincerely,

**D.E.**<sup>2</sup>

# 140. Telegram From the Department of State to the Embassy in the United Kingdom

September 24, 1959, 6:43 p.m.

2433. Deliver following message from President to Prime Minister Macmillan. Advise date time delivery.

"September 24, 1959.

Dear Harold: Thank you for your letter of September sixteenth.<sup>1</sup> Since I wrote to you on the eleventh an event has, of course, occurred which is of capital importance—the de Gaulle announcement of the Algerian program. While we still have not had time to make a detailed anlaysis of this complex plan, and it is apparent immediately that there will be difficulties involved (as is inevitable in a matter of this delicacy), you have possibly noted that I publicly stated it is a program which deserves our support.<sup>2</sup> Secretary Herter also made a statement on behalf of our UN delegation in an effort to be helpful to the de Gaulle program.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> For text of Eisenhower's statement to the press on September 17 in which he praised de Gaulle's declaration on Algeria as courageous and statesmanlike, see Department of State *Bulletin*, October 12, 1959, p. 500.

<sup>&</sup>lt;sup>2</sup> Printed from a copy that bears these typed initials.

Source: Department of State, Central Files, 611.51/9–2459. Secret; Priority; Presidential Handling. Drafted in the White House, cleared by Goodpaster, and approved by Calhoun.

<sup>&</sup>lt;sup>1</sup>Document 138.

<sup>&</sup>lt;sup>2</sup>See footnote 1, Document 139.

<sup>&</sup>lt;sup>3</sup> For text of Herter's statement on September 22 in support of de Gaulle's program for Algeria, see Department of State *Bulletin*, October 12, 1959, pp. 500–501.

I have seen the supporting statement of the Foreign Office in London and the favorable London press reaction to the de Gaulle plan which matches the generally favorable attitude of our own press. I believe that you and ourselves should keep in the closest possible touch on this whole Algerian problem and specifically with reference to the tactical problems which are bound to arise in the UNGA debate on the subject, where we wish to avoid a repetition of the situation which developed last year when French sensibilities became injured.

With regard to the difficulties which we have encountered in achieving our NATO objectives, I have written General de Gaulle a letter,<sup>4</sup> in which I outlined my views on the principal outstanding issues, such as the French Mediterranean Fleet, the questions of stockpiling atomic weapons, and the broader concept of integrated defense in the NATO area. All of these views are of course well known to you. I feel sure my letter will be read sympathetically by General de Gaulle even if he does not agree fully. I hope it may be useful in convincing him that in our NATO defense concepts, we are merely trying to achieve the maximum security for us all.

On the subject of tripartite consultations, we will probably be moving ahead shortly, since you indicate in your letter of September sixteenth<sup>5</sup> that you are willing to participate in informal talks on matters of interest outside the NATO area, on the understanding of course that no new institutions are created. It is our understanding that the French wish talks to begin, perhaps in the first instance on Moroccan and Tunisian subjects, and our people will be in touch with yours on this subject.

Finally, I want to thank you again for your kind words about my trip to Europe from which I derived the greatest pleasure and which was, I hope, useful. I shall soon be in touch with you again to tell you about the substance of the current visit of Chairman Khrushchev to the United States. What a pity we cannot talk to him without an interpreter. I have the feeling that if each of us could talk to him, alone, in a common language, we could do better.<sup>6</sup>

With warm regard,

As ever, Ike."

Herter

<sup>&</sup>lt;sup>4</sup>Document 139.

<sup>&</sup>lt;sup>5</sup> Document 138.

<sup>&</sup>lt;sup>6</sup> In his September 28 reply to Eisenhower, Macmillan thanked the President for his letter, stressed the importance of the forthcoming U.N. debate on Algeria, and expressed his pleasure that Eisenhower had written de Gaulle about NATO. (Department of State, Presidential Correspondence: Lot 66 D 204)

## 141. Letter From President de Gaulle to President Eisenhower

Paris, October 6, 1959.

DEAR MR. PRESIDENT: Your letter of September 21<sup>1</sup> recalls in terms that move me deeply your recent visit to France and the talks we had there. You may rest assured that I, for my part, preserve a moving memory of our meeting. Like you, I was pleased that we were able to proceed to frank exchanges of views on basic questions. Until such time as we can resume our talks, I see great advantage in our continuing to correspond on subjects of common interest, and I am grateful to you for again taking the initiative of doing so.

With respect to possible action in the Mediterranean, particularly by the naval forces, I explained to you in my letter of May 25<sup>2</sup> last the reasons prompting France to take certain measures on its own. However, I personally, as well as the French Government, am entirely disposed, pursuant to your suggestion, to charge the Standing Group in Washington with examining the conditions governing cooperation among the American, British, and French naval forces in the Mediterranean. Mr. Debré will therefore transmit to the French representative in this Group the necessary instructions to undertake such studies with his American and British colleagues as soon as these last are ready to do so.

Moreover, I have taken note of the ideas you expressed on the question of stockpiling American nuclear weapons in France. I think that we shall be able to make some future arrangement regarding this matter, as soon as we can agree that the launching of an atomic war by the West anywhere in the world would require the joint decision of the United States, Great Britain, and France. In this regard, I think there is reason to expect that the successful development by France of French atomic armament in the fairly near future will facilitate matters for us.

With respect to the organization of the command within the Atlantic Alliance, I understand the reasons for your wishing to maintain the system of integration. I am sure that you, for your part, appreciate the full importance of the reasons for my being a less earnest advocate of this. As I told you during our talks, to give a great people, its government, and its leaders the feeling that they are not directly responsible for the defense of their own country is, in my opinion, detrimental in the

Source: Eisenhower Library, Project Clean Up. Secret. The source text is a Department of State translation. The signed original of this letter in French was delivered to Goodpaster's office on the afternoon of October 7. The French text was attached to the source text.

<sup>&</sup>lt;sup>1</sup> Document 139.

<sup>&</sup>lt;sup>2</sup> Document 117.

long run to the national effort and, in the final analysis, to the value of the alliance.

Although you evoke, and rightly so, the cohesive force supplied to the North Atlantic Community by the American forces in Europe, you are certainly not unaware that the conditions under which France participates in the alliance are not comparable to those that apply to the United States. Doubtless those American forces presently assigned to Europe are part of NATO. However, in this organization, the whole is under the command of an American general officer. As for the direct defense of the territory of the United States, the government in Washington and the leaders to whom it entrusts this charge are solely responsible for it. Moreover, it must be added that supplying nuclear weapons, an essential element in Western military might, is the province of the United States. In view of the present ratio of forces, this state of affairs is undoubtedly inevitable in the integrated system we employ in NATO. But it is precisely the disadvantages inherent in this system that I hope to see rectified some day. I admit, however, that in the situation in which we all now find ourselves, it is not advisable at this time to change the present organization of the defense of continental Europe.

In more general terms, this same situation makes me feel that the commitments that bind us, whatever their present or future form, are more necessary than ever. That is why I take satisfaction in anything that tends to emphasize and strengthen the harmony of our policies, since this harmony is the very basis of our alliance. May I say that I consider the gracious support you publicly gave my declaration of September 16 last very important in this connection.

Most cordially and faithfully yours,

C. de Gaulle<sup>3</sup>

## 142. Editorial Note

Tripartite talks on military and economic assistance to Morocco and Tunisia were held at the Department of State on October 8 and 9. The discussions noted improvements in the Moroccan and Tunisian Armies and the need to supply them from Western sources and examined training, replacement of equipment, and economic and financial aid to the

<sup>&</sup>lt;sup>3</sup>Printed from the translation that indicates that de Gaulle signed the original French-language copy.

two countries. The participants agreed they should make every effort to maintain Tunisia's and Morocco's pro-Western orientation, acknowledged that France's participation was essential to achieve this goal, and agreed to consult periodically. (Summary sent to Paris in telegram 1618, October 14; Department of State, Central Files, 770.00/10–1459) Details of the talks were reported to Paris in telegram 1544, October 8, and telegrams 1562 and 1567, October 9. (*Ibid.*, 770.00/10–859 and 770.00/ 10–959) A summary of the talks is attached to an October 19 memorandum from Assistant Secretary of State for African Affairs Satterthwaite to Deputy Under Secretary of State for Political Affairs Merchant. (Department of State, Central Files, 771.5/10–959)

Tripartite talks on Laos were held in Washington on October 19 with Assistant Secretary of State for Far Eastern Affairs Parsons, Ambassador Caccia, and Ambassador Alphand representing their countries. On December 1, the Embassy in Paris was authorized to remind the French Government that the United States was ready to resume the tripartite discussions on North Africa if there was a French program, but there was no reply. (Memorandum from White to Merchant, January 5, 1960; Department of State, WE Files: Lot 72 D 441, de Gaulle Memos—1960)

## 143. Editorial Note

Most of the correspondence between President Eisenhower and President de Gaulle in October focused on the question of a possible summit meeting. In his letter of September 30, Eisenhower reported on the visit of Premier Khrushchev to the United States September 15–28, and told de Gaulle that his talks with the Soviet leader removed many of the objections he personally had to a summit conference. Regarding this letter and de Gaulle's reply of October 8, see volume IX, Document 18, footnote 1, and Document 24, footnote 3. Regarding Eisenhower's letter to de Gaulle, October 9, see *ibid.*, Document 24, footnote 2. Eisenhower's letters to de Gaulle of October 16 and 21 are *ibid.*, Documents 27 and 32. Regarding his letter of October 28, see *ibid.*, Document 38, footnote 2. De Gaulle's letters to Eisenhower of October 20 and 26 about a possible summit meeting are *ibid.*, Documents 30 and 36.

# 144. Memorandum of Discussion at the 422d Meeting of the National Security Council

October 29, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

 U.S. Policy on France (NSC 5721/1; OCB Report on NSC 5721/1, dated April 22, 1959; NSC Action No. 2087; [document number not declassified]; NSC 5910; Memos for NSC from Acting Executive Secretary, same subject, dated August 13 and 17, 1959; NSC Action No. 2120; Memos for NSC from Executive Secretary, same subject, dated October 19 and 27, 1959)<sup>1</sup>

Mr. Gray briefed the Council as indicated in the attached briefing note. In calling upon Secretary Herter and General Twining to comment on the split in Paragraph 41–a dealing with cooperation with France in the nuclear field, he suggested that they might like to indicate the status of planning for a multilateral nuclear authority.<sup>2</sup>

In response Secretary Herter stated that State had done a great deal of work on the development of a plan for a multilateral authority and that in a few weeks State's plans should be in such shape that they could be discussed with Defense with a view to developing a concerted proposal which could be brought up for decision.

[2 paragraphs (26-1/2 lines of source text) not declassified]

The President responded by saying that we should look far enough ahead to see what the probable situation would be ten years from now. He thought that it was as sure as day follows night that a number of countries would develop nuclear capabilities.

Secretary Gates said that the split was not an important one; in the longer range a multilateral authority was probably the answer. He also pointed out that this question had a bearing on the issue of U.S.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Robert H. Johnson.

<sup>&</sup>lt;sup>1</sup> Regarding NSC Action No. 2120, see footnote 9, Document 128. Copies of the October 19 and 27 memoranda are in Department of State, OCB Files: Lot 61 D 385, France. For the remaining references, see footnote 1, Document 128.

<sup>&</sup>lt;sup>2</sup> Not printed. In his briefing note, Gray outlined the split in paragraph 41–a on the subject of cooperation with France in the nuclear field. He stated the majority sought to satisfy French nuclear aspirations through some form of multilateral European nuclear authority and only if that proved infeasible would they determine whether it was in U.S. interests to aid France bilaterally. The Joint Chiefs argued, wrote Gray, that a policy of seeking French support for a multilateral authority would not deter or discourage French unilateral efforts to achieve a nuclear capability and that the United States should determine on a priority basis whether it should aid France bilaterally.

deployment in Europe and upon the related matter of IRBM weapons and the custody of nuclear warheads for those weapons. It was his opinion that there was no chance at present of obtaining Congressional approval for a bilateral arrangement with France. Therefore, he agreed that we should concentrate on a NATO approach to the problem. Chairman McCone indicated that he did not believe there would be difficulty in getting Congressional approval of multilateral arrangements.

At this point Mr. Gray offered the following alternative version of Paragraph 41–a:

"a. Urgently proceed with the study directed by par. 24–c of NSC 5906/1<sup>3</sup> and, at an appropriate time, seek French support of, and participation in, some form of multilateral European nuclear authority. Study, on a priority basis, whether, if and when France successfully explodes a nuclear device, it is in the U.S. security interests to enhance the nuclear weapons capability of France through the exchange with it or provision to it as appropriate of (1) information; (2) materials; or (3) nuclear weapons; under control arrangements to be determined.

In response to this proposal Secretary Gates stated that language as such was not important to the Chiefs. After reading his proposal Mr. Gray said that he did not understand that the Chiefs contemplated aid to France until the French had exploded a nuclear device. However, he felt that we should study now what we would say to the French after they explode a device and in the meanwhile that we should go ahead with plans for a NATO authority.

Secretary Herter stated that we ought to take account of the legislative history in this regard. That history indicated that France was excluded from receiving U.S. assistance until it has demonstrated more than a capability for shooting off a single nuclear bomb. A study of bilateral aid was "O.K." but it should be under wraps. Mr. McCone confirmed Secretary Herter's statement with respect to legislative history. Mr. Gray pointed out that his proposal did not call for a "determination" now with respect to bilateral aid but only for a "study". Nonetheless, Mr. McCone said that he did not like the language about explosion by France of a nuclear device because it implied that such an explosion would put the French in the nuclear club. Secretary Herter stated that the French have no illusions on this point; that they understood that more than the explosion of a nuclear device was necessary before they would become eligible for U.S. assistance. At this point the President suggested that the language of the law with respect to the "demonstration by France of a nuclear capability" be substituted for the phrase in Mr. Gray's proposal "if and when France successfully explodes a nuclear device."

<sup>&</sup>lt;sup>3</sup>See footnote 8, Document 128.

[7-1/2 lines of source text not declassified] The difficulties were primarily with our own Congress which seems to think that our situation was the same as in 1947 when we had a monopoly of the nuclear secret. The stupidity of Congress in this regard never ceased to amaze him.

[1 paragraph (10 lines of source text) not declassified]

Secretary Gates stated that it was his impression that Congress was moving backwards. [3 *lines of source text not declassified*] Chairman McCone did not agree with this assessment. He felt that recent difficulties with Congress had grown out of their irritation with certain incidents. He reiterated his belief that there would be no problem about getting Congressional approval for a multilateral arrangement. In rejoinder the President suggested that if Admiral Rickover went up to the Hill and indicated that the Russians were behind in certain things, it would cause Congress to "freeze up."

In response to a request by Secretary Herter that he indicate his views on the subject, Ambassador Burgess stated that he liked the emphasis upon a multilateral authority in the first part of Mr. Gray's proposal. He was in complete sympathy with the view that we should hold back from the French. The French were out of step in NATO. He thought we should work to keep this matter within a multilateral framework. He thought the timing question was very important. If we held back aid from France we would delay the time when they would have a capability. This would give us time to develop controls or to build a multilateral framework within which controls could be developed. He concluded by saying that he thought the last phrase in the paragraph, referring to control arrangements, was very important.

Going back to his proposal, Mr. Gray suggested that, if the language of the statute were incorporated in the paragraph, it would freeze the policy to the language of the statute as it now stands whereas the Basic Policy language contemplated the possibility of obtaining changes in the statute.<sup>4</sup> In response the President suggested that it would be easier to change the NSC policy paper than to change the law. Mr. Gray, however, indicated that he was concerned that the language be sufficiently flexible to permit us to seek changes in the law. Secretary Gates inquired as to the meaning in Mr. Gray's proposal of the statement that we should study "on a priority basis" whether to provide bilateral assistance to France. Mr. Gray explained that he intended that this study should go forward simultaneously with the study of a multilateral authority under the first sentence. The President pointed out that the

<sup>&</sup>lt;sup>4</sup> Reference is to the amendment to the Atomic Energy Act of 1954 signed by the President on July 2, 1958, permitting the transfer of nuclear materials and information to other nations. (72 Stat. 276)

language was somewhat ambiguous—the first study was to be done "urgently" and the second "on a priority basis."

Mr. Gray agreed that the clause referring to the successful explosion by France of a nuclear device should be phrased so as to make it clear that we would not help France bilaterally until it had demonstrated a nuclear capability—until it had become eligible for membership in the nuclear club. We were not going to help countries become members of the club, but might help them after they became members. He then indicated that he would revise his proposal in the light of the Council's discussion.

Mr. Gray next read Paragraph 41–c containing the Policy Guidance dealing with Algeria,<sup>5</sup> and went on to describe the split in Paragraph 46 relating to military assistance.<sup>6</sup> He stated that, while on its face the Treasury and Budget position seemed to indicate that Treasury and Budget did not believe that we should not honor our commitments, that, as he understood it, was not their position. Rather the question that concerned them was the meaning of the word "commitments". They feared that Defense interpreted "commitments" to mean all assistance already programmed by the U.S. It was the Treasury and Budget view that, in the Council discussion last August, it had been intended only to make an exception in those cases involving the good faith of the U.S.

Mr. Stans stated that Mr. Gray had accurately presented his view. Budget was not asking for deletion of the phrase with respect to commitments, but only for clarification. He pointed out the that tables in the Financial Appendix<sup>7</sup> indicated that expenditures in the period FY 1960–1962 would total \$130 million. This was based on FY 1958 and FY 1959 carryovers plus \$25 million of new funding in FY 1960. There was also, according to the Financial Appendix, the possibility of additional funding in FY 1961. He felt that, in their study of these commitments, State and Defense should apply a strict definition, including as commitments only those strict and inescapable bilateral understandings which involved the good faith of the U.S.

<sup>&</sup>lt;sup>5</sup> Paragraph 41–c of NSC 5910 stated that every opportunity should be taken to contribute the weight of U.S. influence toward an early, realistic settlement of the Algerian conflict while minimizing the possibility of U.S. involvement as an arbiter and listed five ways the United States could support the approach outlined by de Gaulle on September 16.

<sup>&</sup>lt;sup>6</sup> In his briefing note, Gray wrote that the NSC on August 18 had tentatively agreed that the last sentence in paragraph 46 of NSC 5910 should read: "In the absence of unusual circumstances, conventional equipment and advance weapons and training should be made available to France on a reimbursable basis." He wrote that the majority proposed an addition to this language which would permit provision of grant assistance to cover commitments already made. He added that the Treasury and Budget members of the Planning Board opposed any change in the language agreed upon.

<sup>&</sup>lt;sup>7</sup>Not printed.

Secretary Herter agreed that the whole issue revolved around the question of what was meant by commitments. He said that there were no commitments in a legal sense but only moral commitments. He called upon Ambassador Burgess for comment. Ambassador Burgess indicated that he had talked with the MAAG chief about this problem. Ambassador Burgess believed that it would be possible to sort out our commitments. The President inquired as to whether we could not examine the commitment problem on a project-by-project basis. Secretary Gates indicated his concurrence with this idea [4 *lines of source text not declassified*].

In response Mr. Gates noted that existing NSC policy (NSC Action No. 1550)<sup>8</sup> provides that four conditions must be met before a commitment is made.

The President suggested that the difficulty here was that we tried to do long-range planning, yet we base our plans upon conditions existing at the time that we talked to another country. Then when the economy of that country improves, the country still wants us to be very strict about living up to our commitments. The U.S., he said, should take a look to make sure that it was not doing things that someone else should be doing.

Mr. Gray again pointed out the Budget and Treasury did not object to the language with respect to commitments so long as "commitment" is interpreted to mean something that the French have a reasonable belief that we have said we will proceed with, and not something that simply represents unilateral programming by the U.S.

The President said we should not violate our national honor. He reiterated his suggestion that we should take up each project and determine whether it involved a commitment. In response, Secretary Gates noted that CINCEUR had estimated U.S. military assistance commitments to France at \$31 million for FY 1960 and \$21 million for FY 1961. The principal item involved was the Mace missile. We would [3 lines of source text not declassified].

Mr. Stans indicated that he was satisfied so long as a careful look was taken at each program. Mr. Irwin interjected to state that unilateral programs clearly did not constitute a commitment. He said that he had no problem with the Budget definition of commitments.

<sup>&</sup>lt;sup>8</sup> The four conditions provided by NSC Action No. 1550, approved by the President on May 8, 1956, were: 1) that such promises or commitments were in accordance with approved policy; 2) that either funds were appropriated or authorized by the Congress or that there was an Executive determination to seek such funds as may be required; 3) that it be determined the extent to which the recipient country might be able to support the programs contemplated; and 4) that the probable time-span over which such assistance would be granted, be determined. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

Mr. Gray suggested that the bracketed language be clarified by insertion of the word "official" before "commitments". The President, however, did not like this proposal, preferring the more general language contained in the paper.

[1 paragraph (6 lines of source text) not declassified]

# The National Security Council:<sup>9</sup>

a. Discussed further the draft statement of policy on the subject contained in NSC 5910; in the light of the revisions circulated by the reference memorandum of October 19, 1959, and the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of October 27, 1959.

b. Adopted NSC 5910, as revised by the enclosure to the reference memorandum of October 19, 1959, subject to the following amendments:

(1) Paragraph 41–a, page 30: Revise to read as follows:

"a. Urgently proceed with the study directed by paragraph 24–c of NSC 5906/1 and, at an appropriate time, seek French support of and participation in some form of multilateral European nuclear authority. Urgently study whether and under what circumstances it might be in the U.S. security interests to enhance the nuclear weapons capability of France through the exchange with it or provision to it as appropriate of (1) information; (2) materials; or (3) nuclear weapons; under control arrangements to be determined."

(2) *Paragraph 46, page 33*: Include the bracketed phrase at the end, and delete the second footnote.

"c. Agreed that the commitments referred to in paragraph 46 of NSC 5910 should be interpreted as those which involve the good faith of the United States in relations with France, but should not include unilateral U.S. programming which does not represent a commitment to France.

*Note:* NSC 5910, as amended by the action in b above, subsequently approved by the President; circulated as NSC 5910/1<sup>10</sup> 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.

The action in c above, as approved by the President subsequently transmitted to the Secretaries of State and Defense for appropriate action.

[Here follow agenda items 4, 5, and 6.]

# **Robert H. Johnson**

<sup>&</sup>lt;sup>9</sup> Paragraphs a-b and the Note that follows constitute NSC Action No. 2140, approved by the President on November 4. (*Ibid.*)

<sup>&</sup>lt;sup>10</sup> Document 145.

### 145. National Security Council Report

NSC 5910/1

November 4, 1959.

# STATEMENT OF U.S. POLICY ON FRANCE

#### **General Considerations**

### Introduction

1. Profound adjustments have occurred in the French political and economic scene since the political upheaval in Algiers on May 13, 1958, and the subsequent return of General de Gaulle to power. France is still in a period of transition. De Gaulle's advent not only averted the threat of a military "coup d'etat" and civil war, but has brought about a large degree of national union, new governmental authority, stability and decisiveness. This has in turn permitted the institution of a series of highly significant and constructive political and economic reforms. Moreover, Frenchmen have generally agreed to entrust to De Gaulle the unchallenged leadership of the State, and to follow him along the path toward national rejuvenation and greatness which he has indicated, even though this entails some personal sacrifice.

2. But whether De Gaulle will be able to consolidate his gains over the next few years will depend not only on his continued exercise of leadership but also on significant progress toward solution of France's most critical problem—the Algerian conflict. If he fails and the Algerian war drags on without any prospects for an early settlement, his position will be weakened and he will be less able to withstand the demands from the extremists on the right. There would probably be an increased resort to decree power in order to withstand pressure from the extreme right; if De Gaulle should pass from the scene in these circumstances, the successor regime would probably be an authoritarian regime led by rightists and supported by the military.

### France's Internal Situation

3. The present regime in France is characterized by strong personal direction on the part of the President. This is due to the crisis conditions in which it emerged, the Constitution (approved by public referendum on September 28, 1958), and the character of De Gaulle himself. In addition to the new powers specifically accorded his office, De

Source: Department of State, OCB Files: Lot 61 D 385, France. Secret. A cover sheet, table of contents, financial appendix, and a memorandum of transmittal from the Executive Secretary are not printed. NSC 5910 was amended, as discussed in Documents 128 and 144, and circulated as NSC 5910/1.

Gaulle's own personality has in effect greatly expanded the power, prestige and influence of the President in all aspects of the French national scene. The authority and continuity of the Prime Minister's office have also been significantly enhanced, so that the role of the formerly all-powerful Parliament has, at least for the present, been markedly reduced. It is impossible to judge at this juncture whether conflicts may in time emerge between the President and the Prime Minister or whether Parliament may eventually succeed in recouping much of its former powers. As long as De Gaulle remains in office, it seems likely that he will remain the dominant force in France.

4. Although Communist strength and potential effectiveness have greatly declined from their immediate post-war peak and the Party was further isolated and somewhat shaken by the Hungarian repression, the existence of a strong Communist Party remains a major problem in France. It has a large membership (roughly 300,000, with a hard core of approximately 30,000) and a larger following of voters (traditionally about five million, or 25% of the votes cast). An important source of Communist voting strength is composed of "negative" votes. These represent primarily the discontented elements of the left who feel, given the fact that the Socialist Party has become basically a middle-class party, that to vote for the Communists is the most effective way to register a protest.

5. In the referendum of September 28, 1958, over a million traditionally Communist votes went to De Gaulle, proving that if a sufficiently appealing alternative is provided, the protest vote will abandon the Communist Party. Moreover, in the recent National Assembly elections, owing partly to the effects of the new electoral system, very few Communist candidates succeeded in getting elected. While the present capabilities of the Communists are thus limited, should De Gaulle disappear from the scene, or should the present regime fail to solve its major problems, such as Algeria, and consequently be replaced by some more rightist and authoritarian regime, the subsequent reaction could bring about a resurgence of Communist influence, and could result in the creation of a popular-front type regime. Moreover, the strength of the Communist-dominated CGT (Confederation Generale du Travail) is likely to increase as labor turns to it to protect its interests in lieu of its former representation in the Assembly. Furthermore, the Communists will probably gain increased support as the most effective critics of the regime in power.

6. There is also the increased threat of further action by the extremists on the right who, in conjunction with the military, may press for an even more authoritarian form of government. Such a threat might be realized should De Gaulle pass from the scene before he has consolidated his gains, or should he fail to resolve the Algerian conflict.

7. France is basically one of the strongest and most prosperous countries in Europe. It is a leading manufacturing nation with abundant industrial raw materials as well as agricultural resources. With the injection of a critical margin of external resources, France recovered rapidly from the effects of the war and has expanded and modernized its economy to a remarkable degree. Today France has a high and rising standard of living and an expanding economy. The Fifth Republic has undertaken many significant economic reforms, including measures to place the fiscal system on a sounder basis, free the economy from foreign trade and exchange controls and government subsidies, and remove tariff, quota and other restrictions protecting French industry and agriculture from competition. Thus far the success of these reforms has greatly exceeded expectations. A considerable degree of internal stability has been achieved, and the external situation has improved to the extent that France's foreign exchange holding increased by more than \$1 billion in the first six months of 1959. The implementation of the European Common Market Treaty should contribute to the effectiveness of these reforms. The increasing population and the current development of nuclear energy will further contribute to France's future economic potential.

# The Algerian Problem

8. The Algerian rebellion remains France's most critical problem. Although the French Government can probably continue to finance the Algerian military campaign in its present dimensions almost indefinitely, the over-all Algerian effort which has resulted in tieing down over half of the French ground forces, represents an enormous drain in French resources and is a source of political instability. Moreover, it would appear inevitable that Algeria will emerge with a considerable degree of autonomy, if not eventual independence. General de Gaulle announced his future program for Algeria on September 16, 1959.<sup>1</sup> It promised self-determination to the Algerians through a referendum after pacification; this offer went far beyond that made by any previous French Government. That referendum would offer the choice of secession, assimilation into France, or a large measure of internal autonomy. The announcement has been praised by the U.S. Government, in particular for its promise of self-determination. If implemented in a manner permitting freedom of political expression in Algeria, it would be consistent with our hopes for a liberal and equitable solution which we could support.

9. De Gaulle has made clear his belief that complete independence would not be to the advantage of the Algerians. Instead he appears to

<sup>&</sup>lt;sup>1</sup>See footnote 5, Document 130.

favor an autonomy under which an Algeria would emerge whose internal status and ties with France would be determined in consultation with representatives of Algeria's various ethnic groups. Although not completely spelled out, De Gaulle's offer of self-determination has given rise to new hopes for a restoration of peace in Algeria. It appears to have the support of most French but is being attacked by the extremes of right and left. The rightists and nationalist elements of the European population in Algeria, which played a large role in the events of May 13, 1958, oppose it. While there has been no open opposition from the military, some army leaders are agitating against a liberal solution.

10. The PGAR (Provisional Government of the Algerian Republic) after a period of considerable hesitation during which it consulted with Algerian resistance military leaders and weighed the reactions of the U.S. and other governments, especially those of the Arab states, announced on September 28 that "as director of the Algerian resistance and liberation army" it "is ready to enter into talks with the French Government in order to discuss the political and military conditions of a cease-fire and the conditions and guarantees for application of self-determination".

11. The PGAR statement is not exactly responsive to that of De Gaulle. The acceptance of self-determination through the electoral process by the leaders of the rebellion does, however, represent progress and may lead to undercover discussions between the French and FLN representatives, looking toward a cease-fire and the implementation of the De Gaulle program.

12. Resolution of the problem is made particularly difficult because of its unusual political, economic, and social aspects. In particular, the presence of over a million persons of European descent permanently residing in Algeria (out of a total population of about ten million) and owning the majority of businesses and productive land contributes to making this problem so difficult to resolve, even though their influence has been recently curbed by De Gaulle and the Army in an effort to convince Algeria's Moslems of France's goodwill. The increasing discoveries of petroleum and natural gas in the Sahara and the strategic location of Algeria add to the complexity; the French appear determined to maintain control of the development of the Saharan economy regardless of what modus vivendi eventuates. The current involvement of the French military in the Algerian issue poses a further and perhaps the most serious problem. The explosive nature of the issue was clearly demonstrated by the political upheaval of May 13 which brought an end to the Fourth Republic.

13. De Gaulle's statement has strengthened the growing sentiment in France in favor of a settlement in Algeria, although it has also alarmed certain elements who fear that self-determination will inevitably result in independence. However, metropolitan public opinion has less bearing on the outcome than that of the European population and especially the French military in Algeria. Both France and the rebels are undoubtedly anxious for a settlement, and prior to De Gaulle's proposals overtures were made behind the scenes by both sides. De Gaulle appears to be striving for an agreement with Moslem elements which would provide for evolutionary progress toward eventual internal autonomy. However, the issue of which Moslem elements are to exercise control locally constitutes at least as difficult a barrier to a French-FLN accord at present as the question of the formal status for Algeria. De Gaulle has been unwilling to enter into political negotiations with the FLN. Any steps to give the FLN or its leaders the right to campaign in Algeria for independence would presumably be resisted by many settlers and perhaps some Army elements. Yet some means of assuring the rebels that they can safely enter the political arena is clearly a prerequisite to the cessation of hostilities in Algeria. Thus the problem of Algeria has shifted from the issue of self-determination to the problem of its implementation. One of the difficulties of implementation involves the indication by De Gaulle that the Sahara would in any event remain under French control, and that even the remaining part of the country might be subject to partition as a price of independence. Another difficulty, although a lesser one, is the necessity for ratification of the Algerian choice by the French electorate.

#### French Policy Toward Its Black African Territories

14. The French Government under De Gaulle has taken a decisive and dramatic step toward meeting the aspirations of the Black African territories by establishing the Community in lieu of the highly centralized French Union. The territories concerned can opt for a status of autonomous republics within the Community or even immediate independence if they so desire. The autonomous republics are to some extent self-governing, with France in effect retaining foreign affairs, defense, finance and common services. This institution is now in a formative stage. It would appear that if some of the republics are not eventually to opt for independence, France will have to grant them more voice in the decisions affecting the Community.

## France's Military Role and Capability

15. a. From a military point of view, the United States is primarily interested in ensuring continued and effective French participation in Western defense, particularly within the NATO framework. Because of its strategic location and military potential, France is vital to the North Atlantic Alliance and to NATO military planning for the defense of Europe. Use of French port facilities, highways, railroads, and airfields is extremely important to our armed forces committed to NATO. This fact renders the U.S. NATO forces particularly vulnerable to the national decisions made and actions taken by France.

b. In full knowledge of this strategic position, De Gaulle has demanded both equal status for France with the United States and the United Kingdom in the Councils of the West and support of his policy for Algeria. He has reduced French cooperation in NATO on certain defense issues, thereby creating serious problems for NATO: he has withdrawn the Mediterranean Fleet from "earmarked for assignment to NATO", and, as did earlier French governments but with greater firmness, he has refused to integrate the air defense of France with NATO, and refused to permit stockpiling of nuclear warheads within French territory unless under French control.

16. The current strengths and composition of the active French Armed Forces, which are based on French over-all national objectives including the NATO commitment, were, as of August 1, approximately as follows:

Army:	700,000	(19-2/3 active divisions of various types, which include heavy contingents of con- scripts and reserves called up to deal with the Algerian crisis)
Navy:	87,000	(231 vessels in active service and 711 planes)
Air Force:	134,000	(59 squadrons: total 3,944 aircraft, includ- ing 1,767 in tactical units)
National Gendarmérie:	63,000	(17 Regiments and 15 Battalions)

NATO M–Day force objectives for the French Army, as set forth in MC–70,<sup>2</sup> are 14 divisions. At present, only three and two-thirds French divisions are in Europe—two and one-third divisions in Germany and one and one-third divisions in France. It is estimated that two and two-thirds of these divisions would be capable of opposing aggression effectively during the first month of a war. The bulk of the Army, approximately 16 divisions, is deployed in Algeria, with three of these divisions intended for return to Europe in case of declared emergency.<sup>3</sup> The over-all combat readiness of the French Air Force suffers from the diversion of experienced personnel to units operating in Algeria. Naval air squadrons are proficient in anti-submarine warfare, and the combat capability of the French Navy is relatively good in this respect. France

<sup>&</sup>lt;sup>2</sup>See footnote 7, Document 128.

<sup>&</sup>lt;sup>3</sup> At present France has 374,000 army troops deployed in Algeria, 10,000 in Morocco, 8,000 in Tunisia, and 62,000 in other overseas French territories (some of which are colonial troops). [Footnote in the source text.]

has, however, withdrawn its naval forces in the Mediterranean from the category "earmarked for assignment to NATO". Efforts are being made to work out arrangements for cooperation between French and NATO commands with regard to the use of these naval forces in the common defense.

17. Until the Algerian conflict is resolved, France will be unable to make the important contribution to NATO, both in forces and logistic reserves, which can be reasonably expected. The deployment to Algeria of French forces committed to NATO has seriously reduced SACEUR's capability to accomplish the NATO emergency defense mission. Altogether, France has about 400,000 military personnel in Algeria, composed about equally of personnel of the NATO and national command contingents. Moreover, large quantities of military aid intended for French NATO forces are being used to support the Algerian campaign and will continue to be used for this purpose as long as the Algerian conflict goes on. The resolution of the Algerian conflict, replacement of attrited and obsolescent matériel and provision of modern and advanced weapons systems, could greatly augment the French contribution to NATO defense.

18. France and the other NATO powers look upon the maintenance of U.S. troops in Europe as vital to the defense of Western Europe. Therefore, should the United States decide to reduce the number or personnel strength of its combat units now stationed in Europe, special care would be required with regard to the timing and extent of such withdrawals in an attempt to mitigate the psychological effects thereof in France and the other NATO countries.

19. a. French forces face increasingly serious modernization problems. Despite the magnitude of U.S. aid, the substantial rate of defense spending (in 1958, \$3.4 billion or 7.1% of its GNP), and a large production of military matériel, France has not provided necessary replacements for either its own or previously-furnished MAP equipment and ammunition. In order to reconstitute French forces on a basis which would enable them to fulfill their NATO missions in continental Europe, this attrited and obsolescent equipment would have to be replaced and the advanced weapons program further developed.

b. At present France has the domestic financial as well as the industrial capability of supplying the major part of its own defense needs. In CY 1958, for example, French defense expenditures totaled \$3.4 billion, while U.S. MAP deliveries totaled \$127 million (including \$8 million in excess stocks). The political and economic changes in France over the past year have tended to produce the political will for the French Armed Forces to carry out a long-term modernization program. While it is not possible at this time, in view of the unavailability of information concerning the extent of equipment diversions to Algeria and the rates

of attrition there, to estimate with assurance the eventual costs of improvement and maintenance requirements of French forces in either conventional or advanced weapons, if present trends toward a stronger external financial position continue, France should be able to meet the foreign exchange costs of the greater part of any necessary military procurement abroad. If, in addition, there were a substantial decrease in Algerian military requirements, France could probably finance its total NATO replacement, modernization and advanced weapons requirements including a significant increase in present expenditures for nuclear and strategic weapons programs. However, some part of the saving in military expenditures which could be expected to follow an Algerian settlement will probably be offset by increased expenditures for rehabilitation and development of Algeria. Moreover, even if major hostilities ended on any other basis than independence, France would almost certainly retain substantial forces in Algeria during a transitional period.

20. Furthermore, since\_modernization of her forces has been delayed by the situation in Algeria, France's ability to meet her NATO commitments has been correspondingly reduced. Notwithstanding her improving financial status, her efforts at modernization have of necessity been confined for the most part to those elements of her military forces which are not actively engaged in the Algerian conflict. Thus failure to resolve the Algerian problem could in time result in the need for a major readjustment of MC-70 or related NATO planning. Among other things which contribute to the complexity of this problem, France appears determined to have an independent nuclear military capability, including its own strategic delivery systems for nuclear weapons, and is actively pushing its nuclear weapons program with a view to conducting tests in the near future.<sup>4</sup> De Gaulle has continued the Fourth Republic's policy of refusing to permit the stockpiling in France of nuclear weapons under U.S. control which has led SACEUR to redeploy nine atomic-strike squadrons from France to the United Kingdom and Germany. It is doubtful that De Gaulle would be satisfied with anything less than full and independent national control of France's own nuclear weapons and their delivery systems. Only an early over-all disarmament agreement or a U.S. offer to supply nuclear weapons themselves to France might persuade France to cease its own nuclear weapons program after its initial test. It is possible that the French might in time be willing to share with the United States control over U.S. weapons located in France, though probably only in return for a French voice in the

<sup>&</sup>lt;sup>4</sup> French testing of a nuclear device may come early in 1960. It has been made clear to the French that the testing of such a device would not qualify France to receive U.S. assistance in this field. [Footnote in the source text.]

use of nuclear weapons anywhere. These policies reflect De Gaulle's concept of what is required if France is to be one of the leading powers of the world and his desire to avoid indefinite dependence on the United States for the ultimate protection of France.

## International Relations

21. De Gaulle's own philosophy and the events surrounding his return to power have combined to mark a strong resurgence of French nationalism. De Gaulle is determined that France resume her role as a great power and that this role be recognized. To attain this purpose he seeks the establishment of a U.S.–U.K.–French arrangement for developing and coordinating global political and military strategy, including the use of nuclear weapons; support by the United States and the United Kingdom of a preponderant role for France in what De Gaulle considers to be French spheres of influence, notably in Africa; and the development of French nuclear military potential.

22. While De Gaulle is a strong believer in the validity of a military coalition of the Atlantic powers and in the need for the stationing of U.S. troops in Europe, he has basic objections to the present structure and functioning of the North Atlantic Treaty Organization. He apparently is not convinced of the importance of a high degree of integration in the NATO force structure. He would substitute the concept of cooperation between national commands for that of integrated forces and has advanced tripartite control of NATO strategy. At the same time, he appears to feel that France has had too subordinate a position in the NATO command structure. It is apparent, moreover, that De Gaulle resents the fact that the United Kingdom, and particularly the United States, have forces, especially SAC, that are not integrated and can act independently of NATO. It is clear that while De Gaulle may not wish to cause the break-up of NATO, his views with regard to the military role of France in the Atlantic Alliance will continue to pose serious difficulties for NATO.

23. While De Gaulle strongly favors close cooperation with other Western European powers and has taken active steps during the past year to consolidate such relations, he in no sense shares the views of European Federalists and is fundamentally opposed to any scheme for the political integration of Western Europe or for a European supranational political structure which might diminish the national sovereignty of France or interfere with its overseas responsibilities. The implementation of the Common Market and the resultant integration of Western European economies are bound in the long run to lead to pressures for increasing political integration. However, the present government would be unlikely to accept any further surrender of national sovereignty. 24. Despite latent French hostility toward and fear of Germany as a result of three wars within seventy years, French-German relations have progressed remarkably well in recent years. De Gaulle has done much to consolidate this progress and has developed a close personal relationship with Chancellor Adenauer.

25. De Gaulle has moved toward establishing closer and more friendly relations with Morocco and Tunisia, but as long as the Algerian conflict continues, France's relations with the countries of North Africa will be subject to continuing strains. The duration and outcome of the conflict will determine whether French influence can be maintained in this area, and will also be a significant factor in the long-term possibilities for fruitful collaboration between Europe and Africa. Increased American influence and prestige in these areas are a source of irritation to the French, who tend to believe that we are attempting to supplant French influence. It is generally in the Free World interest that strong and healthy links be maintained between France and its former protectorates.

26. Among the former Associated States of Indochina, France still maintains political influence in Laos and particularly in Cambodia, while in Viet-Nam its influence is limited largely to cultural and commercial interests. It is strongly in the U.S. interest that France cooperate more fully with us in this area than it has in the past.

27. France, together with a number of other Western European countries, is gradually becoming convinced that the UN as presently constituted is largely inimical to its national interests. Because of the recent enlargement of the UN's membership, there is an increasing tendency in France to regard the UN as little more than an extension of the Bandung Conference. Despite this, France still recognizes certain advantages in UN membership, particularly its permanent seat on the Security Council. Thus, moves by the UN which the French consider inimical to their interests in Algeria might cause a French walk-out from the General Assembly, but it seems unlikely that France would withdraw completely.

28. As long as the Algerian conflict continues, France will be a liability in U.S. relations with the Afro-Asian bloc, as well as in the Middle East. If and when this conflict is settled, French capabilities for exercising a constructive role throughout Africa will depend on the nature of the settlement. French influence in the Middle East, other than in Israel (where it has been engaged in covert arms deliveries), will probably be limited for some time largely to commercial and cultural interests.

29. The key issue confronting U.S. policy is the extent to which it would be in the U.S. security interest to cooperate with General de Gaulle in the various means by which he is attempting to recreate French power and prestige. Whatever course is taken by the United States will, to a large measure, affect the future of NATO and European integration as well as the future of France itself. There is little question as to France's importance to the Western Alliance, or that the Gaullist experiment offers the best hope in decades of rejuvenating France as a strong ally. Nor is there any argument that a strong if nationalistic France is so important to long-run U.S. interests that, to the extent compatible with other U.S. interests, we should do all we reasonably can to accommodate De Gaulle. It is equally apparent that solution of the Algerian problem is very important to French and North African stability. France has considerable control over the outcome in Algeria and must play a pre-eminent role in developing a solution. There is no doubt that De Gaulle's ability to achieve his objectives depends to a great degree upon the United States. In this connection the manner in which we treat De Gaulle may be at least as important as what we give him: regardless of how far we go in meeting De Gaulle's demands we must let him know that we are seeking to satisfy his demands where it is found to be practicable and in our mutual interest to do so.

30. Because of France's importance to the Western alliance, it is imperative that we be as responsive as possible to French views. However, the crux of the problem lies in the extent to which we can actually meet De Gaulle's proposals without sacrificing more important interests in other realms.

31. De Gaulle's proposals of September 16, if implemented in a manner permitting freedom of political expression in Algeria, would be consistent with our hopes for a liberal and equitable solution which we could support. The statement of the "PGAR" is also encouraging in its acceptance of the self-determination process. These are the first proposals by either side which offer a basis for working toward a solution acceptable to both. It is in the U.S. interest to support discreetly a settlement generally along the lines proposed by De Gaulle. Espousing the French cause too actively could (a) give De Gaulle's opponents in France the opportunity to attack him through charges of U.S. "interference", (b) undermine our relations with the Afro-Asian states who await evidence that De Gaulle's program will be implemented by the French in such a way as to permit free political expression to those Algerians who advocate independence, and (c) risk driving the Algerian rebels toward closer ties with Moscow and Peiping, should they interpret our position as giving a "blank check" to the French. Thus the United States must, without tempering its support for French efforts to bring about a liberal solution on Algeria, retain a capability to promote by discreet and appropriate means a constructive attitude toward De Gaulle's proposals.

32. While we also wish to be more responsive to French views on other problems we are, however, limited to the extent we can go, given

our own security interests and those of our other NATO allies: (a) De Gaulle's ideas of a coalition NATO could spell an end to any hopes of an effective Western European defense which requires a high degree of integration in the light of modern military technology; (b) to grant his demands for a formalized triumvirate to determine Western global strategy would be deeply resented by our NATO allies and regarded with suspicion by African and Asian countries; it would also seriously impair U.S. strategic flexibility and might involve giving France a virtual veto power on the use of U.S. nuclear weapons. Moreover, it does not appear that meeting the present French "requests" or some of them (e.g., for full support on Algeria) will satisfy De Gaulle or make him more flexible on the remainder. Under the best of circumstances Gaullist France will be a headstrong and difficult ally, with French-U.S. relations experiencing frequent strains. We must therefore continue to retain a position of flexibility on these other problems so that we can, on a case-by-case basis, accommodate De Gaulle in the light of other U.S. interests.

## Objectives

33. Maintenance of close U.S.-French relations, and French policies generally in consonance with our own.

34. Development of France as a stronger, more constructive and stable force in the Free World.

35. Increased French support for measures that will strengthen the integrated defense of Western Europe, fulfillment of French commitments to NATO, and continued availability to the United States of military facilities and lines of communication in France.

36. Close French cooperation with the Western European states in all fields, and in particular with West Germany. Successful implementation and evolution of the European Community Treaties.

37. An early and equitable settlement of the Algerian conflict as a means of contributing to general stability in France and North Africa.

38. Continuation of constructive French political and economic policies toward Africa South of the Sahara in furtherance of European contribution to the economic and technical development of Africa.

39. Reduction of Communist strength and potential in France.

# Major Policy Guidance

40. Seek maximum French support for U.S. positions and objectives. To this end, consult with the French Government to the extent feasible on current issues of international importance and coordinate where possible our respective policies. Support French initiatives which are in the over-all U.S. interest. Where, on occasion, it becomes necessary to oppose French policies, make such opposition known privately to the French so far as possible and, where feasible, offer constructive alternatives and seek French support thereof.

41. Continue particularly to coordinate with the French our policies with regard to the Soviet Union and German reunification. Make every effort to dispel any impression that the United States might seek bilaterally to reach agreement with the USSR on matters of direct concern to France.

42. Bearing in mind the importance of French cooperation to the Western alliance, seek to be responsive to De Gaulle's major requests: nuclear cooperation, tripartite strategic planning, and support of French policies in North Africa, so far as consistent with basic national policies and the over-all U.S. interest. Specifically:

a. Urgently proceed with the study directed by paragraph 24–c of NSC 5906/1<sup>5</sup> and, at an appropriate time, seek French support of and participation in some form of multilateral European nuclear authority. Urgently study whether and under what circumstances it might be in the U.S. security interests to enhance the nuclear weapons capability of France through the exchange with it or provision to it as appropriate of (1) information; (2) materials; (3) nuclear weapons; under control arrangements to be determined.

b. Continue the tripartite discussions in Washington including parallel military talks, expressing a willingness to discuss all problems on the understanding that the talks will not be institutionalized, that other interested nations will be kept informed, that no attempt will be made to impose decisions on other nations or on pacts in which the United States is a member, and that the talks will not replace or derogate from those taking place within treaty organizations of which the United States is a member. Do not accede to French requests for the establishment of a U.S.–U.K.–French institutional arrangement for developing and coordinating global political and military strategy.

c. In view of the crucial importance of an Algerian settlement to both French and North African stability, take every appropriate opportunity to contribute the weight of U.S. influence toward an early, realistic settlement while minimizing the possibility of U.S. overt involvement as an arbiter. Continue to give support to the general approach outlined by De Gaulle on September 16, but retain sufficient flexibility to allow us discreetly to serve a constructive role in its application. To this end:

(1) Direct U.S. efforts towards encouraging an early settlement of the Algerian problem generally along the lines of the approach outlined by De Gaulle.

(2) Discreetly encourage through appropriate channels discussions between the rebels and the French Government, initially for

<sup>&</sup>lt;sup>5</sup> Pursuant to paragraph 24–c of NSC 5906/1, plans for the development of NATO arrangements for determining requirements for, holding custody of, and controlling the use of nuclear weapons are under urgent consideration within the Executive Branch. [Footnote in the source text.]

the purpose of achieving a cease-fire; attempt to have friendly third powers play a similar role and contribute to a broader settlement.

(3) Endeavor to ensure better understanding that the U.S. motivation is its desire for an early, peaceful and equitable solution.
 (4) Except in connection with necessary UN considerations,

(4) Except in connection with necessary UN considerations, keep our public involvement in the implementation of De Gaulle's proposal to a minimum, but continue to make clear our general position as outlined above.

(5) Whenever feasible, encourage the Asian and African peoples, particularly the Arab countries, to adopt a moderate attitude toward the De Gaulle proposals.

43. Following an Algerian settlement, encourage France to reconstitute her NATO forces in Europe as soon thereafter as possible.

44. Encourage the maintenance of close and friendly ties between France and North Africa. In this connection, continue to study carefully the possibilities of some form of Franco-Maghreb association for contributing to a solution of the Algerian problem.

45. Encourage the continuation of present forms of French assistance to Tunisia and Morocco, and the settlement of outstanding issues between France and Tunisia and Morocco in the hope this may lead to resumption of French military and development assistance to those countries.

46. Endeavor to secure increased and more effective French participation in NATO, taking full account of the possibilities for, and being prepared, where feasible, to support a more prominent French role in the NATO command structure. Seek to continue the use on a harmonious basis of U.S. installations in France and the satisfactory carrying out of the NATO Status of Forces Treaty.

47. Encourage France to participate, to the maximum extent practicable, in strengthening the collective defense of the Free World through increased provision of military and economic assistance to selected countries outside the French Community. Seek to convince France that U.S. strategy and policy serve its security interests as well as those of the United States.

48. In the light of the availability of U.S. resources and over-all demands upon them, continue to furnish France military assistance for the purpose of assisting France to fulfill the missions of its U.S.-approved military forces for NATO, so long as we are assured that such assistance will be used only in support of approved NATO military operations. In the absence of unusual circumstances, conventional equipment and advanced weapons<sup>6</sup> should be made available to France on a reimbursable basis, except for commitments already made.

49. Encourage the implementation of present constructive French policies in the autonomous republics of Africa South of the Sahara and the continuance of French economic and technical assistance to those republics. Make clear our policy in support of the Community in furtherance of a mutually beneficial and cooperative relationship between Western Europe and Africa. Accordingly, coordinate any U.S. technical and financial assistance to those republics with French and European plans in order to prevent duplication and to avoid giving the impression that the United States intends to supplant French influence. Avoid encouraging these republics to look to the United States for financial assistance.

50. Assist the continued maintenance of satisfactory French-German relations and encourage close cooperation between France and the other States of Western Europe in all fields. In this connection, continue to support the broad objectives of the European Community and Common Market Treaties, recognizing that the initiative for achievement of these objectives must continue to come from France and the other European States directly concerned.

51. Endeavor to assure full French cooperation with controls over strategic trade with the Sino-Soviet Bloc and to prevent French recognition of Communist China.

## [1 paragraph (1-1/2 lines of source text) not declassified]

53. As appropriate, encourage the French to maintain policies designed to achieve internal financial stability, and balanced external accounts at high levels of activity.

<sup>&</sup>lt;sup>6</sup>As used in conjunction with the Military Assistance Program, the phrase "advanced weapons" is defined as missile weapons systems, with or without nuclear delivery capabilities, and such other weapons systems as possess nuclear delivery capabilities. [Footnote in the source text.]

# 146. Letter From President Eisenhower to President de Gaulle

November 17, 1959.

DEAR GENERAL DE GAULLE: I have scrutinized carefully your statement and your answers to press questions on November tenth and would like to take the liberty of commenting on certain portions thereof.<sup>1</sup>

With regard to the holding of a summit meeting, I am inclined to agree with your reasoning and your analysis of the situation. I believe there is one additional point worth mentioning and that is Khrushchev's conviction that time is on his side and his growing confidence that a détente will work to the advantage of the Soviet Union. I believe our own approach to a summit meeting should reflect our own profound belief in the inherent strength of our own cause, and the belief which I have, that on the contrary time will work to our advantage, especially in the event the Soviet Union is further opened to Western influences. Therefore, we believe probing operations of the type envisaged at a summit meeting have a definitely useful role in our relations with the Soviet Union.

In view of our long, and what I consider close, friendship I was somewhat astonished to find in your remarks certain passages that seem to imply a lack of confidence in the good faith of this nation and its Government. I hope, of course, that there is some other explanation that does not seem apparent to me. I should be less than frank if I did not express quite bluntly the concern which I feel. The passage I quote comes from the text handed to the State Department by Ambassador

Regarding correspondence between Eisenhower and de Gaulle on a possible summit meeting, see Document 143.

Source: Eisenhower Library, Project Clean Up. Secret.

<sup>&</sup>lt;sup>1</sup> At his November 10 press conference, de Gaulle outlined three conditions that had to be met before he would agree to a summit conference: that international relations improve between East and West in the succeeding months so that the Chiefs of State could talk in an atmosphere of détente; that the Western leaders agree to an agenda and a common position on each issue beforehand; and that Khrushchev meet personally with him. De Gaulle said that Khrushchev would visit France on March 15, 1960. For text of de Gaulle's statements made at his press conference in Paris, November 10, see *Statements*, pp. 57–70.

In a November 13 memorandum to the President, Herter urged Eisenhower to respond to some remarks made by de Gaulle at his November 10 press conference, a copy of which he enclosed. Herter wrote: "I have thought this passage so offensive that we should not let it pass, and accordingly I would recommend that you send a message to de Gaulle along these rather blunt lines." The draft letter enclosed was approved by Eisenhower with the following additions: Goodpaster added the first two sentences to the third paragraph and the President crossed out the words "is most unpalatable to me" in the first sentence of the eighth paragraph and added, "I feel unjustified." (Eisenhower Library, Project Clean Up)

Alphand: "Who can say that, for example, some sudden advances in development, especially for space rockets, will not provide one of the camps with so great an advantage that its peaceful inclinations will not be able to resist it?

"Who can say that if in the future, the political background having changed completely—that is something that has already happened on earth—the two powers having the nuclear monopoly will not agree to divide the world?

"Who can say that if the occasion arises the two, while each deciding not to launch its missiles at the main enemy so that it should itself be spared, will not crush the others? It is possible to imagine that on some awful day Western Europe should be wiped out from Moscow and Central Europe from Washington.

"And who can even say that the two rivals, after I know not what political and social upheaval, will not unite?"

While I am sure this was not your intention, I am disturbed by the implication in these remarks that you might consider the United States to be on such a low moral plane as to be disregardful of its commitments to its allies. I need hardly add how profoundly the United States is attached to its commitments in Europe reflected in NATO. Likewise I am greatly astonished by your apparent implication that the United States would be with the Soviets, a party to "dividing the world". I am sure you did not mean this conclusion to be drawn because you are certainly aware of how profoundly contrary it would be to the most fundamental tenets of United States policy. Furthermore this policy is not based on any transitory features but is fixed by our Constitution and is firmly rooted in the very nature of the American people.

The equation you appear to have drawn between my country and the Soviet Union is one which I feel unjustified, and I should appreciate a word from you that it was in fact not your intention to place the United States in the same category of nations with the Soviet Union insofar as the upholding of moral commitments and dedication to peace are concerned.

I do not wish to close without likewise mentioning the most interesting portions of your press conference dealing with Algeria and the Community. Your remarks dealing with Algeria appear to be a further courageous step forward on your part, on which I congratulate you, and which we all hope will assist your country in solving this most difficult problem. As you know I welcomed your declaration of September sixteenth on Algeria and continue to support your Algerian policy. I was likewise happy to note your reiteration of the principles of freedom of choice of their political status by the members of the Community.

With warm regard, Sincerely,<sup>2</sup>

<sup>2</sup> Printed from an unsigned copy.

# 147. Letter From President de Gaulle to President Eisenhower

Paris, November 24, 1959.

DEAR MR. PRESIDENT: What you were good enough to write to me in connection with the possible advisability of holding a summit conference, in due time, corresponds to my way of thinking.<sup>1</sup> I am pleased to have the opportunity to discuss the matter with you thoroughly next month.<sup>2</sup>

I should deeply regret it if what I said to the press on November 10 regarding the reasons for France's plans to equip itself with atomic weapons has displeased you. Rest assured that my words expressed no misgivings with respect to the United States and its government, as constituted at the present time. I am entirely convinced that you personally and your country are, to quote your comforting phrase, "deeply attached to your commitments in Europe."

However, France's effort to become a nuclear power—which our country must ensure by its own resources since its Allies do not place sufficient trust in it to help it become such a power—will extend over a long period of time. It is patently impossible to predict with certainty what the evolution of world policy will be throughout such a period, particularly with respect to future relations between [the United States

Source: Eisenhower Library, Whitman File, International File. Secret. The source text is a Department of State translation. Under cover of a November 27 memorandum to Goodpaster, Calhoun transmitted the signed French original of this letter, which had been delivered to the Department of State by the French Embassy that day, and this translation. Calhoun's memorandum bears Eisenhower's initials. (*Ibid.*)

<sup>&</sup>lt;sup>1</sup> Reference is to Eisenhower's letters to de Gaulle of October 9, 16, 21, and 28; see Document 143.

<sup>&</sup>lt;sup>2</sup>See Document 151.

of]<sup>3</sup> America and Russia, their respective r[gimes, and new elements that the development of the other continents now in progress may one day bring.

Moreover, how can one assert that the policy adopted by you at the present time in the event of a world conflict, which policy calls for close solidarity between the United States and Western Europe, would always remain unchanged? The United States, for reasons of its own that were undoubtedly very justified, did not participate in the First World War until 1917. During the Second World War it entered the conflict after France had been occupied by the enemy for eighteen months. You, who know how vulnerable my country is, will certainly agree that in the basic concept and preparation of its national defense it must take into account any unknown elements the future may hold in store for it together with the experience of the past, without however doubting the sincerity and resolution of its American allies.

Accept, Mr. President, the assurances of my sincere friendship.

C. de Gaulle<sup>4</sup>

# 148. Memorandum From Secretary of State Herter to President Eisenhower

December 1, 1959.

SUBJECT

Speech by General de Gaulle on French Strategy

General de Gaulle on November 3 addressed the French War College on the role France should play in the defense of the West. Although the speech was private, its contents leaked to the press and the French authorities have released the full text. A translation of the speech is attached, and will be of interest to you.<sup>1</sup> It indicates General de Gaulle be-

<sup>&</sup>lt;sup>3</sup> Brackets in the source text.

<sup>&</sup>lt;sup>4</sup> Printed from the English translation that indicates that de Gaulle signed the original French-language copy.

Source: Eisenhower Library, Whitman File, Dulles–Herter Series. No classification marking. A handwritten notation on the source text indicates the President saw it.

 $<sup>^1</sup>$  Not printed. A copy of this speech, attached to a copy of Herter's memorandum, is in Department of State, Central Files, 751.11/12–159.

lieves that France should no longer participate in an integrated system of Western defense, but should play its individual role, as it thinks best, and under its own commanders, at best "coupling its strategy" with others and "marching shoulder to shoulder" with its allies on the battlefield.

The speech suggests that General de Gaulle has failed to learn about or comprehend the nature of weaponry and warfare as it has developed since 1945. He rationalizes his hostility to the concept of integrated defense by contending that France has "recovered its national personality" which could not endure in an integrated system of defense, and that the Free World is no longer "faced with an imminent and limitless threat".

General Valluy (CINCENT) is reported to have made the following statement in a press conference at Fontainebleau on November 23: "I believe that certain declarations recently made elsewhere than here on a French military policy of non-integration do not apply to the Headquarters Central Europe where we are normally and daily obliged to practice integration." We have heard that General Valluy has been disturbed for some time about the course of French policy but this is the first instance he has spoken openly about it.

## Christian A. Herter

# 149. Memorandum From Secretary of Defense Gates to President Eisenhower

December 17, 1959.

SUBJECT

French Cooperation on Defense Matters

There is considerable evidence, both in terms of French actions and statements of responsible leaders, that the French Government is following a calculated policy of non-cooperation in defense matters. Without question this policy flows from President De Gaulle.

The French actions which substantiate this view are: (1) Advocating coordinated military efforts rather than unified control. This has

Source: Eisenhower Library, Project Clean Up. Secret. A handwritten notation on the source text by Goodpaster reads: "Reported to President."

resulted in almost a complete block to integrated air defense. (2) Refusal to accept any atomic stockpile on French soil. This has forced the United States to withdraw elements of the strike force from France. (3) Withdrawal of important elements of French naval forces from SACEUR command and institution of effort toward coordinated fleet movements. (4) Lack of cooperation on infrastructure matters.

That this is a calculated program seems apparent from comments of French military and political authorities. M. Guillamat, in conversation with me on the evening of Wednesday, December 16, requested that military discussions in the NATO Council not be extended.<sup>1</sup> Further discussion was useless, he said, since he could not alter France's position; he was acting on instructions from higher authority. Ambassador Alphand, prior to our departure from Washington, made a similar statement to Mr. Irwin, speaking of the difficulty our two countries were having with respect to cooperation in defense matters.<sup>1</sup> Both Guillamat and Alphand recommended that you speak frankly on these issues with President De Gaulle.

The foregoing supports the conclusion that discussion between you and President De Gaulle in the frankest terms offers the only possibility of securing French cooperation to our philosophy of unified defense or of clarifying the basic issues that concern President De Gaulle. I recommend this course of action.

Thomas S. Gates

<sup>&</sup>lt;sup>1</sup>No record of this conversation has been found.

# 150. Telegram From Secretary of State Herter to the Department of State

Paris, December 21, 1959, 4 p.m.

Cahto 14. Following is based on interpreter's summary of President's talk alone with de Gaulle at Elysee morning December 19. Conversation lasted 55 minutes:<sup>1</sup>

President spoke first of his recent trip including visit to Tunisia.<sup>2</sup> De Gaulle said he felt French could reach agreement with Bourguiba on Bizerte and would eventually withdraw their ground garrison. He said that Bourguiba was tied to West and feared Algerians. He added French hoped they would be able to work out satisfactory agreement with Bourguiba.

De Gaulle said militarily situation in Algeria much improved. He still stood by his offer of free choice of three alternatives for Algerians independence ("if they want to go we'll let them go"), an Algerian Government in association with France, or integration with France. He added there was no point in French trying to force people to be French against their will. De Gaulle felt President's whole trip has been extremely useful and that West should make a strong effort to coordinate policy on aid to underdeveloped countries, including offering possibility to Russians of participating in developing specific areas, e.g., the Nice Valley. He agreed with President we should not set up cumbersome new organizations for this purpose.

There was brief discussion of U.S. abstention in U.N. on the Algerian resolution.<sup>3</sup> De Gaulle stated that he regretted it but understood it. President made quite plain this vote did not in any way imply we had departed from our support for de Gaulle's offer of September 16.<sup>4</sup> De Gaulle then said situation in U.N. would soon become serious. Within few years we would have thirty African states, twenty Moslem states

Source: Department of State, Central Files, 711.11–EI/12–2159. Secret. Herter was in Paris to attend the Ministerial Meeting of the NAC held December 15–17 and 22.

<sup>&</sup>lt;sup>1</sup> This conversation was held at 11:30 a.m. at the Elysée Palace. No memorandum of the conversation has been found. Eisenhower was in Paris to attend the meeting of the Western Heads of Government December 19–21 after his trip to Italy, the Middle East, South Asia, and Africa which began on December 4.

<sup>&</sup>lt;sup>2</sup> Eisenhower visited Tunisian President Habib Bourguiba at La Marsa on December 17.

<sup>&</sup>lt;sup>3</sup> The Afro-Asian resolution recommending negotiations between Algeria and France toward a peaceful solution of the conflict failed to pass the U.N. General Assembly on December 12 by a vote of 35 to 18, with the United States and 27 other countries abstaining.

<sup>&</sup>lt;sup>4</sup>See footnote 5, Document 130.

and ten Communist states. President agreed and felt solution might lie in strengthening Security Council and perhaps abolishing veto. De Gaulle agreed.

Discussion then turned to NATO. Leak of General Twining's speech was deplored by both.<sup>5</sup> De Gaulle again suggested U.S.–U.K.– France hold secret discussions on general policy as secrecy with fifteen was impossible. Three should also consider planning not only for NATO area but to define policies toward Africa and other such questions.

De Gaulle said France regarded the Atlantic Alliance as essential. He felt it should be strengthened and in no way intended lessen France's support for it. He added, however, that when Algerian war was over and French troops returned to the continent, and France was in possession of nuclear weapons, then command structure should be reviewed in order to give France more adequate place. De Gaulle said he did not especially want to have French officer as SACEUR. He felt it should be a U.S. officer in view of contribution which U.S. was making.

President noted Admiral Anderson had told him of close relations existing between his command and French Navy in Mediterranean.<sup>6</sup>

President then voiced concern at talk abroad in Europe concerning U.S. intentions to pull out or withdraw from Europe and NATO. President said this was untrue and he hoped that all concerned would take every opportunity to squelch this false idea and "divisive talk".

Both Presidents expressed satisfaction at having this opportunity to be able to talk frankly together. There was brief discussion concerning Germany and difficulty of Adenauer's position until 1961 election, in attempting to show any flexibility on Oder–Neisse frontier or on Berlin and internal political situation.

Conversation then concluded and it was indicated that it would be resumed later.

## Herter

<sup>&</sup>lt;sup>5</sup> In Twining's remarks to the Military Committee of NATO on December 10, he argued that the NATO countries that had policies of noncooperation in certain areas were weakening the entire defense of NATO, thereby increasing the possibility of war; see Part 1, Document 233.

<sup>&</sup>lt;sup>6</sup>No record of this conversation has been found.

## 151. Record of Meeting

Rambouillet, December 20, 1959, 10:15 a.m.

PRESENT

President de Gaulle President Eisenhower The Prime Minister Monsieur Debre and Interpreters

President de Gaulle said that he was glad that at last the representatives of the three Western Summit Powers have met together. He wished to discuss the best method of cooperation between the three Powers, the United States, the United Kingdom, and France. There were a large number of subjects in which they were interested upon a worldwide basis, beyond the present limitations of NATO. One of the most important of these was Africa; then there was the question of Germany and its future; there was the question of military cooperation throughout the world. These three Powers had world-wide responsibilities which were not true of the other Powers in NATO, such as Germany, which had no colonies, or Italy. The three had to consider the Far East, the Middle East, and Europe as a whole.

President Eisenhower said that he would like to suggest the establishment of a tripartite machinery to operate on a clandestine basis with the object of discussing questions of common interest to the three Governments. The group which he had in mind might meet in one of the three capitals. Personally the President preferred London, but which capital was immaterial provided that there was no question of a connection with NATO. Such an organization would have many advantages; in particular it would ensure that at least there was some discussion between the Governments on the facts of any given question. The Prime Minister said that he quite agreed with the suggestion. President Eisenhower continued that his idea was that each country should supply one or two men who should not only be competent but also of specially good judgment and of reasonably high rank. There might be someone on the political side, a military figure, and an economist. President de Gaulle expressed himself very satisfied with this idea.

[Here follows discussion of unrelated matters.]

Source: Department of State, Conference Files: Lot 64 D 560, CF 1569. Top Secret. No drafting information appears on the source text. A summary of the conversation was transmitted to the Department of State in Cahto 17 from Paris, December 22. (*Ibid.*, Central Files, 396.1–PA/12–2259)

#### 152. Memorandum of Conversation

US/MC/8

Rambouillet, December 20, 1959, 4:30 p.m.

## MEETING OF HEADS OF GOVERNMENT

Paris, December 19-21, 1959

PARTICIPANTS

The Secretary President de Gaulle

SUBJECT

Algeria, NATO, Nuclear Weapons, EEC

As the President was departing with Chancellor Adenauer, Prime Minister Macmillan, and their parties, General de Gaulle asked me if I would mind waiting behind to have a short talk with him *deux*. I spent about 15 minutes with him alone.

The General said that he was anxious to cover with me the same general ground which had been gone over with the President the day before.<sup>1</sup>

On Algeria, General de Gaulle said that he had appreciated the support for his position which had been promptly accorded by both the President and the Secretary of State. He regretted that we had abstained on the final vote on the resolution in the U.N., but this had not affected the final outcome and could be considered a relatively unimportant incident.<sup>2</sup>

Insofar as NATO was concerned, the General said that things in the alliance should remain as they were. France would neither add nor subtract from its present effort and attitude. Once French troops were back in Europe from Algeria, then there would be time enough to consider possible command rearrangements but for the time being the situation should remain as it is.

I raised the question of unified air defense and told the General that this was a matter on which we felt strongly. I pointed out that, with troops from a number of Allies in Germany and no unified command, we were faced with a hopelessly confused and militarily inadequate situation if trouble were to break out. The General dismissed the seriousness of the problem. He said that he had been talked to about the

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret; Limit Distribution. Presumably drafted by Herter and approved by the Office of the Secretary on December 22.

<sup>&</sup>lt;sup>1</sup>See Document 150.

<sup>&</sup>lt;sup>2</sup>See footnote 3, Document 150.

question of the radar system and communications and that we could proceed with this on a coordinated basis. I told him that the essential thing was a unified command which, in the event of trouble, could move with the necessary speed. The General repeated that matters were to be left as they were.

The General then said that by mid-March they would have their atomic explosion but that they would not have by then much capability in this field. He intimated that he assumed following the explosion the United States would be in a position to cooperate with France. I replied that the United States Government operated in this general area under stringent statutory limits. I said that France would not be automatically entitled to intimate collaboration with the United States on atomic matters following the explosion of their first bomb and that in point of fact what we might be able to do with France in this general area would be determined in the last analysis by the general impression of our Congress concerning the extent to which France was playing a cooperative role in NATO. I said that recent actions by France had created an unfortunate impression on our Congress. The General did not pursue this point.

I then brought up the question of the stockpile of nuclear weapons in France. The General acted aggrieved and asked how this could be considered if such weapons were not exclusively under French control if they would be stored on French soil. In consequence of his attitude I got nowhere with him on this point.

The General then returned to the British attitude concerning the European Economic Community. He said that he considered them to be unnecessarily concerned. They had had in the early days an opportunity to join the Community but had attached impossible conditions, particularly in connection with their economic relations with the other members of the Commonwealth. In general he showed a lack of sympathy and even suspicion as far as British motivations were concerned. When I mentioned the communiqué which had been agreed to that afternoon dealing with future economic discussions and expressed my belief that this was a very helpful move in the right direction, the General just shrugged his shoulders.

General de Gaulle said there had been agreement that morning that there should be continuing consultations between France, Great Britain and United States on a very discreet basis.<sup>3</sup>

Our talk then broke. Throughout it, the General's attitude was entirely friendly. There was, however, no indication of any prospective change in his position on the matters at issue in NATO.

<sup>&</sup>lt;sup>3</sup>See Document 151.

# 153. Letter From Secretary of State Herter to Foreign Minister Couve de Murville

December 30, 1959.

DEAR COUVE: At the meeting of the Chiefs of State and Heads of Government of France, Great Britain, and the United States at Rambouillet on Sunday morning, December 20,<sup>1</sup> there was as you know discussion of an arrangement for secret tripartite talks in London on matters of common concern, with the emphasis on subjects in this connection which are beyond the scope of NATO. President Eisenhower and I have discussed this, and in consequence I am writing to you and similarly to Selwyn Lloyd to confirm our readiness to participate and to indicate to you the fashion in which we think such talks should be conducted. [1-1/2 lines of source text not declassified]

Our plan would be to name as our Senior Representative, Mr. Walworth Barbour, who is our Minister in the London Embassy. He would be assisted by the senior Economic Officer in the Embassy and by a military officer already stationed in London. [4-1/2 lines of source text not declassified]

It also occurs to me that in the interest of genuine privacy, the meetings as they are held from time to time might be in the form of private dinners in a residence, with the evening devoted to discussion.

For our part, we would be prepared to meet at any date agreeable to you and to Selwyn. It would be helpful, I think, if well in advance of the first meeting there could be an exchange among the three of us with respect to particular topics which one or the other desired to have raised.

I would appreciate a word from you by private letter when you have had a chance to consider the thoughts I express above. Ambassador Houghton and our Minister Cecil Lyon are [*less than 1 line of source text not declassified*] aware of these contemplated arrangements. I would appreciate it, therefore, if you would communicate your reply through one or the other of them. I have written Selwyn similarly and presume I will also be hearing from him.<sup>2</sup>

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret. Drafted by Merchant. Enclosed in Herter's December 30 letter to Lyon for delivery to Couve de Murville.

<sup>&</sup>lt;sup>1</sup>See Document 151.

<sup>&</sup>lt;sup>2</sup> In a January 7, 1960, letter to Herter, Houghton reported he had delivered the letter that afternoon. Houghton wrote that Couve had said that, in his opinion, the plan seemed all right and he promised a definite reply soon. Copies of both these letters including a copy of Herter's December 30 letter to Lloyd, which was identical to his letter to Couve de Murville, are in Department of State, Presidential Correspondence: Lot 66 D 204.

With every wish for a very happy New Year, I am Sincerely,

Christian A. Herter<sup>3</sup>

<sup>3</sup> Printed from a copy that bears this typed signature.

# 154. Telegram From the Embassy in France to the Department of State

Paris, January 13, 1960, 7 p.m.

3124. Regarding Embtel 3115.<sup>1</sup>

1. Genesis of Pinay resignation doubtless involved variety of considerations on part of Pinay, Debre and de Gaulle. From Pinay's point of view, it seems likely that he was motivated on one hand by growing unhappiness over number of issues (NATO, European integration, economic policy, and perhaps not least of all manner in which de Gaulle runs government), and on other by feeling that with deterioration in internal political climate (including attitude his own group) and bearing in mind his own long-term ambitions (i.e., to succeed de Gaulle) this might be advantageous time to leave government at peak of success of his economic program. From point of view of de Gaulle and Debre, there was doubtless growing irritation (shared by several UNR Ministers) with independence of Pinay and his outspoken criticisms and a feeling that, while his departure might have some undesirable repercussions, success of Pinay program such that government could afford to let him go at present juncture if someone like Baumgartner could be counted on to minimize impact on financial circles.

2. On political plane, Pinay departure likely to have significant though probably not immediate consequences. Independents, who have in majority become increasingly hostile to government over past

Source: Department of State, Central Files, 751.13/1–1360. Confidential; Priority. Transmitted in two sections. Repeated to London, Bonn, Brussels, Luxembourg, Rome, Stockholm, Bern, and The Hague.

<sup>&</sup>lt;sup>1</sup> In telegram 3115 from Paris, January 13, the Embassy transmitted the text of Pinay's statement of resignation. (*Ibid.*) Finance Minister Pinay resigned from Debré's Cabinet on January 13 and was replaced by Wilfred Baumgartner, Governor of the Bank of France.

six months, have privately welcomed Pinay crisis and can be expected to seek to capitalize on Pinay's departure for purposes of party politics. Flechet may be prevailed upon to resign and resignation of Rochereau is also possible while Giscard d'Estaing and certainly Jacquinot are expected to stay on.

3. Although Pinay had not been very close to parliamentary group during last year and although he known to be somewhat at odds with majority of party over Algeria, independents can be expected avoid mention of differences and endeavor to rally behind Pinay. Over period of time, anti-governmental trend among independents likely to be accelerated as result both by virtue of fact that party no longer inhibited of Pinay's presence in government and because party will feel that it has alternate leadership to propose. This does not necessarily mean that party will move into "opposition" at next session of Parliament (April 26) but it will be more prone than before to adopt hostile position on specific issues. Extent to which this trend among independents will be serious will depend, of course, on nature of problems, particularly Algeria, which will arise during next few months. A corollary development will be to give greater weight to position of MRP whose support will become increasingly important to government.

4. It is well known that Pinay has been critical of de Gaulle policies towards Atlantic Alliance. Pinay is reliably reported to have been told by de Gaulle that government's policy would be to continue to favor Atlantic Alliance but that his government would insist that United States and France participate on equal basis on development and modernization of Alliance. General then let Pinay know he was aware of and could not countenance latter's critical comments made in public.

5. Departure of Pinay from government removes leading political figure advocating close cooperation with United States within NATO but does not in our view signify any change in de Gaulle's policies.

6. Problems facing Pinay's successor concern both foreign and domestic scene. If, as seems very likely, government takes position that economic and financial policies pursued since beginning of 1959 will not change, new Minister of Finance's first job will be to convince financially sophisticated business and financial groups that there really has not been any reversal of policy. Failure to achieve this could mean a falling off of foreign investment, particularly in quoted French securities, and greater interest on part of Frenchmen to invest abroad.

7. If Pinay's successor is Baumgartner, as now seems likely, this problem should not be too difficult, at least in immediate future. For such people he is symbol of financial conservatism and private enterprise. Although Pinay is widely known in France as defender of purchasing power of France, his departure would not necessarily provoke rush to buy goods on assumption that prices would start rising. However, businessmen might be little more likely to raise prices or labor unions to press for greater wage increases. In labor field especially, successor and government in general would have to be careful not give impression Pinay's departure meant change in policy of trying keep wage increases within limits of annual productivity gains.

8. Baumgartner has not been a supporter of Common Market although he apparently changed his position somewhat by last summer (see Embdes 184 July 31, 1959).<sup>2</sup> However, support for Common Market in France, both inside and outside government, is sufficiently strong that his views are not likely change direction of French policy in this regard.

9. In longer run on domestic scene, first test of relative weight to be given to objectives of economic expansion and price stability will come when 1961 budget is drawn up this summer. If planned deficit grows, especially when it seems most likely that France will be in period of expansion, it will be evident that financial conservatism of this past year is being abandoned. In assessing likelihood of this change, following considerations should be taken into account: (1) other Ministers are not advocates of expansion; (2) they have very recent memories of b/p crises and understand that present external reserve position too weak to bear triple load of rapid expansion, speculation against France, and repayment debt scheduled for 1960 and 1961; and (3) present government is less likely put itself in embarrassing position of asking for foreign aid than past ones. If government is prepared to resist political temptation to appease pressure groups, present political structure will enable it to maintain stable basis for French economy.

## Houghton

 $<sup>^2</sup>$  Despatch 184 from Paris transmitted Baumgartner's views on European integration. (Ibid., 440.002/7–3159)

## 155. Airgram From the Department of State to the Embassy in France

January 15, 1960.

G–236. Paris pass Thurston and Finn, info USRO. State–Defense message. Following for Embassy's information. Dept and Defense hope shortly to negotiate agreement with France for Atomic cooperation. Entire proposal is under consideration by AEC, and their position cannot now be forecast. Agreement is necessary under Section 144b and 91c of Atomic Energy Act to provide for transmission of Restricted Data and equipment necessary for training of French forces which eventually would have access to NATO Atomic Stockpile in Germany.<sup>1</sup>[19-1/2 lines of source text not declassified]

Following are plans regarding negotiation cooperation agreement.

1. We are now seeking Circular 175 authorization to negotiate such agreement. Draft will be forwarded Embassy for its information as soon as possible.

2. Would hope negotiation might be concluded promptly since we wish to present it to Congress as early in session as possible.

[1 paragraph (8 lines of source text) not declassified]

Embassy should not communicate with French concerning foregoing until instructed further.

## Merchant

### 156. Editorial Note

Between January and March 1960, the Foreign Ministers corresponded about the establishment of tripartite talks. In a letter to Secretary of State Herter, January 23, Foreign Minister Couve de Murville reiterated President de Gaulle's request for the establishment

Source: Department of State, Central Files, 611.517/1–1560. Secret; Limit Distribution. Drafted by Alan G. James in the Office of European Regional Affairs; cleared by the Offices of Western European Affairs, German Affairs, and Munitions Control, the Assistant Legal Adviser for Special Functional Problems, and the Special Assistant to the Secretary of States for Disarmament and Atomic Energy, the AEC, and the Office of International Security Affairs in the Department of Defense; and approved by Fessenden. Repeated to Bonn.

<sup>&</sup>lt;sup>1</sup> Reference is to the Atomic Energy Act of 1954 as amended on July 2, 1958. (72 Stat. 276) See footnote 3, Document 39.

of tripartite machinery for coordination on global political and strategic matters. In his reply of February 3, Herter suggested they retain their tripartite consultative arrangements in Washington and reassured Couve de Murville that the informal machinery set up for the summit meeting preparations could be used to keep in close touch with each other on a wide range of issues. He suggested that the three Foreign Ministers keep in touch through informal evenings and dinners during the NATO and other conferences. In his letter to Herter of February 18, Foreign Secretary Lloyd agreed with Herter's approach and suggested that if there were to be tripartite conversations at a lower official level, they could be held in London or Paris rather than in Washington.

In his March 9 reply to Couve de Murville's letter of February 18, Herter agreed to his suggestion that the three Foreign Ministers meet during the Western Foreign Ministers Meeting on summit preparations in Washington April 13–14. Copies of the letters of the three Foreign Ministers are in Department of State, Presidential Correspondence: Lot 66 D 204. Documentation on the Foreign Ministers meeting is printed in volume IX.

## 157. Editorial Note

A rightist rebellion in Algiers on January 24 challenged President de Gaulle's policy and demanded that Algeria remain under French rule. On January 29, de Gaulle called for an end to the uprising and reaffirmed his Algerian policy. The uprising ended on February 1. On February 2, President Eisenhower wrote de Gaulle that he had the full support and confidence of the U.S. Government and people in his policy toward Algeria. Eisenhower wrote: "In re-affirming your forward-looking policy for Algeria you have once again demonstrated the faith and courage which have always marked your actions. As we know it must, France under your leadership guards unshaken its strength and unity."

On February 6, de Gaulle replied: "I have been deeply touched by the friendly attitude and support which you and the people of the United States have shown toward France during the recent events. This is an additional manifestation of the solidarity that causes all countries of the Free World to feel deeply anything that affects one of them. I thank you for this further demonstration of your friendship and assure you of my cordial and loyal sentiments." Copies of these letters are in Department of State, Presidential Correspondence: Lot 66 D 204. See also volume XIII, pages 685–686.

#### 158. Letter From President Eisenhower to Prime Minister Macmillan

February 18, 1960.

[Here follow the salutation and beginning of the letter.]

Respecting the matter we discussed at Rambouillet, I am quite astonished at the atmosphere of formality with which the French seem to view the matter and the difficulties they see of putting the simple plan into action. You will recall that General De Gaulle wanted to have some way of conducting three-way consultations on any subject of common interest. I suggested that we might have one or two junior but capable staff officers from each country keeping abreast of the questions that might call for such consultation and that when the occasion so demanded, conferees at a higher level could get into the picture. But such consultations would always be so conducted as to avoid even the appearance of venturing unjustifiably into the affairs of others. When our conversation took place, I thought that General De Gaulle was in complete accord and seemed to agree that the scheme could be set afoot without fanfare and without trouble. Just where it jumped the track I do not know.

I quite agree with your statement that we should get away from the arguments about the memorandum and what it did or did not mean, and try to concentrate on practical discussions of current interest.<sup>1</sup>

[Here follows the remainder of the letter.]

## Dwight D. Eisenhower

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret.

<sup>&</sup>lt;sup>1</sup> In Macmillan's February 17 letter to Eisenhower, he wrote:

<sup>&</sup>quot;I have also been looking into the matter which we discussed at Rambouillet, namely the idea for some secret tripartite machinery in London. There seems to have been a lot of correspondence especially about what we should discuss and Couve de Murville now talks about at least the 'spirit' of de Gaulle's memorandum of 1958. My concept had been that these tripartite talks would be our way of dealing with the memorandum and I had thought that the agenda for particular meetings of the group of officials would form itself as we went along. My own preference would be to get away from arguments about the memorandum and what it did or did not mean and try to concentrate on practical discussion of questions of current interest however wide these might be. As in fact the three of us seem likely to meet pretty often, the officials in this secret group could do a good job doing preparatory and follow-up work. Selwyn is writing to Chris about this." (Ibid.)

# 159. Memorandum of Discussion at the 435th Meeting of the National Security Council

February 18, 1960.

[Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Extract—1 page of source text not declassified.]

## 160. Letter From Prime Minister Macmillan to President Eisenhower

London, March 14, 1960.

DEAR FRIEND:

[Here follow Macmillan's remarks on unrelated subjects.]

I have just come back from a short visit to de Gaulle.<sup>1</sup> We were able to talk alone without any of the paraphernalia of advisers, experts, Ambassadors and the rest. He was relaxed and rather philosophical but nevertheless quite firm in his ideas about the part that France should play in Europe. His main themes remain unchanged. I do not know if you have read the third volume of his book; it is wonderfully written and gives a picture of his rather mystical thinking on these great matters.<sup>2</sup>

I think he is disappointed that nothing much has followed from our discussions at Rambouillet about tripartite talks, but he accepts the fact that they are really going to take place because of all the meetings round and about the Summit.<sup>3</sup> We shall have our meeting on the way up and, no doubt, on the way down. His own approach to things makes him prefer a talk with the heads rather than an elaborate machinery, and I think

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Top Secret. This letter was sent to London in telegram 6950, March 16. (*Ibid.*, Central Files, 611.51/3–1660)

<sup>&</sup>lt;sup>1</sup> Macmillan visited Paris March 9-10.

<sup>&</sup>lt;sup>2</sup> Reference is presumably de Gaulle's *Mémoires de Guerre: Le Salut,* 1944–1946.

<sup>&</sup>lt;sup>3</sup> Documentation on the Meeting of the Heads of Government (Summit Conference) of the United States, the United Kingdom, France, and the Soviet Union at Paris May 16–17 is printed in volume IX.

he accepted that a new piece of mechanism was undesirable. At the same time I think he would like what he called a very small continuing method of carrying further any discussions that we three might have, even if only to name the subjects for the next discussion. This could easily be done by the Ambassadors, without any special staff. For my part, I think that sometimes these discussions on everything leave us all a little vague and it might be better at such a meeting to have one or two matters only on which we could concentrate.<sup>4</sup>

[Here follows the remainder of the letter.] With warm regard,

## Harold

<sup>4</sup> In his March 19 reply to Macmillan, Eisenhower wrote: "It has been a source of amazement to me that he seems to be unable to fathom the methods by which our three governments could easily keep in close touch on main issues. I explained to him how you and ourselves used both normal diplomatic exchanges, personal communications and, in acute cases, ad hoc committees to keep together. I think that the difficulty may lie in his memory of the British-American 'Combined Chiefs of Staff' of World War II days, and his resentment that the French staffs were not integrated into that body. In any event, I have always made it clear that I was ready to do anything reasonable to maintain contacts and mutual understandings among us three; I adhere to this policy. But I think I made it also clear to him that it was impractical to have frequent 'Heads of Government' conferences and yet, as you say, he seems to prefer this kind of approach to any on our common problems." (Telegram 7084 to London, March 21; Department of State, Central Files, 611.51/3–2160)

## 161. Editorial Note

At the 440th meeting of the National Security Council on April 7, the President approved the proposal of the Planning Board to amend paragraph 48 of NSC 5910/1 (Document 145) in order to permit the United States to make new commitments to provide military training to France on a grant basis. Under Secretary of State Dillon supported the views of the Joint Chiefs of Staff in his argument that the change should be made in order "that France would not be the only country in the world which could not be provided with grant assistance for military training." The recommendation to delete the words "and training" from the second sentence of paragraph 48 of NSC 5901/1 was formally recorded as NSC Action No. 2214 and was approved by the President on April 9. The memorandum of discussion is in the Eisenhower Library, Whitman File, NSC Records. NSC Action No. 2214 is in Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council.

### 162. Editorial Note

On April 8, the Atomic Energy Commission granted the Department of State authority to negotiate an agreement with France on Atomic Cooperation for Mutual Defense Purposes under sections 91c and 144b of the Atomic Energy Act. The proposed agreement would permit the transmission of restricted data and classified equipment to enable French NATO forces in Germany and France to improve their state of training and operational readiness with nuclear weapons. On April 9, the Department of State instructed the Embassy in Paris to begin negotiations on this agreement. Documentation on the discussions prior to the opening of these negotiations and the subsequent talks with the French is in Department of State, Central File 611.517.

## 163. Despatch From the Embassy in France to the Department of State

No. 1603

Paris, April 14, 1960.

#### SUBJECT

Meeting AEC Chairman McCone with French Atomic Energy Officials, April 11, 1960  $^{\rm 1}$ 

On April 11 at 10:45 a.m. at the Commissariat a l'Energie Atomique, Chairman McCone of the Atomic Energy Commission, accompanied by Dr. Johnson, Chairman of the AEC Scientific Advisory Committee, and Messrs. Wells (AEC), Stabler (AEC), Rouleau (AEC, Paris), and the reporting officer met with MM. Perrin, Goldschmidt, Renou and Falquet of the Commissariat. M. Couture participated in the second half of the meeting.

After a few words of welcome, M. Perrin explained that the Commissariat would soon need at least two (and preferably three to four) 50-kilogram charges of highly enriched (up to 50) uranium for

Source: Department of State, Central Files, 611.5145/4–1460. Confidential. Drafted by Max Isenbergh.

<sup>&</sup>lt;sup>1</sup> McCone left Washington for Paris on April 8 to discuss the question of cooperation with France on atomic and nuclear matters.

Rapsodie, a fast neutron breeder reactor, on which construction is to begin this year. Fulfillment of this request would call for amendment of the United States-French bilateral agreement,<sup>2</sup> because, although the aggregate of enriched uranium provided for in that agreement is large enough to include the material for Rapsodie, the provision permitting transfer of highly enriched uranium applies only to laboratory amounts.

Mr. McCone saw no insuperable obstacles to accomplishing the necessary amendment of the bilateral agreement. He suggested that the Commissariat write to the AEC without delay, because unless the 30-day waiting period before the Joint Committee were to start soon, the early adjournment of the Congress expected this year might keep the matter from being concluded before 1961.

M. Perrin said that the Commissariat would also like to have plutonium for Rapsodie from the AEC as well, if possible. He said that plutonium of military quality would not be needed for this purpose, i.e., that material containing a large percentage of P 240 would be acceptable, and that the amount required would be from 40 to 80 kilograms for each charge. In response to Mr. McCone's question, M. Perrin said that the Commissariat would not have to drop the Rapsodie project if the United States were not to supply the plutonium, since [it was] expected to have the necessary amount of plutonium by the time the making up of fuel elements would begin, i.e., 1962. M. Perrin said that the main reason for wanting the plutonium from the United States was that this would greatly simplify reprocessing.

Mr. McCone stated that the amount of plutonium involved is vastly greater than the United States has ever before supplied to another country. He thought that it would be better for the Commissariat to handle the requests for enriched uranium separately, and to wait until next year to raise the more difficult problem of whether we could supply the needed plutonium.

In response to a question from Mr. Wells, M. Perrin said that the Commissariat would want the materials for Rapsodie obtained in the United States to come to the Commissariat directly, not via Euratom. M. Renou said that this did not mean that the Commissariat would object to Euratom's keeping records of the transactions and applying its system of safeguards. He added that he had recently returned from Washington where he had been told by American officials that as far as the United States was concerned, the relationship between Euratom and France in this matter was up to them to decide.

M. Perrin then referred to EL 4, a heavy water moderated, compressed air cooled, natural (or slightly enriched) uranium reactor to be

<sup>&</sup>lt;sup>2</sup>See Document 112.

built by the French as a prototype power reactor (100 megawatts). He referred to discussions under way on the possibilities of our selling or lending 100 tons of heavy water to the French for EL 4, but did not do more than mention this subject. M. Renou suggested that a joint study project on this type of reactor might be of help both to France and the United States, and asked whether this could be arranged by exchange of letters or whether it required an agreement that would have to lie before the Joint Committee.

Mr. McCone stated that the AEC has not firmly decided to go ahead with the construction of this type of power reactor, but added that a negative decision would not necessarily exclude our participating in a joint study project.

In connection with the United States-French agreement under which the United States will supply highly enriched uranium for France's land based prototype submarine reactor experiment, M. Perrin asked whether irradiation-testing of the fuel elements could be carried out in the United States. The only French facility at which such testing could be carried out cannot be used "to further any military purpose", because it is involved in the bilateral agreement with the United States on peaceful uses. Since development of a submarine must be considered as a military use, the French find themselves in a difficult situation.

Mr. McCone stated that the solutions which suggest themselves would involve difficulties, but he believed that an acceptable solution could be found.

M. Perrin then summarized the agreement on peaceful uses of atomic energy entered into by France and the USSR on April 2, 1960.<sup>3</sup> Mr. McCone pointed out the similarities and differences between this agreement and the one recently entered into by the United States and the USSR.<sup>4</sup> In subsequent private discussion with MM. Couture and Goldschmidt, Mr. McCone asked whether the French had made any agreement with the Russians other than the one described by M. Perrin. The answer was unqualifiedly no. Also in response to a question by Mr. McCone, M. Couture said that Mr. Khrushchev's statement in Moscow that the new French-Soviet agreement was the most comprehensive with any Western power is explainable on the ground that this

<sup>&</sup>lt;sup>3</sup> Reference is to the agreement on Franco-Soviet cooperation in the peaceful uses of atomic energy signed at Paris April 2, 1960, which provided for exchange of specialists and research workers in 1960–1961, exchanges of information on non-classified subjects, and mutual publication of scientific information in technical journals of both countries.

<sup>&</sup>lt;sup>4</sup> For text of the Agreement Between the United States and the Soviet Union on Cooperation in Exchanges in the Fields of Science, Technology, Education, and Culture in 1960–1961, signed at Moscow November 21, 1959, see 10 UST 1934. Section II, 3, provided for cooperation in the utilization of atomic energy for peaceful purposes.

amendment calls for longer periods of residence, i.e., from six to twelve months, by the exchanged scientists.<sup>5</sup>

At this point M. Couture joined the meeting. He began by stating his appreciation for a recent letter from the AEC saying that it would interpose no objection to the Commissariat's ordering from American firms unclassified parts for the gaseous diffusion plant under construction in France. He added that an answer as soon as possible to the Commissariat's letter asking what parts are in the unclassified category would also be greatly appreciated.

Mr. McCone pointed out that the field of gaseous diffusion is very sensitive, adding that, within the unclassified part of it, we want to be as helpful as possible.

M. Couture then turned to general problems of military cooperation. He asked: (1) what effect the two French tests would have on France's eligibility as a nation which has made "substantial progress;" (2) what were the prospects of help from the United States on organizing underground tests; (3) whether the United States would like to send a mission over to France to find out more about French "progress" in the sense of the Atomic Energy Act.

Mr. McCone answered that the questions raised by M. Couture are largely governed by a federal law, the interpretation of which is spelled out in the Joint Committee's report.<sup>6</sup> Another fundamental factor in the answer to these questions is the consideration being given to disarmament at Geneva<sup>7</sup> and to be given at the Summit. Specifically, he responded to M. Couture's questions as follows:

1. The statute and the committee report bar the conclusion that France has made enough "progress" to be eligible for help in the field of weapons design and the like.

<sup>2</sup>. For the time being, there would seem to be no advantage for France in receiving a mission from the United States to look into the progress made.

3. We do not feel that a French mission to the United States to seek help on underground testing would be propitious at this time. *Any* help on testing would not be consistent with our approach at Geneva, and would bring our sincerity into question. Moreover, we believe that from published unclassified reports on our underground testing, it would be possible to derive all the essential information which could be made available to a mission.

<sup>&</sup>lt;sup>5</sup> Reference is to Khrushchev's speech delivered at the Lenin Stadium in Moscow on April 4 where he reported on his trip to France and his talks with de Gaulle. (Department of State, INR Files)

<sup>&</sup>lt;sup>6</sup>See footnote 3, Document 39.

<sup>&</sup>lt;sup>7</sup> The 10-nation disarmament conference opened at Geneva on March 15 and adjourned at the end of April to await the discussion at the summit. It resumed on June 7 but was terminated on June 27 when the Soviet bloc delegates walked out.

M. Perrin said that if France received help from the United States for underground tests, France might be able, much sooner than otherwise possible, to go along with any agreement on cessation of tests reached by the United States, the U.K. and the USSR. He added, however, after an intervention by Mr. Goldschmidt, that the French Government had not taken an official position on this question and that he was expressing his personal opinion only.

M. Goldschmidt said that even agreement on cessation of tests in Geneva need not necessarily bar the United States from going ahead with its military agreement with the U.K. If this were so, he continued, agreement at Geneva would not foreclose the possibility of agreement on military applications with France.

Mr. McCone said that Mr. Goldschmidt's observation could prove to be correct, but that prediction is difficult since the terms of an agreement on cessation of tests are still under discussion and since any progress toward disarmament in Geneva would fundamentally affect the situation.

M. Goldschmidt then asked whether the prospect of getting enriched uranium for use in weapons was any better than the prospect of getting information on fabrication. In this connection he emphasized how costly the French gaseous diffusion plant would be.

Mr. McCone responded that there was a possibility of distinguishing between enriched uranium for weapons and technical information on weapons development. He said that he was, of course, in no position to make promises or even to predict the climate which might develop in the next few months. Conceivably, next year, there might be a sufficient change to permit the possibility of favorable reaction to a French request for enriched uranium for weapons, but in any event, in his opinion, there would be no occasion for taking any formal steps before the end of the year.

In response to a question by the reporting officer, M. Perrin said that already "very sizeable" sums had been spent on the construction of the French gaseous diffusion plant, but that the "really heavy commitments" would not be made until late this year.

> For the Chargé d'Affaires a.i.: Max Isenbergh Attaché

## 164. Memorandum of Conversation

April 15, 1960.

SUBJECT

Atomic Cooperation and Missiles

#### PARTICIPANTS

The Secretary of State M. Couve de Murville, French Foreign Minister<sup>1</sup> M. Alphand, French Ambassador Mr. Foy Kohler, Assistant Secretary

The Secretary brought up the subject of safeguards relating to peaceful atomic reactors. He said this matter had been discussed in the tripartite meeting on Tuesday<sup>2</sup> but that the discussion had seemed inconclusive and he did not quite know where the French stood. The Secretary said that this was a matter of considerable concern to us and one in which the President took a real personal interest. It seemed very important to have a common front on the application of safeguards if we were to prevent the spread of dangerous possibilities for the production of plutonium which could be converted to military uses.

In reply M. Couve de Murville said that he was familiar with this problem and had been considering it. He referred to the proposed supply of an atomic reactor to the Indians and observed that this transaction was very important from the commercial point of view, involving tens of millions of dollars to the supplier. He went on to say that he understood that the Soviets do not apply safeguards and suggested that it would be difficult to restrain our own manufacturers if the purchasing countries turned to the Soviets for such equipment. He then said he understood that the British and ourselves had an agreement on this subject.

The Secretary and Mr. Kohler promptly denied that there was any bilateral agreement between the British and ourselves relating to the question of safeguards for peaceful uses. They explained that our

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Kohler and approved by the Office of the Secretary of State on April 20.

<sup>&</sup>lt;sup>1</sup> Couve de Murville was in Washington for a tripartite meeting of Foreign Ministers on summit preparations April 12–14. On April 15, he also discussed Africa with Secretary Herter; for text of the memorandum of conversation, see vol. XIV, pp. 128–136.

<sup>&</sup>lt;sup>2</sup> A copy of the memorandum of conversation, April 12, which summarized the tripartite discussion of the Foreign Ministers about nuclear safeguards is in Department of State, Central Files, 396.1–WA/4–1260.

bilateral atomic cooperation agreements with the British had nothing to do with this question and were quite separate and distinct.<sup>3</sup> The Secretary said that he was very surprised at the Indian attitude in opposing safeguards as this seemed so contrary to their proclaimed policies against the dispersion of atomic capabilities. Whatever the explanation, we did not specifically fear that India desired to undertake atomic weapons development but rather were very concerned that a precedent should not be set of supplying atomic equipment without requiring agreement to safeguards. The Secretary emphasized that we were continuing to work on the Soviets to bring them into line on this question and made it clear that if the Soviets persisted in trying to sell reactors without applying safeguards, the United States would have to consider seriously terminating its cooperation agreement with the Soviet Union in the field of peaceful uses of atomic energy.

The Foreign Minister expressed the opinion that soon almost everyone would have atomic facilities of some kind since production and utilization of atomic energy had become quite easy. He then turned to the question of the United States position on atomic cooperation in the military field and asked whether this was a question of general policy or if it was related to the Geneva negotiations.

The Secretary replied that this was really a question of legislation and of the history behind that legislation. Ambassador Alphand said he was familiar with the legislation and wondered whether France with its two atomic explosions and industrial capabilities could not be considered to be qualified within the terms of the law. The Secretary said he thought it was clear from the legislative history that the Congress would not consider that France would be qualified.

The Foreign Minister at this point said he wanted to make it clear that he was not making any proposal or any request. He was just seeking to understand the basis of the U.S. position. In recent months he had had the impression that considerations relating to the Geneva negotiations were perhaps the main factor.

The Secretary replied that this was not the case. He explained that even before the Geneva negotiations had been undertaken we had tried to make it clear to the French that the term "substantial progress" in the law meant considerably more development than just a few explosions.

<sup>&</sup>lt;sup>3</sup> For text of the agreement between the United States and the United Kingdom for cooperation on the uses of atomic energy for mutual defense purposes, signed at Washington July 3, 1958, and entered into force August 4, 1958, see 6 UST 1028. For the May 7, 1959, amendment, see 10 UST 1028. For text of the agreement between the United States and the United Kingdom for cooperation on civil uses of atomic energy, signed at Washington June 15, 1955, and entered into force July 21, 1955, see 6 UST 2709. For the July 3, 1958, amendment, see 9 UST 1028.

There had been no change in this position and the Geneva conference as such had not exercised any direct influence on this position. It was true that the President was very impatient with the atomic energy law as it now stands. This was partly because of the unfortunate existing division between the executive and legislative branches. The effect of the feud between Senator Anderson and the former Director of the Atomic Energy Commission, Lewis Strauss, continued. Congress was being very difficult and taking a very narrow interpretation as to what the Executive could do under the act.

Couve de Murville commented that as he understood it our general policy was against the dispersion of atomic know-how. It would seem to be inconsistent with this general policy if we explained our position as being just based on the provisions of the law itself or if we should contemplate a change in that law for the purpose of allowing the Executive a freer hand.

The Secretary confirmed that we were apprehensive about a dispersion of atomic know-how but at the same time said we were concerned about the tremendous waste of time, effort, manpower and money on the part of our allies in endeavoring to build up independent nuclear capabilities.

The Foreign Minister commented that it was really basically only a question of money. If enough money were devoted to the purpose then the time factor could be reduced. However, he continued, if it were our general policy not to encourage the dispersion of atomic capabilities then presumably we would not change the law and he did not anticipate that we would.

The Secretary replied that he would much rather that the French be able to qualify under the terms of the law as it exists than that we should change the law in such a way that it would open the field and lead to requests for atomic help from the Germans and others. He added though that he thought Ambassador Alphand was optimistic as to the prospects of France being able to qualify under the present law.

The Foreign Minister then turned to the subject of the proposals we had submitted to NATO as respects the MRBM program, particularly Polaris, and inquired about our intentions.<sup>4</sup> The Secretary outlined the plan which had been presented to the recent Defense Ministers Meeting by Defense Secretary Gates, stressing our preference for the first alterna-

<sup>&</sup>lt;sup>4</sup> At the morning session of the NATO Defense Ministers Meeting on April 1, Secretary of Defense Gates outlined two alternative U.S. proposals on MRBMs for NATO for the 1963–1965 period. The first called for U.S. production of MRBMs for deployment under SACEUR control and the second envisioned U.S. assistance to European multilateral production of MRBMs under NATO aegis to meet SACEUR requirements. The text of Gates' statement is summarized in Part 1, Document 254, footnote 6.

tive of providing Polaris to NATO by sales from American production. He said that as yet we had received no specific reaction to our proposal. In response to the Minister's inquiry, the Secretary said that the Polaris has been thoroughly tested and is now operational for submarine purposes though it is not as yet operational as a land-based missile since launchers and other equipment have not yet been designed. However he thought this would be fairly simple to do.

M. Couve de Murville reiterated that he would like to know our basic position. He understood we were ready to sell Polaris to NATO but was that all? To this the Secretary replied affirmatively. Ambassador Alphand then asked whether this meant there would be no bilateral sales or deals. To this Secretary again replied affirmatively.

## 165. Editorial Note

President de Gaulle made a State visit to the United States April 22–29 after a 4-day visit to Canada. He came at the invitation of President Eisenhower who had invited him in a letter of July 3, 1958. Secretary of State Dulles had presented the letter to de Gaulle in Paris on July 5; see footnote 1, Document 34. De Gaulle, who was accompanied by Madame de Gaulle and Foreign Minister Couve de Murville, was in Washington April 22–26. On the morning of April 26, he began a brief trip to New York, San Francisco, and New Orleans accompanied by Under Secretary of State Dillon and Mrs. Dillon. He left New Orleans on April 29 for French Guiana. The briefing memorandum on the visit is published in *Declassified Documents*, 1977, 326D.

On April 22, President and Mrs. Eisenhower gave a State dinner in honor of President and Mrs. de Gaulle. On Saturday, April 23, de Gaulle met with correspondents at the National Press Club and attended a dinner hosted by Vice President and Mrs. Nixon. A copy of the text of his news conference is in Department of State, Conference Files: Lot 64 D 559, CF 1636. On Sunday, April 24, Eisenhower took the de Gaulles to visit his farm at Gettysburg and later to Camp David. On April 25, de Gaulle addressed a joint session of Congress, after which Secretary of State and Mrs. Herter hosted a luncheon for the French party.

During de Gaulle's stay in Washington, Eisenhower met with him four times to discuss issues of mutual concern. Memoranda of these conversations of April 22, 24, 25, and 26 are printed as Documents 167–170. Herter and Dillon met with Couve de Murville twice to discuss matters of common interest. On April 24, they discussed the 10-power disarmament talks and summit proceedings. The next day, they talked about summit procedures and on April 29, Couve de Murville and Dillon discussed the Norstad plan, the Tunisian border, and Moroccan arms. Copies of the memoranda of these conversations are in Department of State, Conference Files: Lot 64 D 559, CF 1631.

The texts of a joint communiqué issued on April 25, de Gaulle's address before Congress, the exchange of greetings between the two leaders at Washington National Airport on April 22, an exchange of toasts at the State dinner at the White House that evening, and remarks made by Herter at the luncheon on April 25 are printed in Department of State *Bulletin*, May 16, 1960, pages 771–775.

The most extensive body of documentation on de Gaulle's visit is in Department of State, Conference Files: Lot 64 D 559, CF 1631–1636. The briefing papers for the visit are in CF 1632 and 1633 and the chronology of the visit is in CF 1633 and 1636. Additional documentation is in the Eisenhower Library and in Department of State, Central File 751.11.

## 166. Memorandum of Conference With President Eisenhower

April 22, 1960, 9:30 a.m.

OTHERS PRESENT

Secretary Herter Secretary Dillon Ambassador Houghton General Goodpaster Major Eisenhower

The primary purpose of this meeting was to discuss the positions which the President might take in his forthcoming discussions with President de Gaulle. Mr. Herter opened by describing de Gaulle's views on disarmament. The French want to move toward destruction of all nuclear weapons and delivery systems. They have carried this position a long way in Geneva and it is expected that de Gaulle will continue with this line. Mr. Herter attributed this attitude to a complex resulting from the lack of possession of these weapons on the part of the French themselves. He said he had checked with Defense on this and their attitude is that they would go along with a rather complete disarmament if we kept our own air force powerful. The Russian position is likely to be, however, that the limitations will apply more to the air forces than to the ground forces.

Source: Eisenhower Library, Staff Secretary Records. Secret. Drafted by John S. D. Eisenhower on April 27.

The President admitted we would be better off if we could de-invent atomic weapons. Even if we did away with further research and development of nuclear weapons systems we would still be extremely powerful. He said that for the first time in its history the United States is now fearful, the reason being, of course, the existence of a surprise attack capability on the part of the Russians. As a practical matter, however, destruction of nuclear capabilities is a matter which would be extremely difficult to check on, and, therefore, would not present a truly realistic proposal. He plans to say so to de Gaulle. Mr. Herter pointed out that we have already offered (1) to cut down our nuclear stockpile on a megaton-for-megaton basis, vis-à-vis the Soviets, (2) to cut down proportionately on ground weapons, and (3) to prohibit nuclear testing in outer space. To all of these partial disarmament measures, the Russians have said no.

Mr. Herter then said he does not expect de Gaulle to bring up the question of nuclear sharing, since he wants to avoid the position of asking for something. The French are suspicious that we are trying to avoid this spread of atomic knowledge. They feel we could stretch our current law to permit sharing of atomic secrets with them. This is not our feeling, since it does not appear that the French have progressed far enough to have made "substantial progress" in nuclear weapons.

The President said we could, if we wanted, place our proposal to share nuclear secrets with France before Congress and let it sit there for its prescribed 60 days (General Goodpaster added here that the proposal must be acted on by the entire Congress rather than by the Joint Committee alone, as the President had previously believed.) Mr. Herter recommended against so doing unless the French would agree to place under NATO what capabilities they eventually develop. He reiterated his belief that de Gaulle will not raise this question, and Ambassador Houghton agreed. The President pointed out our difficulties in dealing on matters such as this, since we ourselves do not have our entire nuclear capabilities under command of NATO.

[Here follows discussion of unrelated matters.]

Mr. Herter then said that the subject of tripartite consultation, as proposed by de Gaulle in his letter of September 17, 1958, is still on his mind. The President said he had told de Gaulle that we should not set up a formal system, but that we could put in an extra man per Embassy with the sole responsibility for anticipating areas of possible conflict between our nations.<sup>1</sup> These individuals would be relatively junior staff officers and would have no power except that of calling these possible

<sup>&</sup>lt;sup>1</sup> Regarding Eisenhower's conversation with de Gaulle on December 20, 1959, when he made this proposal, see Document 151.

trouble areas to the attention of Foreign Ministers. He pointed out examples of lack of coordination in government, including that which allegedly occurred between our government and the British at the time of the Suez operation. These he cited to show that things do not happen automatically and that someone must have the responsibility of thinking solely in terms of coordination. He expressed impatience on "formal" versus "informal" conferences. Mr. Herter and Ambassador Houghton recommended that the President point out the high degree of effectiveness attained by the present "informal" system of coordination. Mr. Herter mentioned a whole morning he had spent with Couve on the subject of North Africa.<sup>2</sup> Couve had essentially informed us that France would take care of Africa's problems, at least among nations comprising the French Community, to include budgeting, military protection, and development funds for newly independent States. This whole conversation could be cited to de Gaulle as an example of successful inter-governmental coordination, although he mentioned that the Africans would be most disturbed if they thought we were acting in concert with the French. Ambassador Houghton said that it is de Gaulle's deepseated desire to be in on high level consultations which has caused his insistence on this issue. The President said what is behind it all is de Gaulle's resentment of our overpowering influence in NATO. This influence is not a product of our own choice. It is the result of the nationality of SACEUR, which came about from the inability of European nations to get together. This feeling on de Gaulle's part shows up continually, as when he states that France as a member of NATO has no legal right to defend herself. De Gaulle has no idea of what the U.S. is really trying to do.

[Here follows discussion of unrelated matters.]

John S.D. Eisenhower

<sup>&</sup>lt;sup>2</sup> This conversation has not been further identified.

## 167. Memorandum of Conversation

April 22, 1960, 4 p.m.

#### PRESENT

The President, General DeGaulle, Mr. Claude Lebel, Lt Colonel Vernon A. Walters

After the usual exchange of amenities the President said he had some papers he would like to give General DeGaulle. First was for his confidential and personal information and related to our deterrent capabilities.<sup>1</sup> It covered some of the weapons systems in our deterrent capabilities. The second paper he wished the General to look at covered four (4) points which we thought might be useful for discussion at the summit.<sup>2</sup>He wondered whether the General would care to discuss these at this time or whether he would prefer to think it over and talk about it at a later time. The third paper related to procedures at the summit.<sup>3</sup>He felt that it was important to the three Western powers that they agree in advance, and if they are agreed, General DeGaulle, as the head of the host government, might perhaps write a letter to Mr. Khrushchev setting forth our understanding concerning procedures to be followed at the summit. General DeGaulle thanked the President and said he would retain the first paper (deterrent capabilities). On the second paper (questions for discussion at the summit), he would like to have an opportunity to read it over and talk to the President subsequently.

On the third paper, he said he agreed with the idea of his sending a letter to Khrushchev, and he would do so after they had worked out an understanding between the three Western powers.

The President then said that at their last meeting<sup>4</sup> they had discussed means of insuring satisfactory consultation as between France, the United Kingdom and the United States, and that the Embassies were working on this problem and that it was his feeling that the three countries were in much closer contact than had been the case previously. He

Source: Eisenhower Library, Whitman File, International File. Top Secret. Drafted by Walters. The conversation was held in the President's office at the White House.

<sup>&</sup>lt;sup>1</sup> A copy of the paper, "United States Strategic Force," dated March 21, which listed the component parts of the U.S. strategic capability, is in Department of State, Conference Files: Lot 64 D 559, CF 1631.

 $<sup>^2</sup>$  A copy of the undated paper, "Our Summit Purposes," is printed in vol. IX, Document 133.

<sup>&</sup>lt;sup>3</sup> A copy of the undated paper, "Summit Procedures," in which Eisenhower suggested that de Gaulle, as host for the summit meeting in Paris, should raise the question of procedures with Khrushchev, is in Department of State, Conference Files: Lot 64 D 559, CF 1631.

<sup>&</sup>lt;sup>4</sup>See Document 151.

wondered whether General DeGaulle shared this opinion and the French President said that he did.

The President recalled they had decided to do this without having recourse to heavy, ponderous machinery or organization, and General DeGaulle expressed his agreement with this concept.

The President then said that he would next talk about a matter that was really none of his business, but he felt he should tell General DeGaulle he had received a communication from nine African powers telling him that French efforts to suppress the rebellion in Algeria were driving the African nations out of the Western camp.<sup>5</sup> They could not countenance this effort to perpetuate colonial rule. His reply then was that this was none of his business, but rather between them and France, but he felt he would be remiss if he did not mention the tone of these communications. They had also protested about the French nuclear tests in the Sahara. The President said that as he understood it, General DeGaulle still stood by his statement of September 16th and he would like to confirm this for himself so that he could perhaps reaffirm his support for this policy. He said that while General DeGaulle might have used independent expressions in his speech at Constantine,<sup>6</sup> he felt certain that his policies remained the same.

General DeGaulle said that this was indeed the case. He still stood by his statement of September 16th, at which time he had offered the Algerians three choices: complete independence with secession from France; complete Frenchification; or else an Algerian government tied to France by treaty. If the choice were for independence, then they could secede. He had asked the rebel leaders to discuss a cease-fire with him. They had refused to do so unless the future status of Algeria were also discussed. He could not do this as it would imply recognition of the rebels as an Algerian government. The only way a true Algerian government could be set up was through a free expression of the people's feelings in the referendum. But a referendum could not be held while the fighting was going on. He had told the Algerian rebels that if they were able to agree on a cease-fire, he would call a round-table conference and they would all work out the referendum together. They had refused to do so, so obviously when he visited the Army in Algeria, he could not tell them anything other than they must continue the task of

<sup>&</sup>lt;sup>5</sup> This April 21 memorandum expressed "deepest concern" by George A. Padmore, Liberian Ambassador, spokesman for nine African nations, to Satterthwaite about the continued atomic explosions in the Sahara as well as the Algerian conflict. (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

<sup>&</sup>lt;sup>6</sup> In de Gaulle's March 3 statement at Constantine, he said that the Algerian problem could not be settled for a long time and only after victory of French arms.

pacification until such time as the rebels were prepared to discuss a cease-fire.<sup>7</sup>

He said he would like to point out that France had a mandate from the United Nations on Togo and Cameroon. Following the UN vote, France had given both of them their independence<sup>8</sup> and France was in the process of signing treaties on independence with other States such as Madagascar and the Mali Federation. In a year the French Community would be an association of independent states. The President said he was delighted to hear this and he hoped the U.S. would enjoy with the countries of the French Community the same close and warm relations which we had with France itself.

General DeGaulle said that in regard to the nuclear tests, he did not feel they had contributed a great deal to area contamination. The President said there are some indications that fallout from tests held as long ago as 8 or 9 years might still be present, and that the scientists themselves did not agree on the exact consequences. He did convey the thought to General DeGaulle that it might be well to hold such tests underground. He was not attempting to absolve himself from any of our previous tests.

General DeGaulle said that he would take note of what the President said and that the French were looking now to find suitable underground locations in Corsica. The President said he would be fortunate if he could find some caves because the underground excavations involved were very expensive.

General DeGaulle said he had found Mr. Khrushchev in a fairly moderate frame of mind.<sup>9</sup>He had offered to try and help settle the Algerian question, but General DeGaulle had asked him to stay out of this matter. Khrushchev had told him that he hoped the French would remain in some form in Algeria because if they left the Americans would move in and that would be worse. The President laughed and said he had enough headaches right now without taking on Algeria, but this was typical of Khrushchev's attempts to divide the Western alliance. He did the same thing with us and he did it with the British. General DeGaulle said it was essential that we not be divided, but that we be united and he felt that if Khrushchev realized that we would not back

<sup>&</sup>lt;sup>7</sup> De Gaulle visited Algeria March 3–5 to explain his position to the French Army.

<sup>&</sup>lt;sup>8</sup> On March 13, 1959, the U.N. General Assembly adopted Resolution 1349 (XIII) providing for the termination of the trusteeship agreement for the French Cameroons on January 1, 1960. On December 5, 1959, it adopted Resolution 1416 (XIV) approving April 27, 1960, as the date for French Togoland's independence. Both of these territories became republics on those respective dates.

<sup>&</sup>lt;sup>9</sup> Khrushchev made a State visit to France for talks with de Gaulle March 23–April 2.

down he would not do anything rash or present us with an ultimatum. In discussions with General DeGaulle he had mentioned the possibility of a two-year moratorium on the status of Berlin although saying at the end of that time some solution would have to be found.

The President and General DeGaulle then discussed the Oder Neisse border and felt that this seemed to be permanent and that a Western guarantee of this border might be a valuable card to play in some way if tacit West German consent could be obtained to it. It was felt that this could not possibly be obtained prior to the German elections next year, but thereafter some flexibility on the part of the Germans should be hoped for. General DeGaulle said that France was anxious to be close to Germany and to have good relations with her, but for understandable reasons she was not unduly anxious for German reunification or to see Germany grow larger. Khrushchev's attempts to stir up anti-German feeling in France had not been successful. His reception in France had been "correct" but not enthusiastic despite occasional groups of communists. General DeGaulle felt that if the summit meeting could be kept going for a week without a split, this in itself would be a success and lead to later summits and the creation of an atmosphere of relaxation of tension. He said that he had told Khrushchev "you say you want to relax tensions. If this is true why do you harass us with questions like Berlin that can only lead to trouble." He felt that we should not allow ourselves to be pushed out of Berlin, but that we should not use the word never, never, never; and that a Western guarantee of the Oder Neisse line might relieve Polish pressure on Khrushchev, as not merely communist Poles were concerned about this frontier, but all Poles were.

The two Presidents then discussed the Gettysburg trip on Sunday and agreed to go alone with their interpreters.

After further cordial amenities General DeGaulle took his leave of the President.

Vernon A. Walters<sup>10</sup>

<sup>&</sup>lt;sup>10</sup> Printed from a copy that bears this typed signature.

## 168. Memorandum of Conference With President Eisenhower

Camp David, April 24, 1960.

OTHERS PRESENT

General de Gaulle, Mr. Claude Lebel Lt. Colonel Vernon Walters

The President opened the conversation by asking General de Gaulle whether he had had an opportunity to read the papers which the President had given him on the day of his arrival.<sup>1</sup> General de Gaulle said that he had read the papers. With regard to the first one relating to the deterrent capabilities of the United States, he was taking note of it. With regard to the one on the summit procedures, he had read it and was in agreement with it and would write the letter to Khrushchev and set forth the summit procedures as the Western powers understood them. His thought was that on the opening day they might hold a short session of about an hour to agree on general principles (Chiefs of Government session). Thereafter on every day they would meet every morning with Ministers and Ambassadors and leave the afternoons free for bilateral contacts. On Monday, the final day, a major session could be held with all of the delegations present.

The President said that he felt we should not put a final date on the conference before it starts, but that he would have no objection to having such a final session on the last day of the conference, whenever that might be. General de Gaulle said that that was what he meant; he did not mean Monday to be the last day necessarily. He did believe, however, that the President had some commitment in Portugal and also could not remain outside of the United States for a great length of time. The President said that he had promised to go to Portugal as he had not been there since 1951. The Portuguese were a little touchy because he had been to Spain last December and had spent the night there,<sup>2</sup> so he had agreed to go to Portugal, but if it were necessary he could return to Paris from Lisbon, and return directly to the United States from Paris if the summit meeting lasted a few days more. If he had to return to the United States because of pressing government business, Mr. Nixon might come over and head the United States delegation.

General de Gaulle said that this would be agreeable to him but, as the President knew, Mr. Khrushchev did not like Mr. Nixon. The

Source: Department of State, Presidential Memoranda of Conversation: Lot 64 D 199. Top Secret. Drafted by Walters on April 25.

<sup>&</sup>lt;sup>1</sup>See footnotes 1–3, Document 167.

<sup>&</sup>lt;sup>2</sup> Regarding Eisenhower's visit to Spain December 21–22, 1959, see Document 318. Regarding his visit to Portugal May 19–20, see Documents 288 and 289.

President said that this might not be bad. When Mr. Nixon had gone to Russia, the President had told him to take his cue from the Russians.<sup>3</sup> If they were courteous he should be equally courteous, and if they were sharp to behave in like manner. When Mr. Khrushchev had talked roughly, Mr. Nixon had talked back to him and Mr. Khrushchev had not liked this. The President explained that Mr. Nixon was so close and so loyal he could send him over to the summit if he himself had to return. The President said that he had also mentioned this possibility to Mr. Khrushchev in a letter.<sup>4</sup> The Vice President had acquired extraordinary experience during the past eight years and the President had made every effort to ensure that he was fully aware of all that was going on and able to assume any responsibility if called upon to do so.

The President then asked General de Gaulle if he had read the "think" paper he had given him and General de Gaulle said that he had. On Berlin and Germany, General de Gaulle felt we should say that this should be left aside for the time being (at the summit). We should tell Khrushchev that the settlement of these problems required a more relaxed atmosphere, and we should first endeavor to see what could be done in other areas. With regard to cultural, touristic, student and other exchanges, he said that he felt we should offer to increase these and asked whether the President would have any difficulty in accepting larger numbers of Russians in the United States. The President replied that he would not have any difficulty in so doing, and we could well propose to the Soviets to double whatever the present figures were, or even triple. The advantage of this was that if the numbers exchanged were very small, it was easy for the Russians to send only a few well indoctrinated party members, but if the numbers were large, this was much more difficult for them. General de Gaulle said that he entirely agreed with this and that we could look into making some such proposal, and also give a hint that if all went well with such a program we might think about greater trade.

With regard to disarmament, General de Gaulle wondered how we might take this up with the Russians. The President said that the basis for any sound disarmament program must be effective mutual inspection. His feeling was that we might propose some area, perhaps Germany east of the Rhine, Holland and Denmark on our side and perhaps other areas in Turkey or Iran so as not to put the finger too much on Central Europe, and then try and see whether we could effectively and mutually inspect the corresponding areas on the Russian side and on our side. He would be quite agreeable to including Alaska and parts of

<sup>&</sup>lt;sup>3</sup>Nixon made a good will visit to the Soviet Union July 23–August 2, 1959.

<sup>&</sup>lt;sup>4</sup> Dated April 16. (Department of State, Central Files, 396.1–PA/4–1660)

North Eastern Siberia also. It was essential to develop techniques of inspection and find out whether the Russians would really allow effective inspection.

General de Gaulle said that he agreed that effective inspection was vital but he wondered whether it would be possible to perhaps agree to prohibit delivery of nuclear weapons by missile and strategic aircraft and then inspect to see that these means of delivery were not being used.

The President said that that would involve inspection of all parts of the Soviet Union and he did not believe that the Soviets would agree to this. He had made his "Open Skies" proposal at Geneva in 1955 and Khrushchev had rejected this as being "espionage" and merely for overflights.<sup>5</sup> It was also essential to find out whether teams could operate in an effective manner on the ground. He doubted very much whether Khrushchev would ever agree to this, and that is why he had proposed something more modest, namely trying to see whether effective inspection could be obtained for a given area and then if that worked out move on to the next step. General de Gaulle said that he agreed with the President that any effective disarmament program would have to move by step, but he thought of his idea after Khrushchev had told him in Paris that the Americans talked about disarmament but did not really want to disarm and that Khrushchev had said that if delivery vehicles were banned, he would agree to inspection. General de Gaulle did not believe that he really would, but it might be useful to put the proposal to him so as to embarrass him. He was talking vaguely of disarmament and trying to shift the onus for lack of progress to the West.

The President said that if Khrushchev were really willing to allow effective inspection, we might be able to go along, but his experience with the Russians since 1945 had led him to doubt their good faith. They might agree to inspection and then say that this only meant one flight of a plane from Leningrad to Kiev per week. They were saying, "let us disarm first and then check afterwards." General de Gaulle said that this was exactly what Khrushchev had said to him in Paris. This could not be done and he agreed with the President that effective inspection was essential. The President said that what he was seeking in a given geographic area was to determine whether such inspection could be done properly and whether there was good will on the part of the Russians. If this proved to be the case, we could then move on to the next step. But if he could be convinced that Khrushchev would really allow inspection of

<sup>&</sup>lt;sup>5</sup> Eisenhower's "Open Skies" proposal, made at the Geneva Conference on July 21, 1955, proposed that the United States and the Soviet Union exchange details of their military establishments and accord freedom of aerial reconnaissance over each other's territories.

all launching sites and strategic air bases, he might be willing to develop our inspection techniques as we went along.

General de Gaulle said we might think about how we could put this to Khrushchev at the summit. As the President knew, there were various disengagement plans such as the Rapacki plan which the Soviets either had put forward by themselves or else had had the Poles put forward.<sup>6</sup> The basic aim of these plans was to neutralize Germany, and if this were done it would not be to our advantage, because if Germany were neutralized up to the Rhine there would be very little space left to the West, whereas if Poland and Czechoslovakia were neutralized there was still an immense space behind them. The President said that of course he understood this, and he was not going to accept such plans. His thought was again to check the feasibility of inspection in a given area and Soviet good faith.

General de Gaulle then said that we should think about what we would say on Berlin if Khrushchev brought this matter up as he surely would. His feeling was that we should say that this matter required a better atmosphere and we should see what could be done through disarmament and other means to create such an atmosphere. The President agreed with this and said that we should say that we were in favor of self-determination of all these peoples. Khrushchev said that he was trying to clear up the vestiges of the war, but the situation prevailing in Hungary, Poland, Czechoslovakia, East Germany and East Berlin were also vestiges of the war. We should say that we were in favor of a referendum supervised by the United Nations to let these people express themselves. Of course Khrushchev would say that we were the slaves of Adenauer and jumped when he cracked the whip. Adenauer was our ally and we would not let him down. Nevertheless, during the two years "moratorium" on Berlin which Khrushchev had mentioned to General de Gaulle, it was to be hoped that after his elections he could be a little more flexible. General de Gaulle said that he had told Khrushchev that the West would not allow itself to be forced out of Berlin, and if he mentioned this two-year period following which an agreement would have to be reached with the German Democratic Republic, that would not do either as it would be a threat. The President said that he had made it quite plain to Khrushchev in that same room at Camp David, with only an interpreter present, that he would not go to any summit hat in hand or under any threat or time limit and that Khrushchev had agreed to raise the time limit and threat, but that when he had told Gromyko and Menshikov they had become very agitated. Nevertheless the Soviets had agreed that the President could say that there was no threat or time

<sup>&</sup>lt;sup>6</sup>See footnote 2, Document 25.

limit at his press conference and that Khrushchev would confirm this upon his return to the Soviet Union, and that this was what had actually happened.<sup>7</sup>

General de Gaulle said that we might remove a thousand men of the garrison or some small gesture of this type, but refuse absolutely anything that would alter our legal right to be in Berlin. He had told Khrushchev that the West would not allow itself to be pushed out of Berlin. Khrushchev had not gotten excited and said that after this twoyear period he would have to sign a treaty with the German Democratic Republic. The President again reiterated his position against negotiating with any kind of a time limit or threat suspended over us, and General de Gaulle agreed with this.

General de Gaulle then said that he wondered if anything could be said at the summit concerning deliveries of weapons to smaller oriental countries. Khrushchev had told him that when he was in England with Bulganin, Selwyn Lloyd had said that a little bird had spoken to him saying that weapons were being delivered to Yemen, to Nasser and to Syria.<sup>8</sup> Khrushchev had replied to Selwyn Lloyd that many birds had told him that weapons were being delivered to Turkey, Iran and Iraq (which was still pro-Western at that time).

The President said that we knew that a great deal of equipment had been delivered to Nasser and that the Soviets were talking of arms deliveries to Guinea and we were keeping our eye on this. We had delivered weapons to small states on the edge of Communist power such as Iran, Viet-nam and Korea that had been directly threatened by the Soviets. We could prove that we had not been aggressive and it was therefore very difficult to equate their arms deliveries and ours. However, perhaps something could be worked out on a regional basis in Africa or in Latin America. General de Gaulle said that it would be difficult for us to give no arms at all to our friends and the President replied that he meant weapons other than those to maintain law and order. President Alessandri of Chile had proposed general disarmament for Latin America and the United States had supported this. Possibly, as he had said, something might be worked out on a regional basis.

<sup>&</sup>lt;sup>7</sup> Documentation on Khrushchev's talks with Eisenhower at Camp David September 25, 1959, is printed in volume X. For text of the President's news conference, September 28, 1959, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower*, 1959, pp. 694–703. On September 29 in Moscow, Khrushchev, in a statement to the press, confirmed the understanding with Eisenhower that no time limit should be fixed for Berlin negotiations but that they should not be protracted indefinitely. (Department of State, INR Files)

<sup>&</sup>lt;sup>8</sup> Bulganin and Khrushchev made an official visit to the United Kingdom April 18–27, 1956.

The President of France then said that he knew that the President was not enthused by the idea of something being done for the underdeveloped nations jointly with the Soviets, but he wondered if it might not be possible to attempt some specific program such as the development of the Nile Valley or the eradication of tuberculosis in India, for which each of the four nations, or others if they joined, could provide some doctors, medicine and money. The President said that our experience was that the Soviets had refused to have any part in the various programs that the United Nations had undertaken-preplanning studies, Children's Fund, and others. They had finally furnished a small quantity of fissionable material to the International Atomic Energy Agency in Vienna but experience had shown that either they refused to participate, or if they did participate in a very small way they felt that this small participation gave them all sorts of rights and wanted to send in large numbers of personnel for subversive purposes. However, perhaps on some specific limited objective something could be done. General de Gaulle said that he made the suggestion because Khrushchev had told him that he would go along with a program of this type.

The President said that he had promised General de Gaulle that he would get him back to Washington by 5 P.M., and the interview concluded and it was agreed that they would meet on Monday, the 25th, with the Foreign Ministers in the President's office. The President of the United States and the President of France then left Camp David for Washington after agreeing to allow the Press Secretaries to say that at the conclusion of General de Gaulle's visit there would be a brief communiqué.<sup>9</sup>

**Vernon Walters**<sup>10</sup> Lt. Colonel, U.S. Army

<sup>&</sup>lt;sup>9</sup> For text of this communiqué, see Department of State *Bulletin*, May 16, 1960, p. 771.
<sup>10</sup> Printed from a copy that bears this typed signature.

## 169. Memorandum of Conversation

April 25, 1960, 10:30 a.m.

PRESENT

The President	General DeGaulle
Secretary Herter	Foreign Minister Couve de
Under Secretary Dillon	Murville
Ambassador Houghton	Ambassador Alphand
General Goodpaster	Mr. de Courcel
Colonel Walters	Mr. Lebel

The President opened the conversation by saying that in their talks on the previous day,<sup>1</sup> General DeGaulle and he were agreed on procedures for the summit; that General DeGaulle would write Mr. Khrushchev setting this forth and that they were in hopes of finishing by Sunday, but if not, the President might return from Portugal for the meeting. They had agreed that disarmament would be the major subject for discussion though there was a slight difference of approach between our way of approaching it and General DeGaulle's. General DeGaulle wished to propose the prohibition of certain delivery systems for nuclear weapons with appropriate inspection which would be world-wide and open Russia completely to inspection. He himself, in the light of Khrushchev's rejection of his open skies proposal at Geneva in 1955, wanted to start out more modestly with a limited area in which inspection techniques could be tested.

Secretary Herter then said that this would be tantamount to opening the whole of the Soviet Union to inspection, and General deGaulle nodded agreement.

The President said he could see no objection to making this proposal although he was not very optimistic about it being accepted, but that his proposal was something in the nature of a fallback position. General DeGaulle said that of course if the proposal were agreed to, a group would have to be set up to study the means of implementation and techniques in inspection would have to be developed, but that there would have to be a series of phases for implementation. General DeGaulle said that when he had proposed this to Khrushchev, he had said he would agree to any kind of inspection providing it was reciprocal anywhere. Secretary Herter asked whether this covered nuclear weapons and the President said that it did not; it involved delivery systems, as both he and General DeGaulle were agreed that the weapons themselves could easily be hidden, but it related only to the means of

Source: Department of State, Conference Files: Lot 64 D 559, CF 1631. Top Secret. Drafted by Walters. The conversation was held at the White House.

<sup>&</sup>lt;sup>1</sup> See Document 168.

delivery. General DeGaulle said that Khrushchev had spoken of missiles, aircraft, and launching sites, both fixed and mobile, which he understood to cover submarines. The President then said that he did not see any reason why this should not be proposed. General DeGaulle said that he felt we could not propose nothing, nor could we propose everything as the Russians did, but we must propose something substantial, and this type of proposal would have a great effect on public opinion and would redound to the credit of the West.

The President said that in the field of contacts, he and General DeGaulle were agreeable to proposing that we might double present contacts, and if need be, triple them. We would have no difficulties in this field. He had once asked Mr. Hoover, head of the FBI, whether it would greatly increase his problem if we allowed in 10,000 Russian students instead of 40, and Mr. Hoover assured him that it would not. Secretary Herter pointed out that we had offered the Russians to exchange a large number of students and that they had found this awkward and had finally come up with 23.

General DeGaulle then said that though we might agree to increase exchanges, this did not mean that we would necessarily buy two or three times as much from them. For instance, France purchased a million tons of petroleum a year from them. Such a proposal did not mean France would be obligated to buy two million tons. Nevertheless, he said, Khrushchev always comes back to the subject of an increase in trade between the East and West. The President said that if we agreed on other things we could look into the problem of increasing trade.

Secretary Herter pointed out there are certain legislative limitations such as the Johnson  ${\rm Act.}^2$ 

The President pointed out that if this type of provision were included in a formal treaty and it were ratified by the Senate, it would have over-riding effect and be the supreme law of the land. Secretary Dillon pointed out that what the Soviets were really after was long-term credits and that the Johnson Act limited these. Secretary Herter said he had one concern in this respect. If a declaration came from the summit advocating greater commercial exchanges, this might encourage other nations to send trade missions to Moscow and would, in turn, give the Soviets an opportunity to send large numbers of people to other countries to carry out subversive activities.

The President said that any statement covering an increase in East-West trade would have to be drafted very carefully.

<sup>&</sup>lt;sup>2</sup> Reference is to the Johnson Debt Default Act, signed April 13, 1934, which prohibited financial transactions with any foreign government in default of its obligations to the United States. (48 Stat. 574) It was amended on July 31, 1945, to exempt foreign governments who were members of both the International Monetary Fund and the International Bank for Reconstruction and Development from some of its provisions. (59 Stat. 516)

Foreign Minister Couve de Murville said that the real problem lay in the fact that the Soviets really don't have much to sell, and they have trouble in paying for what they do buy. Secretary Dillon said that the Soviets were driving for credits but we would rather see such credit, as it were available, go to help non-communist, underdeveloped nations. General DeGaulle said that Khrushchev admits that they don't have much to sell now, but says that they were developing at a high rate and in a few years will have a great deal to sell. The President expressed the view that the most we could do at the summit would be to appoint a committee to study what could be done to expand East-West trade, but that the matter of social and cultural exchanges would be no difficulty. General DeGaulle and the French Foreign Minister expressed their agreement.

On the matter of Germany, General DeGaulle said that Khrushchev had told him that Berlin constituted a dangerous situation. There was still fire in the ashes of World War II and this might flare up if not settled; that we must regulate the status of East Germany and West Berlin. He would never allow either of them to belong to Adenauer, but he did not insist that West Berlin be a part of East Germany. It could become an international city under the United Nations control with guaranteed access. General DeGaulle said he told Khrushchev that if he divided Germany permanently in this manner, if he treated Berlin as something apart; he would be rekindling that fire and creating, at least on the German side, a reason for war. He said he had asked Khrushchev why he brought up matters of this type if he really wanted relaxation of tensions. After all we had lived with the present situation in Berlin for 15 years; there was no reason why we could not go on for a further number of years.

General DeGaulle said that when he told Khrushchev this bluntly he became less urgent and said that they could go along for two years, at the end of which, if no settlement had been reached, he (K) would have to sign a peace treaty with the German Democratic Republic, but in the meanwhile there would have to be some temporary arrangement on Berlin. General DeGaulle said that he had told Khrushchev that if he was trying to tell us that we would have to get out of Berlin at the end of two years the answer was "no go", and that as for his temporary arrangement on Berlin this would depend on what he was trying to put into it.

The President said that he felt that the background or theme we should operate against is that we believe in the self determination of peoples, and that we feel they should be allowed to express themselves freely concerning their own future; peoples of Berlin, East Germany, Czechoslovakia, or other areas, and if we stress this constantly it will require considerable acrobatics on the part of Mr. Khrushchev to prove that he was right in trying to dispose in a dictatorial fashion of the people of West Berlin and East Germany. We should stress that we believe in this. General DeGaulle replied that we did believe in this, but he did not. The French President said that in order to relax tensions, if we made these proposals early in the Conference, it would prevent the discussion on Berlin and Germany from becoming venomous and acrimonious later on.

General DeGaulle then said that in the same framework we might see if something could be done jointly to assist the under-developed nations. Even if we only accepted in principle and leave to a committee the task of working out the specific implementation.

The President pointed out that the Soviets have not supported such projects financially when undertaken under the aegis of the UN. For instance, their quota of the Special Fund was 15 million dollars and Secretary Dillon stated that they had only put in one million dollars. Their performance with regard to the Children's Fund was similar.

General DeGaulle said that Khrushchev had expressed pessimistic views regarding the U.S. disposition and then pirating the President's proposal of 1953,<sup>3</sup> he said he had proposed using part of the savings on disarmament to assist under-developed countries. The President again expressed doubts regarding the Soviets disposition to do anything substantial, and General DeGaulle again expressed his desire to make some proposal in this area and try and work out the details.

Secretary Herter said that he was just a little concerned regarding the order in which the topics were discussed at the summit because if we reached agreement on a number of these things the Soviets might then become very tough on Berlin at the end of the Conference.

General DeGaulle said that we should seize the initiative and say to the Russians "have you come here to seek a decision or not". If so, let's talk about disarmament and exchanges and perhaps joint assistance to the under-developed nations. He will, nevertheless, talk about Berlin, but perhaps not so violently.

Secretary Herter expressed concern again concerning the Soviets taking such earlier agreements as might have been reached for granted, and then become difficult on Berlin. General DeGaulle said that we should make it clear that all of the agreements were tied together and that if the Conference broke up over Berlin, anything that had been agreed earlier would not hold. For this reason he favored small

<sup>&</sup>lt;sup>3</sup> Reference is presumably to Eisenhower's proposal for the reduction of armaments made in his address, "The Chance for Peace," delivered before the American Society of Newspaper Editors, April 16, 1953. In this address, he proposed a limitation of the sizes of the military forces of all nations, a commitment by all nations to limit their production of materials devoted to military purposes, and the international control of atomic energy to promote its peaceful use.

meetings. On the first day, perhaps, the four chiefs of government alone and later the foreign ministers would join them. He felt that they should hold their meetings in the mornings, leaving the afternoons free for bilateral visits and exchanges, and at the end a large meeting could be held with ambassadors and other members of the delegation. He felt that private contacts with Khrushchev were effective. Both the President and General DeGaulle agreed that Khrushchev talked in a more reasonable fashion when he was alone and that the presence of other Soviets seemed to make him more intransigent. The President indicated that he would go to Lisbon on the 23rd, but might return if the Conference had not concluded. General DeGaulle said that he had hoped they might be finished by Saturday night, particularly if they had restricted meetings.

The President then asked about a communiqué<sup>4</sup> and General DeGaulle said he was agreeable either way. The President said there was only one thing he would like to see included in the communiqué, and that was General DeGaulle's statement of September 16, 1959 on Algeria still stood, and he could use the occasion to reaffirm his support for the General's statement. General DeGaulle said he did not like to use the word Algeria, but in his speech to Congress<sup>5</sup> he would express his belief that nations have the right to self determination in democracy.

The President said that sections of our press were indicating that General DeGaulle had hardened his stand and he knew this was not so in light of what the General had told him, and was merely seeking an occasion to reaffirm his support. General DeGaulle said that the last time he had told the President in advance that he would make the statement and the President had then expressed his support. He would make a statement to this effect in New York tomorrow and if the President wished to endorse, that it would be fine. Secretary Herter then asked about the communiqué and the President recalled that they had indicated on the previous day that a brief communiqué might be forthcoming.

General DeGaulle said that such a communiqué might say that these conversations had been useful in defining the position that they would take in common to go to the summit for the purpose of achieving a relaxation in the international situation. The President said he thought that would be helpful.

General DeGaulle indicated that he would pay a final call on the President the following morning with Madame DeGaulle, and the President said that he would receive them in the residence.

<sup>&</sup>lt;sup>4</sup>See footnote 9, Document 168.

<sup>&</sup>lt;sup>5</sup> For text of de Gaulle's address before Congress on April 25, see Department of State *Bulletin*, May 16, 1960, pp. 771–773.

Secretary Herter again expressed concern that if in order to achieve relaxation of tension we gave Khrushchev everything he wanted early and then he got tough on Germany at the end, this would not be good. General DeGaulle said that there was a gamble involved and this was that Khrushchev did want to be known as the man who had relaxed tensions and that we would indicate that if the Conference broke up over Berlin, that nothing that had been agreed previously would stand. Secretary Herter said that we should not announce anything until the final communiqué, and General DeGaulle agreed with this and said that everything should remain open and connected until the final communiqué.

It was then agreed that Secretary Herter and Mr. Couve de Murville would meet immediately after lunch and work out a communiqué. Both the President and General DeGaulle expressed their agreement in advance to whatever communiqué was worked out by the Secretary of State and the French Foreign Minister.

> Vernon Walters Colonel, U.S. Army

## 170. Memorandum of Conference With President Eisenhower

April 26, 1960, 8:30 a.m.

#### OTHERS PRESENT

General de Gaulle, Colonel Walters

The President asked General de Gaulle whether he had read Khrushchev's speech at Baku<sup>1</sup> and General de Gaulle said he had. The President said that one thing that bothered him about these speeches of Khrushchev's is that having taken these extremely firm positions he found himself obliged to abide by them. General de Gaulle said that he did say these things, but he was not sure he really meant them, and he did feel that sometime during the conference we would probably have to say "No" to Mr. Khrushchev, and the President nodded agreement.

Source: Eisenhower Library, Eisenhower Papers, DDE Diaries. Secret. Drafted by Walters on April 27. The meeting was held in the Red Room at the White House when de Gaulle called to say goodbye.

<sup>&</sup>lt;sup>1</sup> In Khrushchev's speech at Baku on April 25, he reiterated the maximum Soviet demands on Germany and Berlin. For text, see *Pravda*, April 26, 1960.

On taking leave of the President, General de Gaulle said "Now that I have seen you I have even greater confidence in our cause." The President replied, "We shall be standing together."

> Vernon Walters<sup>2</sup> Colonel, U.S. Army

<sup>2</sup> Printed from a copy that bears this typed signature.

## 171. Memorandum From Acting Secretary of State Dillon to President Eisenhower

May 2, 1960.

SUBJECT

Report on President de Gaulle's trip

As you have been informed, General de Gaulle was very enthusiastically received everywhere he went. The reception accorded him was spontaneous and far beyond what he or any other members of the French party had anticipated. He left feeling very happy with the trip.

He was particularly interested to see how the average American lived and worked. He was greatly impressed by what he saw, especially by a half day spent touring the Palo Alto district near San Francisco. Apparently he found the standard of living of American workers to be considerably higher than he had expected. He also appeared surprised at the individuality in the living arrangements and housing of typical Americans. He remarked that Khrushchev had set himself quite a goal in trying to catch up to the United States. It would take a very long time to achieve if it could be done at all.

Substantively, he twice mentioned in New York his firm decision to grant self-determination to the Algerians. He followed this up in San Francisco by a strong statement regarding the rights of all people to self-determination.<sup>1</sup> He emphasized everywhere the importance of individual liberty and freedom and the full support of France for United States objectives in this area.

Source: Eisenhower Library, Whitman File, Dulles–Herter Series. Confidential. The source text bears Eisenhower's initials. A copy of this memorandum is in Department of State, Central Files, 751.11/5–260.

<sup>&</sup>lt;sup>1</sup> For text of de Gaulle's luncheon speech given at the Hotel Astor in New York on April 26, where he reiterated France's decision to grant self-determination to the Algerians, see *The New York Times*, April 27, 1960. The texts of the additional statements in New York and San Francisco have not been found.

I am certain that this visit has proved most useful. Any idea he may have had that United States policy is dictated by unfriendly feelings either to himself or to France has certainly been totally dissipated. I do not believe this will lead to any immediate change in de Gaulle's views on matters of direct interest to the United States, such as the various problems in NATO. However, I am certain that it will permanently influence de Gaulle's picture of the United States in a favorable manner and will continue to pay dividends as long as he is directing the destiny of France.

## **Douglas Dillon**

## 172. Memorandum of Conversation

Paris, May 18, 1960, 5–6:20 p.m.

## MEETING OF CHIEFS OF STATE AND HEADS OF GOVERNMENT

Paris, May 1960

PARTICIPANTS

United States

President Eisenhower Secretary Herter Secretary Gates Mr. Merchant Mr. Kohler (Colonel Walters)

United Kingdom

Prime Minister Macmillan Foreign Secretary Lloyd Sir Frederick Hoyer-Millar Sir Anthony Rumbold Sir Gladwyn Jebb Mr. de Zulueta

#### SUBJECT

**US-UK-French** Cooperation

(*Note:* The exchange of views recorded in this memorandum took place between the discussion on Berlin and the discussion on disarmament, reported in a separate memorandum of conversation.)<sup>1</sup>

France

President de Gaulle Prime Minister Debre Foreign Minister Couve de Murville (note takers, interpreters)

Source: Department of State, Central Files, 396.1/5-1860. Secret; Eyes Only. Approved by the Office of the Secretary of State on May 27 and by the White House on June 7. This conversation was held at the Elysée Palace.

<sup>&</sup>lt;sup>1</sup> This memorandum of conversation is printed in volume IX, Document 187.

President Eisenhower said, however, that he was thinking of something more. He said to the extent that could be presently foreseen we would be faced with a more critical and tense situation in our relations with the USSR. If these relations should become worse over a considerable period of time he wondered if the cooperation within the working groups was a close enough relationship between us. He felt that we needed in some way to be closer together at the top governmental level. He said that he and Prime Minister Macmillan had been discussing this question for the past hour and that he had thought about it for a long time. He felt we needed some method, without derogation of NATO, for more frequent communication between ourselves, possibly between the Foreign Ministers. The three powers had a very special responsibility for Germany and it was important that none of us should be operating in a way not in consonance with the others.

President de Gaulle commented that he had been concerned about this question for a long time. He recalled that nearly two years ago he had written to the President and to Prime Minister Macmillan about the need for closer coordination of our policies.<sup>2</sup> At the time there were the problems of Syria and Iraq and Jordan. Today it was the problem of Berlin. Perhaps later we would be faced with other critical problems. He had thought that it would be possible to organize our relations more effectively, develop common strategic thinking and plans, and the like. However we were still where we were when he had written two years ago and if an abrupt crisis should arise the situation could be serious. He recognized that in such questions as that of Berlin it might be said that we already have an organization to deal with such problems in NATO; but NATO is limited in its capacity to take quick and effective action. We needed a method of being able to act quickly.

President Eisenhower said he thought that there was justification for developing a closer cooperation between the three powers since they were the ones who came out of the last war with specific responsibilities in specific areas. This gave them every reason to work more closely together.

Prime Minister Macmillan said he agreed with what the President had said. He felt the three powers ought to have machinery able to act quickly and perhaps somewhat more broadly. It was important that the three remove any difficulties between themselves so that they could really rally the West. He commented that the three met here today and would then go away. He believed they would be able to act quickly if they had to. He then cited Khrushchev's statement and his press conference this afternoon, repeating the Soviet threat to sign a separate peace

<sup>2</sup> Document 45.

treaty with the GDR, which would bring to an end the Allied rights in Berlin, and Khrushchev's statement that such a treaty was ready and could be signed whenever the Soviets decided.<sup>3</sup> Thus, it was possible that a crisis might arise at any time. Consequently, it was necessary to strengthen the sense of unity generally between themselves. In fact, he felt that this sense of unity had been strengthened by the current meetings and was perhaps the most important result of the meetings. He recalled that he had discussed this question of closer cooperation with General de Gaulle at Rambouillet.<sup>4</sup> Originally it had been General de Gaulle's idea and in this respect the three were of a like mind. It was true that the Foreign Ministers already met frequently and maybe it would be better if they met even more frequently. However, he felt they might broaden their consultations, not meeting just to discuss specific problems but to try to get a real unity of view. President Eisenhower interjected the comment that this was not possible to achieve by directives, to which the Prime Minister agreed.

President de Gaulle said that a series of arrangements had been tried from time to time during the past couple of years, but satisfactory organizational machinery had not yet been found. We had agreed that the Embassy Counselors should meet every month, without informing NATO or Spaak that this was going on. He had recently sent a military representative of considerable value to the standing group in Washington. This representative had tried to work closely with his American and British colleagues but had become rather disheartened and the results had not amounted to much. Of course, it must be recognized as a fact that organizations exist, such as NATO and SEATO, which resist the development of new organizational patterns. In any event, while the three seem to agree on the general idea, it had not been possible to find a practical means to implement this agreement. He did not want to say things which would sound unpleasant, but felt that we should learn from history and that we could talk freely and frankly among ourselves. For example, at the time of the Egyptian crisis the West was in complete disarray; perhaps in a new crisis over Berlin the same would be the case.

President Eisenhower said that the meeting might note that the Foreign Ministers were meeting again in Washington on May 31 at the time of the SEATO conference. They could have discussions then and perhaps it would be possible to require them to meet about every sixty days or even more often. He was convinced that we could find a way to do

<sup>&</sup>lt;sup>3</sup> For text of Khrushchev's statement and summary of his news conference, May 18, see *The New York Times*, May 19, 1960.

<sup>&</sup>lt;sup>4</sup>No record of Macmillan's talk with de Gaulle at Rambouillet, December 20, 1959, has been found.

this without arousing suspicions of others. He recognized this might require even more travel on the part of the Foreign Ministers. However, if our consultation was maintained at too low a level, he feared that many things simply would not get done. In fact, the Heads of Government might meet more frequently, too—preferably without creating any complicated apparatus which would arouse suspicion or alarm. He was not proposing that the three powers set up a directorate to run the world. However the three had specific responsibilities and things to be done—matters to be considered between themselves particularly. He added that the procedure he suggested might cause some anguish to the Foreign Ministers but he would point out that his own Foreign Minister, in terms of the amount of travel he would have to do, would be at a twoto-one disadvantage with respect to each of the others!

President de Gaulle said that the Heads of Government must pay tribute to their Foreign Ministers who, in fact, seemed to be all over the place. He saw Secretaries Herter and Selwyn Lloyd frequently in Paris and knew they were in Istanbul<sup>5</sup> and many other places. The world truth was here in this room.<sup>6</sup> If that could be organized, the rest would come naturally.

Mr. Selwyn Lloyd said he thought that the Foreign Ministers do not prepare their work carefully enough, and the President at this point indicated his agreement. Mr. Lloyd felt the Foreign Ministers should prepare their agenda more carefully. At present their meetings were perhaps too casual. It would be better if they developed specific plans for their consultations so that they could inform the Heads of Government of the results.

President de Gaulle said that since the President and the Prime Minister had referred to this matter, he would ponder it and make specific proposals to both. He said he would write them in the near future on the subject. His letter would be in the same spirit as the one he had sent two years ago, but developed with greater precision. If times were good, this would perhaps be only an academic exercise; but if a crisis should arise, such a plan might be the basis for our salvation.

Prime Minister Macmillan said he believed that all knew what they would like to do, but clearly they needed a more organized system with agenda, positions, etc. He indicated that he would be glad to receive President de Gaulle's ideas.

<sup>&</sup>lt;sup>5</sup> Herter and Lloyd were in Istanbul May 2-4 to attend the NAC Ministerial Meeting.

<sup>&</sup>lt;sup>6</sup> There is a question mark in the margins on each side of this sentence and a handwritten notation by Goodpaster at the bottom of the page that reads: "truth of the world (i.e., the power to decide the course of affairs)."

## 173. Memorandum of Conversation

Paris, May 18, 1960.

PRESENT

The President General de Gaulle Colonel Walters

The President said that in respect to this closer consultation between France, the United Kingdom, and the United States, they should be able to set up an effective mechanism without having recourse to large ponderous machinery.

General de Gaulle agreed, and said that it was important to set up something permanent that would operate effectively on a long-term basis. With the close friendship existing between the Chief of Government of the three nations at the present time, things would be easy, but they must set up something that would work on a permanent basis whoever the principals might be. General de Gaulle said, "With us it is easy; you and I are tied together by history."

The President said that this was true and that he was confident that appropriate means to maintain this close contact could be found.

General de Gaulle said that within the next few weeks he would write both the President and Mr. Macmillan and make specific proposals in this respect.

The President said that he would also like to be able to give his ideas on this subject to General de Gaulle, and the General agreed.

General de Gaulle said that he had not seen the President to thank him for the wonderful welcome he had received in the United States.

The President asked how Madame de Gaulle was, and the General said she was very well, but she had kept on the sidelines during the Summit Conference; but he wished the President to know how much he and Madame de Gaulle had enjoyed seeing the President and Mrs. Eisenhower in Washington. If he might say so, they represented a family which was the way families ought to be and this was true of John and Barbara also.<sup>1</sup>

The President thanked General de Gaulle for his words, and said that later this year he was going to make two major speeches. One would be concerning the family as the basic element of Western

Source: Department of State, Central Files, 711.11–EI/5–1860. Top Secret. Drafted by Walters. This meeting was held in de Gaulle's office at the Elysée Palace.

<sup>&</sup>lt;sup>1</sup> Reference is to the President's son and his wife, John and Barbara Eisenhower.

civilization, and the other would relate to the necessity of not growing soft. He would be close to the end of his term, and therefore these speeches might have a greater impact than if he had made them earlier in his term.

The President said he felt that the meeting in Paris had not been a complete failure, because he felt that the unity of the West was perhaps now stronger than ever before.<sup>2</sup>

General de Gaulle agreed with this completely.

The President then took his leave of General de Gaulle, who accompanied him to the door of the Elysée.<sup>3</sup>

**Vernon A. Walters**<sup>4</sup> Colonel, United States Army

<sup>4</sup> Printed from a copy that bears this typed signature.

## 174. Memorandum of Conversation

#### US/MC/39

Paris, May 20, 1960, 11:30 a.m.

#### SUBJECT

Euratom and Amendment to French Atomic Energy Cooperation Agreement (Meeting of Chiefs of State and Heads of Government—Paris, May, 1960)

#### PARTICIPANTS

The Secretary of State<sup>1</sup> Mr. McCone, AEC Mr. Farley, S/AE

 $<sup>^2</sup>$  Reference is to the failure of the Heads of Government Meeting, May 16, as a result of Khrushchev's anger at the U–2 incident.

<sup>&</sup>lt;sup>3</sup> On May 18 and 19, Presidents Eisenhower and de Gaulle exchanged letters expressing their pleasure at the strength of their friendship and the bonds between the United States and France. Copies of these letters are in Department of State, Presidential Correspondence: Lot 66 D 204 and in Eisenhower Library, Whitman File, International File. Attached to de Gaulle's letter in the Eisenhower Library, which also bears Eisenhower's initials, is the French text.

Source: Department of State, Central Files, 396.1–PA/5–2060. Official Use Only. Drafted by Farley and approved in S on May 26. The meeting was held at the U.S. Embassy Residence. See also Document 175.

<sup>&</sup>lt;sup>1</sup>The Secretary and McCone were in Paris for the Heads of Government Meeting.

Mr. McCone reviewed his conversations with Mr. Couture, Hirsh, deRose and Renou. He said that the Euratom requirements for special nuclear materials, particularly weapons-grade U-235 were such as to make it infeasible to conclude an agreement during this session of Congress.<sup>2</sup> Hirsh had told him that it would not be possible politically for Euratom to separate out the French requirement for 60% enriched U-235 and give that priority over other projects. The French feel very strongly that the proper course is to conclude a U.S.-French draft amendment to the existing bilateral agreement, not increasing the amount of material but increasing the permissible enrichment. This would then be referred to Euratom under Section 103 of the Euratom Treaty.<sup>3</sup> If Euratom approves, the U.S. would then submit the draft agreement to Congress; if they do not, the French would take the case to court since they feel a major constitutional question is involved. The difficulty for us in this procedure is that Euratom is strongly opposed to any amendment of the French bilateral. However, this procedure would give Euratom its opportunity to rule, and would take the United States out of a difficult situation.

Mr. Farley said that he had had similar discussions. He wished to add that the French desire to avoid a situation in which Euratom handled all the foreign relations of the community was shared by the other members of the community and referred to the exchange of notes at the time of the amendments to bilaterals during the previous year.<sup>4</sup> He personally was inclined toward the course of action recommended by Mr. McCone, possibly after an informal notice from the U.S. to Euratom that we were doing so. He was afraid that, if Euratom kept the French from making an agreement this year, the Euratom position vis-à-vis the member states would be weakened rather than strengthened. However, this matter has been handled between the State Department and AEC in Washington, with Mr. Dillon taking the decision which has set our course heretofore. He recommended that no change be made or any commitment given to the French to receive negotiators for an amendment to the bilateral until after the problem could be reviewed in Washington next week with Mr. Dillon and other interested officers. The matter was left in this way.

<sup>&</sup>lt;sup>2</sup> The Agreement for Cooperation between the United States and the European Atomic Energy Community, which went into effect February 18, 1959, provided for cooperation in a joint nuclear power program. (10 UST 75)

<sup>&</sup>lt;sup>3</sup> The treaty establishing the European Atomic Energy Community (Euratom) was signed on March 25, 1957. Euratom was officially established on January 1, 1958, after ratification of the treaty by all six member countries.

<sup>&</sup>lt;sup>4</sup>Not further identified.

# 175. Memorandum of Conversation

US/MC/41

Paris, May 20, 1960, 11:30 a.m.

SUBJECT

Nuclear Energy Cooperation with France (Meeting of Chiefs of State and Heads of Government—Paris, May, 1960)

[Here follows the same list of participants as Document 174.]

Mr. McCone said that in his discussions of the past two days with French atomic energy officials he found that they were increasingly aware of the cost and time required for construction of a French gaseous diffusion plant. He thought this might be the time to consider whether we should try to make a deal which would keep the plant from being built. He recalled speaking to the President about this idea a year and a half ago at which time the President was favorably inclined.<sup>1</sup> Mr. McCone had then spoken to M. Perrin who rejected any consideration of the idea since General deGaulle was determined to have a complete and integrated independent French atomic energy program. Mr. McCone mentioned also that a few months ago Ambassador Alphand had spoken to him of the French opposition to the cut-off of production of fissionable materials since French production has barely commenced.<sup>1</sup> At that time Mr. McCone had said that, if this was all that troubled the French, the United States could easily fill the gap. He had had AEC staff look into the anticipated French production of weapons-grade U-235 in the next 10 years. From their knowledge of French plant construction plans, they had estimated that, by picking up surplus power available to U.S. gaseous diffusion plants, the U.S. could in 6 months produce enough additional weapons-grade U-235 to satisfy French requirements for 10 years. The U.S. estimate of French production costs was \$38 per gram whereas the U.S. cost is \$11-\$17 per gram. There would thus be both greater economy and early availability for the French by this approach. He suggested that the Secretary might want to call Couve and suggest that this be given consideration on both sides.

The Secretary said that he was very much interested in this approach. He thought that the French behavior in recent months and particularly in the past week had blotted out the effect of many previous petty irritations such as the Mediterranean fleet, the air defense argu-

Source: Department of State, Central Files, 396.1-PA/5-2060. Secret. Drafted by Farley and approved in S on May 26. The meeting was held at the U.S. Embassy Residence. See also Document 174.

<sup>&</sup>lt;sup>1</sup>No record of this conversation has been found.

ment, etc. Accordingly, he would assume that the past Congressional opposition to such cooperation would be greatly diminished. Mr. McCone said that he believed the Joint Committee would be favorably disposed though they would not of course favor exchange of nuclear weapons information. The Secretary continued that he would like to speak to the President about this matter and if the President agreed then the President might make the suggestion to Couve who would be in Washington next Thursday.<sup>2</sup>

Mr. Farley said that he agreed that Congressional approval could probably be obtained for such an agreement. He thought, however, that there was a policy question for the United States, since the French would undoubtedly agree only if the end use of the material was unrestricted. This would mean that we would foster an independent French nuclear weapons capability much earlier than would otherwise be the case. This was different, for example, from our present approach to IRBM capabilities in Europe. The Secretary said that he was sure the British and the Germans would be opposed. Mr. Farley said that he thought the smaller NATO countries would also be uneasy.

The Secretary concluded by saying that this matter should be taken up urgently in Washington.

<sup>2</sup>See Document 179.

# 176. Memorandum of Conversation Between Secretary of State Herter and the French Ambassador (Alphand)

Paris, May 20, 1960.

Alphand came to see me at the Embassy Residence at 12:45 p.m. today. The principal point he wished to make was that a favorable decision by the United States with regard to the amendment of the Bilateral Atomic Energy Agreement so as to permit France to receive additional enriched uranium was of the utmost importance to the French. He then told me, which I admitted we already suspected, that it was Prime Min-

Source: Department of State, Central Files, 611.5145/5–2060. Secret. Drafted by Herter. The conversation was held at the U.S. Embassy Residence.

ister Debre who was pushing this matter very hard, largely because of his dislike of EURATOM and his (Debre's) hopes that the Common Market would be the principal political institution of the Six and that it would not be encumbered by either the EURATOM or the Coal and Steel Community. I told Alphand that I had been discussing this very matter with Mr. McCone earlier in the morning,<sup>1</sup> and that we both hoped this matter could be worked out so that the French could get the enriched uranium either through EURATOM, after an amendment of our agreement with that body, or by an amendment to our existing Bilateral. I told him we still had questions to work out with EURATOM and that I hoped the matter could be resolved amicably and quickly.

Alphand then spoke with considerable heat about the extremely bad public reaction which would occur in France if it was announced that we had gone to Congress for the necessary authority to make available a nuclear submarine reactor to the Dutch without doing the same for the French.<sup>2</sup> He said he could not overemphasize how great he felt this reaction would be. I told him I did not know just what the situation was as of the present moment with respect to the Dutch submarine reactor but, bearing in mind what he had said, I would go into the matter as soon as I reached Washington. Alphand then told me that the time had come when we had to differentiate between the important things and the little things. He assured me the question of the French Fleet in the Mediterranean and the command structure with regard to respective NATO Airforces were minor matters since, if trouble came, the French would be with us one hundred percent anyway. He indicated, however, that the two matters which he had raised were major matters.<sup>3</sup>

C.A.H.

<sup>&</sup>lt;sup>1</sup>See Documents 174 and 175.

<sup>&</sup>lt;sup>2</sup> Documentation on the question of cooperation between the United States and the Netherlands on nuclear submarine matters is in Department of State, Central File 740.5611 and in the Eisenhower Library, Staff Secretary Records.

<sup>&</sup>lt;sup>3</sup> For Alphand's account of this conversation, see *L'Etonnement*, pp. 332–333.

## 177. Message From Prime Minister Macmillan to President Eisenhower

London, May 25, 1960.

Since our discussion in Paris with President de Gaulle about improving co-operation between our three Governments<sup>1</sup> we here have been thinking about the methods to use. The United States, France and the United Kingdom have between them an overwhelming responsibility for the wise direction of Western alliances. We are also, as powers victorious in the last War, in a special position with regard to Germany. On the other hand, we do not want unduly to offend our various other allies by seeming ostentatiously to exclude them from our deliberations.

I expect that you and President de Gaulle will have ideas on all this, and I suggest that the Foreign Ministers should discuss the problem when they meet in Washington early next week. Meanwhile I thought it might be helpful to send to you and to President de Gaulle the enclosed memorandum which attempts to explore some of the possibilities as regards mechanics for consultation between us. I feel that by moving along the lines of this memorandum we should be able to develop better between us a common attitude towards the great global problems, upon our handling of which the peace of the world and the security of the West so much depend.

## [Enclosure]<sup>2</sup>

## MECHANICS OF TRIPARTITE CONSULTATION

(a) The main instrument of tripartite consultation, apart from personal meetings of Heads of Governments, to supplement normal diplomatic exchanges, should be meetings between the Foreign Ministers. They already meet four times a year; the United Nations General Assembly, in May and December each year at NATO and also at the SEATO Ministerial Meeting. In the past there have been other additional meetings. The aim should be for them to meet about every two or three

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Top Secret. <sup>1</sup> See Document 172.

<sup>&</sup>lt;sup>2</sup>Tan Carnat

<sup>&</sup>lt;sup>2</sup> Top Secret.

months, using these other occasions for the most part. When they meet adequate time should be set apart for tripartite discussion. Their agenda for such discussion should be prepared in advance with approval from the Heads of Government and any necessary papers should be prepared and circulated before each meeting. In arranging the agenda Ministers should feel free to suggest any subject or problem with which the three Governments were concerned. This would include both concrete and immediate problems, and also long-term questions of a more general character requiring harmonisation of the future policies of the three Governments.

Each Foreign Minister would designate a member of his Foreign Office—perhaps a Counsellor—to be directly responsible for preparing the agenda, circulating papers and ensuring that the subsequent follow up action is taken. These three officers could correspond directly with each other in the intervals between the Ministerial meetings but should not be regarded as constituting a formal Secretariat.

Should it be desirable or necessary for any preliminary work to be done on a tripartite basis before a meeting of Ministers, this should be performed in the place where the Ministerial meeting is to be held by a small working group of officials, i.e. representatives of the two Embassies and the home Ministry of Foreign Affairs, assisted where necessary by expert advisers.

The Foreign Ministers should report to the Heads of Governments the result of each meeting.

(b) The Heads of Governments might also supplement their direct correspondence by meeting either bilaterally or tripartitely in an informal way at intervals. Care will have to be taken, however, that such meetings do not upset the susceptibilities of other Governments and the aim should be to have it accepted that the Heads of Governments can meet without formality and without it becoming a State occasion, i.e. no Press Conferences or communiqués or Parliamentary statements.

# 178. Memorandum of Conversation

June 1, 1960, 10 p.m.–1 a.m.

#### SUBJECT

**Tripartite Consultation** 

PARTICIPANTS

US

The Secretary of State Mr. Merchant Mr. Kohler Mr. Penfield UK

Mr. Selwyn Lloyd, Secretary of State for Foreign AffairsSir Harold Caccia, British AmbassadorMr. B. Boothby, Foreign OfficeMr. T. Brimelow, Counselor of Embassy

France

Mr. Couve de Murville, Foreign Minister
Mr. Claude Lebel, Chargé d'Affaires
M. P. Pelletier, Foreign Office
Mr. Jean-Claude Winckler, Counselor of Embassy

After dinner the three Foreign Ministers assembled in the drawing room. The Secretary referred to the conversations which had taken place in Paris between the Heads of Government with respect to finding improved methods for closer tripartite consultation.<sup>1</sup> The Secretary said the United States considers such consultation desirable but continues to believe that it should not be institutionalized to the point of antagonizing our allies. He mentioned in this connection the sensitivity in particular of the Italians and the Canadians, and the French Foreign Minister interjected also the Germans.

Mr. Selwyn Lloyd said that Prime Minister Macmillan had put his ideas on paper in the form of letters to Presidents Eisenhower and de Gaulle.<sup>2</sup> The British did not yet know what their partners thought of the Prime Minister's suggestions.

Couve said the French had thought that the Foreign Ministers could meet from time to time in a more systematic way than in the past. Presumably the Heads of Government should also consult but there was

Source: Department of State, Central Files, 396.1–PA/6–160. Secret; Limit Distribution. Drafted by Kohler and approved in S on June 3. The conversation was held at Secretary Herter's residence. The Ministers were in Washington for the SEATO Council Meeting May 31–June 2. Copies of the memoranda of conversation, June 1, covering their discussions of disarmament and Africa are *ibid.*, Conference Files: Lot 64 D 559, CF 1686.

<sup>&</sup>lt;sup>1</sup>See Document 172.

<sup>&</sup>lt;sup>2</sup>See Document 177.

some limitation on how frequently they could actually meet. The French had received Mr. Macmillan's letter but had thought that the question could be discussed here in Washington before they replied.

The Secretary made the suggestion that it might be possible to assign senior officers whose competence was not limited to any one region or function but rather global in scope who could keep in touch with each other, prepare agendas and discussion papers for the Foreign Ministers and in general assure some system and continuity in the consultations without creating or constituting anything in the nature of a permanent secretariat.

Mr. Lloyd said he wanted to talk bluntly about the facts. Before Suez there had in fact been close and effective tripartite consultation. The problem was really to get back to the previous situation. After all it must be recognized that the three powers had common responsibilities for Germany and were the three Western permanent members of the Security Council. As he had suggested in Paris he thought what the Foreign Ministers' consultations needed was really better preparation. Meetings of the Heads of Government, he recognized, would be more difficult to arrange and to handle.

The Secretary said that though the three Foreign Ministers had had in fact many meetings they had never been adequately prepared in advance. This was the main reason for his suggestion that each Foreign Minister designate someone who was not saddled with specific duties but had global responsibilities. Both Couve and Selwyn Lloyd asked whether the Secretary contemplated that there would be direct contact between these three officers. The Secretary replied affirmatively, saying again that it would be a sort of informal and unofficial secretariat.

Mr. Lloyd expressed the opinion that it might be better to arrange to set up an ad hoc group in advance of scheduled Foreign Ministers meetings and in the place where they would meet to draw up an agenda and prepare papers for consideration by the Foreign Ministers.

The Secretary then cited Mr. Merchant as the kind of officer he would be prepared to designate and, with reference to Mr. Lloyd's suggestion, added that Mr. Merchant could meet with his counterparts almost anywhere. He then went on to cite the press stories in today's newspapers about tonight's meeting of "the Big Three" and said he was sure that these stories would raise many questions on the part of NATO and our allies.<sup>3</sup> Mr. Kohler commented that in fact the Department had already had a number of applications for briefing.

Couve said he thought it would be easy enough simply to report that this was the first opportunity for the Foreign Ministers to get to-

<sup>&</sup>lt;sup>3</sup>Not found.

gether after the Summit fiasco in Paris. They naturally wanted to review the events there and consider the resulting situation.

Mr. Lloyd said he wanted to ask Couve bluntly whether the arrangements for tripartite consultation as proposed by the Secretary would satisfy the French Government. Couve replied that such arrangements would be satisfactory on the political level. However, they would not cover the question of military coordination which he felt the Foreign Ministers were not in a position to discuss tonight. In this connection he mentioned the possibility of the Standing Group and commented that understanding on military questions was really a matter involving the national security of each of us.

The Secretary commented that the United States really believed in its alliances. We were all together and the security of one was the security of all. There was no such thing as separate national security.

Selwyn Lloyd said that in the military field it seemed to him there were three main questions of major concern. The first was the question of button pushing. The second was the French determination to secure an independent nuclear deterrent capability. The third was the question of the stationing of nuclear weapons in Germany.

Couve commented that the question of the stationing of nuclear weapons in Germany was a very specific problem, to which Selwyn Lloyd retorted that it was a problem of a kind on which the three powers should have their ideas in line.

The Secretary then cited the United States offer on the provision of MRBM's to NATO.<sup>4</sup> He said we were anxious to get this proposition on the table and discuss it.

Couve commented that if he understood the proposal correctly the big problem posed would be in whose hands the MRBM's were held, especially in the case of Germany. The Secretary agreed with Couve that this was a special problem, particularly as respects relations with the Soviet Government.

Selwyn Lloyd said this was a portentous subject to discuss and that it involved horrible dangers in the event of leaks. The Secretary and Couve agreed but expressed the opinion that there was no danger from present company. Selwyn Lloyd then went on to say that he understood that France was unwilling to accept either the first or second alternative of the proposal made by Defense Secretary Gates.<sup>4</sup> Consequently this meant that the idea was for bilateral arrangements on MRBM's. This would mean that Germany would get its own MRBM's.

<sup>&</sup>lt;sup>4</sup>See footnote 4, Document 164.

The Secretary commented that the first thing to do was to make up our own minds as to whether the deployment of MRBM's was really militarily important to us. If so, then we must not fall out among ourselves but decide together how to handle the question.

Couve said that from his point of view we did not know the answer to this question. Maybe the answer could only be supplied by General Norstad.

The Secretary replied that much depended on whether French territory would be excluded from a NATO deployment arrangement.

Selwyn Lloyd said he thought it was important to decide about deployment in Germany. Perhaps Germany was too far forward?

The Secretary pointed out that we were talking about mobile missiles which did not involve the same deployment considerations as the stationary IRBM's. He said it was clear we must show a keen sense of timing in this question.

Mr. Lloyd agreed that as to deployment, military considerations were important, then went on to say that there were also considerations of cost. To this the Secretary replied that in his mind the first consideration was not a question of cost but the security of the free world.

Couve repeated that we must consider whether a military determination would be obtained as to where the missiles should be deployed. The Secretary replied that Norstad had established a requirement for 300 missiles which would presumably be everywhere.

Mr. Lloyd then raised the question as to whether the United States legislation would permit independent control of MRBM's. The Secretary replied categorically that US legislation would not allow such independent control. He said we were thinking in terms of multilateral control. If there were independent controls this would be divisive instead of unifying within the alliance.

Couve commented that we were then talking about NATO weapons. He still did not know whether stationing in Germany would be necessary. There ensued a general discussion as to what kind of missiles were presently stationed in Germany with mention of the Nike-Hercules and the Matador-Mace capabilities there. It was concluded that as of now there are no missiles stationed in Germany which could be considered strategic in nature. During this discussion it was also stressed that the main reason for General Norstad's decision that there should be no IRBM's stationed in Germany was the fact that these required a fixed site and would have been geographically highly vulnerable there.<sup>5</sup>

At the end of this discussion the Secretary then mentioned that he had had letters from von Brentano with respect to Germany's interest in

<sup>&</sup>lt;sup>5</sup> No record of this decision by Norstad has been found in Department of State files.

nuclear cooperation which indicated clearly that there would be mounting pressure for German participation.<sup>6</sup>

Couve said that from the French point of view the main question involved was NATO control as against their own control. The Secretary acknowledged this, stressing the importance of the problem as to whether there would be independent or NATO control.

Selwyn Lloyd then reverted to the Secretary's remark about von Brentano's inquiries and in response to his question the Secretary said that we were simply stalling, taking no action for the time being.

Couve commented that he well remembered that during the consideration of the Western European Union arrangements he, as the French representative, had raised the question as to whether the restrictions on the Germans prohibited their "having" as well as "producing" nuclear weapons.<sup>7</sup> At that time both the UK and the US had said that "having" such weapons was not prohibited. Some general discussion of this question then ensued leading to the conclusion that in fact the German renunciation applies only to the production and not to the possession of nuclear weapons. In this connection Couve pointed out that the French had never criticized the United States for providing Nike, Mace and other nuclear capable missiles to the Germans. After some related and inconclusive further discussion the Secretary said that we should not kid ourselves as to the distinction between tactical and strategic nuclear weapons. Technological development was so rapid that changes in weapon capabilities came practically every month.

Mr. Merchant commented that he thought the place where the Russians drew the line on German possession of nuclear weapons was really on strategic weapons, that is, those capable of reaching inside the USSR. He thought two main questions were posed by the discussion. The first thing to be decided was whether and, if so, what German territory might be needed for MRBM deployment. The second was in whose hands these weapons should be held.

Couve commented that if we asked the military for a decision on deployment they would probably just say the wider the distribution the better. The Secretary agreed with this remark and in this connection referred to the booklet on the Polaris missile which had been sent to NATO and which covered questions of range and mobility.

The Secretary said that the discussion to this point had shown the need for a military determination and he felt this was needed urgently. He pointed out that we were all in the same boat. In part at least the MRBM's were needed to replace obsolescent air capabilities. The United

<sup>&</sup>lt;sup>6</sup> These letters have not been further identified.

<sup>&</sup>lt;sup>7</sup> This statement has not been further identified.

States would be willing to take the initiative in securing the military determination but would only do so if the French military were able to talk about the question on the basis of free world security and not on the basis of political problems connected with considerations of national sovereignty. He realized that this presented problems for France.

Couve de Murville agreed that this presented a problem for the French but stressed again that he thought the first need was for military decisions regarding deployment. The Secretary said all right but that there should be no delays in getting such decisions. He remembered how long the European countries took to decide on details connected with the Hawk production program.<sup>8</sup>

Ambassador Caccia said that he had understood that the Norstad requirement for the procurement of 300 MRBM's between 1963 and 1965 had already gone through the Standing Group and been fanned out to the NATO governments for consideration. In a sense the military decision had already been made and it was now up to the governments to indicate their readiness to cooperate.

The Secretary commented that if this were the case it raised serious question as to the recent report to the effect that the French Minister of Defense had stated categorically that France cannot accept either of the alternatives in the Gates proposal. Couve replied that no firm decision had as yet been made. However, he continued, a lot of problems were raised by the US proposal. This proposal required NATO control. Apart from France it was not at all certain that some of the other countries would be willing to participate or to share in the financing.

The Secretary after repeating that cost was not the first consideration reaffirmed that the United States was talking about a NATO MRBM capability and not about separate national ventures in this field. Couve repeated that at a total cost of \$750 million for the program he thought that the smaller NATO countries would not be prepared to accept.

Mr. Merchant said he thought there were really four specific problems connected with the MRBM program. First, where should they be produced? Second, who should pay for them? Third, where should they be deployed? And, fourth, who controls them? There was general agreement with this summary.

<sup>&</sup>lt;sup>8</sup> Reference is to the Hawk surface-to-air missile system. Early in 1958, five European countries, Belgium, France, Germany, Italy, and the Netherlands, accepted the U.S. offer to use U.S. Government-owned property rights and to facilitate industrial contracts for the manufacture in Europe of this missile system. The NATO Hawk Production Organization, set up by the NAC in June 1959, supervised the program. See Part 1, Document 168, footnote 4.

The Secretary stressed that the United States had made a pledge in 1957 to aid in the development of a MRBM program for NATO.<sup>9</sup> It had now made an offer to meet this pledge. The question is whether the Europeans want to accept that offer. If they do not then the United States will have to rethink the whole question.

Couve commented that some of the NATO countries want the MRBM program if the US pays for it. Others would be willing to pay if they could control the MRBM's.

The Secretary pointed out that the European NATO countries spend between \$13 and \$14 billion a year on defense. The Polaris program would really be very small potatoes within this total.

Mr. Merchant again stressed the urgency of the question. What we really need is government decisions. Basically the SHAPE requirements have been laid down. Deployment decisions really depend on governments' decisions regarding the MRBM arrangement and these should be speeded up. The Secretary commented it would be necessary to apply the needle in the right place.

Couve indicated he did not disagree with Mr. Merchant's remarks but insisted that it would be a normal procedure to have deployment requirements determined by SHAPE without regard to political factors.

Selwyn Lloyd then cited a report that the British had opposed WEU lifting the tonnage requirements on German naval vessels.<sup>10</sup> He denied that the British had taken any such action. After some general discussion it was agreed that in fact the Germans have not yet made formal application to WEU for relief from tonnage limitations.

The Secretary then said he would try to summarize this phase of the discussion. With respect to the development of tripartite consultation he felt it had been agreed that each Foreign Minister would designate an officer to follow through on this matter. For his part he would designate Mr. Merchant right now and asked his British and French colleagues to designate counterparts with whom Mr. Merchant would keep in touch. He repeated that he thought the officers selected should have global competence. He also emphasized that there should be no announcement of these designations. Couve assented and said that he would probably designate Charles Lucet. Selwyn Lloyd said that he had been thinking of an officer of somewhat lower rank, possibly the equivalent of the State Department's Counselor, Mr. Achilles. However since Mr. Herter had

<sup>&</sup>lt;sup>9</sup> In Dulles' statement to the NAC, December 16, 1957, he announced that the United States was prepared to make available to other NATO countries intermediate-range ballistic missiles for deployment in accordance with the plans of SACEUR. For text, see Department of State *Bulletin*, January 6, 1958, pp. 8–12.

<sup>&</sup>lt;sup>10</sup> Not further identified.

designated Mr. Merchant he thought probably the British designee would be Pat Dean. The Secretary then confirmed that all were agreed that a high level officer would be desirable for this purpose.

The Secretary then said that the second conclusion was that we should apply the needle with respect to the MRBM proposition and get going. Ambassador Caccia said that he thought he would like to discuss with Mr. Merchant just where the needle should be applied. The question of the MRBM proposal was now before NATO and steps should perhaps be taken to force a political decision. Couve commented that we should be realistic—the permanent North Atlantic Council would never reach a decision on this matter. Selwyn Lloyd then suggested that maybe the needle should be stuck in Couve and himself. The Secretary agreed it should, especially in Couve, to whom he turned, requesting that if the French firmly decided that they wanted neither alternative of the US proposal they should tell us so promptly.

Couve said that the French position with respect to French territory was known to the US. Germany was a different matter and agreement had almost been reached on nuclear cooperation covering weapons for the French forces stationed in Germany. He thought the French could consider the placement of MRBM's on German territory if the requirement were agreed. However he must distinguish between that and French territory. Selwyn Lloyd then questioned the difference between French and German troops on German soil in this connection. He thought this was a frightfully important question for tripartite consideration. What do we really want in Germany? Couve commented that if we could make up our minds on this question then we must discuss the matter frankly with the Germans. The Secretary agreed as did Selwyn Lloyd but the latter went on to say it was very important how we presented the matter to the Germans.

Mr. Merchant then closed this phase of the discussion by saying he thought there were three pressure points on which we should act. First, NATO should be pressed to expedite a decision on the US offer. Second, General Norstad should be asked to submit his proposals on deployment of MRBM's without regard to political factors. Finally, the Standing Group should be asked to press for governmental acceptance of the SHAPE MRBM requirement. Before turning to the subject of Africa the Secretary again stressed the urgency of this question.

## 179. Memorandum of Conversation

USDel/MC/16

June 2, 1960.

#### SEATO MEETING

Washington, D.C., May 31-June 2, 1960

#### SUBJECT

Supply of Enriched Uranium to France

#### PARTICIPANTS

The Secretary Mr. C. Douglas Dillon, Under Secretary Mr. Foy D. Kohler, Assistant Secretary, EUR

M. Maurice Couve de Murville, French Foreign Minister

M. Claude Lebel, Chargé d'Affaires, a.i., French Embassy

The Secretary brought up the subject of the French request for the supply of enriched uranium for the "Rapsodie" project.

Couve said that there were really two separate problems involved. The first was the matter of an amendment to the French-U.S. bilateral agreement and he thought that the proposal should be acceptable to us. The second was the question of French arrangements to be made with EURATOM. He said the French wanted to sign an agreement with us promptly, knowing that Congress would be adjourning before long.

After noting that a Congressional waiver would be possible, Mr. Dillon said that we could look over the French proposals and express an opinion, but he did not feel that we could submit the proposed amendment to Congress unless the differences between the French and EURATOM had been cleared up without seeming to want to undercut EURATOM.

Couve said that the French were prepared to go ahead in solving their problem with EURATOM but they did not want to lose the possibility of concluding bilaterals in the atomic energy field. He cited in this connection the recent agreement between France and the U.S.S.R. for exchanges in the field of peaceful uses of atomic energy.<sup>1</sup> He said that the

Source: Department of State, Conference Files: Lot 64 D 559, CF 1686. Secret. Drafted by Kohler and approved in S on June 3 and in U on June 6. Five separate memoranda of this conversation were prepared; one (unnumbered) is printed as Document 180. The other three cover disarmament (USDel/MC/13), arms for Morocco (USDel/MC/14), and Netherlands New Guinea (USDel/MC/15); copies are in Department of State, Conference Files: Lot 64 D 559, CF 1686.

<sup>&</sup>lt;sup>1</sup>See footnote 3, Document 163.

French considered that such bilaterals as this and as that proposed with the United States were permissible under Article 103 of the EURATOM Agreement.<sup>2</sup> He did not think that the conclusion of a U.S.-French bilateral would cut across French relations with EURATOM. In this connection he commented that the participant countries had set up EURATOM to be helpful not to be an obstacle and that if it were going to be the latter, there was not much reason for its continued existence.

Mr. Dillon said that the EURATOM people think that if we conclude a bilateral with the French without their agreement, it means that we do not want to support EURATOM. He commented that they were rather emotional on the subject. Couve agreed that they were emotional but added that the difficulties did not arise from personal differences between Hirsch and Debre. He repeated that the French would like to conclude the agreement with us now during the current session of Congress.

Mr. Dillon replied that we would have a look at the French proposal, then think about the question in the light of the statements Couve had just made. Couve said that the French intended to take this matter to the court. If the French interpretation turned out to be wrong then they would ask EURATOM to make an agreement directly with us. He said the French would be very disappointed if they could not do this. It was a small but very special problem and he understood the enriched U–235 is essential for some particular kinds of reactors. He accordingly urged that the agreement be concluded promptly and that the French be allowed to settle with EURATOM later.

The Secretary said we would try to work out the terms of the agreement. Couve replied that he did not think there should be any problems in this respect. Mr. Dillon concluded the conversation by saying that he did not anticipate that there would be any problems for us either, including the matter of the delivery of atomic fuel to France.

<sup>&</sup>lt;sup>2</sup>See footnote 3, Document 174.

# 180. Memorandum of Conversation

June 2, 1960.

SUBJECT

Tripartite Consultation

[Here follows the same list of participants as Document 179.]

The Secretary referred to the tripartite discussion at his house last night with respect to tripartite consultation. He said he hoped in view of the conclusions they had reached that it would be satisfactory for the President to go ahead and reply to Macmillan's letter of May 25<sup>1</sup> without waiting for a communication from General de Gaulle. Couve agreed that this would seem satisfactory. He said de Gaulle would probably also be replying to Macmillan and at the same time write to President Eisenhower.

Couve then said he supposed that he would meet the Secretary and Selwyn Lloyd again in September in New York on the occasion of the opening of the U.N. General Assembly. He suggested and the Secretary agreed that it would be relatively easy to arrange a further meeting between the three in New York with a minimum of press pressure or publicity.

# 181. Telegram From the Department of State to the Embassy in the United Kingdom

June 4, 1960, 1:34 p.m.

9191. Following for immediate delivery is text of personal letter from President to Prime Minister. Advise date and time delivery.

Source: Department of State, Conference Files: Lot 64 D 559, CF 1686. Secret; Limit Distribution. Drafted by Kohler and approved in S on June 3. See also Document 179. <sup>1</sup> Document 177.

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret; Niact; Presidential Handling. Approved by Herter and Goodpaster.

"June 4, 1960.

Dear Harold: I want to thank you for the thoughtful memorandum on improving tripartite consultation which you sent me with your letter of May 25.<sup>1</sup> In accordance with your suggestion the three Foreign Ministers met here in Washington and had a profound and, I believe, useful discussion of ways and means to improve the consultative process.<sup>2</sup>

As you pointed out, we have had a series of tripartite meetings in recent years but these have not always been as efficiently organized as they might have been. This we hope to improve in the future. During the June first discussions here Chris Herter suggested that Livie Merchant, who has global responsibilities within the State Department, be charged with keeping in touch with his opposite numbers in the French and British Foreign Offices. The three could prepare agenda and discussion papers for future meetings and could assure both system and continuity in our tripartite consultations without, however, creating an official secretariat or other apparatus which might lead sensitive members of the alliance such as Italy or Canada to believe that an 'inner directorate' had been created.

This proposal sounds eminently sensible to me. It is essentially that which you proposed in your memorandum.

I believe that our consultations should concentrate on those areas where the Three Powers have special responsibilities and on global questions in which the Three have unique interests. I believe that we should also continue to develop consultation in NATO, paralleling progress toward more effective tripartite consultation.

I agree with you that we must be most circumspect about our tripartite meetings in order to avoid upsetting unnecessarily other Governments, both our allies and those newly-emergent countries, especially in Africa, who look with suspicion on consultation among the Western powers on African matters. We cannot, on the other hand, maintain such a tight secrecy that our motives and actions are suspected. This seems especially true in NATO. We have therefore suggested that a means be worked out to keep other NATO members generally informed of our conversations.

From our talks should emerge a means by which we can have more regular and better organized consultation among the three of us on political problems facing the Free World. We cannot, however, be sure that we have satisfied General de Gaulle's desires. This was hinted at by the French Foreign Minister when he said that the problem of military coordination is a matter for future discussion. The memorandum which

<sup>&</sup>lt;sup>1</sup>Document 177.

<sup>&</sup>lt;sup>2</sup>See Document 178.

General de Gaulle promised to send to us should give us a further insight into his thinking and I am sure we will want to consult about how to reply to it after it is received.

In essence, I believe that we have moved somewhat along the path towards a greater harmonzation of our policies. It seems to me essential to continue this effort.

With warm personal regard, As ever, Ike". Observe Presidential Handling.

Herter

## 182. Letter From President de Gaulle to President Eisenhower

Paris, June 10, 1960.

DEAR MR. PRESIDENT: When we took leave of one another in Paris on May 18, you, Prime Minister Macmillan, and I agreed that it was desirable to seek urgently a means of organizing our cooperation more effectively in future, a step that the recent events have rendered more necessary than ever.

I had told you that I was planning to write to you to inform you of certain suggestions. Meanwhile, Mr. Macmillan wrote to me, as he did to you, and made certain proposals.<sup>1</sup> Our Ministers of Foreign Affairs discussed those proposals at the time of their recent meeting in Washington and planned a system of organization of their work that would be very similar to the one that the British Prime Minister had himself envisaged.

I think that the best thing we can do, for the time being, is to take Mr. Macmillan's suggestion under consideration. I am, therefore, transmitting to you herewith the text of the reply I sent him, which sets forth my

Source: Eisenhower Library, Whitman File, International File. Secret. The source text is a Department of State translation. The French text of the letter is attached. The letter arrived at the White House on June 13 and was transmitted to Eisenhower in Manila in Todel 6, June 15. (Department of State, Central Files, 751.11/6–1560) Eisenhower began a 2-week trip to the Far East, including visits to the Philippines, Formosa, and Korea, on June 12.

<sup>&</sup>lt;sup>1</sup> Document 177.

own views concerning the method by which a more regular cooperation between the three of us should be conducted.

Please accept, Mr. President, the assurances of my cordial and sincere friendship.

C. de Gaulle<sup>2</sup>

# Enclosure<sup>3</sup>

# Letter From President de Gaulle to Prime Minister Macmillan

Paris, June 10, 1960.

DEAR FRIEND: I sincerely thank you for your letter of May 25, in which you informed me of your views concerning the means of improving cooperation between our three governments, which recent events have made more necessary than ever, as we all felt when we took leave of one another in Paris on May 18.

I waited until after our Ministers of Foreign Affairs had met in Washington on the occasion of the meeting of the SEATO Council before answering you.<sup>4</sup> I know that they discussed your suggestions and envisaged, by common accord, a system of organization of their work which, in general, is very similar to the one that you yourself had envisaged.

They have agreed that they should meet often enough during the year to be able to discuss thoroughly all the serious problems of world affairs that arise and the more specific matters that are of common interest.

Such discussions would, to some extent, become a customary practice, and sufficient time would be allowed for that purpose. To prepare for those discussions, each Minister would appoint a high official with general powers. These three officials, who could correspond with one another, would be charged with preparing agendas and following the proceedings closely.

To such regular meetings of the Ministers of Foreign Affairs should be added, from time to time, as you propose, meetings of the three Chiefs of State or Heads of Government. We were able to note, last December and last May, the usefulness of such meetings. They are, in my opinion, essential.

<sup>&</sup>lt;sup>2</sup> Printed from a copy that bears this typed signature.

<sup>&</sup>lt;sup>3</sup>Secret.

<sup>&</sup>lt;sup>4</sup>See Document 178.

Such practices would strengthen, to a certain degree, our political cooperation, but they would leave out of consideration our cooperation in the field of strategy, which, however, I deem to be necessary, and the absence of which would detract greatly from the importance of political cooperation. I believe that we should consider this essential aspect of our problems also.

In this connection, I have always thought that the groundwork for such matters could be laid in Washington through talks by our military representatives in the Standing Group, which talks would, however, be held outside the regular deliberations of that body. In certain cases, we could, of course, arrange to have our Chiefs of Staff or Ministers of Defense meet. Lastly, we would discuss these matters in our tripartite meetings.<sup>5</sup>

Cordially yours,

C. de Gaulle<sup>6</sup>

"My immediate personal reaction is to be somewhat doubtful of the practicability of using any part of the NATO mechanism, such as the Standing Group, for strategic consultations, because of the certainty that Allies would object. However, I am sure we can develop appropriate consultative process." (Telegram 5407 to Paris, June 18; Department of State, Central Files, 611.51/6–1860)

<sup>6</sup> Printed from a copy that bears this typed signature.

# 183. Telegram From the Department of State to the Embassy in France

June 17, 1960, 11:06 a.m.

5366. Paris for Embassy and USRO. In light recent developments regarding tripartitism, including Spaak meeting with Acting Secretary on June 13, <sup>1</sup>Department would appreciate Embassy's comments on fol-

<sup>&</sup>lt;sup>5</sup>On June 18, Eisenhower replied as follows:

<sup>&</sup>quot;Your letter of June 10, with which you enclosed a copy of your reply to Prime Minister Macmillan's letter of May 25, was received just after my departure for the Far East. It has been sent on to me here in Manila. I have read both letters carefully and am pleased to see that we are in general accord on the necessity and means of improving our political consultation. I will give the matter of strategic cooperation the careful study it deserves after my return to Washington.

Source: Department of State, Central Files, 770.00/6–960. Secret. Drafted by McBride on June 13; cleared by Kohler, Fessenden, and McElhiney; and approved by Dillon. Repeated to London, Bonn, Rome, and Ottawa.

<sup>&</sup>lt;sup>1</sup>Spaak's conversation with Dillon on June 13 in Washington, where Spaak reiterated the opposition of most NATO countries to tripartitism, is summarized in Topol 2493 to Paris, June 15. (*Ibid.*, 740.5612/6–1560)

lowing points which appear pertinent in our planning for future consultation:

1. Depth and breadth of opposition of most of NATO countries to tripartitism was amply demonstrated in June 8 NAC meeting.<sup>2</sup> Spaak reiterated this here. This of course must be one of principal factors to be considered in planning future tripartite meetings. Problem remains also of how we counteract unhappy situation already existing in NATO. Tripartitism is additionally well-known major factor in our bilateral relations with various NATO countries, most acutely at moment with Italians and Canadians.

2. Furthermore much of tripartitism revolves around Africa where there are numerous difficulties in such activity. Paris telegram 5737<sup>3</sup> indicates French have in mind further three-power meetings on Africa on more or less regular basis. We would think more of these talks should not be scheduled just now for following reasons:

a. British and French have just concluded bilateral talks in Paris on Africa.  $^{\rm 4}$ 

b. We are mounting what is becoming fairly major bilateral exercise (Hare–Seydoux talks) for early next month. Although this began in purely cultural field, it has been expanded to include technical assistance, etc.

c. US officials working on African matters are currently heavily engaged for obvious reasons.

3. Major question is whether de Gaulle is receiving any satisfaction from current exercises. Spaak also raised this point. During recent tripartite Foreign Ministers' meeting in Washington, Lloyd asked Couve this question directly.<sup>5</sup> Couve's answer was somewhat evasive but indicated French might be satisfied with talks in political field, but did not feel their aspirations in military sector have been approached.

4. *Le Monde* correspondent here recently showed Department officer notes of interview with Couve following most recent tripartite in Washington in which Couve categorically stated there has been no progress in achieving de Gaulle's tripartite objectives since Summit. (Memo of conversation being pouched.)<sup>6</sup>

5. Fundamental point seems to be whether we can ever give meaningful satisfaction to French without major dislocation of NATO

<sup>5</sup>See Document 178.

<sup>&</sup>lt;sup>2</sup> The NAC meeting of June 8 is summarized in Polto 2418 from Paris, June 9. (*Ibid.*, 396.1–WA/6–960)

<sup>&</sup>lt;sup>3</sup>Dated June 9. (*Ibid.*, 770.00/6–960)

<sup>&</sup>lt;sup>4</sup> Reference is to the semiannual bilateral U.K.-French discussions on Africa, held in Paris on June 9, noted in despatch 1926 from Paris, June 15. (*Ibid.*, 770.00/6–1560)

<sup>&</sup>lt;sup>6</sup>Not found.

alliance. Furthermore there are US reasons why it is impossible satisfy French in such fields as strategic military planning or in nuclear cooperation (where French of course desire proceed bilaterally).

6. We would also like comment Embassy and USRO on point raised by Spaak in June 13 talk with Acting Secretary in which he recommended that if tripartite meetings such as June 1 dinner held, it would be preferable to hold them as discreetly as possible and without informing NAC, since this merely makes NAC believe formal machinery exists. In this connection Couve's insistence on tripartitism in remarks to Parliament not helpful.<sup>7</sup>

7. In light foregoing, Department would like Embassy's views on whether we should continue tripartite effort along present lines or, if it not helping with French while exacerbating relations elsewhere, it would not be preferable to soft-pedal issue somewhat for time being. Basic understandings discussed at highest level in Paris tripartitely on May 18 will obviously continue to be bourne in mind.<sup>8</sup> USRO's comments of course also highly pertinent. (Embassy should bear in mind that next high-level tripartite meeting now presumably will be in New York at time of opening UNGA.)<sup>9</sup>

## Dillon

## 184. Memorandum of Conversation

June 20, 1960.

SUBJECT

Tripartitism

PARTICIPANTS

Mr. Foy D. Kohler, EUR The Viscount Hood, Minister, British Embassy Mr. Robert H. McBride, WE

Mr. Kohler filled in the British Minister on the de Gaulle letter to the President of June 10 which was primarily a transmittal vehicle for a copy

<sup>&</sup>lt;sup>7</sup>Not further identified.

<sup>&</sup>lt;sup>8</sup>See Document 172.

<sup>&</sup>lt;sup>9</sup> The 15th regular session of the U.N. General Assembly opened on September 20.

Source: Department of State, Central Files, 396.1–WA/6–2060. Secret. Drafted by McBride and initialed by Kohler.

of de Gaulle's letter to Macmillan on the subject of tripartitism.<sup>1</sup> Mr. Kohler informed Lord Hood that the President had sent an interim response<sup>2</sup> and also had authorized us to consult with the British before proceeding further in this field. Lord Hood said he would inform the Foreign Office of this discussion. With regard to the passage in de Gaulle's letter to Macmillan regarding the use of the Standing Group members in military discussions, Lord Hood remarked that, of course, these were the most obvious people to undertake tripartite military talks so far as the British and French Embassies were concerned, since they were the senior military officers stationed here. He realized, however, that this was not true as respects the U.S., since in Washington we obviously had officers more suitable than the U.S. representative on the Standing Group. Mr. Kohler said we had not entirely thought through how tripartitism might evolve on the military side. Lord Hood admitted that it was obscure what the French had in mind.

[3-1/2 lines of source text not declassified] Mr. Kohler added, the French will continue to insist on tripartitism and probably will make public such discussions as take place. He noted that Couve had given a recent interview to the correspondent in Washington of *Le Monde* in which he indicated that the French were still dissatisfied with the progress of tripartitism. He wondered whether it was possible to satisfy the French without a real explosion in NATO. He said our present tendency was to re-think this whole problem and perhaps soft-pedal tripartitism for the moment. Lord Hood said that we were of course ready to talk with the French at any time but he admitted he did not think we had made much progress so far in satisfying the French.

Mr. Kohler said that frankly we were puzzled as to how to proceed on our French problem. In the meantime the French were not solving the basic problem in NATO which was in fact their own non-cooperation in this body. He said we were also stymied with regard to nuclear cooperation with the French and it was quite clear that they wished precisely the same status as the British with regard to being furnished with information, etc. He said that the Spaak concept of selling Polaris missiles to the French would obviously not satisfy them. He concluded that they seem to have an "all or nothing" attitude. He said that French policy on the sixes and sevens problem was also a factor. Lord Hood said that he thought one of de Gaulle's basic ideas was to create a Europe from Brest to the Urals without the British. He said he would attempt to get as soon as possible London's attitude on the problem of tripartitism and what the next steps in this field might be.

<sup>&</sup>lt;sup>1</sup>Document 182 and its enclosure.

<sup>&</sup>lt;sup>2</sup>See footnote 5, Document 182.

### 185. Memorandum of Conversation

June 24, 1960.

SUBJECT

Tripartitism

PARTICIPANTS

The Secretary Mr. Livingston T. Merchant, Under Secretary for Political Affairs Ambassador Hervé Alphand, French Embassy Mr. Robert H. McBride, WE

Ambassador Alphand, who was calling on the Secretary at his request, remarked that he had not seen the Secretary since Paris and wished to go over a number of things, particularly the subjects which had been discussed between the Secretary and Foreign Minister Couve de Murville in Washington at he time of the SEATO meeting.<sup>1</sup> He said he had particular reference to the agreement which had been reached regarding the desirability of better organizing our tirpartite consultation. He noted that an agreement on the method of organization had been reached and that the Secretary had asked Mr. Merchant to undertake this function for the United States while the French would probably designate M. Lucet. The Secretary remarked that the British had not named anyone as yet. Ambassador Alphand inquired as to how we thought this would work. Would the three designees correspond directly or would they proceed through the Embassies. He thought the latter was the better procedure. The Secretary said that he assumed the first occasion for a tripartite Foreign Ministers' meeting would be at the time of the UN General Assembly in New York. He thought that the three representatives who had been designated would be able to prepare this meeting better than had been the case in the past. Ambassador Alphand asked if the three would actually meet. Mr. Merchant said he had not been in communication with the others. He thought that the preliminary work should be handled through the Embassies and that the three might meet perhaps two weeks before the tripartite Foreign Ministers' meeting in order to see that all of the papers were in order,

Source: Department of State, Central Files, 740.5/6–2460. Secret. Drafted by McBride and cleared by S and M on July 1. A summary of this conversation was transmitted in telegram 5529 to Paris, June 24. (*Ibid.*) Herter and Alphand also discussed MRBMs; the Secretary of State said that there had been no answer to the alternatives proposed by Gates and that perhaps the whole question should be restudied. A memorandum of this conversation is *ibid.*, S/S–S Files: Lot 69 D 150.

<sup>&</sup>lt;sup>1</sup>See Document 178.

etc. Ambassador Alphand commented that this would be easy to arrange.

Ambassador Alphand next raised the question of publicity and said that the French position was that they were opposed to any publicity on this subject. The Secretary agreed that this was a good idea. [10-1/2 *lines of source text not declassified*] Ambassador Alphand closed on the note that there was no need for reports to the NATO Council.

Ambassador Alphand then passed on to the military aspects of tripartitism. The Secretary noted that the President's first reaction to the suggestion contained in General de Gaulle's letter of June 10, enclosing a copy of a letter to Prime Minister Macmillan,<sup>2</sup> had been that it would not be a good idea to use the Standing Group since this was an integral part of NATO and it was not desirable to use the same mechanism. Ambassador Alphand said that it had not been the French plan to use the Standing Group as such but to use the personnel thereof in their personal capacity. Therefore he continued, the NATO Standing Group as such would not be used. The Secretary said was it the French idea that the Standing Group representatives would simply adopt another hat? Ambassador Alphand replied in the affirmative saying that of course the U.S. could use a different man if it so wished. The Secretary then asked what would be the agenda for such military talks. Ambassador Alphand wondered if the President would make a new suggestion on this subject. The Secretary said he thought that it would be desirable for the French to give us an agenda and we could then decide who should be designated for such talks and when they might take place. Ambassador Alphand said that he thought the French interest was in the "strategic plans of the West". The Secretary then noted that if it were the French intention to discuss Africa, for example, we wondered if that would include Algeria which appeared to us to be the most important single problem in Africa today. The Secretary again referred to his suggestion that the French furnish us with an agenda as a means of our getting the most appropriate U.S. representatives. Ambassador Alphand asked again if we would object if the French Standing Group representative were to discuss various military problems with us. The Secretary said this would be satisfactory if it did not pose a problem for NATO. He said he thought the President was somewhat worried about the idea of Standing Group representatives wearing two hats.

The Secretary then said that with regard to military talks on Africa he thought this had been agreed upon some time ago and we had sent two Colonels to Africa in order to brief themselves and prepare for such talks. However, we had never heard anything further from the French

<sup>&</sup>lt;sup>2</sup> Document 182.

regarding these military talks on Africa. We had thought that our previous talks some time ago had been preparatory and we were awaiting word from the French as to when and if they wished to proceed.<sup>3</sup>

Finally, Ambassador Alphand referred to tripartite political talks on Africa and asked if further talks on the Congo and the Horn of Africa were envisaged as a follow-up to the June 1 tripartite Foreign Ministers' meeting. Mr. Merchant noted that we had held tripartite political talks on Africa in Paris since June 1 and had, for example, covered the subject of the Congo.<sup>4</sup>

In a memorandum of conversation, June 25, Herter wrote:

"After the conversation with Ambassador Alphand yesterday afternoon, recorded by Mr. McBride, Alphand asked to see me alone. He said he felt no record should be kept of this conversation. What he wanted to do was to discuss the whole question of assistance to France in its nuclear capability, [2-1/2 lines of source text not declassified]. He pointed out the obvious savings to France if it were not forced to push further with its own research and development in the nuclear field, and how greatly a solution of this problem could help the over-all NATO relationships."

Herter continued:

"I told Alphand that with respect to France's progress in the nuclear field, we were giving continuing thought to this whole matter but that I doubted whether any solution on this or on the MRBM question could be arrived at very quickly." (Eisenhower Library, Herter Papers)

# 186. Telegram From the Embassy in France to the Department of State

Paris, June 24, 1960, 7 p.m.

6081. Re Deptel 5366.<sup>1</sup> We are convinced de Gaulle has not changed in any substantial way views set forth in September 1958 memo to President Eisenhower and to Macmillan, specifically his desire that US, UK and France take joint decisions on political questions affecting world security and establish, and if necessary put into effect, strategic plans of

<sup>&</sup>lt;sup>3</sup> For a summary of the tripartite talks on Africa April 16–21, 1959, see Document 107. A copy of the memorandum of conversation covering the tripartite talks on Africa, June 1, when Herter, Lloyd, and Couve de Murville discussed the Belgian Congo and the Horn of Africa, is in Department of State, Conference Files: Lot 64 D 559, CF 1686.

<sup>&</sup>lt;sup>4</sup> A summary of the tripartite political talks on Africa in Paris, June 9, concerning the Congo, Cameroon, and various other problems, is in despatch 1926 from Paris, June 15. (*Ibid.*, Central Files, 770.00/6–1560)

Source: Department of State, Central Files, 770.00/6–2460. Secret; Niact. Also sent to Ottawa and repeated to London, Bonn, and Rome.

<sup>&</sup>lt;sup>1</sup>Document 183.

action, notably with regard employment nuclear weapons on worldwide basis. De Gaulle, not receiving satisfaction from US and UK on directorate, concentrated on strengthening French position in Western Europe by developing closer ties with Germany and pushing forward on Common Market, and on developing independent French nuclear capacity. He saw these programs as contributing to but not substituting for his desire for tripartitism and for equal treatment with UK on the part of US.

In meantime we believe de Gaulle regards any tripartite activities as step in right direction but this in no way influences him to lower his sights. It probable he felt his insistence on tripartitism largely vindicated at recent Summit meeting Paris. He certainly would have been justified in considering that the high-level conversations referred to last paragraph reftel marked major step in advance for realization his demands. Evidence of this is found in his veiled reference (Embtel 5606)<sup>2</sup> to tripartitism in his May 31 speech and in Couve's as well as Debre's insistence on tripartitism in remarks to National Assembly on June 14 and 15.<sup>3</sup>

We make these introductory remarks as background to following responses to specific questions in reftel.

1. We are in agreement with USRO (Polto 2496)<sup>4</sup> that we continue reporting frankly and openly to NAC on tripartite meetings. We also believe we should not be apologetic but should make it clear we consider it normal diplomatic practice for various groups of countries such as US, UK and France to discuss periodically matters of mutual interest, but that we have no intention in such discussions of reaching decisions which would affect other NATO countries without fully consulting them and NAC.

2. Although chairman of tripartite meeting referred to Embtel 5737<sup>5</sup> and British colleague expressed interest in further meeting, US representatives had impression it was more in response their belief US wished such talks than as reflection their own anxiety for them be continued in near future.

3. We believe de Gaulle and other French leaders have been reasonably pleased by developments of past six months regarding tripartitism, both as to actual tripartite talks which have been held and as to greater US–UK willingness accept such talks. This does not mean, how-

<sup>&</sup>lt;sup>2</sup> Telegram 5606 from Paris, May 31, summarized de Gaulle's May 31 speech in which he outlined the principles of French foreign policy following the failure of the Summit Conference. (Department of State, Central Files, 711.00/5–3160)

<sup>&</sup>lt;sup>°</sup>Not further identified.

<sup>&</sup>lt;sup>4</sup> Dated June 19. (Department of State, Central Files, 396.1/6-1960)

<sup>&</sup>lt;sup>5</sup> See footnote 3, Document 183. Jean Sauvagnargues, French Ambassador to Ethiopia, was the chairman.

ever, that de Gaulle feels he has achieved his objectives. In particular we certain he desires even more explicit signs that he can use regarding France's role as one of Western Big Three. In addition he probably does not regard talks which have occurred thus far as having been as broad and fundamental in political field as he would like. Undoubtedly he envisages tripartite talks as not mere exchanges of information and opinions, but as occasions for bringing about joint policy formation. Finally, he has received no satisfaction with regard strategic planning, an area which he has stressed as important in regard to tripartitism.

4. Perhaps Couve exaggerated his remarks to *Le Monde* correspondent for obvious strategic purposes.

5. If it impossible satisfy French in such fields as strategic military planning or in nuclear cooperation, it seems clear we cannot give full satisfaction to de Gaulle on tripartitism. Nevertheless we are convinced it worthwhile continue and further develop tripartite consultation on political matters and, to extent conditions and our policies permit, to be forthcoming on strategic planning and nuclear cooperation. (We question Dept's parenthetical comment in numbered para 5 that in these fields French desire proceed bilaterally. It our impression de Gaulle still wishes pursue strategic military planning on global basis tripartitely.)

6. See comments in numbered para 1 above. While we believe publicity on tripartite meetings should be kept to minimum, we continue believe we should be frank as possible in NAC.

7. Our conclusion is that we should continue tripartite effort (taking advantage of occasions such as UNGA meeting, etc.). We should make clear our intention continue consult fully in NAC and attempt persuade French make their cooperation in NATO more whole-hearted. We recognize that, as pointed out in London's 6118 to Dept,<sup>6</sup> we are up against problem trying carry water on both shoulders; however, we do not have black and white alternatives. There appears be an assumption in some quarters that by avoiding tripartitism we preserve the Alliance. We are not certain of this. We are firmly committed to NATO and must continue loyally to support and develop it; but at same time we convinced that attempting to soft-pedal tripartitism, particularly after basic understandings discussed at highest level in Paris tripartitely May 18, would do serious damage to French-American relations and in long run would be harmful to NATO.

# Houghton

<sup>&</sup>lt;sup>6</sup>Dated June 20. (Department of State, Central Files, 770.00/6–2060)

# 187. Telegram From the Department of State to the Embassy in the United Kingdom

June 30, 1960, 1:16 p.m.

9966. Following for immediate delivery is text of letter from President to Prime Minister. Advise date and time delivery.

"June 30, 1960.

Dear Harold:

The ideas set forth in your letter of June 27<sup>1</sup> about our future tripartite political consultations are quite satisfactory to us. Your original suggestions<sup>2</sup> and the discussion held here in Washington on June 1<sup>3</sup> appear to provide a means by which the tripartite meetings of our foreign ministers can be made more useful. I assume that their next meeting will take place this fall in New York in connection with the United Nations General Assembly. The arrangements for this meeting would, in accordance with the suggestion we have all approved, be made by Sir Frederick Hoyer Millar, Mr. Merchant and by whomever the French select for the task.

While this arrangement should improve our tripartite political consultation, it does not meet General de Gaulle's desire to see such consultation paralleled by strategic discussions by military representatives along the lines he proposed in his original memorandum. In his letter to you of June 10,<sup>4</sup> of which he sent me a copy, General de Gaulle suggested that our military representatives in the Standing Group could hold talks outside the regular deliberations of that body. In my reply<sup>5</sup> I expressed to him my doubts as to the practicability of using any part of the NATO mechanism for strategic consultations, believing that our Allies would object. I am sure that this would be the case, as it would be difficult to keep secret such consultations and the very fact that our representatives to the Standing Group were meeting separately to discuss global strategic matters would lead other members of the alliance to be-

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Secret; Niact; Presidential Handling. Drafted in the Department of State and approved by Herter on June 29 and by Goodpaster on June 30. A copy of Herter's memorandum to Eisenhower, June 29, enclosing the draft of this letter, is *ibid.*, Central Files, 396.1/6–2960.

<sup>&</sup>lt;sup>1</sup> In his June 27 letter to Eisenhower, Macmillan reviewed the course of tripartite correspondence since his May 25 letter (Document 177) and stated that the British would probably nominate Hoyer-Millar as their representative. (Department of State, Presidential Correspondence: Lot 66 D 204)

<sup>&</sup>lt;sup>2</sup>See Document 177.

<sup>&</sup>lt;sup>3</sup>See Document 178.

<sup>&</sup>lt;sup>4</sup> Document 182.

<sup>&</sup>lt;sup>5</sup>See footnote 5, Document 182.

lieve that we had, in fact, established some sort of inner directorate. This impression we must avoid.

It does seem, however, that we must find some way to cope with this aspect of General de Gaulle's thinking. It might be possible, for instance, to have talks here in Washington by appropriate military representatives. You and the French might delegate this responsibility to a senior military officer assigned to Washington. The French might, in such case, select their representative to the Standing Group. We, on the other hand, could select an appropriate general officer who has no connection with the Standing Group itself. These talks, of course, would have to be conducted along previously-agreed guidelines, but I am sure that we could work this out.

In this connection, I would like to recall that a year ago we did hold tripartite talks on Africa under the chairmanship of Robert Murphy.<sup>6</sup> At these talks military representatives were present. Both you and the French were represented by your members of the Standing Group. At those talks the French requested separate and continuing military talks. After a period of consideration we agreed to do this, selected an appropriate officer to head up our side, and informed the French we were ready. They have never responded to this offer.

I think, nevertheless, that we could re-new this offer and I would propose so doing in my reply to General de Gaulle. This may not be the organized strategic planning on a global scale, including the question of the use of nuclear weapons anywhere, which he appears to want. It is, however, a definite move forward in the field of military consultation which may in the end strengthen our alliance. It will, of course, have to be carefully and discreetly conducted.

I will ask the State Department to discuss this matter more fully with your Embassy here with the hope that we can work out promptly a common position which we can communicate to General de Gaulle.

With warm personal regard,

As ever, Dwight D. Eisenhower"

Observe Presidential Handling.

Herter

<sup>&</sup>lt;sup>6</sup> For a summary of these talks, see Document 107.

### 188. Memorandum of Telephone Conversation Between President Eisenhower and Secretary of State Herter

July 1, 1960, 2 p.m.

President telephoned and said the Secretary may want to study the last two messages from de Gaulle.<sup>1</sup> He said one thing that struck him was that we had always refused to get into the tripartite thing but what we have now is wrecking NATO. He wondered if there was some way we could really get outside of this standing group into a real tripartite discussion of strategic and military questions in return for which de Gaulle would get on with NATO. The Secretary said we were having a study made of the whole question, particularly in the light of what he says about the strategic concept. The Secretary said that basically De Gaulle was interested in nuclear weapons. The President said if De Gaulle was talking about planning, that was something else. The Secretary said he had asked for a legal opinion. He said that under the law you can't state that France has nuclear capability. This would put her in the same position as Great Britain and would be a very farreaching step. Sec. said he thought we ought to study it thoroughly. De Gaulle, he said gets a fixed idea and stays with it. There was danger of a real break in this whole picture.

# 189. Memorandum by Secretary General of the North Atlantic Treaty Organization Spaak

Paris, July 21, 1960.

[Source: Department of State, Central Files, 770G.00/7–2760. Secret. 2 pages of source text not declassified. Transmitted to the Department of State in Polto 206 from Paris, July 27, which is the source text.]

Source: Eisenhower Library, Herter Papers, Telephone Conversations. No classification marking. Transcribed in the Secretary's Office.

 $<sup>^1\,\</sup>rm Reference$  is to de Gaulle's letters to Eisenhower of May 19 and June 10. See footnote 3, Document 173, and Document 182.

### 190. Letter From President Eisenhower to President de Gaulle

Newport, Rhode Island, August 2, 1960.

DEAR GENERAL DE GAULLE: I am replying further to your letter of June tenth,<sup>1</sup> to which I had sent a preliminary comment on June eighteenth,<sup>2</sup> regarding the more effective organization of our tripartite consultations.

I think we are now in agreement with regard to the method of our consultation in the political field, and our designated representatives should accordingly begin during the summer to plan for the next regular occasion for a tripartite Foreign Ministers' meeting, which would normally occur in New York during the early fall at the time of the opening of the United Nations General Assembly. Should an emergency arise in the interim, our Foreign Ministers might conceivably need to meet earlier. With regard to tripartite political consultations at the highest level, it is my own concept, with which I know you agree, that these occasional meetings play an important role in the organization of our work and the conduct of our business.

Passing to the question of strategic cooperation which you raise in your letter, I believe that there are means of arranging tripartite military discussions here which would meet the concerns which you mention. During some of our previous tripartite talks in 1959, military representatives participated. Discussions were held on African questions in the State Department<sup>3</sup> at which high-ranking military officers of the three countries were present. At that time, the French representative, Ambassador Alphand, who was accompanied by General Gelee, asked for separate military talks. Subsequently, it is my understanding, we agreed to holding such separate talks among our military representatives. However, this offer was not followed up subsequently by our partners, and hence I assume the basis then envisaged did not meet your desire.

Source: Eisenhower Library, Project Clean Up. Secret. Under cover of a July 28 memorandum, Herter sent the President a draft of this reply to de Gaulle's letter of June 10. The Secretary explained that the British Embassy had been shown the first draft of this letter. Herter stated that at the insistence of Lloyd, he had omitted from the draft the suggestion that NATO problems be discussed tripartitely, an idea that Herter stated the President had mentioned to him in their telephone conversation of July 1. Moreover Herter wrote, "Although the draft letter to General de Gaulle is as responsible as possible under existing circumstances, it avoids any commitments to engage in the type of global strategic planning which he desires." The Secretary added that the suggested reply had been approved by Gates. (Department of State, Central Files, 396.1/7–2860) Goodpaster approved the draft and the letter was transmitted in telegram 482 to Paris, August 2. (*Ibid.*, 396.1/8–260) A copy of the first draft of this letter is attached to Merchant's memorandum to Kohler, July 14, and is *ibid.*, Presidential Correspondence: Lot 66 D 204.

<sup>&</sup>lt;sup>1</sup>See Document 182.

<sup>&</sup>lt;sup>2</sup>See footnote 5, Document 182.

<sup>&</sup>lt;sup>3</sup>See Document 107.

Accordingly, I now suggest a somewhat different approach in the effort to meet your point of view.

I remain ready to hear from you your more precise ideas as to when tripartite conversations on military and strategic questions might profitably be held. I think we should not contemplate formal combined staff planning but I am prepared to have our military representatives engage in talks on subjects of interest to you in various parts of the world, primarily outside the NATO area. I will wait to hear from you on this point at your convenience.

With regard to who would participate in these talks, I would assume that, as was envisaged in the past, these talks would take place here, and I would designate a high-ranking officer. This would not be our Representative on the Standing Group. However, I can understand that you would wish to designate your senior officer in Washington, who is, I understand, your Standing Group Representative. I have no objection to this on the understanding that he would be acting in a national capacity, and we would not be thus interfering with the work of a NATO mechanism.

I have informed Prime Minister Macmillan of my views on this subject,<sup>4</sup> and believe that we can coordinate satisfactorily our thoughts so that tripartite consultations in the military field can soon occur.

I would also like to point out, in this general connection, my own view that the soundest basis for developing between us a close European military cooperation, lies in the perfecting of a viable NATO, and that we should take all possible steps to this end. I believe this is a matter of capital importance to us all, and I would greatly appreciate your comments on this particular point.

I shall look forward to hearing from you and take this opportunity to repeat that I, for my part, am prepared to have our military experts enter into discussions with your representatives and our British friends at your mutual convenience on military and strategic questions.

With warm personal regard,

Sincerely,<sup>5</sup>

<sup>&</sup>lt;sup>4</sup> In his August 1 letter to Macmillan, Eisenhower enclosed a copy of his August 2 letter to de Gaulle which he stated reflected Lloyd's and Macmillan's views. He said he had just received from the British Embassy a draft of Macmillan's August 4 letter to de Gaulle. The President remarked that the letter was very good but one point troubled him. He requested that Macmillan change it to reflect the fact that they both had the same attitude on strategic questions and to state that the Prime Minister had felt free to seek Eisenhower's views since de Gaulle had told Macmillan he had sent Eisenhower a copy of his letter to Macmillan. In his August 4 letter to Eisenhower, Macmillan thanked the President for his August 1 letter and for his comments which he said he incorporated into the final version of his August 4 letters are in Department of State, Presidential Correspondence: Lot 66 D 204.

<sup>&</sup>lt;sup>5</sup> Printed from an unsigned copy.

#### 191. Letter From President de Gaulle to President Eisenhower

Paris, August 9, 1960.

DEAR MR. PRESIDENT: Your letter of August 2 brings me indications regarding the manner in which you envisage the tripartite cooperation which I have several times proposed to you and to Mr. Macmillan. I note that you contemplate a meeting of our Ministers of Foreign Affairs at the time of the session of the United Nations General Assembly, a meeting which, in my opinion, may indeed be useful and which, moreover, must be held without fail. I see also that you allude to the possibility of a meeting of us three, without, however, mentioning either date or topics. Permit me to say, nevertheless, in all friendship, that your concept appears to me to be too restrictive to bring about joint action by our West and to render our alliance more truly effective.

At this very moment the crisis in the Congo reveals our lack of harmony. While agreement between the United States, Great Britain, and France would probably have sufficed to induce that infant State to adopt a reasonable course, the divergencies of our West are, on the contrary, to a great extent responsible for the fact that this new independence has, in its first steps, fallen into disorder and anarchy. Moreover, we find our forces scattered in the face of the maneuvers and, possibly, the intervention of the Soviets in the heart of Africa. In this affair everything is happening as though the West, which is the cradle of common sense and freedom, were voluntarily dissolving its responsibilities in the composite mixture of the United Nations.

I must tell you that France, invoking once again on this occasion the prospect of an international conflict, feels more deeply than ever that there is something gravely defective in the organization of our alliance. In these events which are unfolding from one end of the world to the other, my country notes constantly that those whom it considers its allies are behaving as though they were not. But how could States feel themselves bound to one another when there is between them no political solidarity in the presence of what is happening in nine-tenths of the earth? The fact that the Atlantic alliance, such as it is, covers only the narrow sector of Western Europe, while Continental Asia, Southeast Asia, Asia Minor, North Africa, Black Africa, Central America, and

Source: Eisenhower Library, Project Clean Up. No classification marking. The source text is a Department of State translation; the French text is attached. The Embassy in Paris transmitted a translation of this letter in telegram 545 from Paris, August 9; a copy was sent to Goodpaster on August 10. (Department of State, Central Files, 396.1/8–960) The signed original was sent to Goodpaster by Calhoun under cover of a memorandum on August 11. (*Ibid.*, 396.1/8–1160)

South America are full of problems and seething dangers and might become theaters of war, appears to France inadequate to the circumstances and incompatible with its world responsibilities.

Furthermore, the system of military integration applied to the Atlantic Alliance, which in fact assigns to the United States the possible conduct of war in Europe, the employment of the forces that would take part in it, and the entire disposition of the atomic arms which would be the basic weapons, deprives France, her people, her Government, and her Command, of the responsibility for her own defense. Considering the facts of the case as they appeared when NATO was established, this state of affairs could erstwhile be explained to a certain extent. You understand, I am sure, why it has become today unacceptable to my country.

My dear Mr. President, my dear Friend, I feel that we—you, Mr. Macmillan, and I—hold in our hands an opportunity, which is at the same time a definite opportunity and a very temporary one, to organize a true political and strategic cooperation of our West in the face of the numerous and dangerous threats that confront us. We can do this all the better because, with respect to the basis of the problems, our views and our intentions are unquestionably quite close. If we three together were to confront this problem shoulder to shoulder, it seems to me that we could work out a joint plan for organizing our united action on world problems and for reorganizing the Alliance. I add that our agreement would produce a salutary impression throughout the world.

In the event that you would be willing to engage in this undertaking, I propose to you, and at the same time I am suggesting to Mr. Macmillan, that we meet in September, at whatever place and time suit your convenience.

Accept, Mr. President, my sentiments of very high and very cordial consideration.<sup>1</sup>

#### C. de Gaulle<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> On August 12, Eisenhower replied: "This is a brief note to thank you for your letter which poses some very important questions that will take us time to study. I shall be writing you soon at some length. I want you to know that I appreciate the frankness with which you have written." (Transmitted in telegram 623 to Paris, August 12; *ibid.*, 396.1/8-1260) Houghton reported the letter was handed to the Director of the President's Cabinet, Rene Brouillet, on August 13 who said it would be transmitted by courier to de Gaulle at Colombey-les-Deux-Eglises that same day. (Telegram 591 from Paris, August 13; *ibid.*, 396.1/8-1360)

<sup>&</sup>lt;sup>2</sup> Printed from the English translation that indicates that de Gaulle signed the original French-language copy.

# **192.** Memorandum of Telephone Conversation Between President Eisenhower and Secretary of State Herter

August 10, 1960, 12:15 p.m.

The President telephoned to say he had just read the letter from DeGaulle<sup>1</sup> and at least it brings out now in the open what he had really been talking about-which he had always talked to the President about in fuzzy terms—that what he really wants is a triumvirate that makes decisions and agrees on action in political bodies like the U.N. The President said DeGaulle is even a little sarcastic about the U.N. The President said in these political terms, we have to act as a unit whether we like it or not. The President said as a matter of fact DeGaulle has a couple of things which the President didn't understand like where he talks about what happened in the Congo being due to divergencies of the West. The Secretary said this makes no sense. The President said he must be talking about the fact we would not vote in the U.N. to take up the Algerian question.<sup>2</sup> The Secretary said he didn't really know what DeGaulle is talking about; that as the President recalled, at the beginning we had an appeal from the Congo to send in troops independently and we immediately took the position it was a matter for the U.N. and that the original appeal had been made to the U.N. and we have stuck with this.<sup>3</sup> The Secretary said what DeGaulle seems to be implying is that if the British, French and ourselves had gone in with troops and upheld the Belgians, everything would be fine. The President referred to DeGaulle's statement about voluntarily submerging our responsibilities in the composite structure of the U.N., and the President agreed DeGaulle may mean we should have supported the Belgians. The Secretary said it is a curious way of putting on the back of our necks his concern with regard to the French communities in Africa with which France has these separate agreements that the same thing will happen and they won't honor those agreements. The Secretary said the Belgians had made agreements with the Congo just a few days before the independence which were never

Source: Eisenhower Library, Herter Papers, Telephone Conversations. No classification marking. Transcribed in the Secretary's Office.

<sup>&</sup>lt;sup>1</sup>Document 191.

<sup>&</sup>lt;sup>2</sup> The Afro-Asian resolution recommending negotiations between Algeria and France toward a peaceful solution of the conflict failed to pass the U.N. General Assembly on December 12, 1959, in a vote of 35 to 18 with the United States and 27 other countries abstaining.

<sup>&</sup>lt;sup>3</sup> On July 12, Patrice Lumumba, President of the Congo, requested U.S. troops. The United States supported the U.N. Security Council resolution passed on July 14 authorizing the immediate dispatch of a U.N. military force to the Congo and requesting Belgium to withdraw its troops. See vol. XIV, pp. 293 ff.

ratified, but how we could possibly have prevented the revolt of the Congo troops against the Belgian officers he could not imagine. The Secretary said one thing that is puzzling is the report we have gotten of the DeGaulle-Adenauer talks which indicates that DeGaulle assured Adenauer he would not press tripartitism any further which is very extraordinary.<sup>4</sup> The Secretary said the rest of NATO is very worried about this tripartite business and the Secretary said he just can't believe in just a week's time after saying this to Adenauer that DeGaulle is now in effect saying we have to immediately set up this tripartite business. The President referred to DeGaulle's statement that we have the possibility to organize a real political and strategic cooperation of our West, and the President said he uses "our West" several times and he doesn't know what he means. The President referred to his statement that if all three together came to grips we could arrive at a common action. The President said DeGaulle is asking for several things; to reform NATO so that France-and the President recalled DeGaulle's long complaint that France has nothing with which to defend herself. The President said DeGaulle is trying to do two or three things all at once. The Secretary agreed and said it has been fuzzy ever since his September 15, 1959 letter;<sup>5</sup> that DeGaulle just never comes to grips with what he has in mind except for nuclear capability. The President said on nuclear capability, he really was sympathetic. The Secretary said he understood Norstad had talked a little to the President about this, and the Secretary said Norstad is bitterly opposed to giving nuclear capability to any one nation.<sup>6</sup> The Secretary said we have this very real problem of what happens in NATO if we set up a tripartite arrangement, particularly with the Germans.

The Secretary referred to the last paragraph of DeGaulle's letter suggesting a meeting. The Secretary said Macmillan is now in Bonn talking to Adenauer and a copy will presumably be forwarded to Macmillan there.<sup>7</sup> The President said he must say that he is a little confused

<sup>&</sup>lt;sup>4</sup> In Polto 239 from Paris, August 5, Wolf reported on the Adenauer–de Gaulle talks at Rambouillet, July 29–30, and said Adenauer told de Gaulle he could not accept tripartitism. Wolf stated that according to Blankenhorn, de Gaulle had agreed that he would not insist further on this issue. (Department of State, Central Files, 651.62A/8–560)

<sup>&</sup>lt;sup>5</sup> Presumably this reference is to de Gaulle's letter to Eisenhower of September 17, 1958, Document 45.

<sup>&</sup>lt;sup>6</sup> A copy of the memorandum of conversation covering Norstad's conversation with Herter, McCone, and Deputy Secretary of Defense Douglas, August 2, is in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. An August 3 memorandum of conversation between Norstad and the President is printed in Part 1 as Document 263.

<sup>&</sup>lt;sup>7</sup> Macmillan, accompanied by Lord Home, visited Bonn August 10-11 for talks with Adenauer and von Brentano. A copy of the report on Macmillan's talks with the German leaders, sent to Herter by Caccia in his letter of August 12, is in Department of State, Presidential Correspondence: Lot 66 D 204.

because how we can set up ourselves to do all this and throw out the Italians, Germans, Belgians-which are already mad-Dutch, etc. The Secretary said they would be crazed. The Secretary said what we had arranged in accordance with the President's previous letter was this group composed of Mr. Merchant, Lucet for the French and Hoyer-Millar for the British, and they were already working on an agenda for the Foreign Ministers meeting in New York at the time of the UNGA. The Secretary said it was not clear whether DeGaulle wanted the Heads of Government meeting before or after the Foreign Ministers meeting, but the Secretary said it might be desirable to get the Foreign Ministers to meet first and find out what the issues are. The President said we might put a series of questions to DeGaulle, couched in friendly language, like how do we try to strengthen our alliance by offending the Germans, Italians, etc.? How is this to be accomplished? The President said he has got something in talking about allies around the world, although the President said he had divested himself of most except he thought he still has Caledonia. The Secretary said he thinks DeGaulle wants nuclear weapons only by the three on a joint control basis. The President said when you come down to it, what he wants is to get the three together who agree with the basic policies and agree to take common action. The Secretary said it is curious because for instance in the disarmament conference in Geneva, at the end when the American plan<sup>8</sup> had been tabled all came up and supported it so it really became a Four-Nation plan, with the French holding out. The Secretary said it always comes down to DeGaulle never agreeing with anyone else but wanting everybody to agree with him. The President said he really believes we ought to tell DeGaulle in some way that the U.S. does not want command in Europe; that we would be glad to see them take over and will pull out our troops. The President said it was the Europeans who insisted there be an American command. The Secretary said even in this last discussion with Adenauer, it was agreed they wanted American and Canadian troops in Europe.<sup>9</sup>The Secretary said he wondered whether it might not be well to hold this letter until Macmillan gets back from Bonn and we can get his reactions before we draft a definitive reply. The President said he didn't want to discuss this by phone with Macmillan and asked that the Secretary get a series of questions—how do we do this; what does this mean; suppose we have a combined tripartite policy, then nobody can take any action without agreement of the other two, which the President said he thinks will be a committee for inaction rather than for action. The President said then we can say if all they want is American troops to show the

<sup>&</sup>lt;sup>8</sup> For text of the U.S. paper submitted to the Ten-Nation Committee on Disarmament meeting in Geneva on June 27, see *Documents on Disarmament*, 1960, pp. 126–131.
<sup>9</sup> Not further identified.

flag, we can leave only one division. The President said to say that since Macmillan is closer, to spell out in detail what he wants. The President said if we could get Macmillan to say what things could be done and what couldn't be done then he can go to Paris and show our exchange of correspondence to DeGaulle and see what next. The President said he will just keep his copy of the letter from DeGaulle and won't do anything until he hears from the Secretary further. The Secretary said he thinks it is so important we should go slow, and see what reaction Macmillan has. The President asked when Macmillan returned from Bonn, and the Secretary said in a day or two. The President said the middle of next week was all right.

#### 193. Memorandum for the Files

August 10, 1960.

I have talked to the Secretary of State about General de Gaulle's letter of yesterday, received here by cable.<sup>1</sup> Neither of us understands exactly what de Gaulle is getting at. But we note that the copy of the de Gaulle message has been sent to Prime Minister Macmillan. State Department is drafting a message to Macmillan (which I shall have possibly by the end of the week) through which the British and ourselves may reach some common understanding of the problems posed by de Gaulle and develop our own ideas concerning them. General de Gaulle has been referring to this "tripartite world strategy" for many months. In talking to me, he had always been so hazy in propounding his theories that apparently I have never been able to respond adequately. He speaks of "our West", but he names only our three countries. I am sure he does not mean to ignore Germany, Italy, the Low Countries, the Scandinavian countries, or Turkey and Greece. However, his thinking on this whole matter seemed to show his readiness to set up our three nations as the controlling groupment for NATO.

He does voice his old complaint about the overwhelming influence of the United States in the NATO complex. I once told him that the

Source: Eisenhower Library, Whitman File, International File. Secret. Prepared by the President.

<sup>&</sup>lt;sup>1</sup>Document 191.

United States had no ambition to carry the heavy responsibilities that had been forced upon it in NATO. It has there the equivalent of six divisions, a large fleet, and an extensive air force, supported by a great logistic system. At least in the early days the Europeans insisted upon an American commander because geographical remoteness would tend to make that commander impartial as between the conflicting claims of the European countries, and, secondly, because in that combination of naval, air, ground and supply strength we are the largest contributor.

The General's complaint about our nuclear selfishness is something that the Executive Department cannot help. In lieu of bilateral agreements of this kind, we have argued for a joint stock pile to be available for the defense of Western Europe.

Apparently the General thinks we should carry all these burdens, but abdicate any control over the deployment of the forces, even though another part of his argument is the right of France to control all of its own forces for its own defense.

DE<sup>2</sup>

<sup>2</sup> Printed from a copy that bears these typed initials.

# 194. Letter From Prime Minister Macmillan to President Eisenhower

London, August 13, 1960.

MY DEAR FRIEND: I was very glad to hear from Harold Caccia this morning that you thought it might be useful if Merchant, McCone and others came over here early next week to talk about nuclear tests. I am sure this would be a good idea and I hope they will come as soon as possible. Our people are making the arrangements through Harold Caccia.

As Chris Herter suggested to Harold Caccia,<sup>1</sup> this will enable Merchant to bring me your latest thoughts on other matters. In particular there is de Gaulle's suggestion for a tripartite meeting in September.<sup>2</sup> I

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Top Secret. A copy of this letter was also sent to Herter by Thomas Brimelow, Counselor of the British Embassy, under cover of a letter of August 13. (*Ibid.*)

<sup>&</sup>lt;sup>1</sup> A copy of a memorandum of Herter's conversation with Caccia on August 12 concerning tripartitism is *ibid.*, Central Files, 396.1/8-1260.

<sup>&</sup>lt;sup>2</sup> Tripartite talks were held in New York September 20-22; see Document 199.

had no idea beforehand that de Gaulle was going to make this proposal which indeed came as a complete surprise to me. However he did send me a copy of his message to you together with a strong appeal that I should urge you to accept his plan.

As you know I am much in favor of these tripartite meetings from time to time, if only because there are so many things in your affairs and ours on which de Gaulle can be difficult, and these meetings can sometimes help to bring him along. You and I know, from old experience, how difficult he can be in one mood and yet how accommodating in another. So from that point of view I am not altogether displeased at de Gaulle's having made this suggestion and having asked for my support. I think his main anxiety is to set a precedent for these meetings while you are still in office.

But of course there are obvious difficulties about timing and about the public explanation which we could give for the meeting. We have to think of the reactions of our other allies and also on the Russians. So I am glad that you are not sending an answer at once. No doubt Merchant will let us know your thinking about this. Meanwhile I have sent an interim reply to de Gaulle pointing out some of the complications.

Harold Caccia has given Herter an account of our talks in Bonn. On the whole I was very satisfied with them. For whatever reason, Adenauer seems now to be in a mood to explore seriously the possibilities of some accommodation between the economic groups which have formed themselves in Europe. As you know, I have feared that unless such an arrangement could be reached in the near future the economic divisions would deepen and would inevitably bring political consequences. We are a long way from finding any solution, but at least the Germans seem to have developed the political will which is the first essential if any understanding is to be reached. I can only hope that the French will, sooner or later, do the same.

With warm regard,

As ever,

Harold<sup>3</sup>

<sup>&</sup>lt;sup>3</sup>Printed from a copy that bears this typed signature.

#### 195. Memorandum of Conversation

London, August 17, 1960, 10:30 a.m.

#### PARTICIPANTS

Rt. Hon. Harold Macmillan, Prime Minister

Rt. Hon. Edward Heath, Lord Privy Seal (Senior Fonoff Minister Presently in London)

Mr. Philip de Zulueta, Prime Minister's Private Secretary

Ambassador Whitney

Mr. Livingston Merchant, Undersecretary for Political Affairs, State Department<sup>1</sup> Mr. Walworth Barbour, American Minister, London

Mr. Brewster Morris, Political Counselor, London

SUBJECT

General de Gaulle's August 9 letter on tripartitism proposing September Western Summit Meeting<sup>2</sup>

The Prime Minister asked Mr. Merchant how the President feels about this latest message from General deGaulle.

Mr. Merchant said that, as he had explained to Mr. Heath yesterday<sup>3</sup> the President was quite concerned, both as regards the proposal for a tripartite Heads of Government meeting in September, and on account of a number of deGaulle's other comments, such as his views on NATO and his curious reference to the Congo. The President had gone just as far as he felt he could, with regard to our relations with our other allies, in meeting deGaulle's wishes for tripartitism. The President was most anxious to get Mr. Macmillan's views on the letter, and felt it was a subject which required close consultation. The President's initial reaction had been that his reply should be in a friendly tone but might well pose a series of searching questions. DeGaulle seemed to wish to establish a Triumvirate to act on behalf of the West, and as something preferable to either NATO or the UN.

Mr. Merchant pointed out that neither the President nor Secretary Herter had yet reached a final conclusion on how to deal with this mes-

Source: Department of State, Central Files, 375/8-1760. Top Secret; Presidential Handling. Drafted by Morris. The meeting was held at the Prime Minister's Office in Whitehall.

<sup>&</sup>lt;sup>1</sup> Merchant, along with McCone and other U.S. officials, was in London to discuss nuclear tests with British officials.

<sup>&</sup>lt;sup>2</sup>Document 191.

<sup>&</sup>lt;sup>3</sup> A copy of the memorandum of conversation covering Merchant's conversation with Heath on August 16, when they discussed Eisenhower's and Macmillan's deep concern about de Gaulle's August 9 letter and the nature of the reply, is in Department of State, Central Files, 375/8–1660.

sage. Mr. Herter also was concerned about the proposal for a Western Summit Meeting. For, as Mr. Merchant had pointed out to Mr. Heath yesterday, if the purpose of this meeting were announced as broad and general, our other NATO allies' reactions would be strongly adverse, and at a time when NATO was already under considerable internal stress. Moreover, the adverse reactions would not be confined to NATO, but presumably be shared by other allies as well. And if Berlin and Germany were announced as the subject of the meeting, this would focus world attention on Berlin in an undesirable way, particularly in view of a possibly adverse Soviet reaction. Mr. Herter thought we might perhaps propose that our three Foreign Ministers, who are already scheduled to meet on September 23, should explore the various matters involved, and that this could at least defer the matter of a Heads of Government meeting in September. The President's schedule for October and November was already pretty full, in view of speaking engagements, his expected reception in Washington of various top foreign visitors and the like.

Mr. Macmillan pointed out there were two questions involved, namely the proposal for a tripartite Summit Meeting, and the underlying question of what deGaulle is really after. While, as Mr. Macmillan recalled it, the President did really accept the idea of such tripartite Heads of Government meetings when they met with deGaulle at Rambouillet some months ago,<sup>4</sup> the fact was that particular meeting was quite legitimate, being concerned with preparations for the anticipated discussion of Germany and Berlin at a subsequent East-West Summit Meeting.

In reply to a query from the Prime Minister, Mr. Merchant confirmed that the President had earlier mentioned to General deGaulle the possibility of meetings from time to time by the three Heads of Government.

Mr. Macmillan replied that the principle was one thing, but most important questions related to the timing of such meetings and what would be said about them publicly. If the President doesn't want to meet with deGaulle in September, presumably the best thing would be to "play it soft". Thus, there should be no sharp rejection of the proposal, but rather an effort to point out some of the difficulties involved. The President might indicate that it would be difficult for him to leave the United States at this time and the importance of not getting the Soviets excited now over Berlin and Germany, and instead suggest that we should first of all have our Foreign Ministers discuss the various problems involved. Their meeting should be made really important and

<sup>&</sup>lt;sup>4</sup>See Document 151.

constructive, and include a serious discussion of these matters. At the same time, the President's reply could suggest or imply the possibility of a subsequent Heads of Government meeting. It could be pointed out to deGaulle that he had clearly raised some very important questions, which should be discussed by our Foreign Ministers, and we could then see what we think about them, possibly through further correspondence, or possibly personally at the Summit. Thus the President's reply might appear to favor in principle such meetings, hint that such a meeting might perhaps still take place, but take evasive action regarding one in September. If deGaulle desired, he could be invited to send one of his intimates such as Courcel along with Couve.

Mr. Merchant commented that deGaulle's views on NATO appear to strike at the basic US concept of our alliances and collective defense. Though we were still far from well-informed regarding the recent Rambouillet talks between deGaulle and Adenauer, it was our impression that the two had agreed that US troops must stay in Europe, even though deGaulle was apparently thinking in terms of an old-fashioned kind of pre-World War I type of alliance, quite impossible in this modern world.

Mr. Macmillan commented that there appear to be various considerations affecting deGaulle's thinking, such as his desire to have France become a nuclear power. He also seemed convinced that national armies must remain under national command, at least in times of peace. His stress on this was very likely due to his conviction that the Army is essential to the survival of France and to prevent France from going Communist when he passes from the scene. And while this is understandable, it also seems clear that our difficulties with deGaulle are based at least partly on a misunderstanding on his part as to just how NATO really works. Furthermore, deGaulle seems determined to have France speak on behalf of the Continent, and, together with the US and the UK, constitute the top free world leadership.

Mr. Merchant said he thought the Prime Minister's suggestions on how to deal with deGaulle's proposal for a September meeting appealed to him. The President might wish in his reply to pose some questions to deGaulle to help prepare the ground for the Foreign Ministers' meeting.

The Prime Minister wondered whether the President might not suggest that deGaulle circulate his views on some of these questions in advance of the September 23 meeting.

Mr. Merchant pointed out it was curious that the Germans had come back from Rambouillet with the impression that deGaulle had assured them that he would not press tripartitism further. Mr. Macmillan said that, based on his talks in Bonn last week, he gathered that deGaulle had given the Germans such assurances only as far as NATO questions were concerned. Mr. Macmillan wondered just what deGaulle really wants from the US in the nuclear weapons field.

Mr. Merchant replied that it was our impression, based on what we had heard from some French close to deGaulle, that the General realizes that US legislation prevents his getting all that Britain receives from the US, but the General is nonetheless determined, perhaps even with a perverse kind of pride, to develop France's own weapons despite the cost.

In reply to the Prime Minister's suggestion, Mr. Merchant summarized the discussion as follows. Regarding the substance of some of the questions raised by deGaulle, it was not clear just what he means or wants. So we should encourage clarification of these, and perhaps remind the General that he has never, for example, circulated the memorandum he once promised on his views on NATO.<sup>5</sup>DeGaulle's proposal for a September Summit meeting presents difficulties for the reasons agreed to, and the problem is how to handle this proposal without causing resentment. We should presumably therefore temporize, and while not flatly turning down such a meeting, refer to the Foreign Ministers' meeting already scheduled, and perhaps suggest we each distribute in advance our views on some of the questions raised by deGaulle. At the same time we should avoid closing the door on a possible later Heads of Government meeting.

Mr. Macmillan asked whether there is any possibility of the President's coming to Europe around December, indicating he had wondered, for example, whether the President might be able to come unofficially to see his old World War II companions in Britain, and this perhaps provide cover for a meeting with deGaulle.

Mr. Merchant commented that this was a possibility to consider.

Finally, the Prime Minister said he would try to put down some thoughts on paper and send them to Mr. Merchant before he left for Washington,<sup>6</sup> and these might be helpful in formulating the President's reply. The Prime Minister presumed that he did not himself owe deGaulle a reply, since deGaulle's letter had been addressed to the President and the General had merely sent the Prime Minister a copy, together with a covering note seeking his support for the September meeting.

<sup>&</sup>lt;sup>5</sup> Regarding de Gaulle's statement that he would write Eisenhower and Macmillan about his views on NATO, see Document 172.

<sup>&</sup>lt;sup>6</sup> A copy of Macmillan's August 17 memorandum to Merchant, which summarized the suggestions he gave to Merchant that day regarding the President's reply to de Gaulle's letter, is in the Eisenhower Library, Whitman File, International File.

Before the discussion terminated, it was agreed that, in response to any inquiries from the press, it would be said only that Mr. Merchant, an old friend of Mr. Macmillan's, had stopped in to bring him oral greetings from the President and Mr. Herter, and they had taken the opportunity to exchange views briefly on world affairs.

#### 196. Editorial Note

The question of increased nuclear sharing with the Allies was studied by the Departments of State and Defense and the Atomic Energy Commission in the summer of 1960 and discussed at several National Security Council meetings between August 25 and the end of December. President Eisenhower asked U.S. officials to make some decisions on this question, for he hoped his administration would develop a policy and a program before he left office.

France posed the most immediate and acute problem for the administration with respect to nuclear sharing. France's refusal to accept the NATO stockpile plan and permit the deployment of U.S. nuclear weapons for any forces on French territory unless it had primary control of the weapons, its demand for equal treatment in nuclear matters, and its determination to achieve its own independent nuclear capability at any cost created problems for the United States and for NATO. The question of how much to assist France and in what way, knowing that any policy established would create a precedent for U.S. policy with regard to other NATO countries and that France's success in becoming a power with nuclear capability would establish a precedent for other countries, was, therefore, central to the question of nuclear sharing.

Despite Eisenhower's wishes, this question was not resolved by the end of his term. Extensive documentation on this question is printed in Part 1. Additional documentation on this subject is in Department of State, Central Files 740.5611 and 740.5612 and in S/S–NSC (Miscellaneous) Files: Lot 66 D 95, NSC 6017.

#### 197. Letter From President Eisenhower to President de Gaulle

#### August 30, 1960.

DEAR GENERAL DE GAULLE: As I promised in my recent brief note, <sup>1</sup>I have now given serious study to your letter of August ninth.<sup>2</sup> I would first like to respond to your suggestion that we meet with Prime Minister Macmillan in September. In this connection I recall our conversations of last May<sup>3</sup> in which we agreed that, in addition to other forms of tripartite consultations, meetings of the three of us would be of great value in world politics. I continue to hold to this thought. I believe that in this case we must give careful thought to what public presentation we could make so as not, on the one hand, to use the Berlin situation as an excuse and thus run the danger of provoking the Russians nor, on the other, to offend our allies and thus weaken our common defense posture.

With regard to the time of such a meeting, I have myself already scheduled numerous public engagements as well as receptions for foreign visitors during the next three months. I would in consequence find it difficult to arrange for another meeting with you in the near future. I would like to suggest, therefore, that we agree in principle to our meeting at a time and place mutually agreeable but that we suspend any final decisions until after our Foreign Ministers have met on September twenty-third. To make their meeting a more meaningful one it should be prepared as thoroughly as possible through the means we have previously agreed to. It would also seem advantageous to exchange papers in advance of this meeting. In this connection I recall that at Rambouillet you said that you would put your thoughts on NATO into memorandum form for Mr. Macmillan and me.<sup>4</sup>

This paper would be a valuable document for the discussion of our Foreign Ministers, who I hope will consider thoroughly the matters raised in your letter.

Source: Eisenhower Library, Whitman File, International File. Secret. Dillon sent Eisenhower on August 24 a proposed reply to de Gaulle which was drafted by Brown and approved by Kohler, Merchant, and Brown. Dillon informed the President that while Herter, who was in San José for the American Foreign Ministers Meeting, August 16–21, had not read this draft, he was "in accord with its general contents." On August 26, the President approved Goodpaster's minor textual revisions. The President also approved some minor changes in the text suggested by Houghton and the addition of two sentences, the third and fourth, to the sixth paragraph. (Telegram 862 to Paris, August 30; Department of State, Central Files, 740.5/8–3060) The text of this letter was transmitted in telegrams 816 and 850 to Paris, August 26 and 29 respectively. (*Ibid.*, 740.5/8–2660 and 740.5/8–2960)

<sup>&</sup>lt;sup>1</sup>See footnote 1, Document 191.

<sup>&</sup>lt;sup>2</sup> Document 191.

<sup>&</sup>lt;sup>3</sup>See Document 172.

<sup>&</sup>lt;sup>4</sup>See Document 151.

As I have indicated, it would be more convenient to me and probably more satisfactory all around if the meeting involving the three of us were held later in the year. I have been giving serious consideration to a trip to the United Kingdom some time before the year end to see old wartime friends from Britain and across the Channel. This might provide a suitable occasion for a meeting of the two of us with Mr. Macmillan.

Before our ministers meet in September I believe that I should address myself to some of the thoughts set forth in your letter of August ninth, and I am doing so in the friendly and forthright spirit which characterized your letter. As we have each said in the past, a frank exchange of views is essential among friends and allies.

I agree completely as to the desirability of making the Atlantic Alliance more efficient. I have always considered the Alliance a keystone of American policy. In the whole history of NATO, the U.S. did not try to push itself into a place of prominence. Instead it has responded to requests from others with understanding and in a spirit of allied helpfulness. This belief and faith in NATO is shared by the U.S. Congress, both major political parties, and the vast majority of the American people. It has provided the basis for an historic shift in the attitude of the American people towards Europe.

Twenty years ago it would have been impossible to secure the approval of the American people to a long-term involvement on the European continent of thousands of American soldiers and a good part of America's defenses. Today, there is no real opposition to the continuation of that American presence in Europe as a part of the free world's defenses. This attitude on the part of the American people results from their view that our European partners in NATO share with us a common desire to ensure the effective defense of the Atlantic area. If the American people, however, should come to feel that their European allies no longer share this common desire, I must very frankly say that the historic shift in American policy could again reverse itself. Our people might be no longer willing to continue their long-term involvement in the defense of Europe and pressures could mount for a complete return of American troops, with increasing dependence on a strategy in which our defenses center in the United States. I should emphasize that I am not describing here a policy change which I would advocate. I am only setting forth what I believe could be an inevitable trend in the United States.

Another point deserves to be made. Our essential alliances are not confined to the European continent or NATO alone. The U.S. has defensive arrangements with forty-three nations throughout the world. Some of these, such as that with Spain which provides us with essential bases for nuclear air strikes, are bilateral;<sup>5</sup> others are multilateral. In some of these latter France is present; in others, it is not. France, similarly, has its own international relationships and alliances, of which the Community is the latest example.

For us this system of alliances provides a great measure of strength; it serves to make more effective the deterrent. At the same time alliances give members a feeling of confidence, knowing both that unified defenses provide a greater strength for all and that the very existence of special ties gives them greater international status. We recognize that there are imperfections and have sought to improve the contacts and liaisons between the various multilateral organizations. Much more can be done in this field but only with the willing acquiescence of the members.

Just as the way in which the U.S. views the world has changed in the post-war era, so has the viewpoint of the smaller and medium-sized powers. They are no longer content to let larger countries speak for them or seek to control in any way their destinies. Each instead seeks to have his voice and views considered, both in bilateral relationships and in international instances. Given the facts of the situation today I must confess that I cannot see how the three of us can so organize, as you suggest, a "real political and military cooperation" if that cooperation implies lessening or subordinating of America's close working relationship with other nations and other alliances or if it implies a reorganization of NATO whose effect would be to remove American forces from Europe.

Once again you have stressed your opposition to the system of integration in NATO which you categorize as unacceptable to France today. I frankly must confess that I cannot understand completely your reasoning. It seems to me that to return to a prewar system of alliances, that is to say, a coalition of powers whose military efforts are not closely joined together, would diminish greatly the effectiveness of a Western alliance. The revolution in military strategy and military technology makes it more, not less, essential that nations integrate their military efforts. National forces fulfilling national missions each on its own soil could well result in a completely ineffective defense force. As I have said before any such policy would compel the return of American troops to this hemisphere. Aside from the strictly military advantages of an integrated alliance over the prewar system, there is the much greater deterrent effect an integrated force creates. When an alliance's military forces are welded into an effective unit, any potential aggressor knows that his aggression must of necessity automatically and simultaneously be met not only by the resistance of his intended victim, but by the united effort of that country's allies as well.

<sup>&</sup>lt;sup>5</sup> Reference is to the Defense Agreement between Spain and the United States signed at Madrid and entered into force on September 26, 1953. (4 UST 1895)

At the time it took place I regretted profoundly the withdrawal of the French naval units from the NATO forces in the Mediterranean. This action did not, of course, diminish the defense forces of the alliance in the Mediterranean although it did make more difficult the coordination of their efforts in the case of war. It did create, however, a major breach in the NATO wall of solidarity. Other actions by France in the field of air defense and nuclear storage have, I am afraid, blocked efforts to strengthen the NATO structure while no serious attempt has been made by France to explain to us or to other NATO countries its ideas on how the alliance could be made more effective. It seems to me that the French Government which has both privately and publicly said that NATO must be revised or reformed, should provide NATO and the NATO members with concrete ideas on how that reform should be effected. Otherwise, does not the continual stress on the supposed inadequacies of NATO merely weaken it further?

In your letter you cited the Congo as an example of a problem concerning which you believe we should have acted more in unison. The differences which we have had as for instance in past Security Council votes, have not been the result of any lack of consultation with one another. I have, in fact, been struck by the frequency and fullness of the consultations that have taken place among our representatives on virtually a daily basis in Paris, here in Washington, and in Brussels as well. I am enclosing a copy of the record of these consultations over the past weeks, which has been prepared for me here.<sup>6</sup> If despite this process our positions remained somewhat apart, I doubt that any more formal or elaborate tripartite arrangements at whatever level could have altered this. I cannot believe that our differences were in large measure responsible for the disorder and anarchy in that country. It seems to me that our differences followed, and did not precede the Congo disorders. It is true that our attitude toward the role the United Nations should play has been different and that France may hesitate to rely upon the UN, but I believe it is a fact that in our consultations on the Congo, France did not present alternatives to a resort to the UN.

Given the speed at which events have moved, I believe our consultation on the Congo has been full and I regret to learn that you believe we are out of step. I know that our basic objectives for the Congo are identical. I hope that our governments can continue their discussions on African matters for this reason and that the French Government will make substantive suggestions capable of being implemented by us and acceptable to the peoples concerned.

<sup>&</sup>lt;sup>6</sup> Not printed. This list of meetings with the French on the Congo crisis showed there had been 21 meetings between French and U.S. officials in Washington, 17 in Paris, and 2 tripartite meetings between June 1 and August 17.

I must confess, my dear General, that I cannot quite understand the basic philosophy of France today. On one hand, France rejects the concept of close union needed to make effective the alliance's defensive forces, stating that such action takes from France the essential attribute of national identity. At the same time France proposes a close union of itself, the UK and the U.S. to work out common plans and policies with all the implications of the veto and of imposition of decisions on others which this suggestion holds. These two proposals appear to me incompatible. Additionally, I am sure our NATO partners would find them unacceptable.

The role which France would want to play in a special tripartite relationship is also unclear to me. Do you envisage France speaking in this forum for the other continental members of the alliance? Do you believe that it would be wise to diminish the close relationship of my government with that of Chancellor Adenauer, a relationship which has since the war served to draw the Federal Republic firmly to the West? These questions puzzle me.

I am basically uninformed as to your thinking on the mechanism for intra-European consultation. I believe the United States has a legitimate interest in the form and in the purpose of this mechanism, given the possible effect on the NATO alliance of the creation of another consultative mechanism.

This letter has perhaps been over-long but I believe that it contains some of our apprehensions and some indication of our reserves. I hope you will feel free to answer frankly and fully the questions I have posed in the same feeling of close friendship which I have for you and for France. As you know, I have always attached the greatest importance to our meetings and to our correspondence. I know that you will agree with me that a candid exchange of views can make more fruitful our future discussions and those of our Foreign Ministers.

I am taking the liberty of sending a copy of this letter to Prime Minister Macmillan in view of the fact that you sent to him a copy of your letter to me.<sup>7</sup>

With warm personal regard,

Your good friend,8

<sup>&</sup>lt;sup>7</sup> A copy of Eisenhower's letter to de Gaulle was sent to Macmillan, with a request that the Prime Minister urgently report any comment he might have, in telegram 1326 to London, August 26. (Department of State, Central Files, 770.00/8–2660) On September 2, Macmillan replied he thought Eisenhower's August 30 letter was "very good and well calculated to draw him out." This letter was transmitted in telegram 1484 from London, September 3. (*Ibid.*, 700.5611/9–360) A copy of Macmillan's September 1 letter to de Gaulle, in which he urged de Gaulle to circulate a memorandum outlining his approach to the problems mentioned in his August 9 letter, is *ibid*.

<sup>&</sup>lt;sup>8</sup> Printed from an unsigned copy.

# **198.** Memorandum From Secretary of State Herter to President Eisenhower

September 14, 1960.

SUBJECT

Atomic Support for French NATO Forces in Germany

In June last year I informed you that we were offering France nuclear capable weapons to equip certain of its NATO-committed forces in Germany.<sup>1</sup> That offer, which France accepted, was conditional upon France's agreeing to negotiate an atomic stockpile agreement whereby these French forces would be supported by the NATO atomic stockpile in Germany. On September 6 such an agreement was concluded in Paris.<sup>2</sup>

This agreement will enhance NATO defensive strength in that it will make nuclear weapons available to French NATO forces in forward areas in case of need. Conclusion of the Agreement, which applies only to French NATO forces in Germany, has not changed French opposition to the NATO Atomic Stockpile in France proper, for either US or French forces. It is, however, of some significance that the French have accepted the NATO atomic stockpile (and therefore US custody) for their forces at all. They apparently justify acceptance of the stockpile for their forces in Germany on the grounds that this does not conflict with their position that France must control nuclear weapons stored on French soil. One reason for this move may be that the Agreement applies to nuclear capable weapons systems programmed for France for some time and which the French do not wish to forgo. The fact that the Germans do in fact have a nuclear weapons capability under the NATO atomic stockpile may well be another reason why the French want to have the same capability.

To improve the state of training and operational readiness of French NATO forces in respect to nuclear weapons we hope to conclude a cooperation agreement with France under Sections 91c and 144b of the Atomic Energy Act. In April we initiated negotiations with France on

Source: Eisenhower Library, Whitman File, Dulles-Herter Series. Secret. A handwritten notation on the source text by Goodpaster, dated September 15, reads: "Told State that President had noted and initialled." The source text bears Eisenhower's initials.

<sup>&</sup>lt;sup>1</sup>See Document 122.

<sup>&</sup>lt;sup>2</sup> A copy of the Agreement between the United States and France Regarding the NATO Atomic Stockpile of Weapons in Germany for Support of and Utilization by French Forces Assigned to NATO signed at Paris on September 6, 1960, was transmitted as an enclosure to despatch 359 from Paris, September 12. (Department of State, Central Files, 611.517/9–1260)

such an agreement.<sup>3</sup> It is possible that a cooperation agreement will be concluded by the end of this year. If this were to be the case, the Agreement might be ready for submission by you to the Congress early in January.

#### **Christian A. Herter**

#### 199. Editorial Note

Tripartite talks were held in New York September 20-22, following the opening of the 15th Session of the U.N. General Assembly on September 19, with Livingston T. Merchant, Under Secretary of State for Political Affairs; Charles Lucet, Minister of the French Embassy; and Frederick Hoyer-Millar, British Permanent Under Secretary of State for Foreign Affairs, representing their governments. They met on September 20 to discuss procedural matters; a memorandum of conversation (MC/1), September 20, summarized their discussion. The following memoranda of conversation summarized their discussions on September 21: MC/12 on NATO; MC/19 on Berlin; MC/20 on Japan; MC/22 on the Caribbean; MC/23 on the Middle East Arms Race; MC/24 on the Middle East; MC/30 on Africa; and MC/41 on Southeast Asia. The following memoranda of conversation summarized their discussions on September 22: MC/25 on NATO and MC/26 on a draft resolution on Berlin, tactics in the United Nations, and Soviet tensions. Copies of these documents are in Department of State, Conference Files: Lot 64 D 559, CF 1766.

 $<sup>^3</sup>$  See Document 162 and footnote 3, Document 39. No such agreement was concluded with the French in 1960.

### 200. Memorandum of Conference With President Eisenhower

September 27, 1960, 9 a.m.

#### OTHERS PRESENT

Prime Minister Macmillan<sup>1</sup> Secretary Herter, Lord Home, Mr. de Zulueta, General Goodpaster

At 9 AM, after the President and Prime Minister Macmillan had had breakfast alone, the others joined for an hour's discussion. As we came in, the President was telling the Prime Minister that he has had in his mind the possibility of making a quick visit late in November to Great Britain for three or four days. He would plan to pay his respects to the Queen but would hope to have no social program. He would like for Mrs. Eisenhower to accompany him, although the state of health of her mother may prevent this. [3 lines of source text not declassified] This would be two or three weeks after the election, and the President though the could usefully consult with the others on the prospects for continued collaboration under the new administration.

Regarding our questions with the French, Mr. Herter said that his tripartite talks with Lord Home and Couve de Murville<sup>2</sup> had gone quite well. [1 line of source text not declassified] Particularly on specific matters such as Laos, Berlin and similar problems their discussions had been useful.

[Here follows discussion of other topics. For a portion of the text, see Document 382.]

The President reverted to discussion about de Gaulle. He said de Gaulle has him baffled to know what we could offer that would improve our relations. When he has raised the subjects of Algeria, tripartite organization, and atomic weapons, de Gaulle simply clams up. He has had no answer from de Gaulle to his last long letter, <sup>3</sup> and still is not clear just what de Gaulle wants. Mr. Herter said he thinks de Gaulle's advisors are counseling him not to put his thoughts down on paper. Their reason is that this would make the situation irretrievable since de Gaulle would find it hard to back down. The Prime Minister suggested that perhaps de Gaulle does not have anything specific in mind—that he just wants to have the form of tripartite Head of Government meetings. [7 *lines of source text not declassified*]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret. Drafted by Goodpaster on September 28.

<sup>&</sup>lt;sup>1</sup> Macmillan was in the United States September 25–October 5 to attend the U.N. General Assembly session. For his account of this visit, see *Pointing the Way*, pp. 269–281.

<sup>&</sup>lt;sup>2</sup>See Document 199.

<sup>&</sup>lt;sup>3</sup>Document 197.

Lord Home said that Couve had stressed that France does not want to break up NATO. Their question is simply how far the question of integration should be carried. [16 lines of source text not declassified]

The President said that, in an effort to think of some way of improving the situation, he has talked to some of our people about saying we are ready to let a European take over the command of NATO in Europe. This would have to be a nation with major ground forces, and that requirement reduced the choice to France or Germany. The latter is obviously unthinkable at this time, and the French do not have men of the qualification of Gruenther and Norstad. [5-1/2 lines of source text not declassified] The President observed that he had recently seen a report that the French have agreed on an air defense command, following the same terms as the British have adopted.

The President said that the great problem regarding France is Algeria. This is "a running sore." His personal idea is that if France would give the Algerians independence, with a good treaty establishing economic relationships, this would constitute the best available solution. He said in his judgment it is no longer possible for any free nation to keep other people in a state of domination. The costs and difficulties are simply too great. The problem in Algeria of course is that there are a million French colons intermingled with Arab population. Lord Home said that the same problem must be foreseen in Rhodesia within a few short years. The Prime Minister added that, although the South Africans have been foolish in their conduct of political affairs, they have the same and developed by European immigrants, to which it is now home. Lord Home said that he thought it is barely possible the French might be able to move forward on Algeria if they could achieve a truce-not demanding that the rebels lay down their arms. The Prime Minister noted that the British had not waited for a truce to negotiate in Cyprus, but had started the negotiations, calling for a truce at the same time. The President said de Gaulle had stressed to him that it is not possible to conduct free elections while fighting is going on and that he had agreed with de Gaulle on this. Lord Home said that if a truce could be achieved, it might then be possible to have the election internationally observed. In fact, de Gaulle might conceivably be induced to come to the United Nations and ask the United Nations to provide observers for this purpose. Mr. Herter said he had been informed by the Tunisians that Bourguiba had offered to give Bizerte to NATO and associate Tunisia with the French community if the French would give Algeria the same status as Tunisia. He said he understands the French have rejected this.

[Here follows discussion of other topics.]

G.

# 201. Intelligence Report Prepared in the Bureau of Intelligence and Research

No. 8374

December 6, 1960.

#### PROBLEMS AND PROSPECTS OF THE FIFTH REPUBLIC

[Here follows a table of contents.]

#### Abstract

On September 28, 1958, the Constitution of the Fifth Republic was approved by almost 80 percent of the French voters. Many of those voting for the Constitution were not expressing approval of the document itself, which neither at that time nor since has won any considerable popular support. Rather, they were expressing their confidence or hope that General de Gaulle would be able to settle the Algerian conflict, which had led to the downfall of the Fourth Republic, or at least would avert a seizure of power by the rightist and military forces that had overthrown the former regime in May 1958.

General de Gaulle, faced by the fact that the French Army is unwilling to abandon Algeria to the Moslem rebels (the National Liberation Front—FLN), has moved cautiously and pragmatically to find a way out of the problem. He has proclaimed that the Algerian people, after hostilities have ended and there has been a "cooling off" period, must eventually decide their own fate. In the meantime he is attempting to condition them to choose close ties with France by building up the country economically and, above all, by attempting to develop a representative Moslem "third force" with which he can do business. While offering the FLN the chance to participate with other groups in formulating Algeria's future, he rejects their claim to being the representatives of the Moslem Algerians, and refuses to conduct political negotiations with them. Instead, he appears determined to build an "Algerian Algeria" with or without them. Despite the failure of the "third force" to emerge, de Gaulle is moving ahead with increasing speed to create autonomous Algerian organs, which, he hopes, will establish in fact what the Algerian people will later establish in law at the time of the selfdetermination referendum.

The danger of a rightist and military uprising against this policy remains serious, for many believe—probably correctly—that autonomy will lead inevitably to independence. However, even if de Gaulle is able

Source: Department of State, INR Files. Secret; Noforn. In addition to the abstract and the chapter on foreign policy printed here, this 27-page report comprised a cover sheet, a table of contents, and four chapters on the Algerian problem, the domestic situation, the economic situation, and the Community.

to establish autonomous organs in Algiers, it is unlikely that peace could be restored, at least in the short run, without political negotiations with the FLN, which both he and the army strongly resist. De Gaulle's policy, unless it is modified on this point, is therefore probably inadequate to bring peace to Algeria in the foreseeable future. Meanwhile, failure to solve the Algerian problem has cast a long shadow over de Gaulle's attempts to strengthen France by reform at home and to reassert its traditional "grandeur" abroad.

The provisions of the new Constitution have been distorted in practice because of the overwhelming control of public affairs by de Gaulle himself. The cabinet has had no independent authority, and Parliament has been deprived in practice even of the narrow authority left it by the Constitution. The Algerian problem has tended to polarize French politics, and both the left and right, unable to act in Parliament, have increasingly resorted to manifestoes, meetings, and street demonstrations in order to make themselves heard. This ominous rise of extraparliamentary activity is underlined by the constant undercurrent of extreme right-wing plotting against the regime. There is also widespread discontent with the regime's economic policies. The financial positions of the government and the nation have been greatly improved since de Gaulle took power, but this improvement has been accompanied by a certain stagnation of economic activity and a continued opposition to the government's policies by workers and many farmers, who feel that the reforms were made at their expense.

In the field of foreign policy, de Gaulle has sought to attain for France a position of full equality with the United States and the United Kingdom in the Western alliance. His program includes acquisition by France of an independent nuclear striking force, full French participation in decisions concerning Western global strategy, and the establishment of French-dominated spheres of influence in Africa and Western Europe. But although France has proven its ability to develop and explode nuclear devices, and French foreign policy decisions have repeatedly underlined de Gaulle's insistence on maintaining the nation's sovereign independence, France has not succeeded in wielding the powerful influence in international affairs that de Gaulle claims for her.

[Here follow Chapters I-IV.]

### V. Foreign Policy

Since his return to power in 1958, General de Gaulle has stubbornly and single-mindedly pursued fundamentally the same foreign policy that he proclaimed when he raised the standard of Free France in 1940. France must be, and must be recognized as a proud, sovereign, and independent great power participating as an equal among the leading world powers—in short, France must live up to de Gaulle's mystical concept of French *grandeur*. De Gaulle's view of international relations is essentially an 18th-century one of nonideological power struggles between sovereign states. He believes that states act according to permanent national interests, which are derived from their geographical and historical situations and are little modified by ideologies. In the present distribution of world power, de Gaulle considers France a natural ally of the United States and the United Kingdom in a power struggle against the USSR which is worldwide and not merely confined to Europe. De Gaulle sees the international conflict as evolving ultimately, however, into a contest between Western civilization and the despotically ruled peoples led by Communist China, in the course of which Russia may eventually return to its "natural" position as a part of Europe. If it does, France as the leader of continental Western Europe, might come to occupy the position de Gaulle sought for it in 1945, that of mediator and link between the United States and the Soviet Union.

De Gaulle's foreign policy program has three main goals; 1) to develop French economic and military power, particularly nuclear weapons; 2) to assert French independence of external control, whether from "Europe," NATO, the United States, or the United Nations; and 3) to broaden the base of French power by sponsoring blocs in Europe and Africa willing to accept French leadership in the formulation of their foreign policies and thus to magnify France's influence in the world. Two years after the adoption of the new French Constitution, de Gaulle has made appreciable but far from decisive progress toward these ends. He has proved French ability to explode nuclear devices, and has started the country on the very expensive task of developing a nuclear striking force. He has asserted French independence repeatedly and sometimes dramatically, but while the world certainly pays more attention to France than it did before 1958-as shown during preparations for the abortive Summit Conference of May 1960-its greater willingness to accept French policy proposals is far from certain. Finally, de Gaulle's attempts to build French-led hegemonies are threatened in both Europe and Africa. Most important of the many factors that have tended to impede the return of French grandeur is the fact that France lacks the necessary resources and power to qualify it for the role to which de Gaulle aspires. Other factors include the rising tide of African nationalism, the continued underlying instability of the French regime, resistance to French claims by France's European and NATO partners, and, above all, the continued crushing psychological burden of the Algerian conflict.

French foreign policy under de Gaulle is largely the personal expression of his concept of France as a major member of the family of nations. Even though de Gaulle's program for France has so far been only partially successful, he is not likely to modify it substantially, for he has an almost sublime confidence in his mission and his vision. De Gaulle's desire to establish the independence and *grandeur* of France cannot be satisfied by partial compromises or by symbolic concessions to French claims. So long as the basic principles of French independence are preserved, de Gaulle is willing to cooperate in the defense of the free world, for he is convinced that the West is facing the greatest crisis in its history. But he sees the preservation of the free world primarily as necessary for the preservation of France as a nation, and he will not accept what he considers to be subordination to the United States or NATO as part of the Western defense effort.

### A. The French Striking Force

Because of the conflict in Algeria, France has been obliged to maintain a very substantial military force. There are now about half a million men in the field in Algeria. For two major reasons, de Gaulle believes it absolutely necessary that France also have a stock of thermonuclear weapons and the means to deliver them, if need be, against the major Soviet cities, and his belief is reinforced by the prospect that Communist China, Sweden and other nations, may develop a nuclear capability. First, he believes that only the possession of its own nuclear capabilities ensures a nation's treatment as an equal by the other nuclear powers. Second, de Gaulle fears that, at some future date, the US might be induced by Soviet atomic blackmail to withdraw from Europe and leave France to its fate. Because of this fear-a constant, if often denied, undercurrent in French military thinking-de Gaulle believes that France must have sufficient nuclear weapons to destroy a number of major Soviet cities. Since the conquest of France would not seem worth the loss of Moscow, this capability should deter a USSR attack on France. In the event of a Soviet attack, however, the French would be able to start a general war by dropping a few hydrogen bombs in the USSR, because, it is reasoned, the latter would then attack the US and bring it into the conflict.

France exploded its first atomic device on February 20, 1960, in its testing area at Reggane in the Saharan desert; a second, also successful, was exploded on April 1. Thus culminated several years of research and development, begun long before de Gaulle returned to power in 1958. In July, the Debré government introduced a bill for the development of nuclear (including thermonuclear) weapons and the means of delivering them and pushed it through Parliament in December despite heavy opposition. This bill provides for the expenditure of about \$2,360,000,000 between 1960 and 1964 and covers both the inauguration of the nuclear strike force and certain expansions of French conventional arms. When the nuclear program is completed after further expenditure in about 1970, France hopes to have an arsenal of nuclear weapons (recently estimated by an opposition Senator at 10 hydrogen bombs and 200 atomic bombs) and suitable missiles to deliver them, 50 strategic (Mirage IV)

bombers, 3 missile-launching cruisers, and 3 submarines (1 of them atomic).

Initially, the delivery system for French nuclear bombs will be manned bombers (the Mirage IV), later, medium-range ballistic missiles, and finally, missile-carrying atomic submarines. At the moment French nuclear capability remains very small, but there appears no reason to doubt that the French can achieve their goal of a limited but effective capability if they continue to make the necessary heavy expenditures on their nuclear weapons program.

French atomic development has had important diplomatic repercussions in two distinct areas (leaving aside NATO). First, the newly independent nations of Africa have expressed extreme dismay at the prospect of atomic fallout in "their" continent, even though the French test site is one of the most isolated in the world and the number of bombs exploded there so far is insignificant compared to those exploded elsewhere by the other three nuclear powers. This sometimes violent emotional reaction of the Africans makes continued French atomic testing a source of growing friction between France and the former French territories in Africa.

Second, French atomic development has a potentially major effect on disarmament negotiations. Since before the de Gaulle regime France has insisted that only if all existing atomic stockpiles were destroyed could it accept an agreement banning nuclear tests. Thus France has taken the position of threatening to break up any nuclear testing agreement that is likely to be reached and of insisting that it will forego nuclear weapons only if all others do so.

#### B. The Assertion of Independence

The assertion of French independence, which has so characterized the foreign policy of General de Gaulle, has two major aspects: 1) refusal to subordinate France to other powers or to international bodies and 2) insistence on a major voice in the formation of basic Western strategy. In neither case does France seek to push its policy to extremes; it continues to recognize the need for a close NATO alliance, and the extra weight to which the United States is entitled by virtue of its capabilities. Nevertheless, France has gone far enough to disturb the other members of the Western alliance.

The French refusal to accept a subordinate position to others has been prompted, at bottom, by a belief that the ultimate decisions regarding France's national fate—that is, the decision to go to war and the conduct of war—must remain in French hands. The first major demonstration of this aim, announced in March 1959, was the French decision that in time of war the French Mediterranean Fleet would be placed under French, rather than NATO, command.<sup>1</sup> This move was made-at least ostensibly-in order to ensure priority consideration for the defense of Algeria, as French policy requires. Even more significant, however, is French policy toward involvement in a major war. On the one hand, France does not want to be dragged into a nuclear war against its will. It has therefore refused to permit the stationing on its soil of US nuclear weapons that could be used by a US or NATO commander without French consent and thus involve France in someone else's war. On the other hand, France wishes to ensure its ability to go to war in the event of an attack affecting its vital interests, regardless of what the other NATO powers (including the US) may do. France therefore insists, as indicated above, on acquiring a nuclear capability that will effectively be under French control. Since the US has been unwilling to provide the nuclear equipment and knowledge that France desires, France has seen no choice but to invest heavily in its own atomic development. French assertions of independence of NATO have been further intensified by the fact that the Algerian war has required the use of most of the French troops nominally committed to NATO. This diversion has irritated other NATO members and reduced French military influence in the alliance. It has also reinforced France's belief that it cannot always count on NATO to defend French national interests.

The second facet of the policy of independence is French insistence on playing a role consistent with its claimed status as a great power. In September 1958, General de Gaulle proposed to the US and UK Governments the formation of a joint French–UK–US directorate to plan and implement Western global strategy. Such an arrangement, the French have argued, would give effective leadership of the West to the three nations that have both great power standing and worldwide interests. France recognizes that the US is inherently more powerful than the other members of the Western alliance, but claims for itself a position of at least as much influence as that of the UK. The French demand to participate actively in the making of Western decisions on global strategy, not merely to be informed of US actions. So far this demand remains essentially unsatisfied, and it has become clear that de Gaulle is rationing his cooperation with NATO in proportion to the satisfaction of his demands.

If France is unwilling to subordinate its policies to those of its major allies, it is even more militantly opposed to interference in its affairs by the United Nations, where France is under continual and increasing attack because of the Algerian war. Although de Gaulle has timed his

<sup>&</sup>lt;sup>1</sup>Regarding the French decision to remove the French Mediterranean fleet from NATO jurisdiction in time of war, announced March 6, 1959, see Part 1, Documents 187 ff.

current efforts to resolve the Algerian conflict in order to forestall or tone down UN General Assembly resolutions, he has no more intention of giving in to the "world opinion" of the UN than to any other group. De Gaulle and French opinion generally are hostile to the UN, which is felt to represent mostly dictatorships or artificial and backward nations without power or stable government. France reacts bitterly to NATO allies who fail to support it in the UN. At the same time, however, it takes the position that Algeria is an internal French problem, which the UN is legally incompetent to consider, and that any resolutions on Algeria passed by the UN are thus null and void.

#### C. The Construction of Blocs

Recognizing that France, standing alone, is not equal to the US, USSR, or even perhaps the UK in power, de Gaulle has sought to augment French power by assembling groups of dependent states around France. Like so many of de Gaulle's policies, this is a very old concept in French diplomatic history.

One major attempt at bloc building has been the French Community, which has already failed, at least in the form in which it was originally conceived (see above). De Gaulle hoped to construct a Eurafrican community in which the territories of French West and Equatorial Africa would accept, at least for several years, internal autonomy and French aid, and in return permit French control of their diplomacy and military affairs. The pull of African nationalism quickly doomed any possibility of success for the Community as originally constituted. Whether stable friendly relations can be maintained between the now independent Community states and France remains to be determined. The Algerian war continues to be the chief obstacle to such relations.

More important has been de Gaulle's attempt to group Western Europe around France. De Gaulle's concept of a "Europe of fatherlands," cooperating in a common interest and led by France, resembles only superficially the integration efforts, resolutely opposed by de Gaulle and his followers, of the "Europeans" under the Fourth Republic. It is true that the two efforts sought to deal with the same basic problems: the relative impotence of any single European state as compared with the two super-powers of the postwar world, and the necessity of ensuring that Germany should never again be an aggressor in Western Europe. But while the "Europeans" sought to solve these problems by the gradual reduction of local nationalism and the creation of sentiments and institutions representing a new European nationalism, the Gaullists seek rather to combine sovereign nations permanently into a cooperating bloc to be led by France, the one member that has worldwide interest and, at least in principle, is a member of the world's "board of directors." The French theory is that the European nations will recognize their individual weaknesses and attempt to compensate for them by accepting the leadership of one of themselves rather than become satellites of a non-European power.

De Gaulle's detailed plans for forming a European bloc remain vague. It is clear, however, that he wants the more or less supranational European institutions, such as the Common Market and the Coal and Steel Community, to remain entirely technical in nature; they are not to become stepping-stones to a new higher sovereignty. On the other hand, he wishes to establish a machinery of political cooperation between the sovereign states of Western Europe in which France will have a dominant voice.

Under the Fourth Republic, periods in which European integration were emphasized in French policy were marked by estrangement from the UK and rapprochement with West Germany; periods in which French policy turned away from integration in favor of cooperation between sovereign states were marked by rapprochement with the UK. De Gaulle, however, has managed to make a close relationship with West Germany the basis of his policy while rejecting the integration policies so strongly favored by Chancellor Adenauer; at the same time, relations between France and the UK-of whose special relationship with the US de Gaulle is profoundly jealous-have rarely been worse. But, despite good French relations with West Germany, de Gaulle's European projects have met with little encouragement. No European country appears willing to come under French hegemony, and all appear to prefer a direct relationship with the US in NATO to an indirect tie through a French-dominated European bloc. De Gaulle's vigorous attempt to win acceptance for his European proposals has not only tended to isolate France in Europe but, by forcing the other continental states to make public their opposition, has openly exposed the failure of French policy. But, though de Gaulle has made a tactical retreat on this subject, he will undoubtedly continue to press forward with his plans for the organization of Europe.

#### 202. Editorial Note

Tripartite talks were held in Paris December 14–15 prior to the NATO Ministerial Meeting of December 16–18. Livingston T. Merchant, Under Secretary of State for Political Affairs; Charles Lucet, Minister of the French Embassy in Washington; and Frederick Hoyer-Millar, British Permanent Under Secretary of State for Foreign Affairs, represented their governments. On December 14, the three representatives discussed procedural arrangements and East-West relations between 10:45 a.m. and 12:10 p.m. and Africa (Congo, Portugal and Africa, Sudan, and Morocco), Laos, and the Caribbean between 3:30 and 7:10 p.m. The memoranda of conversation on these subjects, all dated December 14, are MC/3, 4, 2, 5, and 6, respectively. On December 15, the representatives discussed Africa (Congo, Ethiopia, Henderson trip, and Algeria), trend of the United Nations, and Laos between 10:45 a.m. and 12:45 p.m. The memoranda of conversation on these subjects, all dated December 15, are MC/7, 8, and 9, respectively.

On December 15, Foreign Minister Couve de Murville hosted a tripartite dinner meeting at the Quai d'Orsay for Secretary of State Herter and Foreign Secretary Home. Between 10:30 p.m. and 1:10 a.m., they discussed Laos, the Congo, East-West relations, and Latin America. The memoranda of conversation on these subjects, all dated December 15, are MC/19, 20, 21, and 22, respectively.

On December 18, Merchant, Lord Home, and Couve de Murville met to discuss the U.N. debate on Algeria, and Herter met with Lord Home and Couve de Murville to discuss Laos. The memoranda of conversation on these subjects, both dated December 18, are MC/23 and 24, respectively. Copies of these documents are in Department of State, Conference Files: Lot 64 D 559, CF 1802.

# ITALY

U.S. POLICY TOWARD THE "OPENING TO THE LEFT"; EMPLACEMENT OF IRBM MISSILES IN ITALY; VISITS TO THE UNITED STATES OF PRIME MINISTERS FANFANI JULY 28–31, 1958, AND SEGNI SEPTEMBER 30–OCTOBER 4, 1959; PRESIDENT EISENHOWER'S GOOD WILL VISIT TO ITALY DECEMBER 3–6, 1959

# 203. Telegram From the Department of State to the Embassy in Italy

January 6, 1958, 6:37 p.m.

2723. Paris pass CINCEUR, West and Thurston. State–Defense message. FYI. Following is portion McElroy–Taviani conversation Paris December 19:<sup>1</sup>

"Defense Minister Taviani: About a year ago Communists stated that there were atomic weapons in Italy. Since Government never made a denial it has been generally understood that atomic weapons have been in Italy for over a year. I believe that type of answer should satisfy Italian people. Since atomic weapons have been in Italy for over a year and nothing has happened, public has no reason to be concerned now. It is safe to have them.

However, if Italian Defense Minister puts out a public statement that there are atomic weapons in Italy, that there have been atomic weapons in Italy over a year, American press will no doubt report this and ask Secretary of Defense for confirmation: my problem is that if I make such a statement, I don't want U.S. to deny it. My precise question is: May I state that atomic weapons have been in Italy for over a year?

Secretary McElroy: I see no reason not to but I will check with the Secretary of State upon my return to U.S. It will be you who will make the statement, we will say nothing but only be prepared to confirm." End FYI.

Unless Embassy perceives objection Taviani should be informed, with respect this conversation, as follows:

Source: Department of State, Central Files, 765.5612/1–658. Secret; Limit Distribution. Drafted by Alexander Schnee. Repeated to Paris.

<sup>&</sup>lt;sup>1</sup>McElroy and Taviani met in Paris during the NATO Heads of Government Meeting December 16–19, 1957. No other record of this conversation has been found.

From U.S. point of view it would be preferable if Defense Minister Taviani continued to find it unnecessary to make a statement on this subject; however, this determination can of course only be made by Italian Government and U.S. would fully understand reasons which might make it desirable for Italian Govt to make such statement.

If Defense Minister issues statement on this subject which in turn prompts inquiries of an American spokesman, the American official would be guided by U.S. Govt policy which is neither to confirm nor deny presence of nuclear weapons in any other country.

Dulles

## 204. Memorandum of Conversation

Rome, January 14, 1958.

#### PARTICIPANTS

Minister of Defense Taviani Mr. Charles E. Rogers, Special Assistant, MDA Colonel Dawson, Special Assistant to the Chief of MAAG

#### SUBJECT

Possible Public Statement by the Minister of Defense Regarding Presence in Italy of Atomic Weapons

Colonel Dawson and I called on Minister Taviani this morning at 11:00 for the purpose of informing him of the Department's views as contained in Deptel 2723<sup>1</sup> regarding a possible public statement by the Defense Minister concerning the presence in Italy of atomic weapons.

After oral presentation of the Department's views we left a copy of a translation of the last two paragraphs of the reference telegram for his information. Minister Taviani stated that the Department's point of view was very helpful and came at an opportune time since he planned to meet with the Parliamentary Commission for Defense on January 24

Source: Department of State, Central Files, 765.5612/1–1758. Secret. Drafted by Rogers. Transmitted to the Department of State as an enclosure to despatch 877, January 17.

<sup>&</sup>lt;sup>1</sup> Document 203.

and will be subject to questioning as regards Italy's role in the new defense plans. While the meeting of the Parliamentary Commission is not public it is participated in by representatives of the Communist and Left Wing parties, who, it may be anticipated, will attempt to create unfavorable propaganda concerning the subject. For this reason he is carefully preparing the statements which he plans to make with a view to their publication and to forestall Communist attack and distortion. He said that he would avoid any statement to the effect that atomic weapons were stored in Italy if this were at all possible, but that if asked a direct and precise question on this subject he would state that there were atomic weapons present in Europe, as is well known. If pressed as to their presence in Italy he would confirm that they had been in Italy for some time but refuse further comment on the grounds that their exact whereabouts constitute a military secret. In making this confirmation Minister Taviani said that he would attempt to dispel any alarm concerning the presence of atomic weapons in Italy by pointing out the fact that since they had been in Italy for some time without any harm resulting or any accidents occurring, that it was perfectly safe to have them there. While this tactic will not forestall Communist propaganda, it should prove reassuring to the non-Communist voters.

The Minister considers that there is a good chance that he will not be guestioned closely on the above points since he anticipates that interest will be concentrated on the problem of the deployment of missiles as discussed in Paris.<sup>2</sup> Since he is apprehensive of the affects of Communist propaganda on this subject in the pre-election period, he is preparing a somewhat fuller presentation concerning it. He indicated that the position of the Italian Government had been made more difficult by the refusal of Norway and Denmark to permit IRBM's to be stationed on their territory as well as by the German statement that its close proximity to the Iron Curtain renders such weapons undesirable. Taviani's presentation will refer to the tactical and short range missiles which have been promised to Italy under the MDA Program and which he will stress will be of great value for local defense. The question of the deployment of IRBM's to Italy, he will point out, is still somewhat hypothetical since the weapons themselves do not yet exist. In any event, as a result of his interchange with General Norstad (reported in the Paris telegram to

<sup>&</sup>lt;sup>2</sup> On January 24, Taviani announced to the Commission on Defense the Italian Government's decision to station IRBM missiles in Italy. His statement concentrated on the issue of Italian control of the missiles. The issue of nuclear warheads and their control was not brought up by the opposition.

the Department 3272 of January 10),<sup>3</sup> Taviani will state that the question is one of equipping Italian forces with these new weapons and not one of establishing United States IRBM bases in Italy. This will enable him further to point out, if it becomes necessary, that although the United States will retain possession of the atomic warheads for the IRBM's the missiles themselves will be manned by Italians and their use therefore entirely subject to Italian control.

## 205. Memorandum of Conversation

January 16, 1958.

SUBJECT

Petroleum as a Factor in US-Italian Relations

#### PARTICIPANTS

Signor Manlio Brosio, Italian Ambassador Signor Giuseppe De Rege, Italian Economic Counselor

Governor Christian Herter, Under Secretary of State Mr. Earl Beckner, FSD Mr. Edward T. Long, WE

#### The Problem

Calling at his own request Ambassador Brosio said he wished to discuss a matter which "might be the most important bilateral problem between our two countries." He observed that Italian President Gronchi had discussed the problem with Ambassador Zellerbach early in October<sup>1</sup> and said that Foreign Minister Pella had personally requested the

<sup>&</sup>lt;sup>3</sup> Telegram 3272 from Paris reported that the Italian military representative at NATO asked Norstad if Taviani could state that no U.S.-manned IRBM missiles were scheduled for emplacement in Italy and that if missiles were put into Italy they would be manned by Italian troops. Norstad replied that no final plans had been made but that if a decision were made to station missiles in Italy they would be Italian-manned. (Department of State, Central Files, 711.56365/1–1058)

Source: Department of State, Central Files, 865.2553/1–1658. Secret; Limit Distribution. Drafted by Long on January 17. A notation on the source text reads: "Coordinated with FSD—Mr. Beckner."

<sup>&</sup>lt;sup>1</sup> For Zellerbach's report on his meeting with Gronchi, see telegram 1340, October 10, 1957, *Foreign Relations*, 1955–1957, vol. XXVII, pp. 432–433.

Ambassador to bring it to our attention. *He said the intervention of our two* governments was necessary to prevent "clashes" between ENI and the American oil interests. Previous "clashes" in such places as Iran and more recently Libya, he observed, had caused serious public reaction in Italy and had been exploited by Italian leftists and nationalists as well as by "our enemies on the other side."

## The Proposal

Ambassador Brosio proposed that a responsible American businessman having the confidence of the American oil industry be sent to Rome on an unofficial, confidential basis to hold exploratory talks with Italian businessmen and perhaps high-level, competent economic officers of the Italian Government. He thought talks might cover such points as:

## 1. Italian continental oil legislation

In this connection the Ambassador observed that the Italian Government could not, of course, make a "deal" on possible legislative changes. Nevertheless, he thought it was conceivable that exploration and development conditions in "Northern Italy" might be made more attractive.

## 2. Cooperation in Iran

He pointed out that American companies might be interested in cooperating, "technically and financially," with ENI in the ENI concession areas in Iran and that in addition, there might be joint cooperation in the construction of pipelines for the benefit of both parties.

[Heading and paragraph (4 lines of source text) not declassified]

#### 4. South America

Ambassador Brosio said that another important area where there might be cooperation between ENI and the American companies was South America, where many countries have "oil legislation more similar to the Italian than to the US." He thought that this might have particular importance in Brazil and Argentina, where government-owned companies such as ENI would have an easier time than American private firms.

## Points of Conflict

Ambassador Brosio said he didn't want to discuss "who was right and who was wrong" in the difficulties which had arisen in the international petroleum field, but he did state that ENI had repeatedly approached the American companies in order that policy and operations be coordinated, but to no avail. He elaborated on places where there had been conflict between ENI and the international companies, as follows:

#### Iran

During the first Iranian crisis the Government of Iran offered oil to ENI on terms which were very favorable for Italy, but as a result of British official and private intervention Italy did not go through with the transaction. ENI later asked for a small participation in the then new Iranian consortium but was flatly and bluntly rejected by the oil companies. He said more strains had developed recently in Iran where ENI had negotiated a "so-called" 75–25 agreement instead of a 50–50 one.

## Libya

He said Libya was the most recent point of conflict, mentioning that Time and the New York Times had both commented fully on this subject. When asked by Governor Herter for details, the Ambassador stated that ENI was in line to get a large concession there but at the last minute the Government of Libya changed its mind, claiming it could not grant concessions to government-owned companies under its petroleum law. The Ambassador said that insofar as Italy was aware the Libyan law contains no such provision. The Ambassador admitted he had no evidence of American discriminatory tactics there but said the important thing to remember was that US-Italian relations were being damaged through Italian public reaction to this concession arrangement in Libya, a country where Italy had "special interests." Governor Herter said he was bothered by these accusations and asked about the involvement of the US Government. The Ambassador replied that US Government had not been involved. Mr. Beckner observed that he assumed that the Government of Libya had compared the different offers and had decided that the offer of the American company provided greater economic advantage to Libya.

## Previous Attempts at Consultation

Ambassador Brosio repeated that ENI had many times approached American companies in order to coordinate policies and operations but without success. In addition, there had been several attempts at other levels to coordinate US-Italian oil policy, viz. (1) Dr. Mattioli of the Banca Commerciale Italiana had written directly to one of the Rockefellers requesting him to mediate but to no avail; (2) the Ambassador himself had discussed the problem with former Under Secretary Hoover with no positive results;<sup>2</sup> and, (3) as mentioned previously President Gronchi had recently discussed this problem with Ambassador Zellerbach.

<sup>&</sup>lt;sup>2</sup> This conversation has not been further identified.

## **Political Implications**

Ambassador Brosio stressed that the Italian Government's interest in this problem was not economic but was based strictly on political grounds. He pointed out that US-Italian relations were excellent and that Italy was wedded to the principle of solidarity with us. Therefore, Italy didn't want anything to develop which might disturb these excellent relations. Without going into the merits of the differences between ENI and the American companies, he stressed that the difficulties between these two parties had become a *political fact* and were being used to disturb overall US-Italian relations. He pointed out that the British understood the "practical political implications" of the problem and because of these political realities had reached agreement with Mattei in the petroleum as well as the nuclear energy sphere. The Ambassador said that the USSR was well aware of these differences and observed that the first Bulganin letter to Prime Minister Zoli specifically referred to agreements "particularly in the Middle East, made between the capitalists of the US and UK," designed to "keep competitors from areas wealthy in mineral resources."<sup>3</sup> Brosio claimed he had read in the Russian language all the Bulganin letters and this latter phrase appeared only in the letter to Italy.

## Comments by Governor Herter

Governor Herter observed that the US Government had no direct relationship with the American oil companies and that from many standpoints, not the least of which was the anti-trust aspect, we couldn't request a private businessman to speak for the oil industry. In addition, the anti-trust legislation made it very difficult for American oil companies to form new groups for foreign activities. He pointed out that a US Government official could not speak for the oil companies nor could he play favorites by negotiating for one company or any one group of companies. About all a US official could do would be to listen to any proposals and, as is the practice in such commercial matters, circularize the industry in general.

In answer to Ambassador Brosio's remark that he thought we could agree on the principle of consulting in order to avoid political difficulties, Governor Herter said he still wasn't clear as to which specific complaints the Ambassador was referring to. He said for example the Japanese and others had recently made offers in Kuwait and Saudi Arabia on off-shore concessions which were much more favorable than existing mainland concessions held by our companies, but that we had

<sup>&</sup>lt;sup>3</sup> Apparently a reference to a December 10 letter from Soviet Prime Minister Nikolai Bulganin to the heads of U.N. member states opposing NATO military modernization plans and calling for disarmament talks. For text of Bulganin's letter to President Eisenhower, see Department of State *Bulletin*, January 17, 1958, pp. 27–30.

made no complaint nor would we do so in other instances where foreign companies offer better commercial terms. He observed that perhaps ENI had failed in some of its commercial activities in the highly competitive field of international oil and was therefore placing the blame on others. He wondered whether it was entirely fair to place the blame on us. He also said he was disturbed at the suggestion that there was something we had done or had failed to do which aroused public opinion. Governor Herter stated he assumed there were responsible US oil company officials in Rome who could speak and consult on behalf of their own companies.

## Conclusion

Ambassador Brosio agreed that eventually there might be contacts between ENI and the American companies but suggested that first there should be governmental consultation in order to set the framework and establish the general course of future private negotiations. He wondered if this was possible.

Governor Herter, after repeating that he couldn't at this time conceive how a US Government official would be able to accomplish anything in this sense, said he, of course, wanted to be helpful. He stated that he would study and explore the situation further with Deputy Under Secretary Dillon, Mr. Beckner, and other interested officials.

# 206. Telegram From the Embassy in Italy to the Department of State

Rome, January 28, 1958, 7 p.m.

2392. During call on Pella January 24 I mentioned, among others oil question (Deptel 2848).<sup>1</sup>

Pella explained background Brosio's call on Under Secretary<sup>2</sup> as follows: At end Secretary dinner in December,<sup>3</sup> Pella adverted to GOI

Source: Department of State, Central Files, 865.2553/1–2858. Secret; Limit Distribution.

<sup>&</sup>lt;sup>1</sup> Telegram 2848 to Rome, January 18, summarized Document 205. (Department of State, Central Files, 865.2553/1–1858)

<sup>&</sup>lt;sup>2</sup>See Document 205.

<sup>&</sup>lt;sup>3</sup> A memorandum of Secretary Dulles' conversation with Pella on December 6, 1957, is in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199.

preoccupation with possible political repercussions of competing activities of US and Italian companies in ME and North Africa. Secretary agreed problem deserved consideration and said he would discuss with Brosio. Latter was instructed to follow up.

I pointed out, per reftel, proposed consultations not practical from US viewpoint due independence private oil companies of government control. I also suggested problem more of domestic character for Italy since GOI ought find way to guide State-owned ENI's activities in manner consonant with GOI economic capabilities.

Pella replied this true to some extent but Foreign Office can exert influence only if foreign policy implications of oil activities recognized and thus Foreign Office interference justified. If problem viewed merely as commercial competition, Foreign Office has no reason to inject itself. In other words, Pella said purpose of proposed consultation would be strengthen Foreign Office's hand in dealing with issue. He emphasized other aspects Foreign Office interests, specifically desire open up Po Valley to Foreign (US) interests and improve recent petroleum law for rest of mainland to make it more attractive for foreign participation because Foreign Office would like to see US oil companies in Italy, more particularly around Adriatic.

Pella admitted, however, that suggestion put forward by Brosio originated with Gronchi (see Embtel 1340 October 10, 1957).<sup>4</sup> In fact, Pella had inquiry from Gronchi re US reaction to oil talk proposal very day Brosio's report on visit with Under Secretary received. Pella himself much prefers informal, unpublicized exchange views between GOI and Embassy.

I expressed readiness talk with him further if he wished. He suggested we resume discussion early February. Would appreciate Department's guidance.

May add that information from several sources indicates Gronchi much preoccupied with what he considers potential danger of competition oil companies in ME and North Africa for Western unity; he is apparently pushing idea of some sort of intergovernmental discussion (principally with US). It should be noted in this connection Embassy received reports from several independent sources to effect Gronchi support of Mattei has been weakening lately, although it clear to us that no action to curb Mattei can be expected prior elections.<sup>5</sup>

Zellerbach

<sup>&</sup>lt;sup>4</sup>See footnote 1, Document 205.

<sup>&</sup>lt;sup>5</sup> Italian national elections were tentatively scheduled for May.

#### 207. Memorandum of Conversation

Rome, March 6, 1958.

#### PARTICIPANTS

On. Amintore Fanfani, DC Party Secretary Dott. Raimondo Manzini, Italian Foreign Service Dott. Girolamo Messeri, Italian Foreign Service Ambassador Zellerbach Minister Jernegan Mr. Bond

#### SUBJECT

Italian Political Situation

By pre-arrangement, Mr. Fanfani received the Ambassador at his home for a discussion of the current political situation in Italy.

Dissolution of Parliament and Timing of Elections: Mr. Fanfani opened the substantive portion of the conversation by saying that he expected both houses of Parliament to be dissolved by the President on either March 11 or March 17, with elections to be held on either May 18 or May 25.<sup>1</sup>He said that the later dates would apply if President Gronchi should go through with his projected State visit to London. Should Gronchi desire an excuse to get out of the trip, he would undoubtedly act on the basis of the earlier dates. Mr. Fanfani said that he himself hoped the elections can be held as soon as possible since at the present moment the economic situation is an asset to the DC party, [1-1/2 lines of source text not declassified].

*Prato Trial:* His latter remark led Mr. Fanfani to a discussion of the recent trial and conviction of the Bishop of Prato on grounds of libel.<sup>2</sup> He said that on balance he believed the whole episode, while it had for a while created a highly dangerous situation for his Party, would in the end help the DC more than it would hurt it. [1-1/2 lines of source text not declassified] This verdict had among other things served to improve relations between the DC and the lay Center parties, and had also aided the DC with its Catholic voters by producing a reaffirmation of Vatican sup-

Source: Department of State, Central Files, 765.00/3–1458. Confidential. Drafted by Niles W. Bond and John D. Jernegan. Transmitted as an enclosure to despatch 1169 from Rome, March 14.

<sup>&</sup>lt;sup>1</sup> On March 17, President Gronchi signed a decree dissolving both houses of the Italian Parliament. The Cabinet of Prime Minister Adone Zoli set new elections for May 25 and the convening of a new Parliament for June 12.

<sup>&</sup>lt;sup>2</sup> Monsignor Pietro Fiordelli, Bishop of Prato, had publicly denounced a young couple as "public sinners" and "concubines" for marrying in a civil ceremony. The Bishop was tried for libel in a civil court and was convicted on March 1.

port for the Party. [7 lines of source text not declassified] In connection with anti-clerical feeling in the country, Mr. Fanfani cited a recent Doxa poll in which nearly 60% of those polled had expressed themselves as in favor of the clergy's expressing judgment on political questions, particularly when these touched on moral and religious issues, as against 40% who felt that the clergy should not express judgment in political matters. He remarked also that the relations between the DC and various Catholic organizations such as Catholic Action, ACLI, etc. are very good at the present time.

*Relative Party Strengths:* In a rundown of the relative strengths of the political parties, Mr. Fanfani said that the MSI will undoubtedly lose strength, while the PNM should gain at the expense of both the MSI and Lauro's PMP, which has been badly hurt, at least outside the Naples area, by the Government's dissolution of the Naples Municipal Council on grounds of financial irregularities.

He said that he expected the PCI to lose a little strength but largely to retain its present parliamentary position, a prediction which he said was shared by PCI Deputy Amendola. He did not anticipate gains for the PSI but added that this would depend largely on what happens within the PSDI.

He stated that the PSDI was in a position to make real gains because of Nenni's obvious subservience to the PCI and Togliatti's weakened personal position within the PCI. He regretted, however, that the PSDI seemed to be doing nothing to capitalize on this favorable terrain and had so far been merely sitting on its hands. He expressed the opinion that the PSDI had been hurt by Saragat's "neutral belt" thesis, and also by his advocacy of the nationalization of certain Italian industries. He said that the PSDI is essentially a bourgeois party, even more than Saragat realizes, and cited as an example the fact that the PSDI and the PLI have in some cases in the past run joint electoral lists. He went on to say that the big question so far as the PSDI is concerned (and also the big secret) was who will select the PSDI candidates and whether Saragat or the Left wing of the party will end up in control of the PSDI parliamentary delegation.

He thought the PLI should make gains in the election and perhaps get as many as 30 seats. With respect to the PRI, he said that here again there was a question as to whether La Malfa or Pacciardi would control the party, but in any event he thought the PRI would probably lose part of what little strength it now has.

Turning to his own Party, Mr. Fanfani said that things were going well for the DC and that its prospects had improved since his last conversation with the Ambassador. The recent Doxa public opinion poll, which had been taken especially for the Party, showed a slight rise in the standing of the DC as compared with the results of a similar poll taken

on November 15. It indicated that the DC stood today only a little below its level at the time of the 1948 elections (when it had won a narrow majority in the Chamber of Deputies). He said the Party had almost reached its quota of 120,000 activists, having passed the 100,000 mark in February. It was his own opinion that the DC might gain an absolute majority in the Senate (where they now have 110 seats and need 13 more to reach a majority). This possibility existed because the electoral law for the Senate was relatively more favorable to the DC. Furthermore, the parties of the Right would be running separately this time which reduced their chances of getting enough votes in the individual electoral colleges to elect senators. The Nenni socialists would have the same disadvantage, to some extent, as Nenni would not want to run in alliance with the PCI all over Italy. If the DC did get a Senate majority, Mr. Fanfani thought this would strengthen his Party's negotiating position vis-à-vis the other Center parties after the elections. He added he was not talking publicly about the prospect of such a success in the Senate, but was emphasizing rather the need for a million additional votes in order for the Party to retain its present representation in the Chamber.

He said that he had been encouraged by a statement made to him recently by the publisher of the Bologna newspaper *Il Resto Del Carlino* and *La Nazione* of Florence, to the effect that these two papers had been obliged by pressure from their readers to adopt an editorial position more sympathetic to the DC Party. He added that another encouraging development had been the doubling of the circulation of the DC Party newspaper in Florence.

Mr. Fanfani devoted some time to describing the techniques of electoral propaganda being employed by the Party. These included: (1) One hundred specially equipped trucks, for showing motion pictures in country towns, especially in central and southern Italy; (2) The book *Cinque Anni Difficili* of which 150,000 copies had been distributed; (3) A popular "political encyclopedia" of 200 pages would also be distributed in 150,000 copies; (4) A rotogravure "newspaper" which would appear in four issues of one million copies each.

He commented that the first 25 of the motion picture trucks were already in service some where in Sardinia, and he had received encouraging reports of their popularity with the people of the island.

*DC Party Platform*: Mr. Fanfani then embarked on a lengthy and detailed exposition of the draft platform of his Party, which he said would be presented to the National Council for approval after the dissolution of Parliament. He listed the six main planks of the draft platform as follows:

(1) *Bureaucratic reforms*, in which the Party will advocate measures designed to further the implementation of the constitution and increase the efficiency of the government bureaucracy.

(2) *Education*, in which the Party will endeavor to avoid the question of Church versus State schools and will emphasize instead the need for greater educational facilities at all levels, from nursery schools to post graduate research.

(3) *Labor*, in which the Party will advocate the need for better working conditions and greater participation by labor in state and industry, including capital participation in the latter case.

(4) *Economic*, in which the Party will emphasize the importance of encouraging private enterprise, will advocate neither expansion nor contraction of the present area of government participation in industry, will oppose the use of earnings of State-controlled industries for the purpose of the diversification of such enterprises (as an example of the latter he said that the petroleum monopoly should not be permitted to use its earnings to branch out into other fields of industry such as shoe manufacturing), and will urge improvement of Italy's balance of payments and trade balance positions.

(5) Foreign policy, in which the Party's position will be based on loyalty to its allies in the Atlantic community, good relations with its Mediterranean neighbors, and dealings with its non-allies on basis of strict reciprocity (a principle which he said would also apply under point 4 above in regard to Italian foreign economic relations).

(6) *Financial*, in which the Party will concentrate on rationalization of the tax structure, with particular emphasis on more realistic tax rates and greater vigilance on the part of the government in collecting the taxes assessed.

Mr. Fanfani said that the Party platform would probably be made public about the end of March, and that he assumed that in final form it would be substantially as he had indicated. He said that the release of the platform at that time would be in keeping with the Party's pre-electoral strategy, according to which the month of January had been devoted to discussion of the difficulties which had confronted the present DC government, February to the DC's reply to those difficulties, March to a recounting of the accomplishments of the DC during the past 5 years, and April and May to an exposition of the future plans of the DC, based on the proposed Party platform.

*Post-Electoral Prospects*: Mr. Fanfani said that the alternatives open to the DC after the elections would undoubtedly be as follows, in order of preference: (1) reconstitution of the Quadripartite; (2) coalition with the PSDI and perhaps the PRI; (3) coalition with the PLI; (4) return to a *monocolore* government<sup>3</sup> (which he characterized as a "horrible prospect").

In response to a question he said that the PNM would not be likely to join a coalition government with DC but would probably prefer a DC *monocolore* dependent upon PNM support from the outside. Whether or not the PSDI would join a coalition government with the DC he said

<sup>&</sup>lt;sup>3</sup> A minority government composed of members of a single political party, in this case the Christian Democrats.

would depend largely on which current of the PSDI controls the parliamentary delegation. If it is controlled by the Matteotti-Zagari wing of the party he believed there would be virtually no prospect of the PSDI joining with the DC. If controlled by the Saragat wing of the party, he believed it possible that the PSDI might return to the government, although he said that even Saragat might choose to remain out of the government should Nenni resume his siren song of Socialist unification. He expressed the opinion that Saragat would be strongly attracted to the idea of renewed negotiations with Nenni on the unification question, although he believed there was an outside chance that even under these circumstances Saragat might agree to join the government, pending clarification of the prospects of Socialist unification, in the hope of preventing a DC-PLI coalition or a Right-leaning monocolore. Mr. Fanfani said that if it were not possible for the DC to form a government with the PSDI or PLI it would not in any event agree to form a government with PSI. He said also that, should the DC decide to form a Right-oriented government, there would not be enough strength in the Left wing of the DC to prevent such a move.

*Public Attitude Toward the U.S. and Soviet Union*: Mr. Fanfani cited figures from the recent Doxa poll to show that the favorable attitude of the Italian people toward the U.S. had increased from a figure of approximately 46% after the launching of the Russian satellite to 51% after the launching of the American satellite, during which time the percentage of Italians favoring closer ties with the Soviet Union had dropped from 27% to 26%.

Possible Post-Electoral Moves to Reduce PCI Strength: In response to a question on this point, Mr. Fanfani said he entirely agreed as to the importance of this question and that he also agreed with the suggestion of the Ambassador that two promising points of attack would be the Communist-controlled cooperatives and Communist-dominated labor situations. He stated his belief that it would be entirely possible to bring down the Communist cooperatives through the denial of credit facilities and seemed to share the Ambassador's view that much could be done through management and the free unions to reduce Communist (especially CGIL) strength in the labor force of the nation. Mr. Fanfani said that he had persuaded former Prime Minister Scelba of the importance of such measures, but Scelba had been blocked by the Governor of the Bank of Italy. Mr. Fanfani had made a similar effort with Segni, who had failed to grasp the idea. The Ambassador commented in closing that the time to initiate such measures was right after the elections, rather than waiting until the next elections were already upon us.

# 208. Despatch From the Embassy in Italy to the Department of State

#### No. 1129

Rome, March 7, 1958.

#### REF

Deptel 3019, February 5; Embtel 2392, January 28,<sup>1</sup> and previous

#### SUBJECT

Proposed Talks on Italian-American Petroleum Relations

We have had several recent indications that Governor Herter's views expressed in Washington and repeated informally here have not been enough to satisfy President Gronchi regarding Italian-American oil relations. In fact, he has informally mentioned a new idea: to hold an international conference of oil exploiting and consuming nations, probably with the purpose of regulating competition and defining spheres of influence in Middle East oil operations.

## Conversations with Gronchi Representative

On January 24, Commendatore Tomaso Sillani, unofficial emissary of President Gronchi, called at the Embassy. The President, he said, was still concerned about the Middle East situation and particularly the oil question. He felt, Sillani said, a certain resentment over the Libyan development which had caused ENI to lose out in that country. (Enrico Mattei has charged repeatedly and with wide publicity that heavy pressure was brought on the Libyan Government by American companies to prevent ENI's receiving a concession.) Sillani suggested that it might have been a good move for the American companies to have allowed ENI to obtain a concession in Libya, a country to which Italy had sentimental attachments and which was geographically so close, rather than to have followed the policy of constantly trying to squeeze the Italian company out of the picture.

We explained that the American Government had not intervened in any way in the Libyan affair, and from our information it appeared that ENI had simply been beaten in a straight commercial competition. We emphasized once again that the U.S. Government has no control whatsoever over American oil companies which obey U.S. laws. We urged

Source: Department of State, Central Files, 865.2553/3-758. Confidential.

<sup>&</sup>lt;sup>1</sup> Telegram 3019 to Rome stated that, pending completion of a staff study of ENI and Italian oil policy, the Embassy should be guided by the remarks of Under Secretary Herter in his conversation with Brosio on January 16. (*Ibid.*, 865.2553/1–2858) Telegram 2392 is printed as Document 206.

Sillani to remove any misunderstanding on the Libyan matter which might remain in the President's mind.

Sillani then alluded rather vaguely to a project which he said President Gronchi had suggested, of calling a conference of all countries interested in exploration and exploitation of petroleum. The purpose of this meeting would be to agree on certain standards and, we gathered, to regulate competition for oil concessions. Sillani seemed to think something might have been said to the Department of State in this regard. We said we had not heard of it and it seemed to us there would be serious difficulties for the U.S. in such a proposal. As we had already said, the American Government could not control American oil companies, and the oil companies themselves were prohibited by the anti-trust laws from entering into agreements with other companies, whether American or foreign, to regulate their respective activities. Furthermore, such a conference could be expected to have grave political repercussions in the Middle East countries. Sillani seemed a little disappointed at our negative reaction but concluded his remarks with a vague statement that he and the President were simply seeking ways to eliminate unfortunate causes of friction between Italy and her friends, the first and foremost of which was of course the United States.

In a further brief conversation with an Embassy officer on February 28, Sillani said the President was still interested in the idea of a conference of several countries interested in Middle East oil development, and above all in talks with the United States on this subject. The President was unhappy with the cool response his proposals had received in the Department of State. Sillani had tried to pacify the President by saying the Department was only moving cautiously.

## Gronchi Interview with ESSO Representative

Ralph P. Bolton, who is in charge of Jersey Standard operation in Italy, Austria and Switzerland, has reported to the Embassy a conversation he had February 26 with President Gronchi, who called him in for an interview. (Sillani was present.)

Gronchi said it was too bad the American oil companies "had it in" for Mattei and ENI, and alluded to the Iranian and Libyan situations. Bolton said that ESSO had never attempted to squeeze ENI out of the Middle East activity. He told Gronchi that when the controversial ENI-Iranian agreement (which gives the Iranian state oil company 50% participation in a new company to explore major permits) was announced last spring, he had personally congratulated Mattei, saying that if the deal turned out to be an economic success the American companies might learn something from it. ESSO welcomed competition, Bolton continued, and had done nothing in Libya to impede ENI's efforts there.

Gronchi suggested that the American companies should work with ENI, that a meeting should be arranged between the U.S. and Italian Governments or between spokesmen of the major U.S. companies and of ENI to see if a spirit of greater cooperation could not be found. Bolton replied that U.S. legislation did not permit the U.S. companies to band as a group in this manner. There was no such thing as a spokesman for the major American companies. Furthermore, ESSO, for one, preferred not to enter partnerships but to operate on its own. Joint undertakings were usually less successful and invariably more difficult to manage. The President concluded the conversation by saying he was still interested in improving the unfortunate relations between ENI and the American companies.

Bolton is convinced that Gronchi's efforts are inspired by Mattei, and that they are likely to continue. He feels that the Department must clarify the position of the U.S. Government, if the American companies are not to have continuing troubles as a result of Gronchi's support of Mattei.

## Foreign Minister Pella's Attitude

As the Department will recall, I had previously talked with Foreign Minister Pella on this general subject. He had suggested that it might be well to have an unpublicized exchange of views between the Embassy and the Foreign Ministry, to which I agreed in principle. During a conversation on other subjects on March 7,<sup>2</sup>I asked Pella whether there was anything new on this matter. He replied that the President had not raised the subject with him for the past three months and, accordingly, he thought we might let it alone at least until after the Italian national elections in May. If it seemed desirable, he and I could then have some exchanges of views.

## **Recommended** Action

Since the Foreign Minister seems to prefer to let sleeping dogs lie, I think it is probably best that we take no action at this moment. Nevertheless, Sillani's remarks and Bolton's report clearly indicate that Gronchi has not lost his interest in some sort of understanding on the general subject of oil exploitation. He may return to the attack at any moment. I think we should be prepared to meet it without delay. I therefore suggest that the Department have ready a sympathetic but clear statement of the U.S. position which could be presented either by this Embassy to the Foreign Minister or by the Department to the Italian Ambassador in Washington.

<sup>&</sup>lt;sup>2</sup>No record of this conversation has been found.

Such a statement, I believe, should cover the U.S. Government's attitude toward an international oil conference as well as the views it would want to convey to the Italian Government on the general subject of petroleum policy and the possibility or impossibility of any understanding with Italy on this subject. If I am correct in my assumption regarding our policy, the statement should make clear: 1) that the U.S. Government cannot force American oil companies to enter into any special arrangement with Italian companies; 2) that the American companies are forbidden by law to enter into combinations among themselves or with foreign companies; 3) that for these reasons, it would be impracticable for us to participate in an international conference involving the marking out of "spheres of influence" or sharing of oil concessions; and 4) that even if a conference were confined to more general matters, we would think it unwise to hold one, because of the adverse reaction it would produce in the countries where Western oil companies have or seek concessions.

The rigid position suggested in the preceding paragraph is put forward in the light of the existing situation in Italy. I think the Department should keep in mind, however, that there may be a change in Italian oil policy after the elections this spring. There is at least a hope that the new government will move to bring Mattei and ENI under control. If that should happen, it would be desirable for us to assist the process, possibly by encouraging one or more American firms to cooperate with ENI on mutually advantageous business basis.

## J. D. Zellerbach

## 209. Report by the Operations Coordinating Board

April 30, 1958.

## OPERATIONS COORDINATING BOARD REPORT ON ITALY (NSC 5411/2)<sup>1</sup>

## (Approved by the President, April 15, 1954)

(Period Covered: From September 4, 1957 Through April 30, 1958)

## A. Summary Evaluation

1. Though strong cooperation within the Western Alliance continues to be the basis of its foreign policy, the Italian Government displays increasing anxiety within that framework to achieve wider consultation with its allies, more autonomy, and greater international importance and prestige, particularly with regard to the Middle East and a possible summit conference. The Italian Government continues to take a firm attitude toward the Soviet Union, as evidenced by its close cooperation with the U.S. at the NATO Heads of Government Meeting and its firm reply to the first Bulganin letter.<sup>2</sup>

2. Despite a constant cooperative spirit on the part of the Italian Government, there was on balance little U.S. progress toward its objectives in Italy during the period under review. A major factor in this lack of progress was the Sputniks<sup>3</sup> which shook the Italian public's previous certainty of U.S. technical and scientific leadership. Other factors include the continued robustness of the Italian Communist movement, the weakness of the present Italian Government, the preoccupation of Parliament with the national elections this spring, the activities inside and outside Italy of Enrico Mattei (head of the Italian petroleum monopoly ENI) and the continuing interferences of President Gronchi in government business and policy.

Source: Department of State, OCB Files: Lot 61 D 385, Italy 1958–60. Secret. Annex A entitled "Additional Major Developments," a Financial Annex, and a Pipeline Analysis are not printed. In an undated memorandum attached to the source text, Elmer B. Staats, Executive Officer of the OCB, stated that the Board revised and concurred in the report on April 30. No copies of draft reports have been found. The minutes of the April 30 meeting are *ibid*.: Lot 62 D 430, OCB Minutes.

<sup>&</sup>lt;sup>1</sup> For text of NSC 5411/2, see *Foreign Relations*, 1952–1954, vol. VI, Part 2, pp. 1677–1681. For previous OCB reports, see *ibid.*, 1955–1957, vol. XXVII, pp. 317–323, 372, and 400–404.

<sup>&</sup>lt;sup>2</sup>See footnote 3, Document 205.

 $<sup>^{3}</sup>$  The Soviet Union launched the first unmanned space satellites on October 4 and November 3, 1957.

3. Despite some internal difficulties, the Italian Communist Party remains formidable, and its electoral position is considered strong. In concert with Soviet policy, the Communists are carrying on their largest propaganda campaign in recent years, with primary emphasis on disarmament, the dangers of establishing missile launching sites in Italy, church-state relations, and the recession in the United States.

- 4. Italian economic expansion continues satisfactorily.
- 5. A review of policy is not recommended.
- B. Major Operating Problems or Difficulties Facing the United States
  - 6. National Elections.

a. If the Center parties, which when combined now have a narrow parliamentary majority<sup>4</sup> lose ground in the national elections next May 25, there could be serious problems in the formation of an Italian Government and Italian policy might undergo a reorientation. Even if there is some improvement in the overall Center position, there may still be difficulties in the way of establishing an effective post-election Government because of differences among the Center parties.

b. U.S. economic support, which should contribute to a more favorable election atmosphere, includes a \$25 million PL 480<sup>5</sup> Title I program signed March 7, 1958, a six-month Title II rural assistance program (\$9.1 million CCC cost) and a Fiscal 1959 Title II child feeding program (\$6.5 million at CCC cost). These are in addition to the continuing Title III voluntary agency welfare programs which amount to approximately 300,000 tons of assorted foodstuffs in Fiscal 1958. In this connection, the U.S. has also directed a rehabilitation contract (valued at \$1.2 million) for 80 F–86–F aircraft to Fiat, at the lowest cost factor established by competition in Europe. In the past two months the Eximbank has approved \$12.0 million in loans to Italian firms. On February 28, 1958 the IBRD announced a further \$75 million loan to Italy for economic development.

7. Communism. Despite [less than 1 line of source text not declassified] improved economic conditions in Italy, the Italian Communist Party registered small gains in local by-elections during 1957 (a national gain of 1.1%, with 1,430,00 votes cast in provincial and communal elections) and appears to be emerging from three years on the defensive. The Italian Communist Party was aided by dissension within and among the

<sup>&</sup>lt;sup>4</sup> In the Second Legislature (1953–1958), the four "center" parties (Christian Democrats, Social Democrats, Liberals, and Republicans) held a total of 254 seats; the left (Communists and Socialists) had 218; and the right (Monarchists and Neo-Fascists) had 69. Four other seats were held by small parties.

<sup>&</sup>lt;sup>5</sup> For text of P.L. 480, the Agricultural Trade Development and Assistance Act of 1954, see 68 Stat 454.

Moderate Parties, by the weakness and lack of concrete achievement of the present Italian Government, and by favorable external circumstances such as the Sputniks, the unopposed demonstration of Soviet power in repressing the Hungarian revolt, and the Soviet penetration of the Middle East. The shift in international Communist tactics in 1956 and internal dissension in the Italian Communist Party do not appear appreciably to have harmed this Party's electoral position. One factor which may account for this continued public appeal is an apparent shift of former Nenni-Socialist voters to the Communist banner as a result of Nenni's 1956 and 1957 maneuvers in the direction of unhooking himself from the Communists. The Nenni Socialist position has recently been more clearly realigned with that of the Communists and the two parties are cooperating in many ways in the present election campaign, although not all Nenni Socialists favor the fellow-traveler line.

8. *Petroleum*. The competition between the U.S. oil companies and the Italian petroleum agency ENI is an important and irritating problem between our two countries. Under pressure from President Gronchi, the Italian Government has requested consultation between and intervention by the two governments so as to avoid future friction in this field. The U.S. position is that the U.S. Government does not interfere with the operations of U.S. international oil companies and that this matter is therefore one for discussion between ENI and the various U.S. companies. It is believed that Mattei (president of ENI) is now hoping to obtain a more substantial position in the international petroleum field through the medium of Italian diplomacy which, if successful, could in turn provide Italy the basis for a greater voice in international affairs.

9. *Gronchi*. Taking advantage of the weak Zoli Government and the preoccupation of the country with the coming national elections, Gronchi interfered in ministerial matters and government policy even more during this period than in the past. Unless the elections produce a strong government determined to resist Presidential encroachments on its powers, the U.S. is likely to have to parry an increasing number of *[less than 1 line of source text not declassified]* Italian foreign policy initiatives. Recent examples of such initiatives include the Gronchi-inspired invitation to Nasser to make a state visit in Italy and the claim to mediate or to participate in mediating Tunisia's differences with France without being invited to do so by either party to the dispute.

10. *Civil Aviation*. The Italian Government has formally submitted to our Embassy in Rome proposals for amending the 1948 civil aviation bilateral, which it considers to have become imbalanced in its operation.<sup>6</sup> The Italians claim that while the bilateral was acceptable in 1948, it

<sup>&</sup>lt;sup>6</sup> An agreement amending the 1948 civil aviation agreement was signed on August 4, 1960; see Department of State *Bulletin*, September 5, 1960, p. 365. Documentation on the aviation negotiations is in Department of State, Italian Desk Files: Lot 74 D 177.

is now obsolete, because they believe the broad description of the route annex allows U.S. carriers to operate to and through Italy with little restrictions, while the Italian carrier is severely limited as to traffic points in the United States. Unless some concessions are made to the Italian point of view, the U.S. may expect this to become a serious problem.

11. East-West Trade. Although Italy continues to support the principle of East-West strategic trade controls, it is increasingly dissatisfied with the size of the International Lists<sup>7</sup> and has even considered, though not gone ahead with, the inclusion of List I items in a trade agreement with the U.S.S.R. Italian proposals for reduction in international lists, however, are more moderate than those of other leading COCOM countries. During 1957, while the mercury tonnage licensed for export to Soviet bloc countries increased over 1956, actual exports through November 30, 1957 were negligible. Italy tried unsuccessfully to get US/ COCOM concurrence to include 50 tons of mercury in a trade agreement with Poland, basing its request partially on the fact that Italy's 160-ton annual "quota" for the Soviet bloc had not been filled. The U.S. took the position that (1) International List I items should not be included in trade agreements, (2) this request should be submitted under established exceptions procedures and (3) Italy was never given a "quota" for mercury by COCOM. U.S. pressure on Italy to reduce mercury shipments to the Soviet bloc continues.

12. Pella Plan.

a. Since the autumn of 1957, much time of U.S. officials has been taken up, at Italian initiative, in studying and discussing a proposal by Italian Foreign Minister Pella for a joint U.S.-European loan fund for economic assistance to Middle Eastern countries.<sup>8</sup> His plan calls for financing by: (1) contributions from the U.S. utilizing repayments from Marshall Plan loans (estimated at \$40–60 million annually), (2) contributions from Marshall Plan debtor nations in the amount of 20 percent additional to the actual Marshall Plan repayments, and (3) contributions from OEEC countries which did not receive Marshall Plan funds. Membership in the fund would be voluntary. Pella envisions the fund as a quasi-independent agency under the OEEC with a nine-man managing

<sup>&</sup>lt;sup>7</sup>Reference is to lists of trade items whose sale to countries in the Soviet bloc were either restricted or limited. The lists were maintained by the Coordinating Committee on Multilateral Export Controls. (COCOM).

<sup>&</sup>lt;sup>8</sup> In a July 25, 1957, discussion with Paul Hoffman, former administrator of the Economic Cooperation Administration, Pella proposed that European states put their European Recovery Program repayments into a special fund to finance exports of raw materials, finished goods, and technical assistance to the Middle East from Europe. This would provide a cushion for the disruption which economic unification would create in Europe. Pella discussed these ideas in greater detail with Ambassador Zellerbach on August 2 and Secretary of State Dulles on September 26, 1957. Documentation is in Department of State, Rome Embassy Files: Lot 64 A 532, 350 Pella Plan.

board appointed by the OEEC Council and presided over by the U.S. representative. Pella has emphasized that his plan is not a rigid proposal but rather a basis for discussion capable of substantial revision.

b. The present U.S. position on this Plan, which is but one of a number of suggestions under study by the U.S., is as follows: (1) the U.S. is prepared to participate in an OEEC Working Group, if one is formed on European initiative, to consider the establishment of some kind of European-based Middle East development fund; (2) the U.S. cannot indicate whether or not or in what form it would contribute to such a fund, prior to knowledge of what European countries are prepared to make available; (3) however, the U.S. would not consider it fruitful for OEEC countries to go forward in their consideration of the Pella Plan based on the assumption of a U.S. contribution in the form either of earmarking or deferring Marshall Plan repayments; and (4) even if the U.S. should decide to make its contribution in the form of contributions or deferrals of Marshall Plan repayments, the extent and purposes for the use of these loan repayments would be a matter for the U.S. Government itself to decide in the light of its world-wide programs.

*Note:* See National Intelligence Estimate, NIE 24–56, dated February 7, 1956.<sup>9</sup>

<sup>9</sup>See Foreign Relations, 1955–1957, vol. XXVII, pp. 328–330.

# 210. Telegram From the Embassy in Italy to the Department of State

Rome, May 22, 1958, 8 p.m.

3515. 1. While in last week of Italian electoral campaign signs increasing voter interest have appeared (and although, as indicated below, French situation has in last few days injected new element), campaign has generally lacked atmosphere of crisis marking 1948 and to some extent 1953 elections. Some political leaders claim apathy due to increasing political maturity of voters who appear to be considering

Source: Department of State, Central Files, 765.00/5–2258. Confidential. Transmitted in two sections. Repeated to Bonn, London, Paris, and Athens.

issues unemotionally and in some cases apparently reveling in freedom of choice presented in far greater measure than in either 1948 or 1953 [2 *lines of source text not declassified.*] Also some evidence voters tired of polemics. Traditionally large turnout for Italian elections expected to continue.

2. In contrast with previous elections Center parties, as well as all others, running independently and competing with one another for votes. Campaign polemics among Center parties concentrated primarily on two issues: (1) church-state conflict; and (2) state intervention versus private enterprise in economic sphere. Leftists have stressed anti-missile campaign but this has probably not gained them any significant new strength. Presence US troops in Italy has not figured prominently in Leftist campaign. PCI attacks on Common Market do not appear to have aroused interest of electorate but have served to embarrass PSI because of its qualified "neutral support" of Common Market.

3. Despite Prato affair and PRI–PR memorandum to Zoli on Catholic Bishops proclamation,<sup>1</sup> Embassy under impression anti-clericalism as campaign issue not likely hurt DC. DC leaders in fact say net effect of issue will be to DC advantage. Issue is now and has been for many years political stock-in-trade PRI–PR and latest step vis-à-vis Zoli obvious attempt to thrust PRI–PR ticket into limelight far out of proportion importance both parties. Although PCI–PSI have launched charge DC, in alliance with ecclesiastical authorities, aiming at "clericalization of state", lately both parties emphasis this theme seems to have tapered off. Voters to whom these parties appeal anti-clerical in any event. Saragat May 11 pointed out it is not in PSI interest to widen breach between Catholic and non-Catholic workers. On balance, Embassy believes church support one of major sources of DC strength and will continue to be.

4. Clever and intelligent manipulation private enterprise vs state intervention issue by Malagodi (PLI) presumably one of reasons many political observers predicting large PLI gains May 25. To some extent Covelli and PNM have campaigned on this issue too, emphasizing state should intervene to assist private enterprise, not to control or impede it. Fanfani has tried to blunt issue by assuring public DC will restrain state enterprises and state interventions.

5. Recent PCI–PSI clash on United Front issue of interest. Togliatti in May 12 press conference strove to drive wedge between Nenni and

<sup>&</sup>lt;sup>1</sup> Following the conviction of the Bishop of Prato, the Catholic Bishops of Italy issued a strongly-worded condemnation of the court's action. The members of the court were threatened with excommunication. The Republican (PRI) and Radical (PR) Parties responded with a memorandum to the Prime Minister attacking Church interference in civil affairs.

Socialist base by asserting PSI leader does not want unity of action with Commies but party base does. Labeled rupture of Unity of Action pact "mistake", pointing out nothing has been achieved since then. Longo stated PCI in past invited voters to vote for Leftist parties but added "today we cannot do this because PCI not certain votes given to PSI serve to reinforce democratic front". Communists naturally fear post-electoral Socialist unification might isolate PCI. Commies claim they not against Socialist unification if based on Socialist principles but oppose having PSI placed on "anti-communist terrain". Nenni in press conference May 20 said:

1) He had never considered Socialist unification on basis of anticommunism and that "if present problems in Italy are to be resolved it cannot be done by ignoring PCI Parliamentarians";

2) No alternative possible in Italy without Communist support and if DC shifts to right PSI does not exclude return to frontism, even though in somewhat different form than past;
3) Present PCI-PSI polemic due to "electoral campaign and to new

3) Present PCI–PSI polemic due to "electoral campaign and to new offensive launched by international Communism against so-called revisionism", remark possibly indicating he considers attacks against his party carried out on Moscow instructions.

6. As in previous Italian election, parties and platforms have frequently played secondary role to political personalities. Question postelectoral party alliances in dispute between factions in DC, PSDI and PSI so that results obtained by these factions plus manipulation preferential votes may determine nature and strength of next government.

7. Disheartening aspect present election campaign is that total PCI–PSI strength in Parliament seems unlikely to decrease substantially effects of Khrushchev report,<sup>2</sup> Soviet armed intervention in Hungary and "plus-2" factor in new electoral law<sup>3</sup> may cause some losses to PCI but these likely to be compensated by PSI gains, partly explaining present PCI–PSI polemics. Communists may lose some votes in north and gain some in south although PCI prospects in south depend to some extent on whether Lauro can take votes away from it. In general, there seems to be in Italy rather widespread feeling, shared by many political leaders, that Commies no longer represent threat they once did. This may induce some voters, dissatisfied with DC to cast protest vote for Left with less fear than they would have in 1948.

8. PSDI, plagued by internal disorganization and divided on whether to cooperate with parties to Left or to Right, has conducted somewhat drab, spotty and uninspired campaign. Relying to great ex-

<sup>&</sup>lt;sup>2</sup> Apparent reference to the so-called "secret speech" on Stalin's regime that Khrushchev made to the 20th Congress of the Communist Party of the Soviet Union in February 1956.

<sup>&</sup>lt;sup>3</sup>Not identified.

tent on Saragat's ability to command newspaper space PSDI leaders sanguine they will increase present 19 Deputies to at least 25 and possibly 30, despite Romita's death, competition with Olivetti's Comunita in Piemonte, and L'Eltore defection in Rome. Pacciardi predicts at least 10 seats for his PRI–PR ticket but may fall short by 2 or 3 seats.

9. DC largest enigma. Although due to new electoral law DC will have to poll close to million more votes to maintain present Chamber proportion, DC leaders appear confident party can overcome this disadvantage and at least hold its own. Many political observers, however, predicting DC will lose some Deputies. Generally agreed DC unlikely to gain absolute Chamber majority; more likely will emerge from elections with approximately present Parliamentary strength, falling short again by about 40 or 50 seats of safe working majority. Shortfall of DC vote more serious this time because of squabbling between Center parties. DC might gain absolute majority in Senate (they now have 110 seats and require 13 more for a majority) since Senate electoral law relatively more favorable to DC. Rightist parties by running separately have reduced their chances of acquiring sufficient votes in individual colleges to elect Senators. Past year of DC monocolore rule, in eyes many observers including some DC, considered serious handicap, permitting opposition parties to recall only performance Zoli government and to ignore four years relatively progressive DC administration: Biggest DC asset relative prosperity.

10. Liberals hope to double Deputies in Chamber. They have been receiving strong support in sections Italian press normally dedicated to support Center government, e.g. Rome's *Messaggiero*, Milan's *Corriere Della Sera* and Florence's *Nazione*. Liberals have attacked DC strongly for "excessive statalization" and with press support have succeeded in establishing clear public position on this issue.

11. In general, Rightist parties appear declining. PNM suffers from lack of funds and is caught between DC and Liberals on one side and Lauro's PMP and MIS on other. PNM has done more than demogogic PMP to develop party platform and philosophy but its propaganda uninspired and it recently reduced to supporting some PLI and DC theses. Decline in PNM representation in Parliament more or less universally agreed on. MIS, badly divided internally, expected to lose strength, only question being how much. Party does not appear to lack funds and is making enormous effort to attain respectability despite fiery nature of attacks on Communism and DC and nostalgic appeals to patriotism. Lauro, whose strength limited almost exclusively to Mezzogiorno, has conducted vigorous campaign and may make strong showing in some areas. Party, at least in Naples, does not appear to be badly damaged by bout with Zoli government last March and may emerge from elections strongest party on Right. 12. French crisis<sup>4</sup> constitutes important new element in Italian electoral picture, effects of which still difficult to assess. Events of past few days in France and Algeria, and their possible implications for Italy, have caught imagination of Italian electorate as no other issue has in current campaign. DC have been quick to capitalize on situation as demonstrating dangers of political fractionalization and lack of stable center, on basis of which they have appealed to electorate to give votes to DC as only party which can provide guarantee of stability. PCI on other hand has used French crisis as proof threat rightist dictatorship, comparing Fanfani to de Gaulle. Evidence seems indicate that if present confused situation in France persists through May 26 it may well help DC at polls, whereas if de Gaulle should come to power before Italians go to polls it would probably redound to electoral benefit PCI and other Leftist parties. However French crisis evolves, PLI and parties of extreme Right appear worried over effect de Gaulle's role on their electoral fortunes.

13. Last minute pre-electoral poll of reputable survey agency shows smaller number "undecided" voters but little change from previous poll results. Responses to questions re favorite party produced following results: PCI 14 percent, PSI 12.1 percent, PSDI 7.1 percent, PRI–PR 1.4 percent, DC 42.3 percent, PLI 5 percent, PNM 2.8 percent, PMP 2.8 percent and MSI 3.6 percent; other parties one half of 1 percent and "undecided" 8.4 percent. Researchers feel (on basis analysis other questions) at least one half "undecided" actually PCI voters and should be added to above percentages for total 18.2 percent Communist vote. Poll forecasts no major shifts from 1953 percentages with possible exception slight decrease PCI vote and slight rise in PSDI and PLI votes. Poll taken after launching Sputnik III but before French crisis and May 20 Soviet note offering Italy treaty friendship and non-aggression. Latter obviously intended influence Italian elections but not expected have important effect.

14. In summary DC will continue as leading party although it will still be unable form majority government by itself. Communist-Socialist vote will probably again represent about one-third of electorate despite some Communist losses, especially to Socialists. Right appears to be on decline with good chance Lauro will emerge largest Rightist party. Liberals expected to make comparatively large gains. Basic post-election problems will continue to be (1) DC's ability to form stable coalition; and (2) Socialist unification. Embassy's views on these problems will be reported when full election picture is known.

## Zellerbach

<sup>&</sup>lt;sup>4</sup> On the night of May 13–14, French troops seized control of the Government of Algeria in order to prevent the formation of a government under Pierre Pflimlin. The Pflimlin government won a vote of confidence from the French National Assembly on May 14. On May 15, General Charles de Gaulle announced his readiness to assume the government of France. At a May 19 Paris press conference, de Gaulle reiterated his willingness to assume control of the government.

## 211. Editorial Note

The Italian national elections were held on May 25. The Christian Democratic Party ran on a program of "progress without adventures," and increased its parliamentary representation by 12 seats in the Chamber of Deputies. The Socialists gained 9 seats and the Social Democrats 4. The Communists largely held their own, losing 3 seats. While the conservative Liberal Party gained seats, other parties of the further right did badly: the Monarchists lost 17 deputies and the neo-Fascist MSI lost 4 seats. The election was widely viewed as a shift to the left in public sentiment and laid the groundwork for a Catholic-Socialist coalition (the "opening to the left"), which was not fully realized, however, until nearly 4 years later.

On July 2, Amintore Fanfani formed a government consisting of his own Christian Democrats and the Social Democrats. The coalition had the support of the Italian Republican Party which provided it with a narrow parliamentary majority. A Department of State analysis of the new government noted:

"The program which the Fanfani Government intends to pursue (in CD terms: 'progress without adventures'; in PSDI terms: 'collaboration on an advanced social program') seems calculated to provide a basis for satisfactory partnership through the next few months. On the other hand, Socialist unification is still a live issue. This is particularly reflected by Signor Saragat's self-exclusion from the present Cabinet. Further developments in this area could tend to limit the life of Signor Fanfani's Government. It should be noted that all of the Center parties and also the (Nenni) Socialists (PSI) will have held national Party Congresses by the end of 1958. As a result of considerable soul-searching during these meetings a number of significant shifts may occur in the Italian political scene which may also affect the duration of the Fanfani Government." (Memorandum from Torbert to Elbrick, July 3; Department of State, Central Files, 765.00/7–358)

## 212. Memorandum of Conversation

Rome, June 18, 1958.

#### PARTICIPANTS

Hon. Amintore Fanfani, Secretary, Christian Democratic Party Senator Girolamo Messeri Dr. Raimondo Manzini, Italian Foreign Ministry

Source: Department of State, Central Files, 765.00/6–2758. Secret. Drafted by Bond. Sent to the Department of State as an enclosure to despatch 1685, June 27.

Ambassador Zellerbach Mr. Bond

SUBJECT

Italian Post-Electoral Political Situation

The Ambassador opened the conversation by conveying to Mr. Fanfani the oral message contained in Deptel 4502.<sup>1</sup> Mr. Fanfani expressed his deep appreciation for the message and said that the election results had served to confirm and strengthen Italy's ties with the United States. He said the campaign had demonstrated that these ties are now an accepted fact of Italian political life rather than a polemic issue. Although the U.S. as such was scarcely mentioned in the campaign, even by the Communists, the presence of the U.S. was felt in the background and obviously regarded with favor by a majority of the electorate. Mr. Fanfani [*1*-*1*/*2 lines of source text not declassified*] remarked that the conduct of the Embassy throughout the pre-electoral period had been just right; it had been always in the background but had never intruded itself into the electoral contest, an intrusion which might have done a useful service to the Communists.

At this point Mr. Fanfani digressed to say that recent events in Yugoslavia had confirmed the wisdom of U.S. support of Tito, which many Italians, even some of pro-American sympathies, had previously questioned. He said the Italian electoral results may have also strengthened Tito's hand vis-à-vis the Soviets, since he now knows that he has at his back a stable anti-communist Italy which will not betray him on behalf of the Kremlin.

Returning to the election results, he expressed the view that one of the most encouraging features thereof had been the way Italian youth had voted. Between 46 and 48% of the new young voters, he said, had voted for the DC alone, not because of superior DC organizational work but rather for ideological reasons stemming from the progressive and forward-looking DC social and economic program. Even [*less than 1 line of source text not declassified*] Andreotti had been impressed by this fact, which he regarded as a vote of confidence on the part of Italian youth in the Center–Left formula; this had in fact been one of the principal reasons why Andreotti had withdrawn his opposition to such a formula.

<sup>&</sup>lt;sup>1</sup> Telegram 4502 to Rome, June 10, requested that the following message be conveyed orally to Fanfani: "I have forwarded your message of appreciation to Secretary Dulles and through him to the President. I have been asked to acknowledge that message with thanks on their behalf, and to express their personal good wishes to you. The President and the Secretary have been impressed by the vigorous campaign fought by your party and know that your electoral success promises an ever constant reinforcement of the democratic strength of Italy." (*Ibid.*, 765.00/6–458)

In response to a comment by the Ambassador regarding the discouragingly strong showing of the extreme Left in the elections, Mr. Fanfani said the important point was that this had been the first time since the war that the PCI had lost ground. Not only had they lost 3 seats in the Chamber but they had also lost votes in such Communist strongholds as Tuscany and Emilia-Romagna. He hastened to add, however, that this was not to deny that Communist strength still represented a major problem for Italy, a fact which he had pointed out in a recent speech to the DC National Council. He said he was particularly disturbed by PSI gains,<sup>2</sup> which he regarded as more dangerous than the PCI showing. A significant part of the PSI gains in the south he attributed to the violent anti-clericalism of the Radicals, and to a lesser extent the Republicans, which had not gained votes for those parties but had merely had the effect of frightening a considerable number of Monarchist voters into Nenni's arms.

Turning to the problem of the organization of the new government, Mr. Fanfani expressed confidence that the PSDI Central Committee meeting, scheduled for June 19–20, would confirm the vote of the Party Directorate in favor of PSDI participation in the new government. He said he was in close and continuing touch with Saragat and that Matteotti had so far shown himself to be reasonable; on the contrary, Zagari had continued to be "excitable". On the subject of PSDI representation in the Cabinet, Mr. Fanfani said it was not true, as had been reported by the press, that Saragat would be given the post of Foreign Minister. He acknowledged that Saragat would very much like to have that post, but said that he would not get it, not because he was not trusted, but because such an appointment might give the impression of a change in Italian foreign policy. He stated that Saragat probably would, however, be given the post of Vice President of the Council of Ministers, and that Preti would probably be the new Minister of Finance; in addition he said that Simonini might be given the Labor Ministry and Tremelloni either Industry and Commerce or State Participations. He added that the PSDI would probably also want 5 or 6 vice ministerial posts, a demand which he regarded as reasonable. In response to a leading question by the Ambassador, Mr. Fanfani declined to mention any names in connection with the post of Foreign Minister, but did assure the Ambassador that whoever would be appointed to that post would be entirely dependable from the U.S. point of view. He also refused to be drawn out on the probable distribution of Cabinet posts to his own party.

Mr. Fanfani said he had offered Pacciardi a post in the government but that Pacciardi had declined on the ground that he hoped to become

<sup>&</sup>lt;sup>2</sup>See Document 211.

party secretary at the PRI congress in October and wished in the meantime to retain a free hand. He said that if a DC–PSDI coalition could be formed he hoped to expand it to a tripartite government by the addition of the PRI following the latter's party congress (for which reason he said it would be necessary to keep one or two cabinet posts "available" for the PRI). He added that in the meantime the PRI could be expected at least to abstain in parliamentary votes, thereby giving a DC–PSDI government a bare majority in the Chamber.

Mr. Fanfani stated that immediately after the elections he had suggested the re-establishment of a quadripartite government to Saragat and Pacciardi, both of whom had said, however, that the inclusion of the PLI would make it impossible for their respective parties to join the government. He said that despite this fact he had maintained friendly contact with Martino and other "reasonable" elements of the PLI, who had shown a sympathetic understanding of the DC position but had asked that the DC not do anything which would preclude possible DC–PLI collaboration at some future date.

In response to a question Mr. Fanfani said that he hoped for and expected support from certain PNM deputies, but that he had been unable to discuss this question with the PNM for fear of frightening off Saragat. He added that he also hoped for the support of the SVP (3 seats in the Chamber and 2 in the Senate) and planned to include in the government's presentation speech some friendly words for them; he said that if he went too far in this direction, however, he would run the risk of alienating the Monarchists.

Mr. Fanfani indicated that if the PSDI should decide against joining the government, the DC would proceed to set up a *monocolore* government. Although he did not so state, he gave the clear impression that he intended to head the new government regardless of its formula.

As to timing, he confirmed that the Zoli Government intended to resign on the following day barring parliamentary delays.<sup>3</sup> He said the President of the Republic would in that case conduct his consultations with party leaders over the week-end and probably give the charge to a new Prime Minister-designate on the following Monday; if this timing were adhered to the new government might well be formed by the end of that week (June 27–28).

Referring to Saragat's recent statement on the nationalization of the Italian power industry, Mr. Fanfani said that this had been primarily a political gambit which Saragat had not really meant, and that Saragat's statement on this subject before the Central Committee would be so worded as to leave several loopholes. He said Saragat's idea was to al-

<sup>&</sup>lt;sup>3</sup> Prime Minister Zoli submitted his resignation on June 19.

low existing leases to private power companies to expire and then to reexamine them to determine whether or not such companies should be nationalized. Thus, he said, this is really a question "for the next generation". He said he was not afraid to give the Ministry of State Participations to the PSDI, firstly, because Saragat shared Fanfani's views regarding the limitation of the area of state participation in industry, and secondly, because Saragat suspects Mattei of financing the Leftwing opposition within the PSDI and would therefore like to cut him down to size in order to shut off this independent source of funds to Matteotti and Zagari. He added that even President Gronchi has finally become convinced that Mattei is dangerous and must be controlled.

[1 paragraph (13 lines of source text) not declassified]

## 213. Letter From Prime Minister Fanfani to President Eisenhower

Rome, July 18, 1958.

MR. PRESIDENT: The action undertaken by the United States in the Middle East,<sup>1</sup> in fulfillment of existing treaties and within the framework of the United Nations Charter, has been received by the majority of Italians and by the Government over which I preside with the favor merited by all generous attempts to defend the principles of justice and liberty on which the maintenance of peace and international order depend.

I cannot, however, fail to express the concern which this new initiative has aroused in all those who fear that unforeseen complications may give rise to threats to peace, against the very will of the President and people of the United States of America.

Source: Department of State, Central Files, 765.13/7–2158. Confidential; Presidential Handling. The source text is a translation transmitted to the Department of State as an attachment to despatch 75, July 21. In telegram 215, from Rome, July 18, Ambassador Zellerbach reported that Fanfani had called him to his office to give him the letter for Eisenhower and to inform him that a similar letter had been sent to Chancellor Adenauer urging support of U.S. intervention in Lebanon. Fanfani added that U.S. action made possible finding solutions of Middle East problems "independently" of the Soviet Union. He also stated that he would make a strong statement of public support for the United States the following morning in Parliament. (*Ibid.*, 611.65/7–1858)

<sup>&</sup>lt;sup>1</sup>On July 14, U.S. troops landed in Lebanon.

As you will recall, in the Mediterranean crisis of the autumn of 1956 I had the occasion, in an entirely personal capacity, to establish certain contacts of a confidential character (concerning which I did not fail to inform my predecessor in the Department of Foreign Affairs, Dr. Martino) in full harmony with the plans and actions of the Government of the United States.<sup>2</sup> Since then the situation in the Middle East has profoundly changed, as I feared, to the detriment of the West.

Having been called now to the direct responsibility of Government, I want you to know that you can count on my collaboration, to the extent that it is within my power, to the purpose of turning the present crisis toward the objectives of peace for all and security for the Western World and to pave the way as soon as possible for a solution of the underlying problems which have created the present grave situation in the Middle East and in Africa, from Algeria to Israel. To delay further the solution of such problems would aggravate the dangers of which the Italian Government and people are so fully aware.

May I therefore express the wish that, as soon as the present difficulties can be overcome, it may be possible to find a means of meeting such problems, bringing to them a solution within the bounds of international practice, and thus eliminating those profound causes of uneasiness on which the enemies of the Free World speculate.

It is not possible for sincerely democratic countries to postpone courageous and efficacious action to demonstrate to the people of the Middle East how their true interests and all real progress toward democracy and prosperity, with complete regard for the fundamental liberties, can be carried out in the framework of collaboration with the free countries of the West.

Please accept, Mr. President, the expression of my highest consideration.<sup>3</sup>

<sup>&</sup>lt;sup>2</sup> This reference has not been identified.

<sup>&</sup>lt;sup>3</sup> Printed from an unsigned copy.

## 214. Telegram From the Embassy in Italy to the Department of State

Rome, July 20, 1958, 10 p.m.

229. For Elbrick from Ambassador. Fanfani has sent word to Embassy today thru Manzini that he anxious visit US this month for brief consultations with President and Secretary. He would especially like exchange views with latter but would not regard trip as worthwhile unless he could also "at least shake hands" with President, [2 *lines of source text not declassified*]. Fanfani would like to fly US July 26–27 and would have to be back in Rome by July 31 at latest. Says he will go anywhere in US to meet President.

Having squeaked thru vote of confidence yesterday Fanfani feels he is in for rough time and will need all help he can get. (Manzini cited particularly opposition within GOI to base facilities accorded on Fanfani's responsibility in support US Middle East operations and danger of angry reaction from Left to his strong attack on Communists in Chamber speech yesterday.) Most effective help he believes would be early meeting with President and Secretary, even if largely pro forma.

Embassy does not have impression this represents effort on Fanfani's part merely to make good on somewhat exaggerated idea he gave in Chamber speech of Secretary's message contained Deptel 252.<sup>1</sup> That message he intentionally used out of context for whatever political advantage it might afford him on confidence vote (I have received numerous congratulations on timing Secretary's invitation from viewpoint its impact on Chamber debate); that aim having been achieved DC Party paper today showed no hesitation in front-paging Department's clarifying statement tying invitation to possible GA session.

While aware difficult problems created by extreme demands on President and Secretary, as well as by sensitivity other Allies, believe Fanfani's position would in fact be significantly strengthened by such visit at this time. Believe also this request should not be regarded as routine since: (1) Fanfani PriMin as well as FonMin; (2) Govt he is heading as well as Parliament to which it responsible both new and embarking on vitally important period during which relations US will be key issue; (3) Itals have legitimate special interest in Mediterranean as current area

Source: Department of State, Central Files, 765.13/7–2058. Secret; Priority; Limit Distribution.

<sup>&</sup>lt;sup>1</sup> In telegram 252 to Rome, July 18, Dulles invited Fanfani to attend a possible special emergency session of the United Nations on the situation in Lebanon. The Secretary added that he "would welcome the opportunity to exchange views with you if you also found it possible to be present." (*Ibid.*, 765.13/7–1858)

of conflict. Also believe high-level talks with Itals overdue and doubt if other principal Allies could find legitimate ground for complaint if Fanfani's request granted. Therefore urge early favorable response foregoing request.<sup>2</sup>

[1 paragraph (7-1/2 lines of source text) not declassified]

Zellerbach

## 215. Editorial Note

Prime Minister Fanfani visited the United States July 28-31. On July 29, he addressed separate sessions of the U.S. Senate and House of Representatives. For text of his address to the Senate, see Department of State Bulletin, August 18, 1958, pages 287-288. At 3:30 p.m. that day, Fanfani met with Secretary of State Dulles; see Document 216. At 11:30 a.m. on July 30, Fanfani met with President Eisenhower and Secretary Dulles at the White House for further discussions. At the request of Fanfani, their first topic of discussion was the placement of IRBM missiles in Italy. This discussion was restricted to Fanfani, Ambassador Brosio, Eisenhower, and Dulles; see Document 217. At the conclusion of this part of the discussion, Raimondo Manzini, Fanfani's Chef du Cabinet, and Frederick Jandrey, Acting Assistant Secretary of State for European Affairs, joined the talks. Dulles recounted in detail the discussions of the previous day, and talks continued on the Middle East crisis. A copy of this memorandum of conversation is in Department of State, Conference Files: Lot 63 D 123, CF 1068. Following these talks and lunch with the President, Fanfani met again with Secretary Dulles at the Department of State at 3 p.m.; see Documents 218-224. At 5 p.m., Fanfani met with Secretary of Defense McElroy; see Document 225.

On July 31, Fanfani visited New York and then flew to London for discussions with British leaders. A copy of the joint statement issued at the end of Fanfani's talks in Washington is printed in Department of State *Bulletin*, August 18, 1958, page 287.

<sup>&</sup>lt;sup>2</sup> In telegram 328 to Rome, July 22, Secretary Dulles directed Ambassador Zellerbach to inform Fanfani that "the President and I will welcome a visit by him to Washington," and that the President would give a luncheon for him. (*Ibid.*, 033.6511/7–2258)

## 216. Memorandum of Conversation

July 29, 1958, 3:30 p.m.

#### SUBJECT

The Middle East Situation

#### PARTICIPANTS

Italy

Prime Minister Fanfani Ambassador Manlio Brosio Raimondo Manzini, Chief of Cabinet of Foreign Ministry Mr. Egidio Ortona, Minister of Italian Embassy United States

The Secretary Mr. Francis O. Wilcox, Assistant Secretary, IO Mr. Foy D. Kohler, Deputy Assistant Secretary, EUR Mr. Lampton Berry, Deputy Assistant Secretary, NEA Mr. John N. Irwin, Deputy Assistant Secretary of Defense for International Security Affairs Mr. Richard M. Service, EUR/WE

The Secretary welcomed Prime Minister Fanfani and said that he had looked forward to an opportunity to exchange views with the Prime Minister and to congratulate him on his success in the recent elections and on the formation of a new Italian Government. Thanking the Secretary, Mr. Fanfani said that he had looked forward to hearing from the Secretary's own lips how he managed to carry on successfully such a heavy burden of work. Mr. Fanfani noted that the excellent relations which exist between the Italian Embassy and the Department are a guarantee of a high level of understanding between the two Governments, as are the relations which exist between his Government and the American Embassy in Rome. He said that all political parties in Italy felt that his present visit to the United States would prove fruitful. It was clear in Parliament that support which the Government enjoyed on major matters of foreign policy was much greater than any particular vote of confidence, such as that which established his Government. The Prime Minister pointed out that consultations of the type which brought him to Washington would convince all political elements in Italy, including the opposition, that relations between Italy and the United States are good.

The Secretary began with a discussion of the Middle East crisis, including a review of the events and the reasoning which brought about

Source: Department of State, Conference Files: Lot 63 D 123, CF 1067. Secret. Drafted by Service.

our decision to assist the Lebanese Government with the landing of American troops. In the first place, we had come into possession of incontrovertible proof of external support of the civil unrest in the Lebanon, largely from the UAR; we had reason to believe that the Soviet Union was also involved, although we did not possess evidence to prove this. It was a case of indirect aggression fomented from without and involving the expenditure of large amounts of money. [2-1/2 lines of source text not declassified] Secondly, our action in the Lebanon had been in response to an appeal from a good friend. We responded because if we had turned a deaf ear and looked in another direction under such circumstances, there would have been doubt all over the world in the hearts of many nations, which would have wondered if we could be counted upon in a time of need. The impact of this doubt would have been very harmful. Thirdly, our assistance to the Government of Lebanon demonstrated that we are not afraid to act in the face of such a situation. The Soviet Union is relatively weaker at this time than it will be in a few years, since it has not built up an adequate fleet of long-range bombers, and its missile production is not yet adequate to produce a situation of strength equal to our own. Our action in the Lebanon was taken promptly, and perhaps without adequate consultation with our friends, because of the urgency induced by the overthrow of the Government in Iraq and by an imminent coup in Jordan.<sup>1</sup> We determined that it was necessary to act at once, realizing that the utility of our action would have been compromised had it been subject to any delay.

Regarding Jordan the Secretary told Mr. Fanfani that the British landed troops on their own initiative after consultation with us, and that we promised moral and logistic support. The Secretary stressed that the reasons for assistance to Jordan and the Lebanon were different; the Lebanon is not a wholly Arab country, about half of its population is Christian. It has highly-developed trade relations with the West and is a Middle Eastern air transport center. On the other hand, Jordan is [*less than 1 line of source text not declassified*] state created by the British and it is burdened by about half a million Palestinian Arab refugees. Collapse of the Government of Jordan could have grave consequences and could be the occasion for another Arab-Israeli outbreak; such hostilities under present conditions would be very difficult to keep under control. France has close relations with Israel, and it could be anticipated that the Soviet Union would furnish assistance to the Arabs in a struggle with Israel. Israel probably would seize the West Bank of the Jordan at the outbreak

<sup>&</sup>lt;sup>1</sup> On July 14, a military coup led by Brigadier Abdul Karim Kassem overthrew the government of King Faisal of Iraq. King Hussein of Jordan appealed for military aid to the United Kingdom on July 16 alleging foreign efforts to topple his government. British troops arrived on July 17.

of hostilities, and the Arabs would fight. In brief, it was extremely important to prevent fighting in that area and it appeared certain that fighting would break out, involving Israel, if the Jordan Government collapsed.

Prime Minister Fanfani opened his remarks by stating that no one in Italy has any doubts regarding the necessity for our action in Lebanon. He said that the Italians asked themselves "what if intervention had not taken place?" The United States' estimate of Soviet reaction had proven accurate and useful. Regarding conditions in Lebanon, Italians have the impression that President Chamoun and his associates have not always acted prudently, but the consequences of their actions nevertheless affect the little country's Western friends, who could not permit Lebanon to fall. The Secretary's analysis of the Jordanian situation was correct; the internal situation represents a balance between King Hussein and the Arab refugee problem. The situation is complicated by Jordan's geographic position and the repercussions on nearby states, such as the Lebanon, Syria, Israel and Saudi Arabia. While a solution in the Lebanon is possible, it is hard to believe that Jordan can solve its problem as long as general Middle Eastern problems, including that of Israel, go unsolved. While British intervention in the Middle East was a necessity, it is harder to justify than the U.S. action in the Lebanon, which was not designed to favor any particular segment in that small country. [3-1/2 lines of source text not declassified]

The Prime Minister said that these recent developments had focused Italian attention on the Middle East. Italian public opinion might be divided into three segments: the extreme Right considers that recent Middle East developments reflect Soviet machinations; the extreme Left believes these developments are simply the result of Arab nationalist aspirations; the Government's position is that there is today in the Middle East a tide of nationalism and independence in which various groups compete for control and in which the targets are primarily existing ruling groups in the Arab countries rather than foreign nations. Moscow propaganda contributes heavily to Arab unrest. Objectively the Middle East situation is a movement of the Arab world; expansionism is encouraged by the Communists, against a background of traditional Russian objectives of expansion toward the Mediterranean. Because of Italy's geographic position relatively close to the Communist world and because of the large size of the Italian Communist Party, Italy cannot look with complacency on Soviet moves toward the Communization of the Mediterranean area. Italian interest in the Arab problem is therefore intensified by an awareness of the Soviet determination to expand Communist strength in these nearby areas. The Italian concern in the Arab problem reflects Italy's hope that the Arabs will find the means for peaceful development and will be able to keep the Russians out.

Prime Minister Fanfani then offered his analysis of the five major aspects in the complicated Middle Eastern situation today. He broke down the Middle East problem into the Lebanon, Jordan, Israel, Iraq, and the UAR.

1. Lebanon. This problem appears to be the simplest, and may be further broken down into three parts. First, the election of a new president is necessary. Second, the length of the stay of U.S. troops is a significant factor. Third, how is the territory and integrity of Lebanon to be insured in the long run? It is to be hoped that the election of a president will solve the internal problems of the country. One may be optimistic, as there are many factions in the opposition, largely the result of the importance of personal relationships among the Lebanese politicians. It is quite impracticable to approach these complex Middle Eastern political relationships, which become largely personal when they are judged by Western standards, and it will be a long time before greater political maturity develops. The Russians recognize and exploit these political situations and find individuals whom they can use skillfully to further Soviet aims. As a result, the West's most generous policies of economic aid risk coming to naught; bribery of a key local official, either civilian or military, can turn almost any situation to Soviet advantage. For the West, a multiform approach is necessary and this will involve loans, technical assistance and other aid.

2. Jordan. Here the question is centered on the withdrawal of British troops; if it is difficult to find a formula for the withdrawal of American troops from Lebanon, it is much more so for the British to withdraw their troops from Jordan. [2 lines of source text not declassified] It is desirable that King Hussein renounce the Arab Union and all claims to Iraq. Jordan's relations with Israel center on the problem of Palestinian refugees rather than the border problem. If the refugee problem could be solved, conditions in Jordan would generally improve. The British delude themselves when they say that a Summit meeting could deal only with the problems of Lebanon and Jordan; Israel inevitably is involved in the Jordan problem.

3. Israel. The basic problem here is to find a formula under which Israel can live at ease with the Arab world. Her principal frictions are with Jordan and Egypt. The Prime Minister's personal impression was that there is some possibility that the situation may be brightening.

4. Iraq. The principal question is recognition of the new government. Assurances received by Mr. Fanfani from the Secretary during the luncheon at the White House on July 29 put his mind at rest regarding the attitude of the United States Government. As he had told the Secretary during the luncheon, he believed that recognition must take place before a Summit meeting. Iraq's problems involve her relations with the West and her relations with the Arab world, and the new Iraqi leaders are divided over the country's future relations with Nasser; they appear to be less divided over relations with the West. This problem of Iraq brings us to the heart of the Middle East situation, which is the problem of the UAR.

5. United Arab Republic. The UAR is the most expansionist government in all the Arab world. The heart of this problem is the UAR's relationship, now and in the future, with the USSR. UAR leaders say that they want nothing to do with the Communist Party and sometimes they take steps against the Communists. Nevertheless, the UAR is increasing its contacts with the USSR. Fanfani feels that the visit of Nasser to Tito was out of pattern, particularly as Nasser chose an occasion when Tito's relations with Moscow were at a low ebb. There are some who say that the purpose of Nasser's sudden trip to Moscow after his visit with Tito was to urge Khrushchev not to intervene in the Middle East. In conclusion, Fanfani said that his observations on the Middle East situation indicate that the issues are confusing, but that all of the aspects of the Middle East problem are interrelated.

Prime Minister Fanfani said that the crux of the Middle East situation can best be illustrated by a series of questions. We must answer these questions if we are to deal effectively with the problems of the area.

1. How can the peaceful and fruitful development of the Arab nations be guaranteed in such a way that these nations will not be under Soviet domination and will be able to maintain friendship with the West?

2. Is it possible to work in the direction of Question One without an organic effort?

3. Can this objective be obtained through guarantees of neutrality for Arab countries by foreign states; if so by what states, by the United Nations or by groups of states? What is the position of the Soviet Union regarding neutrality guarantees? Is it enough to maintain peace through foreign guarantees or is it necessary to have non-aggression agreements among the Arab countries themselves?

4. To attain guarantees of neutrality and non-interference, is it not necessary to have an organic economic plan for the absorption of produce from these countries so that a degree of control can be exercised? Mutual collaboration among Western countries is necessary.

While the Prime Minister had no solution, the foregoing questions outlined the problems. With full recognition of the interests of other countries in the Middle Eastern area, the Italian Government will always be glad to cooperate. Italy is interested in Middle Eastern oil; whenever useful and proper examination of the policies of all Western oil companies could take place, Italy was ready to join in this examination.

The Secretary said that he would comment briefly on the five aspects of the Middle Eastern problem outlined by the Prime Minister.

1. Lebanon. If the Soviet Union had not vetoed recent resolutions in the United Nations Security Council there would have been an opportunity for strengthening UN ability to be of assistance to Lebanon, and the country might have been made a semi-permanent neutralized state under UN protection. Elections could have followed. This possibility was frustrated by the Soviet vetoes. We feel, and the Secretary General of the United Nations probably shares this view, that Lebanon should have special status, perhaps like that of Austria. This would have served to separate the Lebanon from Arab problems, and the UN presence would have contributed to this solution.

2. Jordan. As the Prime Minister had observed, the problem in Jordan is difficult. The country is Arab. The only reason for special status is to stabilize the Israel-Arab situation. We believe the United Kingdom is thinking along these lines. We do not know whether either the Lebanon or Jordan would accept neutralized status. We have no concrete plan at the moment for a solution of the Jordan problem; the United Kingdom is devoting much thought to this question.

3. Israel. We recognize that the Israeli-Arab problem is very important. Our greatest handicap in dealing with the Arabs is their belief that the West is responsible for the creation of Israel. Following our most recent discussions with the Israelis, we have come to the conclusion that neither the Israelis nor the Jordanians are anxious for a real settlement at this time. The United States cannot compete with Soviet offers to help the Arabs in their fight against the Israelis.

4. Iraq. The Secretary referred to his luncheon conversation with the Prime Minister and said that the three Asian members of the Baghdad Pact favor recognition of Iraq, perhaps by the end of the current week. He said that the meeting of the Baghdad Pact powers is continuing, and that a decision should be made on July 29. It is the preference of the United States that the three Asian members of the Baghdad Pact recognize the new Iraq Government first. It could be anticipated that the United States would accord recognition within twenty-four hours after announcement of such action.

The Secretary said that we fear Nasser will dominate the new Iraq Government, while there is some ostensible pro-West sentiment in the new Government, it is likely that real power clearly depends on Egypt and the USSR. In this connection, it is significant that Radio Moscow announced the withdrawal of Iraq from the Baghdad Pact, whereas Baghdad has not said that this is so. There are elements in Iraq that are against Nasser, but we must bear in mind that Nasser wants control of oil properties. There will be those in Iraq who will not wish to divide oil profits with the UAR. It can be anticipated that the new Government of Iraq will wish to revise the oil agreement. But as long as the West can still buy from Iran and other oil-producing areas in the Middle East, drastic revision of the Iraqi oil agreement will not prove wise for the new Government. Iran discovered, when it nationalized its oil industry, that striking a bargain with the West was not easy. This was because the West was able to increase production in other areas in the Near East. At this time, Iraq will find it cannot enhance its revenues greatly.

Inevitably, there will be friction between the new Iraqi Government and with Iran and Egypt. It was demonstrated at the time of the Iranian oil nationalization that marketing facilities are the most important factors in oil production. The marketing organization is most intricate, and the cost of marketing is greater than that of producing oil. If Saudi Arabia, Kuwait and Iran all go to the UAR, then the situation will of course be difficult.

5. The United Arab Republic. Nasser is a complex person; he is rational yet he is fanatical. He cannot retain power or satisfy his personal ambition without feeding on political victories. Some say that if economic development assistance had been sufficient Nasser would have been satisfied; they say that he would not have been forced into revolutionary channels. Nasser has achieved great popularity with the Arabs, but not because of authentic Arab nationalism; he made himself a hero in Arab eyes, with seizure of the Suez Canal Company and by his "victory" over the French, British and Israelis. This "victory" was due to the attitude of the United States. But now Nasser is a great political force in the Arab world. [less than 1 line of source text not declassified] Sudan, where a majority of the inhabitants are anti-Egyptian, is threatened through bribery and corruption. In the last chapter of his book Philosophy of the Revolution Nasser says that the Arab world is awaiting a hero; he believes that he is this hero. In the face of this situation he cannot abandon this role, and he is not interested in patient and orderly development of the economies of the countries in the Arab world. Nasser is like Hitler in many ways. While no two people are alike, it is the Secretary's impression that Nasser can be reasonable—as could Adolph Hitler. This is a common trait of the two men. Nasser's role in the Middle East raises difficult problems for which we see no easy solution. The United States cannot compete with Soviet tactics, which encourage Nasser to overthrow Morocco, Tunisia, Sudan, and Israel. While we cannot feed Nasser's ambition by encouraging him in these tactics, the Soviets can. Economic aid will not be a substitute in this situation. We had planned to assist Egypt with the Aswan Dam project; at the same time, the Soviets bribed Nasser with arms and appealed to his desire for adventure. Egypt's role in the Aswan Dam project would have absorbed all of the country's energies for a considerable period; if Nasser was sincere about this project, how could he justify building up a great army at the same time?

The Secretary suggested that Egypt is like a stream in flood. Such a stream cannot be blocked up entirely, but sand bags may be placed at the edges to slow down the spread of the flood. The flood will not last, and the apparent invincibility of the flood will be weakened. Sand bags now will help Lebanon and the Sudan, Morocco, and Tunisia to maintain their independence. Economic aid will not dissuade Nasser from his present political schemes.

# 217. Memorandum of Conversation

July 30, 1958, 11:30 a.m.

#### PARTICIPANTS

The President Secretary Dulles (U.S. supplied interpreter) Prime Minister Fanfani Ambassador Brosio

Mr. Fanfani said there was one matter he wanted to dispose of quickly and quietly. He said that he had received a letter from General Norstad with reference to the stationing in Italy of certain squadrons and that these were the IRBM's (although Mr. Fanfani did not actually use these words).<sup>1</sup> Mr. Fanfani said that he was entirely prepared to have this go ahead in accordance with General Norstad's letter on the theory that it was the normal defense procedure of NATO. He did not want the issue to become a highly charged political issue but purely a matter for the military.

The President expressed his appreciation and said that he was sure that we would cooperate to keep the problem at this level which the President said he considered to be the correct level.

Source: Eisenhower Library, Dulles Papers, General Memcons. Top Secret; Personal and Private. The meeting was held at the White House.

<sup>&</sup>lt;sup>1</sup> On July 26, General Norstad send Fanfani a letter requesting Italy's formal agreement in principle to the deployment of IRBM missiles on its territory. [*text not declassified*]

#### 218. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

Summit Meeting

#### PARTICIPANTS

Italy

Prime Minister Fanfani Ambassador Manlio Brosio Raimondo Manzini, Chief of Cabinet of Foreign Ministry Egidio Ortona, Minister of Italian Embassy United States

The Secretary Under Secretary Herter Under Secretary Dillon Deputy Assistant Secretary Berry, NEA Deputy Assistant Secretary Jandrey, EUR Deputy Assistant Secretary Walmsley, IO Deputy Assistant Secretary John N. Irwin, Defense Department Mr. R.H. McBride, EUR:RA Mr. R.M. Service, EUR:WE

Mr. Fanfani said that the French will insist on a different formula from that which the U.S. desires.<sup>1</sup> It was his impression that the French were reluctant to set any fixed date for a Summit meeting or to have it within the Security Council framework. He said it was important to reconcile the French to having the meeting in the Security Council and he hoped that we were taking this line with the French. He said that although this was a French problem primarily he wished to call our attention to it.

The Secretary said that the French line of reasoning was different from ours. We reasoned that the Soviets had stated that there existed a threat to the peace and they alleged that armed aggression had taken place. We believed that the Security Council is the proper place to discuss such charges and that indeed the Security Council was intended for

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. Separate memoranda of this conversation were prepared; see Documents 219–224. Memoranda concerning the conclusion of a U.S.-Italian consular convention, Czechoslovak propaganda in Italy, Italy's candidacy for membership on the U.N. Security Council, and Italian plans to secure private loans and vocational training are in Department of State, Conference Files: Lot 63 D 123, CF 1067.

<sup>&</sup>lt;sup>1</sup> Reference is to a U.S. proposal for a heads of government meeting at the United Nations to discuss the Middle East crisis of July 1958.

<sup>&</sup>lt;sup>2</sup> Fanfani met with de Gaulle and French Foreign Minister Couve de Murville in Paris on August 7-8.

this very purpose. However, the Secretary continued the French position was also logical. They did not see the problem in the context of a threat to the peace but believed that the whole Middle East problem should be discussed calmly and quietly. Therefore such a meeting should not necessarily take place in the framework of the Security Council. Nevertheless, he concluded that the Soviets had stated that a threat to the peace existed and he therefore did not believe the French principle was valid.

The Prime Minister said that he had already stated his position to the French and that he believed their insistence on this position would ultimately harm NATO. He said he intended to see de Gaulle before August 10, and would repeat his statements.

# 219. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

Italian Financial Support to Somalia after Independence in 1960

[Here follows the same list of participants as Document 218.]

The Secretary raised with Prime Minister Fanfani the question of the future of Somalia and the problems it will face after the trusteeship is concluded in 1960.<sup>1</sup>

Signor Fanfani said that his Government is aware of Soviet propaganda objectives in this connection, but considers that it is proper and fitting to yield the trusteeship by the appointed date. He said that his Government has taken note of the concern of Somalia for economic aid after independence, that the Italians will continue to cooperate to help the young government to balance its budget after 1960. [1 line of source text not declassified]. He said that the Government has given consideration to an annual contribution of about \$3,000,000. The annual Somali

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. See also Documents 218 and 220–224.

<sup>&</sup>lt;sup>1</sup> Italy had been given a 10-year trusteeship over its former colony of Somaliland by the United Nations.

deficit has now reached \$10,000,000. Mr. Fanfani noted that the Department has suggested an increase in the Italian contribution. In principle, the Italians expect to consult with the Department in an endeavor to reach a suitable figure. Italy is spending more now than it expects to spend later on. It fully understands this difficult problem.

The Secretary said that he felt that there was a tendency to give full independence too soon to some former colonial areas, even when they do not have adequate training in self-government. The Communists hover like vultures to seize these countries once they gain their freedom. However, the trend to independence is almost irresistible in these times.

Signor Fanfani said that [*less than 1 line of source text not declassified*]. Much will depend upon developments in Egypt, the Yemen and Ethiopia. There is reason to hope that the Ethiopians can exercise a calming influence on developments in Somalia.

#### 220. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

Italian Recognition of Iraq

[Here follows the same list of participants as Document 218.]

Prime Minister Fanfani told the Secretary that, on the basis of information furnished to him by the Secretary at the White House on July 30,<sup>1</sup> he had communicated with Rome and instructed his Government to accord recognition to the new Government of Iraq at the same time as the British Government takes similar action.

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. See also Documents 218–219 and 221–224.

<sup>&</sup>lt;sup>1</sup> Dulles told Fanfani that the Asian members of the Baghdad Pact had decided to recognize the revolutionary government in Iraq and that the United States and United Kingdom would follow suit shortly. (Memorandum of conversation between Eisenhower and Fanfani, July 30; Department of State, Conference Files: Lot 63 D 123, CF 1068)

# 221. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

Nasser Visit to Italy

[Here follows the same list of participants as Document 218.]

The Prime Minister stated that plans for Nasser's visit were inherited from the previous Government, which has invited the UAR President to Rome.<sup>1</sup> In view of this situation, he urged that the U.S. Government should not be unduly concerned if, after study of this problem, the Italian Government decided to re-extend the invitation.

The Secretary said that he had complete confidence in the Prime Minister's judgment.

# 222. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

Economic Aid to the Middle East

[Here follows the same list of participants as Document 218.]

Prime Minister Fanfani said that it would be of value to him to obtain some idea of our views on aid to the Middle East. He said that it will be necessary for him to think seriously of eventual Italian contributions to this area. Since other Western nations may well raise this question, he would appreciate learning of our thinking on this subject.

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. See also Documents 218–220 and 222–224.

<sup>&</sup>lt;sup>1</sup>Nasser's trip was postponed. Fanfani visited Egypt in January 1959 and again invited Nasser to visit Italy.

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. See also Documents 218–221 and 223–225.

Under Secretary Dillon replied that we have reached no definite conclusions yet; we believe that the multilateral approach to the idea of aid to Arab countries would be best. We hope that other Western nations would be willing to contribute. Aid could not be extended to the Middle East as a whole; it is not practicable to group Israel with the Arab states. We understand that the Secretary General of the United Nations is exploring the possibilities of assistance to this area within the U.N. framework; this might be useful.

Signor Fanfani said that he too believed that aid within a U.N. framework would be possible. Perhaps it would be useful to make such aid dependent upon political assurances of some kind. This would mean that U.N. military observers could be replaced by U.N. economic consultants. It would be necessary to avoid a situation in which the Middle Eastern countries could get help without assuming necessary political responsibilities. It would probably be a good approach to furnish these nations with assurances that their products would be bought by the West; one product in particular would not be difficult to buy. If these nations knew that their produce would be purchased, they would have an obligation to maintain order. Thus guarantees of political stability would pass into the hands of the purchasing countries.

Mr. Dillon said that U.N. consideration of this problem would be desirable and that he believed the World Bank would be able to work with the U.N. on this matter. An aid program would be more attractive to the United States if the World Bank were involved since planning could be expected to be on a sound financial basis.

Prime Minister Fanfani said that he believed these comments to be most encouraging. He felt the sound ideas which had been expressed would help the Italians along the lines that they had in mind. He asked if this program should include a solution of the Palestinian refugees problem in Jordan.

In replying to this question, Deputy Assistant Secretary Berry said that in contemplating a multilateral approach to the needs of the Middle East, it was obvious that aid programs would have to be preceded by a modicum of political tranquillity in the area. Mr. Fanfani agreed that these matters are closely related. Mr. Berry pointed out that the original dispute, essentially between the Arabs and Israelis, had now been replaced by disputes among the Arabs themselves. Regarding the fate of the Palestinian refugees in Jordan, he strongly agreed that it is difficult to separate the problem from the Arab-Israeli dispute. Mr. Fanfani agreed and added that last winter he had established indirect contacts with Ben Gurion and King Hussein and believed there was some slight possibility of better understanding. However, at that time King Hussein would not have dared suggest such a possibility publicly. Mr. Berry said that the Arabs use the Palestinian refugee problem as one of the main points in the dispute with Israelis.

The Secretary said that we have no objections to an attempt to settle the refugee question separately. There is room in Iraq for the refugees to settle and to be useful and productive, if Israel would also take some of them back, the dimensions of the problem would be reduced. At this moment, however, when the Cairo–Damascus axis is exploiting the refugee problem, there is little prospect for a solution.<sup>1</sup> If some general relaxation can be achieved, we may be able to make progress.

Mr. Fanfani said that the action which he had already inaugurated regarding Jordan and Israel will be continued. In the past Jordan's difficulty has been its fear of Nasser's reaction; perhaps this is not so important to the Jordanians today.

#### 223. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

San Marino

[Here follows the same list of participants as Document 218.]

Prime Minister Fanfani said that he desired to take this opportunity to discuss with the Secretary financial assistance to San Marino, which he described as a very small but friendly country.<sup>1</sup> A few days before he

<sup>&</sup>lt;sup>1</sup> Reference is to the United Arab Republic, created in February 1958 by the merger of Syria and Egypt. Large Palestinian refugee populations were settled in both these countries in camps run by the United Nations. The leadership of the UAR rejected plans for their permanent resettlement in its territory and insisted that they must be returned to lands which were now part of Israel.

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. See also Documents 218–222 and 224.

<sup>&</sup>lt;sup>1</sup> San Marino, a land-locked independent city state within Italy, had been governed by a Communist-Socialist administration from 1945 to 1957. On September 17, 1957, the defection of a Socialist gave the opposition a one vote majority in the Grand Council of San Marino. The Communist and Socialist members of the Council resigned on September 29 and the Captains General called new elections. The majority coalition refused to recognize the legality of these actions and established a "provisional government" in the neighboring city of Ravenna. The Italian Government recognized the provisional government and surrounded the city state with police and armed forces. After negotiations between the two San Marinese factions, a new anti-Communist government took power on October 14. Documentation on San Marino is *ibid.*, Italian Desk Files: Lot 67 D 319.

left Rome he had received a letter from the Secretary of State for Foreign Affairs of San Marino, asking him to raise this question in Washington. The San Marino Government, according to the letter, considered that it had received a promise of economic assistance through diplomatic channels in Rome. As there had been no decision up to the present time regarding such aid from the United States Government, the San Marino Government hoped that Mr. Fanfani would be willing to mention this matter to the Secretary. Mr. Fanfani said that the total sum was modest but was of great importance to San Marino. [2-1/2 *lines of source text not declassified*]

Under Secretary Dillon [1-1/2 lines of source text not declassified] said that we wish to help San Marino in anticipation of the next elections. We have received from our Embassy in Rome a description of a joint program for economic help to the small country, and the United States has decided to extend assistance on a one-time basis. While details may have dragged on a little, he was glad to say that we are now prepared to move ahead. On the understanding that assistance to San Marino will be a joint Italian-U.S. project, the United States has decided to make available the lire equivalent of \$850,000; we understand that Italy will furnish a similar amount. Mr. Dillon said that we consider this amount to be entirely adequate.

The Prime Minister said that he was gratified to learn that the United States would extend this assistance to San Marino, to which the Italians have already furnished money and encouragement in their determined stand against Communist domination.

# 224. Memorandum of Conversation

July 30, 1958, 3 p.m.

SUBJECT

Dollar Liberalization in Italy

[Here follows the same list of participants as Document 218.]

Under Secretary Dillon told the Prime Minister that the United States hopes that Italy will introduce further dollar liberalization. He said that we appreciated very much the liberalization which had taken place a year ago and we were glad that this had introduced no strains on the Italian economy. In fact, the Italian economy was sound and gold

Source: Department of State, Central Files, 865.0077/7–3058. Secret. Drafted by Service and McBride. See also Documents 218–223.

holdings have increased during the past year. We believe that it is appropriate at this time for the Italian Government to consider further liberalization, and we note that liberalization toward the OEEC area is much more complete than toward the United States. Mr. Dillon said that he was taking this opportunity to bring this matter to the attention of the Prime Minister and to express the hope that something can be done in this direction. Further dollar liberalization would be helpful to us in obtaining support domestically for our liberal trade policies; our difficulties in this direction have recently been illustrated by discussions in the Congress over our reciprocal trade agreements legislation.

The Prime Minister said that this problem had recently been examined in Rome and it has been concluded that it is in Italy's interest to continue this liberalization policy. It cannot be separated, however, from European aspirations for a Free Trade Area; it is hoped that progress will be made in this direction, in spite of certain obstacles introduced by the French. Experience has shown that a policy of liberalization encourages expansion of the Italian economy. Minister Ortona, in the Embassy in Washington, is an outstanding expert in this field. It would be helpful if Mr. Dillon could suggest some specific items, which the Italians would be glad to discuss with us.

The Secretary assured Mr. Fanfani that the Department will be glad to undertake such discussions with the Embassy here.

#### 225. Memorandum for the Record

August 1, 1958.

#### SUBJECT

Meeting in Secretary McElroy's Office, 1700 hours, 30 July 1958

#### PRESENT

*Defense* Secretary McElroy Dep ASD Irwin General Guthrie *State* 

Mr. Jandrey Mr. McBride Mr. Fenimore Italians Prime Minister Fanfani Ambassador Brosio General di Martino General Santini Mr. Manzini

Source: Department of State, Conference Files: Lot 63 D 123, CF 1067. Secret.

After exchange of pleasantries, Prime Minister Fanfani remarked that there might be an impression that the Italians had reduced their defense budget. This is true only in a relative sense. Certain other governmental expenses have increased which makes the defense budget decline percentagewise. Total defense expenditures are not cut.

Signor Fanfani accepts full responsibility for all details of the Italian Defense Department; due to his own military experiences, dating back to 1943, he is sympathetic to their needs.

Ambassador Brosio then reviewed a few items of Defense interest which the Prime Minister had asked him to introduce. These were briefly as follows:

1. The Government has approved a reorganization plan for the Italian Armed Forces, copies of which have been submitted to the U.S. authorities in Rome. Purpose of the reorganization is to modernize the forces, and the Prime Minister hopes that the U.S. will look with favor on the plan, which will imply a degree of U.S. assistance.

Secretary McElroy answered that we would, in the future, as we have in the past, give support to the modernization of the forces of our Allies. He mentioned the difficulties which the Military Assistance legislation was now undergoing in Congress and cited the strong support lent the program by the President as evidence of our intention to continue to help our friends.

2. The Italians feel that they have a definite capacity for the manufacture of modern missiles and would like to become the "pilot" country for European production.

The Secretary replied that this decision would have to be based upon the recommendations of Mr. Meili, and be arranged under the aegis of NATO, but that the U.S. will certainly support European production by furnishing designs and technical assistance and possibly with some financial help as well.

3. Italy has offered the facilities of the port of La Spezia for an Antisubmarine Warfare Center, and hopes that the U.S. will look with favor on the establishment of the Center in La Spezia which is an excellent port, well suited for the purpose.

Secretary McElroy responded that while we appreciated the generous offer of La Spezia, there were several sites still under consideration. La Spezia was certainly one of the most likely alternatives.

4. The Fiat G–91 airplane was tested and approved by NATO; the French, Italians and Germans have all agreed to equip certain forces with this airplane. The Prime Minister hopes that others, notably the Turkish Air Force, can likewise be equipped with the G–91, which he realizes implies a considerable measure of U.S. financial support.

The Secretary replied that we are well aware of the capabilities of this plane and think highly of it. We are happy that the three countries have been able to pool their orders for a better product. We will give sympathetic consideration to assisting other countries to obtain the G–91.

In conclusion, Signor Fanfani pointed out as evidence of the solid friendship of Italy for the U.S., the Italian facilities provided for the recent airlift to Lebanon. The Secretary agreed that this was another outstanding example of the high measure of solidarity between our two countries.

> **John. S. Guthrie** Major General, USA Director, European Region

#### 226. Editorial Note

Pope Pius XII died at Castel Gandolfo, Italy, on October 9. At a meeting held at the White House the same day, Secretary of State Dulles agreed to lead the official U.S. Delegation to the Pope's funeral. In addition to the Secretary, the delegation included Clare Booth Luce, former Ambassador to Italy, and John McCone, Chairman of the U.S. Atomic Energy Commission. (Memorandum for the record by Murphy, October 9; Department of State, Central Files, 765A.11/10–958) The Secretary's party left Washington on the evening of October 17, arriving in Rome the following morning. After attending a funeral mass at St. Peter's Basilica that morning, the Secretary met separately with Prime Minister Fanfani and President Gronchi and later with French Foreign Minister Couve de Murville and German Foreign Minister Heinrich von Brentano.

Dulles' discussions with Fanfani dealt with French proposals for NATO, the political and military situation in the Middle East and China, and European Communism. Dulles' talks with Gronchi also dealt with efforts to combat Communist propaganda. Documentation on the Italian portion of the Secretary's trip is *ibid.*, Conference Files: Lot 63 D 123, CF 1132, and Central Files, 110.11–DU/10–1758. Secretary Dulles and the other members of the U.S. Delegation attended funeral ceremonies for the late Pope on Sunday, October 19. In the afternoon, they met with leaders of the Roman Catholic Church. The Secretary then flew on to London and to Taipei for additional meetings.

#### 227. Editorial Note

On November 4, NIE 24–58, a National Intelligence Estimate entitled "The Political Outlook in Italy," was issued. The conclusions of NIE 24–58 read as follows:

"1. The May elections in Italy demonstrated a trend toward the moderate left; a majority of the Italian people apparently demand social and economic reform, but wish to avoid radical solutions. Gains were made by the center and left groups of the Christian Democratic Party (CD) and by the faction within the Socialist Party (PSI) which seeks to reduce Socialist-Communist cooperation. The elections also made it clear that the CD will continue to dominate the Italian political scene, at least until the next elections which are scheduled for 1963. (Paras 9,27)

"2. The Communist Party (PCI) retained but did not increase its proportion of the popular vote. It dominates the largest labor federation and many cooperatives and local government administrations. The joint participation of the PSI with the PCI in labor and local governments makes it difficult for the PSI to make a complete break with the Communists. (Paras. 16–19)

"3. The outlook is favorable for a fairly lengthy tenure of office for the Fanfani government which is based on a coalition of the CD and the Social Democrats (PSDI). The government's parliamentary position, however, is precarious. It does not have a majority and is subject to many pressures. For instance, there will be constant pressures for a merger of the two Socialist parties. While such a merger is not likely in the next year or so, pressures may become so great as to cause the PSDI to splinter or possibly to cause its leader Saragat to withdraw his party from the coalition. (Paras. 23, 25)

"4. Fanfani's parliamentary position will be improved in the likely event that the Republican Party (PRI) agrees to support him or at least to abstain in confidence votes. Although the PSI will probably not agree officially to support Fanfani, some of its parliamentary delegation may abstain, if not vote in the affirmative, on some items of Fanfani's program. (Paras. 23, 24)

"5. Fanfani's principal problem will be the meeting of popular expectations of social and economic reform with the limited political and economic assets available to him. We believe that in the next few months, Fanfani will concentrate on less controversial programs, including school and low-cost housing construction and the expansion of social security benefits, in order to minimize the resistance of his more conservative supporters. The successful carrying out of these programs, which we believe likely, will strengthen his political position. The government will have greater difficulty in dealing with the pressing economic and social problems of southern Italy. Fanfani appears determined to make considerable efforts in this area, and if he fails to attract private capital, he will probably increase the scope of government action. (Paras 24, 32)

"6. Italy will continue to give strong support to NATO and European integration moves. It will probably seek a greater voice in European circles and pursue a more active foreign policy, particularly in the Mediterranean area. More importantly, however, Italy will seek to maintain its close ties with the US. (Paras. 34, 35, 37)" (Department of State, OCB Files: Lot 61 D 385, Italy 1958–60)

# 228. Report by the Operations Coordinating Board

November 7, 1958.

# OPERATIONS PLAN FOR ITALY

## I. Introduction

#### A. Special Operating Guidance

1. *Objective*. An Italy free from Communist domination or serious threat of Communist subversion, having a constitutional, democratic government and a healthy self-sustaining economy, and able and willing to make important political, economic and military contributions in support of the free world coalition.

2. General.

a. *U.S. influence*. Because Italy has emerged from a status of financial and administrative dependence on the U.S. to one of relative independence, U.S. influence on Italy must increasingly be [*less than 1 line of source text not declassified*] concentrated on essential issues.

b. *Economic relationship*. Since grant economic aid to Italy is no longer necessary or expected under the MSP, the U.S. should concentrate on facilitating a more normal, sound and self-sustaining economic relationship with Italy, in which the emphasis is on increasing cooperation not involving U.S. outlays, improving the Italian atmosphere for private foreign investment, and encouraging Italian use of established international lending institutions.

c. *Consultation*. In order to encourage continued Italian support for U.S. international policies, the U.S. should consult with Italy on international matters in which the two countries have important national interests.

Source: Department of State, OCB Files: Lot 61 D 385, Italy 1958–60. Secret. An attached Pipeline Analysis is not printed. In a memorandum attached to the source text, dated November 7, Roy M. Melbourne, Acting Executive Officer of the OCB, stated that the Operations Plan for Italy had been updated because of the results of the Italian national elections and superseded the Outline Plan of Operations of May 15, 1957. For an extract of the May 15 plan, see *Foreign Relations*, 1955–1957, vol. XXVII, pp. 412–415.

d. *Defense*. In fulfillment of its military commitments to Italy within the NATO framework, the U.S. should continue to assist Italy to strengthen its defense capability.

[1 paragraph (4-1/2 lines of source text) not declassified]

f. *Center Parties*. The United States should also continue to support the Italian democratic parties of the Center (Christian Democrats, Liberals, Republicans and Social Democrats) emphasizing the Christian Democratic Party, which is the bulwark of Italy's democratic regime and its pro-Western orientation.

g. Socialist autonomy. From the U.S. point of view it is important that the trend toward Nenni Socialist autonomy from the Communists and the Soviet Union should progress substantially further before the Social Democrats enter a reunified party, and that the Social Democratic viewpoint and leadership should have substantially more influence in a reunified party than would appear probable should unification occur in the immediate future. Unification would probably destroy government by the Center and if carried out prematurely would not only weaken Italian democracy and stability but would also make it difficult to achieve a new governmental formula satisfactory to U.S. objectives.

h. Social Democrats. Since the Socialist tradition in Italy is sufficiently strong that unification may come about irrespective of any contrary efforts [*less than 1 line of source text not declassified*] the U.S. should seek to strengthen, as may be appropriate, the Social Democrats and Saragat's influence among them, in order to assist them, within the limits of their own judgment of the political situation, to resist premature unification and to win acceptance of their unification terms (clean Nenni Socialist break with the Communists, pro-Western foreign policy, elimination of Communist cadres and acceptance of democratic internal procedures).

i. Socialist unification. During the present stage of Socialist unification negotiations, it is of great importance for the U.S. to exercise the utmost discretion. We should on one hand do nothing publicly or privately to indicate that we favor the admission of the Nenni Socialists as presently oriented into the ranks of the democratic parties, but on the other hand, we should avoid giving the impression that the Nenni Socialists would be unacceptable under absolutely all conditions. We should be careful not to lead European Socialists to think we oppose an increase in democratic Socialist strength.

[1 paragraph (4-1/2 lines of source text) not declassified]

B. Selected U.S. Arrangements with or Pertaining to Italy

3. *U.S. Involvements which May Imply Military Security Guarantees.* The North Atlantic Treaty.

- 4. U.S. Commitments for Funds, Goods, or Services
- a. PL 480 Program.

(1) *Title I*. Six agreements have been signed (May 23, 1955, July 5, 1956, October 30, 1956, January 7, 1957, March 26, 1957, and March 7, 1958, <sup>1</sup> providing for the sale of agricultural surplus commodities for local currency in the aggregate of \$152. 9 million. Of this about \$100.5 million will be loaned to the Italian Government for economic development.

(2) *Title II*. An agreement was signed May 8, 1958, to provide \$6.5 million for supplemental child feeding for a fourth year.

(3) *Title III*. Authorizations to voluntary agencies for shipments of surplus agricultural food commodities to Italy will continue. After October 1, 1957, United States was committed to meet 100% freight costs on commodities shipped to Italy for this purpose.
b. *Commitments implied by the General U.S. Politico-Military Under-*

b. Commitments implied by the General U.S. Politico-Military Undertaking with Respect to NATO. The FY 1959 Military Assistance Program, presently in the inter-departmental conference stage, has been put at \$52.2 million subject to final agreement on amount and resolution of the terms of aid composition in a possible sales-grant package.

c. *Export-Import Bank Loans*. As of June 30, 1958, undisbursed commitments by the Export-Import Bank to Italy amounted to \$16.4 million.

d. *Atomic Energy*. On March 31, 1958, the Italian Parliament ratified the U.S.-Italian Bilateral Power Agreement.<sup>2</sup> Under the terms of this agreement the U.S. will exchange technical information and guarantee a supply of enriched uranium fuel for two Italian power reactors plus a limited number of research reactors.

e. *Fulbright Program*. The Fulbright Program for Italy under PL 584 for FY 1959 is \$1 million.

II. Current and Projected Programs and Courses of Action

(Individual action items when extracted from this Plan may be downgraded to the appropriate security classification.)

A. Political

I. Government and Parties.

5. Support all the Center Democratic parties, recognize the primary U.S. interest in the Christian Democratic Party as now oriented as the foundation of democratic government and the pro-Western orientation of Italy. Encourage increased unity of the Christian Democratic Party along the lines of better organizational mechanics and avoidance of factionalism.

<sup>&</sup>lt;sup>1</sup> For texts of these agreements, see 6 UST 1109 (May 23, 1955, agreement), 7 UST 1979 (July 5, 1956, amendment), 7 UST 3219 (October 30, 1956, agreement), 8 UST 199 (January 7, 1957), 8 UST 394 (March 26, 1957, amendment) and 9 UST 277 (March 7, 1958, agreement).

<sup>&</sup>lt;sup>2</sup> For text of this agreement, see 9 UST 369.

Assigned to: State Supporting: USIA Target date: Continuing

[1 paragraph (2-1/2 lines of source text) not declassified]

[3 lines of source text not declassified]

7. [*less than 1 line of source text not declassified*] oppose the entrance of the Nenni Socialist Party, as presently constituted and oriented, into the Italian Government or into the parliamentary majority on which the Government depends.

Assigned to: State Supporting: USIA Target date: Continuing

8. Attempt to influence any movement toward Socialist unification in a direction favorable to U.S. interests by strengthening the Social Democratic Party particularly those of its individual leaders who are mostly strongly pro-Western. Discourage the Christian Democratic and other Center parties which might tend to weaken the Social Democrats vis-à-vis the Nenni Socialists or accelerate Socialist unification under terms adverse to U.S. interests.

Assigned to: State Supporting: USIA Target date: Continuing

9. Give full evidence of consultation with Italy before taking international decisions in which Italy has an interest, thus helping the Italian Government to resist ultra-nationalist xenophobic pressures.

Assigned to: State Supporting: USIA Target date: Continuing

10. Consult closely with Italy in the UN and other international organizations for the purpose of obtaining their support for U.S. policies and objectives.

Assigned to: State Target date: Continuing

II. Labor

11. Continue intensive administration of the various U.S. programs including procurements and U.S. local labor contracts in Italy in such manner as to weaken Communist and fellow-traveler organizations and to strengthen free labor unions, cooperatives and similar organizations in their efforts to combat Communist control of Italian labor. Assigned to: State, Defense, ICA Supporting: USIA, Labor Target date: Continuing

12. Encourage the Italian Government to place follow-on orders and to take other actions to support Italian firms whose working forces as a result of OSP screening policy have come under the control of free unions.

Assigned to: State Target date: Continuing

13. Continue to encourage the Italian Government and private employers to grant preference to the greatest extent possible to non-Communist unions in all matters of labor-management relations, and effectively to enforce and observe in good faith the provisions of labor contracts.

Assigned to: State Supporting: Defense Target date: Continuing

14. Attempt to counter and discourage any formal or informal collaboration between Communist and anti-Communist labor unions and similar organizations.

Assigned to: State Supporting: USIA, Labor, Defense Target date: Continuing

15. Continue within the realm of present capabilities implementation of the law requiring individual seamen's visas so as to reduce Communist influence over Italian seamen and assist the development of anti-Communist organizations in this sector.

Assigned to: State Target date: Continuing

16. Similarly an effort should be made to require individual air crewmen's visas in order to reduce Communist influence over this group exerted through the CGIL.

Assigned to: State Supporting: Defense Target date: Continuing

17. Encourage labor leader training programs, with U.S. support, emphasizing direct training aspects.

Assigned to: ICA, State Supporting: USIA Target date: Continuing 18. Continue to encourage private American business in Italy to follow labor policies which will assist free labor organizations and weaken Communist organizations.

Assigned to: State, Commerce, ICA Target date: Continuing

19. Continue the MSP bilateral technical exchange program designed to strengthen the free trade unions against Communist influence and the Communist-dominated CGIL.

Assigned to: ICA Supporting: State Target date: Through Fiscal 1959

20. Encourage Italian leaders to promote and support further steps in European integration.

Assigned to: State, USIA Target date: Continuing

III. European Unity

21. Provide support for the government by the Center by emphasizing Italy's role in Western European decisions in political, economic and military fields, through such organizations as the United Nations, North Atlantic Treaty Organization (NATO), Western European Union (WEU), EURATOM, Coal and Steel Community (CSC) and the Common Market.

Assigned to: State, USIA, ICA, Defense Target date: Continuing

22. Encourage Italy to exploit within the EURATOM framework, the possibilities for research and development for peaceful uses of atomic energy. In addition, encourage Italy's participation in the International Atomic Energy Organization and the nuclear energy activities of the OEEC. Assist Italy in atomic research and power development through nuclear energy agreements.

Assigned to: State, AEC Target date: Continuing

23. Encourage Italy to seek active participation and assistance of other European countries through OEEC and other agencies in efforts to raise the economic level of its less developed areas where Communist influence is strong or in areas where Communism has a large potential. Encourage Italy to bring these questions to the special OEEC bodies such as the special working parties and the European Productivity Agency which can advise or assist Italy in carrying out its objectives in the less developed South.

Assigned to: State Target date: Continuing 24. Encourage Italy to support U.S. efforts to maintain COCOM and CHINCOM strategic trade controls.

Assigned to: State Supporting: USIA Target date: Continuing

IV. Italy's Foreign Relations

25. Continue to encourage Italian maintenance of a steady flow of escapees and refugees from Soviet dominated countries to countries of final asylum, and to ensure Italian cooperation with U.S. asylum policies. While taking no action to encourage escape of Yugoslav nationals, seek to preclude the involuntary repatriation of Yugoslav national political escapees. To these ends, assist Italy with technical advice and, if necessary, supplement Italian and international funds with continued assistance, primarily emphasizing development and maintenance of emigration processing facilities for escapees and refugees, keeping in mind, however, the limitation on assistance for Yugoslav Refugees set forth in NSC 5706/2<sup>3</sup> which reflects the limited extent of U.S. interests in the Yugoslav refugees in relation to the basic objection of reducing the total problem of refugees.

Assigned to: State Supporting: ICA Target date: Continuing

26. Discourage Italy from recognizing Communist China and East Germany.

Assigned to: State Supporting: USIA Target date: Continuing

27. Encourage further reductions of Italo-Yugoslav political and economic tensions.

Assigned to: State Target date: Continuing

28. Continue to encourage the Italian Government to maintain its support in the future of Somalia and to support its interest by contributing to the maximum extent possible toward the economic viability of the Somali nation.

Assigned to: State Supporting: ICA Target date: Continuing

<sup>&</sup>lt;sup>3</sup> For text of NSC 5706/2, see vol. XXV, pp. 584–588.

#### B. Military

29. Continue to utilize to the maximum extent resources and facilities available to improve troop-community relations. Continue programs to brief military and Department of Defense civilian personnel and their dependents prior to assignment to Italy. Devote maximum attention to improving knowledge of troops regarding Italian law and customs.

Assigned to: Defense, State Supporting: USIA Target date: Continuing

30. Encourage the Italian Government to take full advantage of opportunities made available for members of its armed forces in training installations in the U.S. and Europe. Continue the program of inviting Italian officers to visit continental U.S. installations.

Assigned to: Defense Target date: Continuing

31. Encourage the Italian Government to provide adequate financial support for NATO force goals, maintenance of MAP equipment and NATO infrastructure participation. Make maximum attempt both in Washington and abroad to integrate U.S. military policies affecting Italy, so as to facilitate the most efficient planning and use of Italian military budgets. Within legislative limits continue Military Assistance Program and training assistance.

Assigned to: Defense Supporting: State Target date: Continuing

32. Continue analyzing the inadequacies of the Italian defense program with a view to encouraging the Italian Government to put its limited Italian defense budget to the most effective use.

Assigned to: Defense, State Target date: Continuing

33. Continue through the Mutual Weapons Development Program to afford financial support for certain research and development items.

Assigned to: Defense Supporting: State Target date: Continuing

C. Economic

I. U.S. Actions

34. Continue as appropriate under approved Title II and Title III PL 480 programs to make available agricultural surplus supplies for regu-

lar voluntary agency programs and to meet emergency situations requiring outside aid. (See Section I–C for program details.)

Assigned to: ICA, USDA Supporting: State, USIA Target date: Continuing

35. Plan implementation of approved Title II and Title III PL 480 welfare programs in patterns that will help combat Communist influence and encourage Italian Government to carry out constructive popular programs. Support supplemental child feeding program under Title II with a public information program.

Assigned to: ICA, USDA Supporting: State, USIA Target date: Continuing

36. Continue participation in Italian trade fairs, in accord with interdepartmental decisions.

Assigned to: Commerce Supporting: USIA, State Target date: Continuing

37. Keep under consideration all advisable and feasible steps to assist Italy in alleviating its population pressure.

Assigned to: State Target date: Continuing

38. As appropriate, inform the National Advisory Council that the extension of loans to Italy by the established lending institutions for sound development projects would be advantageous from the standpoint of U.S. security interests.

Assigned to: State, Treasury Target date: Continuing

II. Free Enterprise and Trade

39. Continue to encourage Italian liberalization of trade in Europe and measures for dollar liberalization.

Assigned to: State, Commerce Supporting: Treasury Target date: Continuing

40. Encourage the Italian Government to support policies leading toward liberal trade and commercial practices by Common Market countries vis-à-vis other countries of the world. Promote Italian willingness to assist in bringing about a Free Trade Area.

Assigned to: State, Commerce Supporting: USIA Target date: Continuing 41. Through the European Productivity Agency (EPA) continue to support the National Productivity Committee as a continuing Italian institution. Support and encourage Italian participation in European Productivity Agency multilateral technical exchange and productivity programs. Encourage Italian self-financing of these programs as well as technical exchange to meet other technical, educational, and productivity problems, and looking ultimately to full meeting of such responsibilities from Italian resources.

Assigned to: ICA Supporting: State Target date: Through Fiscal 1959

42. Urge the Italian Government to make positive improvements in the atmosphere for both domestic and foreign private investment in Italy, including more satisfactory petroleum legislation and administrative regulations which interpret liberally laws on investment of foreign capital.

Assigned to: State Supporting: USIA,Commerce Target Date: Continuing

III. Foreign Investments

43. Encourage private investment to participate in Italian development and encourage the Italians to use the financial resources of international lending institutions and of various European countries which will probably continue to be available to supplement those of the Italian Government and Italian industry.

Assigned to: State, Commerce Supporting: Treasury, ICA Target date: Continuing

44. Encourage as may be possible the Italian business community and conservative political groups to adopt more liberal business, economic, and social policies. Encourage cooperation in this area with other Western European countries, for example in OEEC, EEC and EPA, aimed to help develop a free enterprise economy in Europe.

Assigned to: State Supporting: USIA, Commerce Target date: Continuing

E.[D.] Informational and Cultural

45. Continue the Exchange of Persons Program, emphasizing the need for outstanding Italian candidates in the fields of public service, labor, information media, education and cultural life. Seek to arrange visits to the U.S. of key Italian political and cultural figures through sponsorship of U.S. private individuals and organizations. Assigned to: State, USIA, Labor Target date: Continuing

46. Provide encouragement, advice and any appropriate support for Italian Government information programs designed to draw political advantage from economic reforms and programs currently under way, and from Italian participation in free world councils. Encourage the Italian Government to assume responsibility for publicizing U.S. aid programs.

Assigned to: USIA Supporting: State, ICA Target date: Continuing

47. Continue to encourage and support the development of American studies in Italian universities.

Assigned to: State, USIA Target date: Continuing

48. Provide overt but unpublicized support for Italian discussion groups, cultural organizations and community recreation and welfare centers which are designed to give a firmer foundation to Italian democracy.

Assigned to: USIA Supporting: ICA, State Target date: Continuing

49. Continue USIA programs to explain and win support for U.S. policies, through information and cultural media, on such themes as "Atoms for Peace", "U.S. Science and the Geophysical Year", "Open Skies and Disarmament", and "American Capitalism".

Assigned to: USIA Supporting: State Target date: Continuing

*Note:* See latest National Intelligence Estimate, NIE 24–58, dated November 4, 1958, entitled "The Political Outlook in Italy".<sup>4</sup>

<sup>&</sup>lt;sup>4</sup>See Document 227.

#### 229. Report by the Operations Coordinating Board

December 10, 1958.

## OPERATIONS COORDINATING BOARD REPORT ON ITALY (NSC 5411/2)<sup>1</sup>

(Policy Approved by the President on April 15, 1954)

(Period Covered: From April 30, 1958 Through December 10, 1958)

### A. Summary Evaluation

1. After elections in May, 1958, the domestic political situation appeared improved. A weak caretaker government was replaced by a Christian Democrat-dominated Center Government which has evinced the desire to work closely with us and which we have supported. Prime Minister Fanfani displayed initial vigor in preparation of an ambitious domestic program and in foreign policy. His parliamentary situation, however, is precarious, because he does not have a majority and because he is strongly opposed by certain members of his own party.

2. Because of firm obstruction on the part of the Government, the Communists have as yet been unable to put their propaganda machine into high gear again following the elections, i.e., in protesting U.S. action in Lebanon. Communist electoral strength has, however, remained constant despite a slight advance by the Christian Democrats and a surprising increase on the part of the Nenni Socialists.

3. Italian foreign policy under Prime Minister Fanfani has continued to be based on strong cooperation within the Western Alliance, featuring close identity with U.S. policy, active support of NATO, and continued interest in European integration. The Italian Government stood firmly against Soviet pressures and representations, notably in Italy's facilitation of U.S. military movements to Lebanon and the firm rejection of a Soviet protest in this regard. Italian efforts to achieve greater international importance and prestige continued but greater emphasis was laid on contribution rather than solely on consultation on policy, particularly in gestures to establish Italy as a moderating influence in the Near East.

Source: Department of State, OCB Files: Lot 61 D 385, Italy 1958–60. Secret. Annex A entitled "Additional Major Developments," a Financial Annex, a Pipeline Analysis, and Annex B entitled "Uncoordinated and Informal Background Paper Submitted by CIA Entitled 'Sino-Soviet Bloc Activities in Italy' dated December 8, 1958," are not printed. In a memorandum dated January 15, attached to the source text, Bromley Smith, Executive Officer of the OCB, stated that this document was concurred in by the Board on December 10. Minutes of the December 10 meeting are *ibid*.: Lot 62 D 430.

<sup>&</sup>lt;sup>1</sup> Foreign Relations, 1952–1954, vol. VI, Part 2, pp. 1677–1681. For the OCB report covering the period September 4, 1957 to April 30, 1958, see Document 209.

4. Italian economic expansion continued satisfactorily although the rate has declined somewhat. Italy's external economic position continued to strengthen with gold and dollar reserves standing at \$1.8 billion as of August, 1958.

5. On balance, there was some progress toward U.S. objectives in Italy during the period under review.

6. Review of policy is not recommended.

## B. Major Operating Problems or Difficulties Facing the United States

7. Orientation of the Government

a. Background.

1. U.S. interest in [less than 1 line of source text not declassified] a Center government was successfully met by the election which resulted in a slightly left of Center coalition government of Christian Democrats and Social Democrats under Fanfani. The government lacks a majority and governs on the basis of the benevolent abstention of the Republicans. From our point of view the increased electoral support for the Christian Democrats and the melting down of Monarchist Right-wing political groups are favorable developments. Continued Communist strength, measurably increased Nenni Socialist strength and dissension within the Christian Democratic party are undesirable. This last feature has come out into the open in connection with minor legislation in Parliament, where the government has twice recently been defeated in secret ballots. The DC dissidents, centered around party notables, primarily of the right wing, [less than 1 line of source text not declassified] have seized upon an atmosphere troubled by a DC regional crisis in Sicily and the press clamor over the personnel changes in the Foreign Office, to consolidate their personal opposition of Fanfani. The latter, however, was able to command party discipline in a confidence vote won by a slim majority on December 6.

2. Gronchi, since he assumed the Presidency of the Italian Republic, has sought to broaden the powers of his office by taking action along lines where the Constitution is obscure or there is no clear precedent. Because of his espousal of a more neutral and unilateral Italian policy within the Western Alliance and in the Middle East, Gronchi has proved to be an irritant with regard to certain U.S. foreign policy objectives. Gronchi's affinity for the Left, in particular the Nenni Socialists, represents a possible danger to the control of the domestic political situation by the Center. However, his activity during the early period of the Fanfani administration has been reduced in comparison with the period covered by the previous report. He appears at present to be giving his support to Fanfani's efforts to develop an effective program. His support is politically useful to Fanfani since it is necessarily through the President's agreement that Fanfani could use the threat of new elections (which would probably accelerate the trend toward the Left) to hold his dissident Right Wingers in line.

3. The 'stand recently taken by Nenni in support of the "autonomist" wing of the Socialists (which desires to eliminate the strong Communist influence over the party) threatens a possible split of the party at its forthcoming January Congress. Nenni's ability to win complete control of the party from the pro-Communist element is open to question. If he is not able to do so, the Congress could result either in a compromise by Nenni to preserve the unity of the party, or, in the event of Nenni's defeat, in a splitting off of the Autonomists. The influence which any change in the present makeup of the Socialist party will have on the delicately balanced Italian political situation will be determined by the outcome of the Socialist Congress in January, 1959.

b. Status of U.S. Action on Orientation of the Government. Our support contributed to [less than 1 line of source text not declassified] the formation of a middle-of-the-road government. Its foreign policy has so far been strongly pro-U.S. and pro-West. We are continuing to support the government by all appropriate means at our disposal, including frequent consultation on major matters of common concern.

8. Communism

a. Background. The Communist Party remains a major problem. Notwithstanding disturbances behind the Iron Curtain, defections from the Party ranks, generally improved economic conditions in Italy, and U.S. programs, the Communist Party of Italy (PCI) retained its strength in the national elections of May, 1958. On the other hand, while many basic problems in Italy upon which Communism feeds remain unsolved, the election results give certain indications of weakness in the Communist position. The PCI lost votes within its traditional strongholds in urban and northern areas largely to the Nenni Socialists (PSI), and made these up with gains in voters of questionable fidelity from the politically less mature South. A tentative analysis of the voting indicates that the PCI did not have the appeal to the new young vote which it demonstrated in the past. One aspect of the election campaign was the elimination of a large number of former PCI parliamentarians by the party leadership with a view toward increasing party discipline and efficiency while meting out punishment to revisionist elements in the party. Recurring rumors indicate the possibility of displacement of the ailing Togliatti by Luigi Longo of the PCI Secretariat.

b. Status of U.S. Action on Communism.

1. Current U.S. programs in Italy, which are all designed to combat Communism directly or indirectly, include: economic assistance under PL 480; Export-Import Bank loans; Bilateral Technical Assistance; Fulbright Program; Atomic Energy Bilateral Program; assistance to Yugoslav refugees in Italy; Mutual Defense Assistance Program; Mutual Weapons Development Program; information program; labor exchange program; policy of refusing U.S. Government contracts and loans to firms whose labor supports Communist-dominated unions. Moreover, U.S. military units stationed in Italy exert a beneficial influence, as evidenced by a decrease in Communist votes and Communist domination of labor in areas of troop concentrations, and in the generally excellent troop-population relations which prevail in Italy. We continue to support the Center parties committed to democratic, middle-of-the-road solutions, and to encourage the Italian Government to act itself against the Communists.

[2 lines of source text not declassified] In the last analysis it is a problem which the Italians must deal with themselves as they attain more widespread political consciousness and more adequate standards of living for the under-privileged groups. It is believed that it is very important for Italians to maintain movement toward these goals and that an increasing sense of personal and national fulfillment under democratic institutions will provide the best counterpoise to the Communist attraction.

9. Italy's Oil Aspirations and the Role of Enrico Mattei

a. Background.

1. The Italian Government continues to urge consultation between our two governments to remove existing "frictions" between the Italian State Petroleum Agency (ENI), which is controlled by Enrico Mattei, and the major U.S. international oil companies.

2. The United States is concerned by Mattei because of his influence on certain aspects of Italian foreign policy. His operations, both inside and outside Italy, have tended to foster nationalistic ideas and unilateral action by Italy in the Middle East, North Africa and Latin America. These operations are now one of the points of departure for Italy's claims of "special interest" and "special competence" in that area. Financial or other difficulties arising from these actions will inevitably involve the Government of Italy.

3. Mattei has achieved a position of strong political influence in Italy from his control of a number of deputies, influence on the press, access to government funds through ENI, a close personal relationship with President Gronchi and considerable public support. It is doubtful whether at this stage, any organ of the Italian Government could exercise effective control over Mattei's activities, either domestic or foreign.

4. The "friction" with U.S. companies has been a result of Mattei's political power in Italy. His political influence led to the exclusion of U.S. and other foreign companies from participation in oil exploration and development on the Italian mainland. Similarly his government-

supported foreign operations have threatened long-standing relationships between certain governments and foreign companies. Should relationships between U.S. companies and foreign governments deteriorate as a result of these operations, it would be virtually impossible to avoid the involvement of the U.S. Government in consequent disputes.

5. The approaches of the Italian Government have consisted of requests for U.S. Government intervention with U.S. companies to admit ENI to partnership in their foreign operations. Failure to do so, in the eyes of the Government of Italy, would result in continued unilateral action by Mattei to the detriment of Italian-American relations. Also, it is apparent that as a means of enhancing its economic and political importance, Italy would be interested in increasing its participation in the international oil field.

b. Status of U.S. Action on Italy's Oil Aspirations and the Role of Mattei.<sup>2</sup>

1. The United States has advised the Italians that we do not intervene in normal commercial operations of private American companies and has indicated that problems between Mattei and the U.S. companies should be amenable to direct commercial settlement.

2. However, we must bear in mind that the Italian Government, either through a man such as Mattei or otherwise, will continue to bring pressure and take steps to acquire some participation in the oil resources of the Mediterranean area and the Middle East in order to meet its pressing requirements, which now constitute a net burden on the trade balance of approximately \$285 million a year. It will continue to consider that its economic requirements and its position in the Mediterranean justify it in taking such action.

3. In view of the foregoing, it would seem desirable to explore the situation with a view to determining whether it might be in the interest of the U.S. to seek a degree of accommodation with the Italian desire for an assured supply of petroleum, taking into account the possible effects of any such action on the internal Italian political situation and Italian foreign policy. In exploring the situation, however, we should be mindful of the strength of the Italian Communist Party, which uses economic arguments to promote its own ends, and of the fact that Italy's oil operations provide the Communists with a naturally popular program.

<sup>&</sup>lt;sup>2</sup> In a memorandum dated January 13, attached to the source text, Roy Melbourne of the OCB staff submitted alternate State–CIA and Treasury proposals for the revision of this paragraph for consideration at the January 14 meeting of the Board. Although the item was on the agenda of the January 14 meeting, the OCB minutes of that and subsequent dates indicate the matter was not taken up. The minutes of the January 14 meeting are in Department of State, OCB Files: Lot 62 D 430. Other documentation relating to the alternate proposals is *ibid.*, OCB Luncheon Items.

10. Civil Aviation

a. *Background*. The Italian Government considers the U.S.-Italian 1948 Civil Aviation Bilateral imbalanced in favor of the United States, in that the broad terms of the Route Annex allow U.S. carriers to operate to and through Italy with few restrictions while the Italian carrier is severely limited as to traffic points in the United States.

b. *Status of U.S. Action on Civil Aviation.* The United States has recently entered upon formal consultations with the Italian Government regarding the Italian desire for an amended Route Annex and other civil aviation problems. It is anticipated that the United States will be in a position to offer certain concessions to the Italians in order to arrive at a mutually satisfactory agreement.

*Note:* See latest National Intelligence Estimate, NIE 24–58, dated November 4, 1958, entitled "The Political Outlook in Italy".<sup>3</sup>

<sup>3</sup>See Document 227.

# 230. Memorandum for the Record by the Assistant Secretary of Defense for International Security Affairs (Irwin)

January 5, 1959.

# MEMORANDUM FOR RECORD ON VISIT OF SECRETARY MCELROY WITH PRIME MINISTER FANFANI— December 11, 1958, 6:00 p.m.<sup>1</sup>

PRESENT WERE

Secretary McElroy Ambassador Zellerbach Mr. Irwin

After an exchange of greetings and pleasantries, Prime Minister Fanfani said that he thought there may have been some misunderstanding as a result of earlier Italian discussions with General O'Hara that

Source: National Archives and Records Administration, RG 330, OASD/ISA Files, Country Files, Italy. No classification marking.

<sup>&</sup>lt;sup>1</sup> McElroy visited Italy on December 11 at the invitation of the Italian Government prior to attending the December 16–18 NATO Ministerial Meeting in Paris.

day,<sup>2</sup> and that he wanted to be sure that the Secretary understood clearly Italy's position with respect to the deployment of IRBMs in Italy. He said they were happy to have them, but that they did have a financial problem. In order to meet MC-70<sup>3</sup> force objectives that the Italian Government had decided to increase its military budget 4% each year for a period of five years, thus making an over-all increase of 20%. He said that this was the maximum Italy could do and that the increase would go toward supporting both the 9-1/2 divisions required by MC-70 as well as the five Italian divisions that were listed in MC-70 as second echelon divisions. He said that from the Italian budget they would be able to earmark some five billion lire to pay the annual operating and maintenance costs of the IRBM squadrons. If the expenses exceeded five billion lire, Italy would not be able to meet them and he hoped that the United States would assure Italy, in such a case, that it would meet such excess expenses. He said he hoped expenses would be less than the five billion and, therefore, there would be no need to call upon the U.S., but the Italians needed this assurance before they made final arrangements for the IRBM deployment.

Mr. McElroy spoke with appreciation of Italy's increase in their defense budget, and with sympathy toward the fiscal problem that Italy had. However, he pointed out that this type of commitment might have policy problems with respect to other NATO countries and that it might create an undesirable precedence. He also pointed out that such a commitment was open-ended with many variable and unknown factors involved, that while the United States would consider the problem, he felt it unlikely we could do as the Prime Minister suggested and that, of course, we could not make a commitment at the present time. Mr. Fanfani said he understood, that he was not asking for a commitment now but just wanted to explain the problem to the Secretary. He asked if he could speak a moment on "your side". He then pointed out that such a commitment need not affect the total aid given Italy. For example, the U.S. has provided Italy with a varying amount of military assistance from year to year. If the U.S. had to meet the expense over and above five billion lire for the IRBMs, it would be entirely within U.S. control to decrease other military assistance so that the total assistance would remain at whatever figure desired. He said that his colleagues felt we must have your assurance on the IRBMs, but at the same time he realized that the U.S. has complete flexibility with respect to the over-all program. Mr. Fanfani then asked if the United States would be willing to discuss with Italy how best to meet any expenses exceeding the five billion lire.

<sup>&</sup>lt;sup>2</sup>No record of this meeting has been found.

<sup>&</sup>lt;sup>3</sup> The MC–70 program, approved by NATO in May 1958, established a Minimal Essential Force Requirements plan for the period 1958–1963 for all member states. See Part 1, Document 131.

Mr. McElroy said that he thought that might be a way to handle it, that while the U.S. could not give a commitment, it might well be able to discuss with Italy the problem of any excesses in a particular year. He said it might be a factor that the U.S. could consider in establishing an over-all military assistance program. However, he thought it important to avoid any system whereby the two Governments were involved in a joint accounting scheme, as that would lead only to accounting disagreements and perhaps disharmony.

Secretary McElroy reviewed the fiscal proposals that the United States had made to Italy as to the handling of the IRBMs, and specifically asked if the Italian Government would pay for the cost of the land required to deploy IRBMs. Mr. Fanfani replied that Italy would assume that obligation.

The conclusion of the meeting was that Secretary McElroy would consider the problem. Both the Secretary and Prime Minister Fanfani agreed that their conversation was explanatory and exploratory and would not be considered final or a commitment.

*Comment:* Following this meeting with Prime Minister Fanfani, Secretary McElroy called on President Gronchi, reported in a separate memorandum. Although President Gronchi was less specific than Mr. Fanfani, he gave an impression that Italy might not be able to bear any of the annual operating and maintenance costs of the IRBMs.<sup>4</sup>

## John N. Irwin II

# 231. Airgram From the Embassy in Italy to the Department of State

Rome, December 20, 1958.

279. As Italian political activity relaxes somewhat for holiday season it is possible take stock of situation if not to analyze it satisfactorily

<sup>&</sup>lt;sup>4</sup> The memorandum of McElroy's December 11 conversation with Gronchi is in National Archives and Records Administration, RG 330, OASD/ISA Files, Country Files, Italy.

Source: Department of State, Central Files, 765.00/12–2058. Confidential. Drafted by Torbert and Zellerbach. Repeated to London, Paris, Bonn, and all Consulates in Italy.

or forecast probable developments. Internal political scene is in most delicate and dynamic state in recent years. Best Embassy is able to offer at present time is inventory of factors which make forecasts precarious. As we see it, following are present current or short-term factors to be considered.

1. Government's razor-thin parliamentary majority.

2. Disaffection of "*notabili*"<sup>1</sup> and right-wing elements of 20 or 30 deputies in DC because of: (a) personal rivalry with Fanfani [*less than 1 line of source text not declassified*] (b) opposition to left-of-center orientation and announced objectives of DC–PSDI coalition and including prospect of possible future "deal" with PSI.

3. Apparent lack of viable alternative majority formula on presumption that present orientation actually represents present temper of vast majority of DC party and electorate. In this connection the PLI has not recently exhibited the spirit of compromise of quadripartite days.

4. Overshadowing everything are uncertainties of PSI Congress in January which could have following results in rough order of probability:

(a) A clear-cut Nenni victory in ballot resulting in an optical [*sic*] autonomy of the party but with a strong organized minority, leaving many unresolved institutional and ideological links with PCI through party apparatus, labor unions, cooperatives, and local governments.

(b) An inconclusive harmony session leaving Nenni in control but with unclear policy.

(c) A party split with some portion of party making clean break with philo-Commie elements. (This would represent at once most hopeful possibility and the one most immediately apt to be disruptive of present political spectrum.)

(d) A philo-Communist victory and return to the status quo ante Venezia.<sup>2</sup> (As returns trickle in from federations this appears increasingly unlikely.)

5. Uncertainty as to political attitude and activity of Church, which is being reorganized under new Pontiff.

6. Stresses on PSDI support of DC which include (a) antagonisms generated by Giuffro case and parliamentary report censuring Preti;(b) itching feet of small left-wing elements including Matteotti, Zagari and possible one or two others.

<sup>&</sup>lt;sup>1</sup> The term refers to a group of older Christian Democratic leaders, most notably former Prime Ministers Scelba and Pella and former Defense Minister Taviani.

<sup>&</sup>lt;sup>2</sup> At its 32d congress in Venice in February 1957, the Italian Socialist Party publicly broke its longstanding "Unity of Action" pact with the Communist Party and adopted a resolution declaring its unconditional loyalty to the parliamentary democratic system of government.

7. Emerging flirtation between extreme left and extreme right elements always inherent in opposition formula but accentuated by Milazzo case in Sicily<sup>3</sup> (see also point 2 above) and ensuing polemic between *Unit* and *Avanti*.

8. Psychological influence of Gaullist development in France.

9. Apparent intentions of British Labor Party to stir boiling pot (primarily in connection with point 4 above).<sup>4</sup>

10. Increasingly dynamic adventurism of Enrico Mattei supported by President Gronchi which present and past Italian governments apparently without desire or ability (or both) to control.

Coupled with above and interacting on them are certain long-term factors, some of which are coming nearer boiling point:

1. Sincere desire of substantial proportion of intelligent democratic Italians to breach isolation of large and growing body of left-wing voters and provide a substantial left of center parliament group around which might be found a majority as an alternative to relatively static center government formula of post-war period.

<sup>2</sup>. Increasing impatience with slowness in development of "modern" Italian state.

3. Point 2 is opposed by consolidating conservative fears of increased statism and socialism and concern for loss of special positions and vested interests.

4. The resultant stresses produced by the two preceding factors tending to split the Catholic party, and the opposition to such a split by most of the Church hierarchy as well as by a great number of others sincerely concerned with future Italian political stability who realize that this large center party is principal bulwark against possible popular front.

5. The problem of the care, feeding and control of President Gronchi (long term, since he still has 3-1/2 years in office) and of Enrico Mattei.

The present government, for lack of suitable alternative, may possibly last until after DC Congress in April but some considerable regroupment appears inevitable before summer 1959. Meanwhile some temporizing may be accomplished by changing one or two ministers. In this situation all political factions are maneuvering actively. Approaches to members of this Embassy to indicate by word, deed or silence something which will support aspirations of individuals and parties are an almost daily occurrence. I am accordingly instructing my

<sup>&</sup>lt;sup>3</sup> In October 1958, a split occurred within the Christian Democratic Party in Sicily. The leader of the successionist forces, Silvio Milazzo, formed a regional government with the support of a broad coalition that included both the Communists and Nenni Socialists. Milazzo's succession was direct challenge to Fanfani's control within the party.

<sup>&</sup>lt;sup>4</sup> The left wing of the British Labor Party was anxious to promote the reunification of the Italian Socialist and Social Democratic Parties.

key officers that until further notice the attitude of official Americans in Rome in private conversations and *unavoidable* public statements is to be based on following:

United States enjoys good relations with present government of Italy as it has with past governments since war. It reposes confidence in policies of that government in so far as they are of concern to United States and expects to continue close working relations with it so long as it remains legally constituted government of Italy. We would anticipate having same close relations with any successor government which Italian people through their constitutional processes may choose provided it is based on parties and principles which are democratic in Western sense of the term.

United States' only legitimate concern in Italian affairs is in those elements which influence its foreign policy and/or which directly touch bilateral relations between Italy and United States and its citizens and corporations. We will continue support and encourage a foreign policy which is pro-NATO and fosters close relations between Italy and the United States. We believe such a policy to be in our mutual best interests. We will steadfastly oppose continuation or extension of Soviet-controlled Communism and currents tending to support it. Specifically as regards future of PSI, United States is not opposed to Socialist parties per se or to socialism in other countries if electorate of that country freely chooses it and if it is independent of Soviet control or influence. In the special case of Italy, we have long enjoyed cordial relations with the Social Democrat Party. While we will watch with interest the efforts of the PSI or elements thereof to attain and secure its independence from Soviet Communist control and influence, we believe we have a right to entertain considerable doubts as to its ability to do so in the near future. [2 lines of source text not declassified] In this situation, conversion to a fullyindependent party will be, at best, a slow process and can only be considered successful in the light of a sustained record of support for democratic principles. Meanwhile, we consider there is a real danger that, misled by apparent but unproven Socialist autonomy, left-wing elements of the PSDI, of the PRI and possibly of the DC parties may join with the PSI thus weakening the center democratic parties to the point where they will be unable to form a government. In such an eventuality we might even end up with a popular front in Italy.

## Zellerbach

## 232. Memorandum of Conversation

Rome, December 23, 1958.

#### PARTICIPANTS

The Hon. Amintore Fanfani, Prime Minister Minister Raimondo Manzini, Diplomatic Adviser to the Prime Minister Ambassador Zellerbach

Minister Carlo De Ferraris, Secretary General, Foreign Office Minister Enrico Aillaud, Chef du Cabinet Mr. Vincent Barnett, Economic Counselor Mr. H. G. Torbert, Jr., Political Counselor

(The above four were not present during the conversation on internal political and military questions.)

Fanfani arrived quite late, having attended various ministerial meetings at which he said he had satisfactorily established the Italian position on the Common Market question and had also finally settled the question of Finance Minister Preti's resignation,<sup>1</sup> which would be withdrawn for the present. [3 *lines of source text not declassified*]

#### Begin Confidential

#### Common Market

During lunch, the conversation turned generally to Common Market problems. Fanfani was asked his general impressions of the recent meetings, as well as his estimate of the outlook for the Common Market and Free Trade Area difficulties. He replied that the OEEC meetings had not been as well prepared as the NATO meetings and that there was considerable confusion. In particular, he thought that the six countries of the Common Market had not sufficiently coordinated their own position. At one point a reference was made to the "six" at which Fanfani smiled wryly and commented that the trouble was on these discussions there had been seven instead of six representing the Common Market. He went on to say that there had been really two Germanies at the meetings: the Germany of Erhard generally supporting the British position and Germany of Adenauer generally supporting the French position. Since both the UK and France thus gained the impression that Germany was on their side, this resulted in a stiffening of the two opposing parties

Source: Department of State, Central Files, 765.13/12–2958. Secret—Except As Otherwise Indicated. Drafted by Barnett and Torbert, partially from Zellerbach's notes. Transmitted to the Department of State as an attachment to despatch 765, December 29.

<sup>&</sup>lt;sup>1</sup>Luigi Preti resigned on December 17 in protest over a report issued by a parliamentary commission investigating allegations of banking mismanagement.

which made progress very difficult. The Prime Minister indicated that he thought the situation had reached a point of considerable gravity. He was asked whether the big four countries were likely to meet on January 15 as had been suggested to try to work out some of these problems, and he replied that he thought this meeting would not now take place, since De Gaulle preferred to maintain the integrity of the Six as a negotiating unit.

## PL-480

I told the Prime Minister that in the light of my recent trip to Washington, it was clear that there could be no renewal of programs like the rural assistance program which had been undertaken last year. Fanfani did not seem surprised and made no strong pitch for such a program. I then went on to say that, in fact, there was considerable question whether there would be any programs under PL–480 for Italy. When Fanfani inquired as to the reasons for this, I gave him the substance of the position contained in Deptel 2168,<sup>2</sup> pointing out especially Italy's strong economic position and her very large reserves of gold and dollars. Here again, Fanfani did not seem especially surprised, and even expressed himself as being in agreement that under present circumstances Italy apparently did not need this kind of assistance.

# End Confidential

Begin Secret

# Politico-Military Matters

In a private session after lunch I asked Fanfani whether my understanding was correct as a result of the meeting with Secretary of Defense McElroy<sup>3</sup> that the Italian viewpoint was that the limit of their possible expenditure for operation and maintenance of the IRBM's was five to five and one-half billion lire per year. They understand that the US could not commit itself in advance to financing any excess over this cost, and would be satisfied if the US would make a commitment simply to study sympathetically Italian needs in this regard if and when they arise. He confirmed this understanding.

[1 paragraph (12-1/2 lines of source text) not declassified]

# Internal Political Situation

Turning to the situation of the government, Fanfani indicated that some realignment was obviously badly needed but it was not feasible to do this until after the PSI Congress because many elements do not wish

<sup>&</sup>lt;sup>2</sup> Telegram 2168 to Rome, December 16, noted that although the U.S. Government was sympathetic to Italy's request for aid, the Italian economic position was too strong to qualify for P.L. 480 assistance. (Department of State, Central Files, 411.6541/12–158)

<sup>&</sup>lt;sup>3</sup>See Document 230.

to take a position before that time for fear of prejudicing the outcome. He believed that the government could be held together if it were cautious about forcing issues, until an orderly realignment could be made.

I mentioned that I had had a visit from Malagodi<sup>4</sup> on the previous day and he had informed me that the PLI would be willing to enter a quadripartite government formula provided the DC would give certain assurances that they were not contemplating a premature alliance with Nenni and that they maintained a firm Atlantic foreign policy. Fanfani expressed interest and assured that they had no intention of making any immediate advances to the PSI and in fact he doubted very much if Nenni would succeed in making a definite break. On the question of foreign policy he expressed appreciation for the confidence expressed in my San Francisco speech and said that he felt there was no problem of providing adequate assurances to PLI in this regard. In general he thoroughly agreed and accepted the formula regarding a quadripartite made by Scelba and espoused by Malagodi.

[2 paragraphs (11 lines of source text) not declassified]

# Mattei's Visit to Russia and China

Returning to the larger group, I commented that one of the things that was troubling us was the effect of the visit by Mattei to Moscow and Peking, particularly at this time. The Prime Minister said that this was causing him considerable concern. He commented that he thought Mattei still wanted most of all to reach some understanding with American oil companies. I said this was not the point of my observation since the relationships between Mattei and the American oil companies were something for them to work out, and since I was fully convinced that the American companies could take care of themselves. In fact, I said that I was not commenting on the business or commercial aspects of the visits so much as on the political repercussions. I said it seemed strange to me that a trip like this would be allowed to take place at the same time that the NATO meetings were going on, and shortly after there had been considerable discussion in the press and otherwise with respect to the basic foreign policy objectives of the Fanfani government. I suggested that this made it more difficult for those who were defending the proposition that the present government was firmly pro-NATO in its orientation.

The Prime Minister said that Mattei had come to him just a day or so before leaving, and that this was the first that he (the Prime Minister) had known about the trip. Mattei had proposed to go first to Moscow and then on to Peking in order to look for trade opportunities, and especially for opportunities to dispose of drilling equipment and syn-

<sup>&</sup>lt;sup>4</sup>No record of this conversation has been found.

thetic rubber. Fanfani said he had asked Mattei, if he could not postpone the trip, at least to go directly to Peking without stopping off at Moscow. Mattei had at first said it was impossible, then had agreed. Fanfani commented that he thought Mattei had some legitimate trade purposes in mind, and added that according to Mattei he had been pushed into turning eastward by the Americans. The Prime Minister explained that Mattei felt he had been out-bid by Americans for European markets (notably France) for the synthetic rubber being produced by his Ravenna plant, and that piling up of stocks forced him into looking for other outlets. This resulted in the deal with the USSR and in the exploration of possible outlets in China. I commented that an American businessman undertaking to trade with the Chinese Communists would find himself in serious difficulty with his own government. The Prime Minister said that aside from the agreement to stop exports of strategic materials on the international list, there were no laws to prohibit Italian businessmen from seeking outlets in Russia or in China. I said that if this had been simply a case of straight private industry looking for trade arrangements, I certainly would not have raised it with him. In this case, however, we are talking about a parastatal agency which is widely regarded as synonymous with the Italian government. Public opinion certainly can make no distinction between ENI as a public agency and the policies of the existing government. [3 lines of source text not declassified] He said, however, that it would not be possible or desirable to put more restrictions on the trading potential of government companies than on their privately-owned competitors. I pointed out that if Mattei had sent some subordinate official of ENI to conduct these explorations, the problem would be much less difficult. It was not only that ENI was involved in this activity but that Mattei himself, a man of considerable prominence, chose to go and chose to extract the utmost publicity from the trip.

[2 paragraphs (36 lines of source text) not declassified]

End Secret

# Begin Confidential

## Visas for American Missionaries

As a final item, I raised with the Prime Minister the problem of visas for American Protestant missionaries which I said was a major political problem to us. There are many Americans, I said, who could not understand why Italy adopted such a rigid policy of excluding a handful of Protestant missionaries especially in view of the large number of Catholic clergy who were given visas to the US. Fanfani expressed surprise that this was a current problem and promised to give early favorable consideration to any individual cases which the Embassy might bring to his attention. Mr. Torbert attempted to suggest that it would be better to establish a principle of action even if only for a limited number of people than to make it necessary to deal on a high level on a case by case basis. However, Fanfani indicated that a case by case basis was the only feasible procedure in view of the many elements of opposition he had to overcome within his own government.

End Confidential

## 233. Memorandum From the Assistant Secretary of State for European Affairs (Merchant) to Secretary of State Dulles

January 20, 1959.

SUBJECT

Nenni Victory at Italian Socialist Party Congress

The Italian Socialist Party (PSI), headed by Pietro Nenni, concluded on January 18 a four day national congress by adopting a resolution, sponsored by Nenni and his autonomist wing, favoring the development of a party program independent of close collaboration with the Communists. This collaboration was originally characterized by a "unity of action" pact but, more recently, by agreement to consult. The break with the Communists was by no means complete for the Congress agreed to remain allied with the Communists in the numerous local government coalitions in which they participate, in the Communistdominated labor movement (CGIL), the largest Italian labor union, and in cooperatives.

The Nenni faction gained 58.3% of the votes on the motion to cut ties with the Communists, increasing their seats on the 81 member Central Committee from 29 to 47 while the pro-Communist wing, led by Tullio Vecchietti, dropped from 40 to 27 seats. Radio reports state that Nenni has completely excluded the pro-Communists from the 15-man party directorate.

It will not become clear for some time what effect this Nenni victory will have on the orientation of the Socialist Party. Greater independence from the Communists may enable the Socialists to adopt a more moderate attitude toward Italian domestic and foreign policy, although their emphasis on an independent and neutralist foreign policy line will un-

Source: Department of State, Central Files, 765.00/1–2059. Confidential. Drafted by Frank E. Maestrone.

doubtedly be maintained. However, in an editorial in the Socialist organ *Avanti* of January 4, Nenni adopted a more moderate tone toward the China, Middle East, and Berlin problems, supporting Red China's admission to the UN without calling for U.S. withdrawal from Formosa; and noting there was room in the Middle East for all, including the Italians, who respected the sovereignty and integrity of the Arab countries. (He noted that Fanfani's trip to Cairo was a positive step.) Nenni emphasized that the problem of Berlin could not be separated from that of Germany and European Security and called for negotiations conducted in a spirit of conciliation as suggested by the German Social Democrats.

The Socialist decision to follow an autonomist policy may have the immediate effect of contributing to the downfall of the Fanfani Government by undermining its coalition partner, the Saragat Social Democrats (PSDI). Elements of the PSDI left wing, led by Matteo Matteotti, had privately indicated their desire to accomplish Socialist unification promptly upon a Nenni victory and, if opposed by Saragat, to join the PSI, taking some 3 or 4 parliamentary deputies along.<sup>1</sup> The loss of the latter would eliminate the slim working (though not actual) majority of the Fanfani Government and bring it down. The ensuing result would probably be an ineffectual Christian Democratic minority government lasting at least until their party congress on April 15. The long-range effect of PSI "autonomy" will be less dramatic since Nenni, despite his victory, will have to revamp the internal party organization now in the control of pro-Communist functionaries. He will also be further restricted by the fact of Socialist participation in the Communist-controlled CGIL and cooperatives. Nevertheless, the entry of a more flexible Socialist party on the political stage will probably have an unsettling effect on the political alignment, since this initial step toward a more democratic posture coincides with the trend toward the left developing in the Italian electorate. The long-term implications of a drift in Italy toward Socialist orientation would not necessarily be favorable to the maintenance of Italy's position in the Western community.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> On January 24, Ezio Vigorelli, the Social Democratic Minister of Labor, resigned, precipitating the fall of the Fanfani Cabinet. On February 8, Vigorelli, Matteotti, and three other Deputies together with about 400 Social Democratic leaders seceded from the PSDI to form the Movimento Unitario di Iniziativa Socialista. This group merged with the Italian Socialist Party (PSI) on May 18.

<sup>&</sup>lt;sup>2</sup> In circular telegram 894, January 23, the Department of State commented:

<sup>&</sup>quot;Victory Nenni's autonomists at PSI Congress Naples raises possibility PSI might be accepted membership Socialist International. Such action would weaken Saragat's opposition to merger PSDI with PSI. It would also give PSI prestige and increased contact with powerful West European social democratic parties. It would further contribute to factors threatening life of Fanfani coalition government with PSDI. FYI. Important US negots with Italy now nearing conclusion could be adversely affected." (Department of State, Central Files, 765.00/1–2359)

#### 234. Editorial Note

Amintore Fanfani resigned as Prime Minister on January 26, and as Secretary of the Christian Democratic Party on February 1. After 3 weeks of negotiations, Antonio Segni formed a minority government composed exclusively of Christian Democratic ministers and dependent on the parliamentary support of the Liberal, Monarchist, and neo-Fascist parties on February 16. Aldo Moro took over Fanfani's duties as Secretary of the Christian Democratic Party. In a March 26 memorandum to Assistant Secretary of State Merchant, the Director of the Office of Western European Affairs, McBride, commented:

"Despite the continuing internal complications within the DC Party, the Segni government can be expected to enjoy practically the full, if not enthusiastic, support of the party, at least until the next National Party Congress. It is also believed that the various DC elements will head the Vatican's call for Christian Democratic unity and not engage in sniping tactics similar to those that contributed to Fanfani's downfall. Because of parliamentary opposition on the Left and because of DC left wing displeasure with the need for the government to rely on the Right for its support, Segni will have to proceed carefully in carrying out his program. Although no adventures in foreign policy are anticipated, Segni's Foreign Minister, Giuseppe Pella, can be expected to use every opportunity to bolster the government's prestige by participation in the formation of major international policies, particularly at this critical juncture. The Segni government can be expected to be sensitive to any international slights from which political capital can be made by the opposition. It is, however, favored by an adequate parliamentary majority which should help to keep it in power as long as the DC Party remains united in its support." (Department of State, Central Files, 765.00/3-2659)

## 235. Memorandum From the Assistant Secretary of State for European Affairs (Merchant) to Secretary of State Dulles

January 28, 1959.

SUBJECT

Fall of Fanfani Government and IRBM Negotiations with Italy

I refer to your conversation with Secretary McElroy on this subject (Tab A).<sup>1</sup>

Fanfani, who submitted the resignation of his Government on January 26, has been asked by President Gronchi to stay on in a caretaker status while efforts are made to form a new government. Two days prior to his resignation an Italian Foreign Office official commented to a member of our Embassy that it was not likely that a caretaker government would feel that it had authority to proceed with the IRBM agreement since the agreement is of such a weighty nature that only a newly-constituted government would authorize signature. (Tab B.)<sup>2</sup> The Embassy recognizes that there will be some delay but has suggested that the Department proceed with Circular 175 action<sup>3</sup> in order that we can be in a

"The Secretary said he would look into it but was dubious in view of the highly charged political aspect of the problem. He said that we would try to push it through if it could be done."

At 6:07 p.m. that day, Dulles telephoned McElroy:

"The Sec said he spoke about this Italian thing and our people seem to think the probability is this will go through though probably not quickly on the IRBM's. However they are not giving up hope or efforts." (Both in Eisenhower Library, Dulles Papers, General Telephone Conversations)

<sup>2</sup> Telegram 2163, from Rome, January 23, reported on initial press coverage of the announcement that IRBM missiles would be placed in Italy and on the Italian Foreign Office's views regarding the ability of a caretaker government to finalize an agreement on the missiles. (Department of State, Central Files, 711.65365/1–2359)

<sup>3</sup> Dated December 13, 1955, Circular 175 outlined plans for coordination within the Department of State for the review of proposed treaties and executive agreements to ensure they complied with existing U.S. laws and international agreements.

Source: Department of State, Central Files, 765.5612/1–2589. Secret. Drafted by Cameron.

<sup>&</sup>lt;sup>1</sup> A memorandum for the record of a telephone conversation at 12:51 p.m., prepared by David E. Boster, January 27, reads:

<sup>&</sup>quot;In a conversation with the Secretary today, Secretary McElroy referred to Fanfani's resignation and asked if we could get the IRBM agreements signed, pointing out that they have been ready for a couple of weeks. Secretary McElroy said that the Italian deployment would be off indefinitely if we had to start all over again with a new government. He said he regretted that more positive action had not been taken, since we knew the government had been shaky, and he still hoped that it would be possible to have the agreement signed."

position to move quickly if a situation develops which makes signature possible (Tab C).<sup>4</sup> This is being done. Moreover, we still need confirmation of Italian agreement to our proposals for dealing with Italian IRBM expenditures in the event they should exceed \$8.8 million annually.

The Italian internal political situation has become exceedingly confused by Nenni's superficial break with the Communists, indications of possible defections of left-wing members of Saragat's PSDI, President Gronchi's maneuvers and continuing DC right-wing dissatisfaction with Fanfani. There are indeed signs which point to an eventual fundamental realignment of Italian political forces. Under these circumstances, we cannot be certain that a newly-constituted government (either a single party CD government or a tripartite government including the CD, the PSDI and the Republicans) would feel itself strong enough to go through with the IRBM agreement. We shall watch developments closely with a view to moving ahead quickly with signature since we would hope any new government would be prepared to take up where the last government left off. However, I am sure that you will agree that we should avoid creating a situation in which our apparent pressure for the signature of this agreement could be used as a pretext to overthrow a newly-constituted Italian Government.5

# 236. Despatch From the Embassy in Italy to the Department of State

No. 1362

Rome, May 19, 1959.

SUBJECT

The Stability of the Present Italian Government

During nearly three months of its existence the present Christian Democratic minority government of Prime Minister Segni has given

<sup>&</sup>lt;sup>4</sup> Telegram 2178 from Rome, January 26, requested initiation of Circular 175 action. (Department of State, Central Files, 711.56365/1–2659)

<sup>&</sup>lt;sup>5</sup> Italy and the United States concluded an agreement for the deployment of two squadrons of Jupiter IRBM missiles on March 26. The IRBMs were transferred to Italian ownership under the Mutual Security Program. [*text not declassified*] Command of the missile squadrons was placed in an Italian headquarters responsible to SACEUR. Documentation on the agreement is *ibid.*, Italian Desk Files: Lot 71 D 55.

Source: Department of State, Central Files, 765.00/5–1959. Confidential. Drafted by Torbert and the members of the Embassy Political Staff.

definite proof of its viability and some signs of real durability. It seems an appropriate moment to catalogue some of its strengths and weaknesses, to inventory the positions of the other parties in the political spectrum, and to venture some tentative forecasts for the future.

Any list of strengths of the present government and DC party management must certainly start with the successful application of a form of corporate leadership which at least temporarily eclipses individual strong men. [3-1/2 lines of source text not declassified] In order to restore some unity before the next party congress, the great majority of the party leadership managed to rally behind the figure of Segni who has already achieved the status of elder statesman and therefore does not have to enter the battle for personal prestige. Party policy and political orientation of government seems to be steered by a group centered on Taviani, Colombo, Russo, and Zaccagnini, with active party management in the hands of the relatively non-controversial Moro, who has so far shown substantial finesse and ability to gain acceptance of disparate elements within the party. Despite Pope John XXIII's reported reluctance to intervene in Italy's domestic political affairs, the DC party as the expression of unified Catholic struggle against Communism still enjoys Church support. This is exemplified by the recent Holy Office decree condemning fellow-travelling Catholic movements (Milazzo) which threaten DC unity.<sup>1</sup>[3 lines of source text not declassified] With this basis of strength the government has already given a good account of itself in such matters as the skillful handling of the complicated and explosive issue of government employees' salaries, and of the foreign policy debate occasioned by the acceptance of IRBM's. Several pieces of relatively progressive legislation originally proposed by Fanfani but rejected or delayed by Parliament have been passed by one or both houses during this honeymoon period; for example, regulation of public markets and the erga omnes law extending provisions of national collective bargaining agreements to all workers in the category concerned as a matter of legal right (the latter is opposed by the Liberals). The government is moving cautiously in the field of better rationalization and control of statal enterprises.

Unfortunately, there also remain many weaknesses in the government's position hinging primarily on the twin facts that it does not have its own parliamentary majority and that there remain many

<sup>&</sup>lt;sup>1</sup> Zellerbach commented on this March 25 decree in airgram 453, April 16, as follows: "Its total effect on forthcoming regional elections in Sicily and Val d'Aosta cannot be predicted in view of substantial traditional anti-clerical tendencies but in Sicily especially it may reduce considerably Milazzo's chances to whittle away at DC electorate. To this extent decree may help to convince Milazzo of futility his operation and may induce him if not now perhaps after election to return to DC fold." (*Ibid.*, 765.00/4–1659)

divergencies of view within the DC party itself. In this situation it is necessary of course to retain the support of the three right-wing parties unless and until a different alignment can be found. At the moment, the latter does not appear to be a possibility because of the intransigent public position of opposition on the part of PSDI leader Saragat. For the present the right-wing parties seem content to give their support in return for an intangible sense of participation and probably certain negative benefits such as restraint by the government in pressing legislation objectionable to rightist interests such as certain types of taxes or an extension of regional autonomy. Trouble may come when the right-of-center parties feel the need of more tangible rewards or, conversely, when the more socially-oriented elements of the party such as the Rinnovamento and La Base currents and their labor components conclude that their interests, economic or political, are being sacrificed for the sake of conservative support.<sup>2</sup>

Probably the greatest threat to party government stability, however, is the ever-present one of conflicting personalities. [12-1/2 lines of source text not declassified]

There remain two principal milestones during the balance of the year which will test the survival ability of the present government and the present leadership of the DC party. The first of these is the Sicilian elections of June 7 and other local elections about that time. The effect of the results of these contests will not be direct or immediate, since only local issues and local personalities are involved. However, the national organizations of all parties are very definitely committed in the campaigns and the relative prestige or loss of face which they achieve will reflect on the present party leaders, particularly in the case of the Christian Democrats. Furthermore, the resulting alignments necessary to

<sup>&</sup>lt;sup>2</sup> This raises an interesting point alluded to by various Italian commentators as to the relation between theory or doctrine and practice in Italian politics. In the theory, employed for polemic purposes by both sides, the appearance and the label is the important thing. Thus, to the opposition, this is a "rightist" government because it depends on votes of right-wing parties and pays lip service to free enterprise as opposed to statism. Similarly, Fanfani had a "leftist" government because he depended on left-of-center support, emphasized the need for budgetary assistance to promote economic welfare and attacked private vested interests; he had an "adventuristic" foreign policy which "threatened the NATO orientation and relations with the US" because he attempted some slight initiative in the Middle East and South America. As a matter of practice, Fanfani was the most cooperative of supporters of US and NATO policy and followed a relatively conservative fiscal policy; whereas the performance of the Segni government to date has appeared anything but reactionary—it has, for example, revived discussion of the "Vanoni plan". The fact is, that in Italy as elsewhere government supported by conservatives is in a better position (although it may or may not take advantage of the fact) to enact progressive social legislation than a left-supported one because it is not so vulnerable to attack from the right. The leaders of the various political factions cannot admit this publicly. The majority of voters, however, may not be so impressed with dialectics and doctrinal labels as with bread and butter accomplishments. [Footnote in the source text.]

form a government in Sicily and elsewhere may also affect the national scene. To some extent the DC party has attempted to discount publicly the possibility of failure in the Sicilian elections and to blame it on errors of the previous regime. Therefore even if the DC suffers moderate losses (which seems probable) the party management may be able to salvage some credit for not doing worse.<sup>3</sup> The second hurdle is of course the DC party congress which now is expected in October. Here the question of personalities and currents, [less than 1 line of source text not declassified] will be preeminent and the success of the present leaders will depend on the degree to which they are able to achieve a spirit of compromise and collaboration within the party prior to the congress, to minimize public recrimination during it, and, in the final analysis, to secure the votes needed to control the party organization. It is still too early to forecast precisely where the battle lines will be drawn in the congress, and the emergence of a different leadership would not necessarily mean the immediate overthrow of the government. The DC party congress will probably be followed shortly by the PSDI party congress, and the results of these two meetings should determine whether a more broadly based center formula is feasible prior to new national elections.

Turning to other parties, the right-hand side of the political spectrum has probably shown more dynamism in recent months than the left. On the extreme right the MSI continues to search for respectability but at the same time has shown some signs of being emboldened to adopt more extreme public positions because of its position in support of the present government. This sense of power could be somewhat increased as a result of the Sicilian regional elections. The newly created Italian Democratic Party (PDI)<sup>4</sup> is currently showing signs of vigor after having ostensibly shed some of the more institutional and parochial aspects of its two constituent monarchist parties. It is making a somewhat amusing effort to present itself as a party to the left of the Liberals (PLI) and therefore the logical candidate for cooperation with the center-left parties and incorporation in an eventual center coalition. There is no doubt that this maneuver is giving the Liberal Party some concern and may cause it some trouble over the short term. However, since the PLI represents a definite political and economic element in the community it will probably retain substantially its present strength over the foreseeable future. The PDI having eclipsed its main institutional reason for ex-

<sup>&</sup>lt;sup>3</sup> In the Sicilian regional elections of June 7, the Christian Democrats lost three seats in the regional assembly. The secessionist Christian Democrat Silvio Milazzo was elected president of the region by a coalition of parties from Communist to Fascist, narrowly defeating the Christian Democratic candidate.

<sup>&</sup>lt;sup>4</sup> The Italian Democratic Party was formed by the fusion of the Popular Monarchist Party and National Monarchist Party on April 11.

istence would seem to have a more uncertain future. It does, however, have a substantial "proletarian" following on an area basis, principally in the south, and if it can become an effective spokesman for the interests of this group it may become a real force.

During the period since the PSI Naples congress all of the problems of "autonomy" have had a public airing and the PSI has not passed the test on any of them.<sup>5</sup> After some slightly promising progress on organization matters the party seems to have run up against a basic contradiction. It is not now viable as an independent and discriminating associate of the far left for financial and economic reasons. Yet it cannot, without breaking the united popular front concept, become a really democratic party and achieve the material benefits of an actual or potential participant in the governing process. The basic difficulty is probably the financial one. In under-employed Italy the economic well-being of the members of the party apparatus is an over-riding consideration. The party has lost old channels of support and has not acquired new ones. On the other hand, it would be a mistake to underestimate the role of the ideological struggle which impedes, if it in fact does not absolutely prevent, a large number of socialists from deserting maximalism and working-class unity and considering cooperation with pro-clerical elements they have combated for generations. Although it appears that the amalgamation of the dissident PSDI element forming the MUIS into the PSI will be concluded within a matter of days, this group has lost most of its grass roots support and will not contribute much to the PSI. The bourgeois respectability of this year's May Day celebrations was merely an outward manifestation of the fact that the entire left-wing movement has lost much of its dynamism and, as observed by a recent DC commentator, has now become essentially a conservative force attempting to protect its base organizations in the labor, cooperative and local government fields. This is not to dismiss the Communist problem as insignificant nor to overlook its great subversive potential but merely to take what comfort is available from an observable qualitative deterioration in this opposition. Quantitatively, too, there have been some slight encouraging signs, with reported lessening in Communist membership and CGIL losses in the recent FIAT shop steward elections, but this cannot be said to have reached the proportions of a trend and may easily be reversed with some regional electoral successes or dramatic psychological developments in the international field.

The center left, about which there was considerable hand-wringing at the time of the disintegration of the Fanfani government and the

<sup>&</sup>lt;sup>5</sup> The Socialist Party continued to oppose Italian participation in NATO and the stationing of IRBM missiles in Italy.

secession of the MUIS from the PSDI, can now be said to have emerged from its period of shock and shown signs of considerable vitality. As noted above, the rank and file losses through the MUIS defection have proved to be much smaller than expected and should be more than made up both numerically and psychologically after the anticipated merger of Eugenio Reale's Alleanza Socialista into the PSDI becomes a fact. The political tone of both the PSDI and the PRI was convincingly demonstrated as being both democratic and pro-Western when they stood staunchly by the side of the government and the Western alliance in the IRBM debate. Particularly noteworthy in this was the unequivocal position of left-wing PRI leader and editor of La Voce Repubblicana Ugo La Malfa. It is true that the PSDI under Saragat's leadership has rather vociferously affirmed its continued opposition to the present Segni government and has indicated that it will not participate in a center coalition probably until after the next elections. It is the Embassy's judgment, however, that this should be considered as a normal cyclical validation of the party's claim to opposition to conservative government. Also, the competition between Saragat and Nenni for undecided and autonomist support is currently in a more than normally acute phase. This opposition may well continue for a year or two or even until the next elections, but there is ample historical precedent for believing that it is by no means immutable and that PSDI as well as PRI participation in or support of a future government can be considered a definite possibility whenever the situation really demands it. For an example, should the rightist parties appear to be obtaining a dominance in policy seriously injurious to the interests of its constituents, the PSDI could be expected to join in support of the considerable progressive sentiment in the DC party. At the moment, this is not mathematically feasible but it might become so by the shift in attitude or allegiance of a few deputies within a surprisingly short time.

In summary, the present government has shown itself a stable one and there is no reason to think that it will not continue very comfortably in office at least until after the DC party congress. Its future after that time or its orderly voluntary transition into a broader-based coalition will depend upon the success which Moro and his supporters have in tranquilizing the contending ambitions of [*less than 1 line of source text not declassified*] the [*less than 1 line of source text no declassified*] *notabili*. Of these, Fanfani is of course the man most to be reckoned with. There is reason to believe that he still retains substantial grass roots support, although he has disaffected a sufficient number of party stalwarts to make it doubtful that he alone can actually control the party soon again. With luck this government can continue for another year. A much longer life is not a reasonable expectancy under Italian political conditions. But there are no basic issues in sight which would seriously threaten the continuance of the government. The most difficult foreign policy issues (IRBM's, Italian prestige in Western councils) have recently been surmounted. The domestic economic situation is good and improving, with some signs of progress on the basic problems of unemployment and regional depression. Granted, there is still a long way to go. Personal differences may eventually cause a re-shuffling of the government. While we should never forget that Italy has had a remarkably short experience with modern democracy, barring radical changes domestically or an international cataclysm, the regime itself does not seem to be in danger.

> For the Ambassador: H. G. Torbert, Jr. Counselor of Embassy

# 237. Telegram From the Department of State to the Embassy in Italy

June 16, 1959, 8:09 p.m.

4307. Rome 3836<sup>1</sup> repeated in London 141, Geneva 54, Bonn, Paris, Moscow, Belgrade, Warsaw, Berlin unnumbered. It is of course not desirable to encourage discussion of PSI Directorate proposals as published in June 13 *Avanti*. However, in event PSI "plan" should provoke undesirable public and private comment on "disengagement" with particular reference to IRBM deployment in Europe you should draw on guidance re "disengagement" as contained CA 6426, CA 9611, and Dept Circular Airgrams 245 and 548<sup>2</sup> as in your discretion you deem necessary and desirable.

With specific reference to IRBM deployment in Europe in accordance with December 1957 NATO Heads of Government decision

Source: Department of State, Central Files, 765.00/6–1359. Confidential. Drafted by Wolfgang J. Lehman and cleared by Maestrone and McBride, Richard T. Davies (SOV), Jack M. Fleischer (EUR/P), and Peter A. Seip (S/S). Repeated to London, Paris, Bonn, Moscow, Belgrade, Warsaw, Berlin, and to Geneva for the Delegation at the Foreign Ministers Meeting.

<sup>&</sup>lt;sup>1</sup> Telegram 3836 from Rome, June 13, reported that the Socialist Party presented a five-point proposal in the June 13 edition of *Avanti* designed to freeze armaments at their existing levels. The five minimum points of the Socialist proposal were: suspension of the construction of medium-range missile bases in Central Europe, a ban on further construction in this zone, pledges by neutral states not to construct missile bases, extension of the zone in which missiles were forbidden by negotiations, and dismemberment of NATO and the Warsaw Pact at the conclusion of negotiations. (*Ibid.*)

<sup>&</sup>lt;sup>2</sup> None of these documents has been found in Department of State files.

(paras 18 through 20 of communiqué)<sup>3</sup> following additional points may be usefully established:

1. There is no truth to allegation that these points made by *Avanti* acceptable to West. Fact is all have repeatedly been rejected by responsible Western governments.

2. *Avanti* proposal constitutes endorsement of Soviet view that "European nations except USSR should without waiting for general disarmament, renounce nuclear weapons and missiles and rely on arms of pre-atomic age.

3. Plan in fact calls for NATO countries renounce unilaterally weapons essential for their defense, deterrence of aggression, and maintenance of peace while leaving European NATO countries vulnerable to similar weapons based in USSR and at mercy numerical superiority Soviet satellite forces.

4. Political consequence of resultant military inferiority would be expose Western Europe to Soviet threats and blackmail with no recourse but surrender or acceptance of military challenge under conditions highly disadvantageous to west.

5. Related to above is fact that unilateral weakening of NATO defense posture would increase danger of Soviet miscalculation thereby increasing rather than decreasing risk of military conflict.

Dillon

<sup>&</sup>lt;sup>3</sup> For text, see Department of State *Bulletin*, January 8, 1958, pp. 12–15.

## 238. Report by the Operations Coordinating Board

July 1, 1959.

## OPERATIONS COORDINATING BOARD REPORT ON ITALY (NSC 5411/2)<sup>1</sup>

#### (Policy Approved by the President on April 15, 1954)

(Period Covered: From April 30, 1958 Through July 1, 1959)

1. Adequacy of Policy Towards Italy (NSC 5411/2). Italy's progress toward the goals defined in the Objective of NSC 5411/2 dated April 15, 1954 has continued satisfactorily since the last OCB Report was transmitted to the NSC on January 15, 1959. Operating agencies find that the guidance and direction contained in NSC 5411/2 have been adequate for the period of this Report. Elements of the policy have been overtaken by events but not to an extent requiring policy revision.

2. *Recommendation for Review of Policy*. U.S. policy towards Italy has been found to be adequate from an operational point of view, and a review of policy by the NSC is not recommended at this time.

3. Italy's Foreign Policy and Contribution to the Free World Coalition. The Italian Government, under Fanfani and also Segni, has continued a policy of strong cooperation within the Western Alliance, featuring

Source: Department of State, OCB Files: Lot 61 D 385, Italy 1958–60. Secret. In an undated memorandum attached to the source text, Roy Melbourne, Acting Executive Officer of the OCB, noted that the Board had revised and concurred in the report on July 1. Minutes of the July 1 meeting are *ibid*.: Lot 62 D 430.

At least one previous draft of this report was circulated. In telegram 3814, June 11, Zellerbach concurred with the semifinal draft and commented:

<sup>&</sup>quot;Regarding Operations Plan we are in general agreement and consider it excellent job. We suggest below a few drafting changes most of which motivated by following considerations which we think significant in present situation:

<sup>&</sup>quot;1) Traditional quadripartite formula, while highly acceptable to us, is not necessarily only acceptable, [*less than 1 line of source text not declassified*] solution in all circumstances.

<sup>&</sup>quot;[3 paragraphs (13-1/2 lines of source text) not declassified]

<sup>&</sup>quot;5) While we completely agree PSI at present stage not acceptable participant in governing process, we should aim at encouraging autonomous and relatively democratic elements which we believe exist that party. [2-1/2 *lines of source text not declassified*]

<sup>&</sup>quot;6) We are concerned with lack progress in reducing Communist-dominated Left and erosion of lay democratic parties since it would be unhealthy to arrive at position where only possible democratic governmental formula is single party thus leaving no alternative for protest but Communists." (Department of State, Central Files, 100.4–OCB/6–1159) Copies of the draft report were not found in OCB Files.

<sup>&</sup>lt;sup>1</sup> Foreign Relations, 1952–1954, vol. VI, Part 2, pp. 1677–1681. For the OCB report covering the period April 30 to December 10, 1958, see Document 229.

close-identity with U.S. policy, a continued active participation in European integration and active support of NATO as evidenced by its acceptance of IRBMs.

4. *Italy's International Aspirations*. Italy has continued to press for a role in all major international consultations and negotiations affecting Europe and the Mediterranean area. The present government has pursued this ambition with considerable activity. The major factors bearing on this ambition are Italy's growing feeling of self-confidence and national pride and its increased economic and military strength. We are endeavoring to satisfy Italian ambition to the extent it does not conflict with any of our objectives, in the belief that it contributes to government stability and to the continuation of Italy's cooperation and support of our policies and aims.

5. Defense Situation.

a. The effectiveness of the Italian armed forces continues to show improvement despite logistic and organizational weaknesses. On balance, Italian armed forces compare favorably with their European allies. The Italian armed forces will have in July an operational missile capability consisting of three Nike and two Honest John Battalions. Italy has also agreed to accept two IRBM squadrons.

b. The Italian Government recently approved an annual 4% increase in the national defense budget for the next five years. They have accepted the NATO MC–70 force goals. In addition, the Italian Government deems it necessary to have national forces of five infantry divisions and some air and navy forces over and above the immediate MC–70 requirements.

c. The Italian Government has submitted a request for restricted information to be used in a program for the development of certain limited military applications of nuclear energy, particularly in connection with the construction of a nuclear powered submarine. The U.S. has expressed its willingness to discuss the problems involved once the Italian Government has provided a more precise indication of its intended program. This program has not yet been presented.

6. Stability of Italian Political System. In the 1958 elections, the Communists and their allies polled about 37% of the vote. Therefore, it has been difficult to achieve our objective of a strong constitutional, democratic government in Italy. Within this context, however, the stability of the Italian political system is adequate to justify confidence for the foreseeable future in Italy's continued adherence to a democratic form of government, supporting the free world coalition.

7. Communist Power in Italy. The Communist Party remains a major problem. Notwithstanding disturbances behind the Iron Curtain, defections from the Party ranks, generally improved economic conditions in

Italy, [*less than 1 line of source text not declassified*] the Communist Party of Italy (PCI) has retained its main elements of strength, as demonstrated in the national election of May, 1958.

8. *Economic Situation*. Italian economic expansion continued satisfactorily in 1958 although at a reduced rate. Italy's external economic position continues to improve with gold and dollar reserves increasing by almost \$800 million since the end of 1957 to a total of \$2.3 billion in February, 1959. Chronic unemployment and the depressed condition of the South remain Italy's basic economic problems. Constant attention is devoted to them by the Italian Government, however, and progress is being made in the economic expansion of the South.

## 239. Report by the Operations Coordinating Board

July 8, 1959.

## OPERATIONS PLAN FOR ITALY

#### A. Objectives and General Guidance

1. Objective.

An Italy free from Communist domination or serious threat of Communist subversion, having a constitutional, democratic government and a healthy self-sustaining economy, and able and willing to make important political, economic and military contributions in support of the free world coalition.

2. General Guidance.

a. *Exercise of U.S. Influence*. Due to its improved economic, financial and military position, Italy has become increasingly self-confident

Source: Department of State, OCB Files: Lot 62 D 430, Italy. Secret. A statement of "Purpose and Use of the Operations Plan;" Annex A, Agency statements describing U.S. programs in Italy; Annex B, List of arrangements or significant agreements with Italy; Annex C, Intelligence précis on Sino-Soviet Bloc activities in Italy; a Financial Annex; and a Pipeline Analysis are not printed. In an undated memorandum attached to the source text, Bromley Smith, Executive Officer of the OCB, noted that the Board concurred in the Operations Plan for Italy at its July 1 meeting and that this plan superseded the Outline Plan of Operations for Italy approved May 15, 1957. An extract of this plan is printed in *Foreign Relations*, 1955–1957, vol. XXVII, pp. 412–415. Minutes of the July 1 meeting are in Department of State, OCB Files: Lot 62 D 430.

and considers that with its improved position it should have an increasingly important and responsible role in the Western Alliance. [5 lines of source text not declassified]

b. *Consultation and Participation*. In order to encourage continued Italian support for U.S. international policies, the U.S. should consult with Italy on international matters in which the two countries have important national interests. Wherever possible and appropriate, the U.S. should support the desire of Italy to participate in international conferences dealing with matters of concern to the Italians.

c. *Defense*. The U.S. should continue to assist Italy to strengthen its defense capability, emphasizing U.S. support through provision of modern weapons, and encouraging the Italian Government to absorb, in so far as feasible, the costs of conventional weapons and maintenance thereof. MAP assistance will be provided in accordance with established priorities.

d. *Italian Economy*. The Italian economy has progressed, in recent years, to the point at which we need not consider grant economic aid under the MSP. The U.S. should concentrate on facilitating a normal, sound and self-sustaining economic relationship with Italy.

e. Political Orientation of Italian Government. The U.S. should encourage the maintenance in power of a friendly democratic and pro-Western oriented Italian Government based on the support of and/or participation of all or most of the Center parties of which the Christian Democratic Party is the bulwark. These include the Christian Democrats, Social Democrats, Liberals, Republicans, and possibly the Democrats (ex-Monarchists). However, given the complexities of forming a majority government, it is necessary to support minority Christian Democratic left (Social Democrats and Republicans) or the right. [less than 1 line of source text not declassified] We should not support a government which depends for its majority on either the Communist Party, or Socialist Party as presently oriented.

f. Anti-Communist Activities. [less than 1 line of source text not declassified] the Communist Party and Communist influence in Italy are still powerful and will remain, for the foreseeable future, the major threat to the implementation of U.S. policy in Italy, [2 lines of source text not declassified]. The Italian authorities should also be encouraged to employ the legal means at their disposal to weaken the organizational and financial strength of the Communist Party and its affiliated organizations.

g. *Labor*. The U.S. should support the free unions in their effort to combat Communist control over Italian labor. [3-1/2 *lines of source text not declassified*]

B. Operational Guidance

3. U.S. Bilateral and Multilateral Relations with Italy.

a. Our relations with Italy both bilaterally and with respect to multilateral problems involving the UN or other international organizations have in general been excellent. The Italian Government has made special efforts to ensure that Italy's voice internationally be heard and given due weight. It will not always be easy for us to accommodate this Italian desire for consultation and participation in major international decisions which only indirectly involve Italy.

b. We should continue to give maximum support, wherever possible and appropriate, to the Italians on this score. It is important also that we continue to keep the Italians informed, as may be appropriate, regarding our consultations with the French and the British on global subjects, as well as with respect to other international matters in which Italy may have a legitimate interest. In light of evidence that the French are endeavoring to re-establish their special relationship with Italy originally provided in the Santa Margherita Agreement of 1951,<sup>1</sup> we should remain alive to the need of maintaining close contact with the Italians. This is particularly necessary to ensure that French recalcitrance in NATO should not diminish Italy's full support of the alliance.

4. U.S. Interests in Italy's Relations with International Organizations and with Other Nations.

a. International Organizations.

(1) Italy has been one of the most energetic and progressive of the European nations in working towards regional integration and in participating in such organizations as the United Nations, the North Atlantic Treaty Organization (NATO), the Western European Union (WEU), EURATOM, the Coal and Steel Community (CSC), and the Common Market.

(2) The Italian Government's positive attitude toward these movements has served and will continue to serve U.S. interests and should be encouraged. We are particularly interested in encouraging Italy to seek the assistance of OEEC (the Organization for European Economic Cooperation) and other international organizations in efforts to raise the economic level of less developed Italian areas.

<sup>&</sup>lt;sup>1</sup> Italian Prime Minister Alcide de Gasperi and Foreign Minister Carlo Sforza met with French Prime Minister René Pleven and Foreign Minister Robert Schuman at Santa Margherita in northern Italy February 12–14, 1951, to achieve greater coordination between their two countries on international affairs. The meeting resulted in agreements on the future of Germany and the creation of a European military force. The two nations also agreed to cooperate in the strengthening of European unity.

b. Other Nations.

(1) Yugoslavia.

a. We wish to see further reduction of Italo-Yugoslav political and economic tensions.

b. While the U.S. should take no action to encourage escape of Yugoslav nationals, we should continue to take steps towards precluding the involuntary repatriation of Yugoslav national political refugees. The U.S. should provide Italy with technical advice. In light of the limited extent of U.S. interest in Yugoslav refugees in relation to the basic objective of reducing the total problem of refugees, we should provide only limited assistance to supplement Italian and international assistance. Our assistance should primarily emphasize development and maintenance of emigration processing facilities for escapees and refugees.

(2) *Austria*. We should continue to encourage Italy and Austria to resolve the problems of the Alto Adige–South Tyrol bilaterally within the framework of the Gruber–de Gasperi accord.<sup>2</sup>

(3) *Communist Bloc Nations*. We do not wish to see and should discourage any Italian recognition of Communist China and East Germany. In connection with economic relations with these two Communist states, as well as with other Communist bloc nations, we wish to encourage Italy's support for U.S. efforts to maintain COCOM strategic trade controls.

(4) *Somalia*. We wish to see and should encourage maximum Italian support for the future economic viability of Somalia.

5. Special Considerations of Our Military Relations with Italy.

a. Italy should be encouraged to continue the excellent contribution to the NATO defense effort, as marked by its acceptance of IRBMs and its promise to maintain a 4% annual increase of its total defense budget, so that, with U.S. grant aid assistance, Italy can proceed towards meeting NATO MC-70 force level requirements. In addition to the forces immediately required by MC-70 the U.S. recognizes the importance to Italy of certain national forces which will be available to SACEUR in the event of war. The U.S. should continue to permit the Italian Government to use equipment for these national forces which is excess to the needs of the Italian forces immediately required by MC-70.

<sup>&</sup>lt;sup>2</sup> The Gruber–de Gasperi agreement, signed in September 1946 by Italian Prime Minister Alcide de Gasperi and Austrian Foreign Minister Karl Gruber, provided Austrian recognition of the Brenner Pass area as the Italian-Austrian border and Italian guarantees of cultural and administrative autonomy for the German-speaking populace of the Alto– Adige area. In February 1959, the Austrian Government raised the issue of discrimination against German-speaking inhabitants of the Alto–Adige area and demanded greater autonomy for them.

b. The U.S. should maintain forces in Italy primarily in accord with military requirements. However, due regard in this connection should be given to the political factors in Italy.

c. It is important to continue the good progress made in building good troop community relations for our forces stationed in Italy, by special training programs and operational procedures.

6. U.S. Interests in Italian Internal Political Situation.

a. Center

(1) We should keep in touch with all major Christian Democratic Party factions while maintaining close relations with Segni and members of the present government. We should encourage the Christian Democrats as a whole to seek a broad and stable base for the government by inducing the other Center parties to join in coalition with them, whenever the situation permits.

[2 paragraphs (11 lines of source text) not declassified]

b. Left.

(1) [4-1/2 lines of source text not declassified] to the extent feasible, we should encourage the development of autonomist elements within the Socialist Party and expose them to U.S. thinking.

(2) We should continue [*less than 1 line of source text not declassified*] to oppose the Communists and to seek to reduce their hold on nearly 25% of the Italian electorate.

c. Right.

(1) Informal contacts should be maintained with Democratic Party (former Monarchists) leaders in order to evaluate trends within the Party [2 *lines of source text not declassified*].

[1 paragraph (4 lines of source text) not declassified]

d. *Other*. We should maintain correct relations with President Gronchi and expose him as much as possible to U.S. views. Our official attitude should be one of neither approval nor disapproval of his actions on the internal political front. At the same time we should not hesitate to make known our official position in the event President Gronchi's views on the international situation are in conflict with those of the United States.

7. U.S. Interests in the Political Orientation of Italian Labor. We should continue to administer the various U.S. programs, including procurements and U.S. local labor contracts, in Italy in such a manner as to weaken Communist and fellow traveler organizations and to strengthen their opponents, the free labor unions, cooperatives and similar organizations, in the struggle for control of Italian labor. We should also endeavor to discourage company unions which tend to split and weaken the effectiveness of the free trade unions. We should continue to encourage the Italian Government and private employers to

grant preference to the greatest extent possible to the free non-Communist unions in all matters of labor-management relations, and to enact legislation designed to enforce effectively the provisions of labor contracts. We should attempt to discourage any formal or informal collaboration between Communist and anti-Communist labor organizations. American business organizations in Italy should continually be encouraged to follow labor policies helpful to our objectives. On the specific point of use of our visa controls to hinder Communist influence over Italian transport workers, we should continue within the realm of present capabilities the implementation of the law requiring individual seamen's visas and should make an effort to require individual air crewmen's visas, thus hitting at Communist influence over CGIL air crews.

8. U.S. Economic Aims and Activities with Regard to Italy.

a. While Italy has made great progress in the last few years in achieving economic independence and stability, it continues to suffer from demographic pressures and limited natural resources. In our efforts to combat Communist influence, we will continue to find it useful to exercise helpful influence in procuring economic benefits for Italy in the shape of loans, preferably from private sources, for sound development projects, and as may be appropriate, supplies of available U.S. agricultural surplus under approved Title II and Title III Public Law 480 programs for regular voluntary agency programs, school lunch programs, and for emergency situations.

b. We are particularly interested in seeing Italy continue in its progressive liberalization of imports from OEEC countries and eliminate, or at least greatly reduce, the discriminatory treatment of imports from the dollar area. We view as constructive, and to be encouraged, the Italian effort to support liberal trade and commercial practices and policies on the part of Common Market countries vis-à-vis other countries. We are especially interested in influencing the Italian Government toward positive improvements in the atmosphere for both domestic and foreign private investment in Italy, including more satisfactory petroleum legislation and administrative regulations on investment of foreign capital. For further increase in Italian productivity we should continue to support through the European Productivity Agency (EPA) the Italian National Productivity Committee as a continuing Italian institution which will be entirely Italian financed.

c. We should continue to influence the Italians toward using the financial resources of international lending institutions and of various European countries as a supplement to their own governmental and private investment in Italian development. Accompanying this effort, we should continue to exert all appropriate pressure on the Italian business community and conservative political groups to adopt more liberal

business, economic and social policies. We hope to see continued and increased Italian cooperation in this area with other Western European countries, for example, in OEEC, EEC and EPA, designed to help develop free enterprise economy in Europe.

d. We should continue to observe very carefully the activities of Mattei and ENI (Italian State Petroleum Agency) in the political, as well as the economic field.<sup>3</sup> We should under present conditions offer no encouragement to any approach, either official or unofficial, seeking U.S. support for Mattei.

e. We should continue to encourage Italy to develop within the EURATOM framework Italy's promising programs for the application of the peaceful uses of atomic energy. Italy should also be encouraged to actively support the International Atomic Energy Agency through an increased donation of talent and resources and participation in Agency projects; and to maintain an active interest in the joint projects of the OEEC, notably those relating to third party liability and to chemical reprocessing of nuclear fuel elements. To the extent appropriate, we should seek to advance the early adoption of comprehensive internal atomic energy legislation, the absence of which has handicapped Italy's efforts to exploit the peaceful uses of the atom.

9. Attitudes Toward U.S. Personnel Overseas.

a. We must continue to take positive actions to improve foreign attitudes towards U.S. personnel overseas and to remove sources of friction. The special report prepared by the OCB, "United States Employees

<sup>&</sup>lt;sup>3</sup> At its July 1 meeting, the OCB discussed the activities of Mattei and ENI:

<sup>&</sup>quot;In response to a question by Mr. Harr (Acting Chairman), the Board discussed Enrico Mattei and the Italian petroleum monopoly. Mr. Phelan noted the U.S. had not been approached by the Italian Government on this question since the resignation of the Fanfani government with whom Sr. Mattei had close connections. There were some indications that ENI was over-committed overseas and might curtail operations. Mr. Dulles (CIA) [2-1/2 lines of source text not declassified] noted Italian dependence on POL imports for which Italy pays millions of dollars in foreign exchange each year. Especially since the new oil strike in Libya, Italy will feel herself excluded from participation in sharing world petroleum. U.S. cooperation and consultation with Italy in the area of petroleum supply would be especially meaningful. Mr. Dulles said the U.S. must look ahead or we will inevitably face commercial and political problems arising in this connection with Italy and possibly Japan and Germany. Mr. Murphy expressed general agreement with Mr. Dulles on this point.

<sup>&</sup>quot;Mr. Harr proposed a special study of this matter. Mr. Dulles suggested private Italian companies could perhaps participate instead of the Italian Government. He thought American oil companies might be inclined to cooperate. Mr. Harr suggested that the Italian Working Group examine this question and report to the Board. (Reaction of the other members to this suggestion was not made known.) Mr. Dulles suggested a high-level approach by a senior U.S. official to appropriate American oil representatives. Mr. Murphy said this had been done previously and might be useful again." (Department of State, OCB Files: Lot 62 D 430, Preliminary Notes 1959–60)

Overseas: An Inter-Agency Report",<sup>4</sup> dated April 1958 is an effort to provide a common approach and guidance in this field.

b. Hold to a minimum consistent with the program requirements the number of U.S. citizens employed by the U.S. Government in Italy; insure that newly assigned U.S. personnel receive orientation and that their dependents receive appropriate indoctrination in the field; and periodically remind them that they represent the United States abroad and are expected to maintain a high standard of personal conduct and of respect for local laws and customs.

*Note:* See latest National Intelligence Estimate, NIE 24–58, dated November 4, 1958, entitled "The Political Outlook in Italy".<sup>5</sup>

### 240. Memorandum of Conversation

US/MC/123

Geneva, July 12, 1959, 4 p.m.

## UNITED STATES DELEGATION TO THE MEETING OF FOREIGN MINISTERS

### Palais des Nations, Geneva, 1959

#### PARTICIPANTS

United States

Italian

Secretary Herter Mr. Merchant Mr. Stoessel Foreign Minister Pella Ambassador Straneo Mr. Pansa

<sup>&</sup>lt;sup>4</sup> This report commented on legal, personal, and community relations problems facing U.S. military and civilian employees serving overseas. (*Ibid.*, Overseas Personnel) <sup>5</sup> See Document 227.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1341. Confidential. Drafted by Stoessel on July 13 and approved by Merchant and Herter. The meeting took place at the Villa Greta. Memoranda of the discussion of Algeria and Somalia (US/MC/124) and Israel and NATO (US/MC/125) are *ibid*.

#### SUBJECT

**European Questions** 

After expressing appreciation for the Secretary's courtesy in receiving him, Mr. Pella said he would like to begin his presentation by discussing certain matters which were not directly concerned with the Geneva Conference. In the first place, he thought it might be of interest to review the conversations recently held with President de Gaulle in Rome.<sup>1</sup> Mr. Pella said that, during these discussions, there had been no discussion of Algeria or a Mediterranean Pact. However, there were discussions under three general headings, which he thought it might be useful to comment on further. These headings were (a) European cooperation, (b) aid to underdeveloped countries, and (c) de Gaulle's views on consultation among Western powers.

With regard to European cooperation, Mr. Pella said that the Italians had suggested that questions involving consultation between European powers should be put in the framework of the Six, rather than on a narrower basis of consultations limited to three or even two powers. Mr. Pella said that de Gaulle had readily accepted this Italian viewpoint on the condition that consultations among the Six would involve political *cooperation* and not political *integration*. Mr. Pella commented that this was in accord with de Gaulle's views concerning a "Europe de patries". However, Mr. Pella remarked, if one is realistic it must be recognized that political integration in Europe is impossible at present and that the only feasible prospect in the short term is political cooperation between the countries.

Mr. Pella said that the Italians had made clear in the de Gaulle conversations that, for them, cooperation between the European Six represented a point of departure which would contribute to cooperation on a broader basis in the future. He said that Italy does not believe that the Europe of Six should attempt to turn in on itself and constitute a closed bloc.

The Secretary inquired if NATO problems had been discussed with de Gaulle. Mr. Pella replied that NATO had been discussed in only the most general terms. It had been said that increased cooperation among the European Six could help in giving more vitality to NATO. Mr. Pella said that de Gaulle had not spoken of any desire on the part of France for primacy in the Alliance or in Europe, although Mr. Pella cautioned that absence of comments by de Gaulle on this subject did not mean that he did not have something of this kind in mind for its future. So far as the proposals for meetings among the Six were concerned, de Gaulle had agreed to the idea that the meetings should be held by rotation in each

<sup>&</sup>lt;sup>1</sup> De Gaulle made a 5-day State visit to Rome beginning June 23.

country. A small secretariat might be organized in connection with these meetings, and Mr. Pella thought that the secretariat might be located in Paris.

The Secretary inquired whether de Gaulle had spoken of the Common Market, Euratom, or the Coal and Steel Community, in the sense of wishing to do away with them. Mr. Pella answered negatively, although he said that, on the other hand, the Italians had not heard any "warm declarations" by de Gaulle concerning these institutions. Mr. Pella mentioned that, prior to the visit of Prime Minister Segni to Paris<sup>2</sup> to see de Gaulle, he had been worried about de Gaulle's reported opposition to the European organizations. Since then, however, he has been reassured on this score, since his contacts in French circles have told him that de Gaulle has chosen a "European line".

Mr. Pella asked if the Secretary shared the Italian views concerning the desirability of increasing the ties between the European Six. Mr. Pella said that he believed such cooperation has many advantages, including the negative one of making it more difficult for de Gaulle to push his ideas of closer association among a smaller number of countries.

The Secretary said that, before replying to Mr. Pella's last point, he wished to revert for a moment to NATO matters. He said that he was very concerned about de Gaulle's views on NATO and some of the actions he had taken recently, such as the decision concerning the French Mediterranean Fleet, the problem of the nine squadrons, etc. De Gaulle seemed to have a very nationalistic approach to military matters. This has been tried in earlier times, but it is completely outmoded and inefficient in the present situation. The Secretary said that, if de Gaulle carried his views to the extreme, this would encourage the tendency in the U.S. to think that we should get our troops out of Europe.

Mr. Pella commented that the Italians also were worried about de Gaulle's actions on the fleet, the problem of the squadrons, and France's desire for a kind of directorate. He said that the Italians opposed certain aspects of de Gaulle's policies and that they had tried to make this clear by maintaining "opportune silences" at various stages in the Rome conversations. However, the Italians believe that their idea of closer cooperation among the Six may be useful in countering de Gaulle's views, especially since some of the smaller countries will then be able to express directly to the French their feelings opposing some aspects of French policy.

The Secretary then referred to Mr. Pella's inquiry concerning our views regarding increased cooperation among the Six. He said that the

<sup>&</sup>lt;sup>2</sup>Segni met with de Gaulle in Paris on March 20.

U.S. had always believed that any movement toward greater integration in the economic or political field in Europe, whether on a small or large scale, is a desirable thing. It adds strength to the smaller nations who are encouraged to act together and thereby to strengthen the whole. Mr. Pella was gratified to hear these views from the Secretary, which he said confirmed information previously received concerning the U.S. position from Ambassador Brosio.

Mr. Pella went on to say that the Italians desire above all, in connection with the proposal for closer cooperation among the Six, to avoid offending London. He stressed Italian friendship with the U.K. and said that Italy wants the framework of cooperation with the U.K. to be as large as possible. Mr. Pella stated that, in contacts in Paris and Bonn, the Italians have consistently expressed the view that it is undesirable to stimulate a division between the U.K. and the Continent. Of course, he remarked, this carries the implication that the U.K. itself understands the desirability of cooperation with Europe. This, however, is not too clear as yet, he added.

Turning to the subject of aid to underdeveloped countries, Mr. Pella said that the formula adopted in Rome had been a very general one, although the idea was to help primarily the Middle East and certain countries of the Mediterranean. Mr. Pella remarked that the Italians do not believe it is possible to help the whole world. He thought it was advisable to support the concept of aiding countries without any discrimination on political or other grounds, particularly in order to prevent giving the Soviets a propaganda advantage. Mr. Pella also said that, while it is quite well for Europe to pledge support for an aid program, Italy realizes that, without the U.S. and without the support of such organizations as the World Bank or the Export-Import Bank, it is impossible to visualize large-scale enterprises.

The Secretary commented that, when French Finance Minister Pinay was in the U.S. in the spring, we had held a number of discussions with him concerning the de Gaulle aid program, which was not a very clear one. Pinay had agreed with us that, for the present, the best way of approaching the problem of aid to under-developed countries was through the establishment of a new fiduciary institution which would be attached to the World Bank. Pinay apparently hoped to persuade de Gaulle of this. The Secretary said that we see great difficulty with de Gaulle's vague program which involves collaboration with the Soviets and which seems to be based on the idea that the West will win a propaganda victory through Soviet refusal to accept such a proposal.

Mr. Pella said the Italians see the same difficulties as we do with de Gaulle's proposal and, therefore, they had refrained from exploring it further through experts. Although de Gaulle's ideas are vague, the Italians have the general impression that the proposal would involve a

Directing Committee, with dependent bodies which would concern themselves with financing, programming and execution of a multilateral aid program. Mr. Pella said there was some indication from the French that they would contemplate representation by the underdeveloped countries themselves in the administrative organization and direction of the program. Mr. Pella alluded in this connection to the possibility, which he said had been suggested by Mr. Black of the World Bank, that some of the petroleum producing countries in the underdeveloped area might contribute profits from their petroleum production to an aid program.

Mr. Pella said the Italians have no concrete proposals to make for an aid program, although the Italians would be in a position to submit such proposals for study within four to six weeks. He thought, however, that it was well to be cautious in making proposals in order not to raise too many illusions.

On the subject of de Gaulle's views concerning Western consultations, Mr. Pella said that de Gaulle had made clear that, following a Summit meeting, or a decision not to hold a Summit meeting, a "new phase" would have opened in international affairs which would call for consultations between Western Powers. Mr. Pella stated that de Gaulle had not been more specific than this and that the Italians had felt the question was such a delicate one that they did not feel it was advisable to explore it further.

Mr. Pella concluded this portion of his presentation by saying that the Italians in general had received an excellent impression of de Gaulle and of his balanced approach to problems. De Gaulle had refrained from adopting any extreme positions and no difficult polemics, which the Italians had feared might develop, took place in the Rome discussions. The Italians found that de Gaulle was more relaxed and "easier" than they had expected.

The Secretary said he was interested to hear that the Mediterranean Pact idea had not been discussed in Rome. Many newspapers had indicated that this was the main subject of the conversations. Mr. Pella responded that the French press had launched this idea, but that de Gaulle had never raised it. Perhaps he had been impressed by the fact that, in earlier conversations with the King of Greece and the President of Turkey, the Italians had spoken favorably of a "Mediterranean spirit" but had carefully refrained from mentioning a Mediterranean Pact.

Mr. Pella said that, during the Rome discussions, there had been discussion of Spain. It was agreed by both parties that it was desirable for Spain to be drawn into greater cooperation with the European economy. In reply to a question from the Secretary, Mr. Pella stated that there had been no detailed discussion of Spain's relationship to the OEEC, but the general idea seemed to be that, eventually, Spain should become a full member of this body. He thought this obviously would have to take place gradually, since it was difficult for Spain to accept some of the obligations involved. He asked if this corresponded to the U.S. position.

The Secretary responded affirmatively, saying that we favored Spain in the OEEC if the other countries felt this was desirable. He understood, however, that there were certain technical difficulties involved in Spanish accession to the OEEC.

Mr. Pella then raised the problem of France and its attitudes toward the Alliance. He was inclined to be quite concerned and wondered what could be done about the problem. The Secretary said that the answers to some of the questions involved in this problem could only come after a meeting between Presidents Eisenhower and de Gaulle. Certain of these matters go very deep and it seems that no one of any lesser stature than the President will be able to have a satisfactory conversation with de Gaulle on these subjects. The Secretary said he hoped that the occasion would present itself soon for a meeting between de Gaulle and the President. He noted that it seems clear that de Gaulle will not come to the U.S.

After discussing other matters, Mr. Pella said that, in connection with matters concerning the Geneva Conference, he would hope to have a further discussion with the Secretary at some later date. He noted that it was difficult for Italy, and for him personally, to continue to press so insistently for a closer association of Italy with the Conference. However, this was something which related to political conditions in Italy and it could not be avoided. He said that this is a question which should be considered in human terms, that he represents a country of 50 million people who are running certain risks for the West. Therefore, he hoped the Secretary would forgive him if he said that Italian insistence on closer associations would not diminish in the future.

The Secretary said he had hoped that this problem would be less acute since the discussions in Geneva are now almost entirely on Berlin.

## 241. Editorial Note

Prime Minister Antonio Segni and Foreign Minister Giuseppi Pella made an official visit to the United States from September 30 to October 4. The invitation to visit the United States was issued at Segni's request and was timed to increase his prestige immediately prior to the national congress of the Christian Democratic Party. (Scope Paper for Segni visit; Department of State, Conference Files: Lot 64 D 560, CF 1491) Segni, Pella, and Ambassador Brosio met with President Eisenhower and Secretary of State Herter at the White House at 11:30 a.m. on September 30; see Documents 242–247. Further discussions among Prime Minister Segni, Foreign Minister Pella, and Secretary Herter took place at the Department of State on the morning of October 1 and in the afternoon of October 2; see Documents 248–258. Segni's party left Washington on the morning of October 3 and after a 2-day visit to New York flew back to Rome on the evening of October 4. For texts of official communiqués issued during the Segni visit, see Department of State *Bulletin*, October 19, 1959, pages 541–543. Documentation on the meetings is in Department of State, Conference Files: Lot 64 D 560, CF 1490–1499.

## 242. Memorandum of Conversation

PSV/MC/1

September 30, 1959.

#### SEGNI VISIT

SUBJECT

Khrushchev and Germany

PARTICIPANTS	
US	Italy
The President	Prime Minister Segni
Secretary of State Herter	Foreign Minister Pella
Mr. Kohler	Mr. Straneo
Col. Walters, interpreting	Ambassador Brosio

After the usual greetings and complimentary exchanges, the President invited Signor Segni to open the conversation. Mr. Segni said he was happy to be the first to visit the President on the heel of a very notable other visit.

The President laughed and said that the Italian visit was certainly much easier. Segni then said that he would be very glad to have the President's impressions of the Khrushchev visit and his conversations with him.<sup>1</sup>

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Kohler and cleared by S and the White House on October 14. The meeting was held at the White House. Six separate memoranda of this meeting were prepared; see Documents 243–247. PSV/MC/7, which dealt with the final text of the joint communiqué, is not printed. (Department of State, Conference Files: Lot 64 D 560, CF 1490)

<sup>&</sup>lt;sup>1</sup>Soviet Premier Nikita S. Khrushchev visited the United States September 15–28.

The President said that Mr. Khrushchev was a very extraordinary personality. He was able to shift from a lively show of opposition to a friendly and cordial attitude in a matter of ten seconds or so. If Mr. Khrushchev had to accept a position against his will, he was capable during the next twenty minutes or more of expressing his displeasurethe President would not say, by bad manners-but at least by needling remarks. The President said he was sure that Khrushchev wants a real program of disarmament but he was not sure that the Chairman was ready to pay the price of effective inspection. However, he certainly wants some relief in the disarmament field. Most of Khrushchev's conversations on disarmament had focused on the high cost of arms, particularly the advanced nuclear and missile types, and in the field of exploration of outer space. The President said that Khrushchev felt he must reduce his arms expenditures so that he could use the money to benefit the Soviet people. As the communiqué had revealed, not much substantive discussion took place. The President had certainly not undertaken to talk for his allies. However, he felt that some progress had been made in creating a situation in which further discussions could take place in a more reasonable fashion. In the end the important fact was that Khrushchev had taken off the ultimatum.<sup>2</sup>

The President said Khrushchev knew very well that he, the President, would say that we are prepared to negotiate with respect to Berlin on a friendly basis. He had agreed with Khrushchev that such negotiations should be expeditious while Khrushchev had agreed that there would be no time limit. The President noted that Khrushchev had promptly confirmed the President's press conference remarks about this agreement which he thought showed some readiness on the part of Khrushchev to go along and keep his word.

The President had thought at first that Khrushchev had the notion that he could separate the American people from the US Government as respects foreign affairs. However, Khrushchev had told the President that he had changed his mind on this. The President thought that at least one reason was that so many Democrats had affirmed to Khrushchev approval of the President's policies.

Mr. Herter intervened at this time to say he thought the President was underestimating his own efforts in influencing Khrushchev, to which the President commented that—"well, we were all working on it."

<sup>&</sup>lt;sup>2</sup> In November 1958, the Soviet Union proposed the establishment of a "free city" of Berlin and set a deadline (later postponed by Khrushchev) of May 1959 for transfer of its control responsibilities in Berlin to the German Democratic Republic.

Mr. Segni said that in Turkey he had found considerable concern on the part of the President and Prime Minister with respect to the Khrushchev visit. The Turks distrusted the Russians, especially now that Russia is also Communist. He thought that we must place a high value on the Turkish opinions, since they well knew the Russians and the Russian Communists. The Italians themselves had some Communist disciples in Italy. The Italian Government shared the Turkish distrust of Moscow.

The President agreed with Mr. Segni's statement, saying we must always have proof of good faith.

Mr. Segni resumed to say that the Turks felt that Khrushchev's visit to the US was not undertaken in good faith. They thought there was an attempt to split the allies. The Italians had reassured the Turks that President Eisenhower would not fall for this Soviet divisive maneuver. In saying this, they had known that they could count on the confidence and friendship between the President and themselves. Of course Italy, like France and Germany, he continued, has Communists inside the walls. Also, the Russians were trying to use the relaxation of tensions for their own political purposes. The Italians were particularly concerned by some tendencies they saw in the Social Democratic Party in Germany. Mr. Segni knew from German friends, other than Adenauer, the Germans were also concerned. The Italians favor high level discussions but think it essential that these not be allowed to be presented as a Communist victory, which the Communists can exploit for their own political ends. He thought it important that all members of the NATO alliance get together and decide on what proposals the West puts forward.

The President commented that we in the West had been trying for years and have already put forward many proposals. Mr. Segni said it would be well to recall this publicly. The President agreed, but added that he feared the Communist propaganda was stronger than ours.

Mr. Segni repeated that it was important to avoid giving the Communists material which they could exploit for their own moral rehabilitation. He cited Togliatti as saying recently that the "barbarism of anti-Communism"<sup>3</sup> should disappear from the scene. He felt it was important not to let the Communists get away with this kind of thing.

The President said in his talks with Khrushchev he had stressed the extent of the actual Western disarmament which had been undertaken after World War II. This course had been reversed, he had told Khrushchev, only as a result of Communist aggression in Korea, Berlin,

<sup>&</sup>lt;sup>3</sup> In an article in the September 1959 issue of *Rinascita*, Italian Communist Party General Secretary Palmiro Togliatti attacked the policy of isolating the Communists as a bankrupt remnant of the cold war.

Czechoslovakia and Vietnam. These hostile moves had alarmed the American people. Consequently our armed forces budget, which had been below 12 million dollars in 1949, was now four times that amount. The President pointed out that there was a large array of historical fact to show that the Western readiness to disarm was genuine and antedated the Soviet proposals.

Mr. Segni replied that this was correct. The Italians had favored these measures even before the President had gone to Geneva in 1955. He then inquired what the President thought Khrushchev seeks with respect to Berlin.

The President replied that in his talks Khrushchev had demanded that what he called the remnants of World War II be eliminated. What Khrushchev really wants is to get our garrisons out of West Berlin. Khrushchev realizes that they are not [only?] important militarily in case of war but also that their presence means that any attempt to use force would precipitate war. The President said that we must admit that we are in a bad spot in Berlin, and that the situation is abnormal, with some two million West Berliners a hundred kilometers away from the borders of West Germany, to which they are related. Khrushchev had repeated his threat of concluding a peace treaty to which the President had replied that this could not affect our rights or lessen US determination to protect the freedom and security of the People of West Berlin. The President said of course Mr. Segni knew the nature of Mr. Khrushchev's proposals of last November. The President said he had asked his own people to make a new study as to how it might be possible to meet the needs of the West Berliners and the European countries concerned in general and still achieve some relaxation in the situation. He felt that we must all put our heads together and see what we could accept in the way of a solution. It was clear to him that East and West Germany were not going to be reunified for a long time. It was good to talk about reunification, but this was clearly not in the realm of immediate possibility. Consequently, to tie the question of Berlin to reunification of Germany was not a realistic approach. However, we must, of course, make sure that whatever we carry out with respect to West Berlin did not lose the freedom or security of the West Berliners and that they be protected in their communications with West Germany. It was possible that reduced garrisons attached in some way to the UN might be something that would be acceptable. He wanted to say, however, that he was thinking aloud in offering these suggestions, which he had not yet even discussed with his Secretary of State. However, he felt that there must be some method of securing a modus vivendi in Berlin between the extremes of war or surrender.

Mr. Segni said that Berlin was an important question, particularly for West German opinion. It was essential that we maintain hope in West Germany. Otherwise we would risk undermining the foundations of democracy in the Federal Republic. In the Italian view the collapse of the present Federal Government and its replacement by the Social-Democrats would open the way to Communism in West Germany. The Italians had great fear of the results of a withdrawal of the Western troops from Berlin. Had any discussion taken place as to possibility of a "free city" which would include all of Berlin?

The President replied that we had proposed such a solution but it had been rejected.

Mr. Segni continued that the Italians agreed that it was not normal that a great city like Berlin should be divided. They shared the President's feeling that West Berlin with its freely elected and democratic government was really a part of West Germany. If the Soviets could say that East Berlin were really a part of East Germany, then West Berlin was certainly a part of the German Federal Republic.

The President agreed with Mr. Segni, then turned to Secretary Herter to inquire as to the exact situation. The Secretary explained that while West Berlin was in fact under the German basic law<sup>4</sup> a part of the German Federal Republic, this particular provision of the basic law was suspended by allied directive.

Mr. Segni repeated that he felt that the President had made an important statement in emphasizing the connection between West Berlin and West Germany.

The President commented that he had insisted in his talks with Khrushchev that any Berlin solution must be acceptable to the West Berliners and to the West Germans, and that this was in fact confirmed in the communiqué and in his press conference.

Mr. Segni said the Italians feel that if forces in Berlin were placed under the UN, it would in fact take away some of this concept of the basic unity between West Berlin and West Germany.

The President said he did not disagree with Mr. Segni's statement. He was merely seeking methods by which we could assure some new arrangement with respect to Berlin which still would insure that any attack on the freedom of Berlin was an attack on all of us. We had had experience with the UN presence in other situations and had found that it was not necessarily a derogation of sovereignty. The West, he said, must try to find a way out of the dilemma.

Mr. Segni commented that this must be a way which did not break the spirit of the West Germans. He then went on to ask how the Presi-

<sup>&</sup>lt;sup>4</sup> Reference is to the Constitution of the Federal Republic of Germany which went into force on September 21, 1949.

dent saw the re-opening of negotiations—did he contemplate a resumption of the Geneva talks?

The President replied that he didn't know. He was just mulling over how we could avoid a sacrifice of the rights of the West Berliners and the West Germans and still remove the challenge of war from the situation. He commented that the Soviets had the theme of simply seeking a peace treaty. However, they made it clear that the conclusion of a peace treaty would result in a cutting off of communications and they thus sought to make us the aggressors in protecting these communications. He said it was a complicated situation—a real can of worms.

Mr. Segni referred to the President's previous statements that he would not attend a summit conference unless there was real hope of progress. How did the President feel on this subject now after his talks with Khrushchev?

In reply, the President referred to his remarks to the press conference on Monday, in which he had said that most of the objections that he had entertained about a meeting of the heads of government had been removed by the talks. Consequently, if the allies agree, he would personally be prepared to go to a summit meeting. The President said he thought there was no question but that the attitude and the atmosphere had changed quite a bit. There was no telling how long this changed situation would last. It could change back tomorrow. However, he thought there was every sign that Khrushchev really wanted an agreement which would help him at home and which he could get us to accept. He was sure that Khrushchev wants to raise the standards of living of the Soviet people; also that Khrushchev feels that he has some problems with the Chinese. He cited an example of the talks which had been held between Chairman McCone of AEC and Yemelyanov, the head of the Soviet Atomic Energy organization.<sup>5</sup>The latter had told Mr. McCone frankly that he wanted a partnership in peaceful development of atomic energy under the IAEA so that he could reduce the drain on the Soviet budget. The Soviets simply did not have enough money for atomic development. In conclusion the President said he thinks Khrushchev realizes the Soviet Union must be more conciliatory than in the past.

Mr. Segni commented that he felt the USSR really wanted extensive help, since they had even asked Italy, a poor country, for credit.

<sup>&</sup>lt;sup>5</sup> These talks, which began during the Khrushchev visit, resulted in an agreement on cooperation in research on peaceful uses of atomic energy signed in Washington, November 24.

# 243. Memorandum of Conversation

PSV/MC/2

September 30, 1959.

#### SEGNI VISIT

SUBJECT

Disarmament

[Here follows the same list of participants as Document 242.]

Mr. Segni commented that the Italians know that the President is their friend. He then went on to inquire whether Khrushchev had discussed his disarmament plan<sup>1</sup> with the President?

The President replied that he had only told Khrushchev that we would study the plan and proposals he had made in the UN. He said there was no question but that Khrushchev thinks he has scored a propaganda victory with these proposals. However, beyond that he would repeat his conviction that Khrushchev wants a relaxation and easement.

Mr. Segni said he agreed. He felt that Khrushchev felt a need to give more satisfaction to the Soviet people. However, he said the Italians feel that Khrushchev would seek only atomic disarmament, leaving Europe open to and at the mercy of the huge Soviet conventional armed forces. Referring to the recently established Ten-Power disarmament group,<sup>2</sup> with which Italy is associated, he then inquired whether the US had any proposals which they contemplated submitting to this forum.

The President replied that about two months ago he had set up a special study group in the US Government under the Chairmanship of Mr. Coolidge.<sup>3</sup> This group would review the whole course of the disarmament question since 1945, examine both Western and Soviet proposals and the reasons why they had been rejected. This group would seek to develop reasonable and fair proposals. The main difficulty in

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Kohler and cleared by S and the White House on October 14. The meeting was held at the White House. See also Documents 242 and 244–247.

<sup>&</sup>lt;sup>1</sup> In a September 17 speech to the U.N. General Assembly, Khrushchev called for "general and complete disarmament" without outlining specific proposals for attaining this goal.

<sup>&</sup>lt;sup>2</sup> On September 7, a Ten-Power Committee on Disarmament was established by an agreement of the United States, Soviet Union, United Kingdom, and France. At an October 21 meeting of NATO Foreign Ministers, the five Western states on the committee issued a statement calling for an initial meeting of the committee on or about March 15, 1960.

<sup>&</sup>lt;sup>3</sup>On July 29, Eisenhower appointed Charles Allerton Coolidge, a Boston lawyer, to head an interagency study of comprehensive and partial arms control measures.

disarmament resided in our insistence on effective inspection, on the one side, and, on the other, Soviet efforts to evade effective inspection. If this question could be solved, then we would be on our way to effective disarmament.

Mr. Segni replied that he agreed with the President that inspection was essential. He added he thought that inspection arrangements should be linked step by step with actual disarmament measures. The President indicated his agreement with this statement. Mr. Segni then inquired whether Khrushchev had referred to any regional plans. The President indicated that he had not, but Secretary Herter said that Gromyko had asked whether the US had given any consideration to the proposal of a European zone of arms limitation and that he, the Secretary, had replied, "Only in connection with the proposed reunification of Germany." Mr. Segni then resumed, saying that he considered it very dangerous if there should be any regional proposals which would have the effect of depriving the German Federal Republic of arms and thus open the way to an invasion of Europe.

# 244. Memorandum of Conversation

PSV/MC/3

September 30, 1959.

SEGNI VISIT

SUBJECT

Dollar Discrimination

[Here follows the same list of participants as Document 242.]

The President turned the direction of the conversation by commenting that he understood the Italians had plenty of gold and reserves. He would like to ask them to remove the restrictions on dollar imports.<sup>1</sup> He then reverted to the previous subject and said clearly the West should not extend long-term credits to the Soviet Union.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Kohler and cleared by S and the White House on October 14. The meeting was held at the White House. See also Documents 242–243 and 245–247.

<sup>&</sup>lt;sup>1</sup> Italy maintained discriminatory import restrictions on goods coming from the United States in spite of having lifted the majority of restrictions imposed on goods coming from the Common Market nations.

Mr. Segni confirmed that for the time being it was true that Italy had a favorable balance of payments, but this was thanks mainly to the heavy tourist traffic which was a somewhat precarious source.

The President commented that we certainly had never imposed any restrictions or discriminations on Italian imports. Similarly, we certainly do not discourage tourists.

## 245. Memorandum of Conversation

PSV/MC/4

September 30, 1959.

SEGNI VISIT

SUBJECT

Common Market

[Here follows the same list of participants as Document 242.]

Mr. Segni then turned to the question of the Common Market, referring to the talks with the President in Paris with respect to increasing political consultation among the Six.<sup>1</sup> He wanted to reaffirm that such political consultation was not directed against anyone and did not diminish in any way the importance which the Italians ascribe to NATO. The President replied that he had not had any suspicions as to the Italian attitude in this respect.

The President then noted that it was time for the luncheon to begin and suggested that the talks be resumed after the luncheon. The meeting broke up at 1:00 p.m.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Kohler and cleared by S and the White House on October 14. The meeting was held at the White House. See also Documents 242–244 and 246–247.

<sup>&</sup>lt;sup>1</sup>At the NATO Ministerial Meeting December 16–18, 1958.

## 246. Memorandum of Conversation

PSV/MC/5

September 30, 1959.

# SEGNI VISIT

SUBJECT

Aid to Underdeveloped Countries

[Here follows the same list of participants as Document 242.]

Following the luncheon for Prime Minister Segni in the White House, the President and the Prime Minister returned to the President's office, accompanied by their aides, to continue the discussions. The President opened the session by presenting to the Prime Minister an inscribed photograph, which he described jocularly as an "egotistical" act. Mr. Segni expressed warm appreciation.

The President then said that he had suggested that the conversations be resumed to see whether there were points which should be discussed which had not been touched on in the morning session. He knew, of course, that the Prime Minister and his group would be having long conversations with the Secretary of State and others in the State Department.

Mr. Segni replied that, with the President's permission, he would like to ask Foreign Minister Pella to talk about the question of aid to underdeveloped areas. The Italians were interested in this subject and had a particular interest, in this connection, in Turkey and Iran.

Mr. Pella then referred to the brief talk which had been had with the President and the Secretary on the subject of aid in Paris, <sup>1</sup> indicating that the Italians had also had discussions with General de Gaulle and with representatives of Benelux and of Iran and Turkey. He then sketched out some of the general considerations figuring in Italian thinking on the subject, referring particularly to the desirability of developing policies within the Common Market to enable the Six countries to increase their aid to and purchases from the underdeveloped areas.

Mr. Pella said the first question in connection with the possible organization of foreign aid was—what countries would be the source of development aid. Obviously the US with its resources would be the leader, but others should certainly do their part. The question arose as to

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Kohler and cleared by S and the White House on October 14. The meeting was held at the White House. See also Documents 242–245 and 247.

<sup>&</sup>lt;sup>1</sup> At the NATO Ministerial Meeting December 16–18, 1958.

whether the Russians should be included. The Italians were rather inclined against such inclusion.

The President commented that his off-hand reaction was that until there was a better political climate and some development of trust, it would not seem practicable to him to include the Soviet Union.

Mr. Pella expressed agreement with the President's statement. He then went on to say that the next question was—what countries should receive assistance, and categorized them as: first, friendly countries; secondly, countries of strategic importance; and finally, uncommitted countries, notably the emergent nations in Africa. He said that the Italians considered that it would be a good idea to create regional groupings of countries which would be composed of both recipient and donor country representatives. They considered that such regional groupings would give the recipients a greater sense of equality and of participation and induce greater responsibility in the use of aid. He said the Italians would hope that the IDA could be connected with the implementation of this regional plan. In this connection he referred to a forthcoming meeting of the Common Market countries in October, when it would be possible to discuss the Italian ideas. In view of this, the Italians would like an indication of US views.

The President said that this was a thing which needed consideration in greater detail than could be had in the present discussion. All the members of various countries with whom he had contact in recent months had expressed much interest in the idea of aid to underdeveloped countries, but a number of them had a very special interest in the field. For example, de Gaulle has a special concern about aid to the French Community. Similarly the British were interested in development inside the Commonwealth. This left the US, Germany, and Italy, and some of our smaller friends as the only countries with flexibility in their approach to the problem. There was a need to get together to consider how the burdens of development aid should be divided.

Secretary Herter commented that the Belgian position, for example, was that if the Congo could get more aid by joining international schemes than Belgium alone could provide, then they would be interested in joining. Otherwise they would not be interested.

Ambassador Brosio said he wished to clarify the President's meaning as to which countries he meant should confer on the question of the division of the burden of development aid.

The President replied he thought all the free nations should get together, including France and Britain. He had not meant to suggest that just the countries with flexibility in the matter would be the ones to confer. Mr. Pella said that he agreed that France and Britain must be included in any discussion of the subject.

The President likewise agreed but pointed out that France and Britain might not want to work on a broad international scale or to take a role with respect, for example, to Burma or some of the Middle Eastern countries.

Mr. Pella then inquired whether, specifically, the President would encourage the Italians to explore the subject of aid along lines which had been discussed.

The President replied affirmatively but asked that Secretary Herter be kept closely informed. The Secretary then suggested that Mr. Pella's breakfast meeting with Mr. Black of IBRD tomorrow morning would be a good occasion on which to discuss the matter further.

Mr. Segni said that we should not forget the needs of certain NATO countries. Turkey, for example, had great needs and also had great resources and development possibilities. He likewise wanted to mention Iran in this connection; Iran was an important pillar of our Western defense.

# 247. Memorandum of Conversation

PSV/MC/6

September 30, 1959.

#### SEGNI VISIT

SUBJECT

Alto Adige

[Here follows the same list of participants as Document 242.]

Mr. Segni then turned to the subject of the current dispute between Italy and Austria on the subject of the Alto Adige, which had been raised by Austrian Foreign Minister Kreisky in the UN. He said that the status of this territory had been regulated in 1946 by an agreement between Gruber and de Gasperi which had been incorporated in the peace treaty.<sup>1</sup> Under this agreement the Adige enjoyed a considerable

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Kohler and cleared by S and the White House on October 14. The meeting was held at the White House. See also Documents 242–246.

<sup>&</sup>lt;sup>1</sup>Reference is to the Treaty of Paris, ratified September 15, 1947. Regarding the Gruber-de Gasperi agreement, see footnote 2, Document 239.

autonomy. Mr. Gruber and other Western representatives in 1948 had expressed full satisfaction with the arrangements. Under the agreement, over two hundred thousand Italian citizens who had chosen Germany during the war came back into Italy. The Italians were carrying out the provisions of the agreement by voting special laws, which they were regularly implementing. The area had three deputies and two Senators in the Italian Parliament. Recently there had been a movement started among this German-speaking population. It had now become clear that they wanted not just autonomy but separation from Italy and reunion with Austria. This was a position which Italy could not accept. The status of the area had originally been established in 1919 and really reconfirmed only in 1947. Even the Italian Communists could not accept separation of the Adige from Italy.

Mr. Segni emphasized that the Italians had really tried to carry out the Gruber-de Gasperi agreement, though there were a few steps still to be completed. He described the area as having a very mixed population, not only of German and Italian speaking elements, but also Ladinos, who are more Italian than German. The region was a part of the territory of Italy and the Italians would not give it up. It was possible that the movement had been agitated from Moscow. In any case, the people who were making the most noise were Nazis twenty years ago. If the movement were to be successful, it would lead to danger from Austria tomorrow, later maybe even from Germany, though, he noted in this latter connection, there was practically no German support for the movement today. However, if the movement were further agitated, it could create an abyss between Italy and Germany.

After this exposition the President turned to Secretary Herter and asked him whether the State Department had checked this matter. The Secretary replied that he had heard Austrian Foreign Minister Kreisky on the subject. The US took the position that this was not a matter for the UN, but a dispute between two friendly nations which we hoped would be settled amicably between them.

The President suggested that we consider speaking about the question to Kreisky and possibly even to Chancellor Adenauer. He then assured Mr. Segni that we would make efforts to pour oil on these troubled waters.

The meeting terminated at 3:00 p.m.

# 248. Memorandum of Conversation

PSV/MC/8

October 1, 1959.

#### SEGNI VISIT

SUBJECT

Aid to Underdeveloped Countries

PARTICIPANTS

(See attached list)<sup>1</sup> The Secretary The Under Secretary The Under Secretary for Political Affairs Et al.

After the usual exchange of greetings, the Secretary suggested that we begin with economic matters since Mr. Dillon was present and was obliged to leave for the International Monetary Fund and IBRD meeting. Prime Minister Segni said that Foreign Minister Pella would present the Italian position on these subjects. Pella said that first he would like to ask for two clarifications with regard to the UN Special Fund and the International Development Agency (IDA) and ask what the current status of these two matters was in order that we might discuss them.

Mr. Dillon said that with regard to IDA the U.S. had submitted a resolution to the IBRD meeting, and we expected action thereon today.<sup>2</sup> He said that he believed our resolution had found general support and that there was agreement both on the principle of the IDA and on having it as an affiliate of the IBRD. The resolution would call for the preparation of a definitive plan to be submitted next year to the governors of the bank for their approval. Mr. Dillon said we appreciated the Italian support which we had received for our resolution.

With regard to the other matter Mr. Dillon wished to be sure that the Italians were referring to the UN Special Fund. Pella confirmed that this was what he was referring to. Mr. Dillon then said we supported Mr. Hoffman's efforts to obtain increases in contributions to the UN

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by McBride and approved in S on October 14. Four separate memoranda of this conversation were prepared; see Documents 249–251.

<sup>&</sup>lt;sup>1</sup>Not printed

<sup>&</sup>lt;sup>2</sup> The International Development Agency, charged with aiding the less-developed nations of the world, formally began operations in September 1960. Italy was a charter member of the IDA.

Special Fund<sup>3</sup> up to the amount originally foreseen of \$100 million, onehalf for technical assistance and one-half for a special fund. Mr. Dillon continued that the U.S. has authority to pledge up to \$40 million depending upon other contributions. He noted that the U.S. could not make a contribution of more than 40 per cent of the total.

Mr. Pella then reverted to IDA again and asked what we had in mind as an amount of capital to be made available and also what types of programs and what types of assistance would be given.

Mr. Dillon said that the U.S. thought that we might start with a capital of \$1 billion, the contributions being made roughly to be in proportion with contributions to the IBRD. He said contributions would be in gold and in local currency and we hoped, in the case of industrial nations, on a basis of free convertibility, though this convertibility basis would not be possible for the underdeveloped countries.

With reference to the types of projects involved, Mr. Dillon said that he thought these would be more flexible than in the case of IBRD projects. There could be pilot programs in the social field and for health and education projects which the Bank was not empowered to undertake, although there existed great interest therein. He said the Executive Directors must discuss these matters as there are many views. In fact Mr. Dillon thought there probably would be some delay in getting agreement among industrial and the underdeveloped countries on exactly which projects might be undertaken. However, he noted that all of them supported the principle of the IDA.

Mr. Pella said that this was indeed a vast undertaking which he knew that not only Italy but also France and the United Kingdom supported since they all wished to contribute to underdeveloped countries. He thought that some political problems would be reflected as the projects are undertaken and he also expressed the hope that IDA projects would not overlap with other broad programs now underway.

Mr. Dillon said that this was one of the reasons why we had wished IDA tied to the Bank since it meant there would automatically be close coordination of IDA programs with those of the Bank. He said we were also concerned with coordination of IDA with bilateral programs now being undertaken. He noted this concern was shared with other Governments such as the U.K., Germany and France. He said that the industrial countries, including Italy, had held a discussion with Mr. Black on this subject and all agreed that coordination was vital. All had likewise

<sup>&</sup>lt;sup>3</sup> The U.N. Special Fund was established by the U.N. General Assembly on October 14, 1958, to promote the development of natural resources in underdeveloped nations. Paul G. Hoffman was appointed Managing Director. The Fund began operations on January 1, 1959.

agreed that the Bank was the best forum for undertaking this coordination. He said we must be most careful that the IDA should not appear to be a creditors' club and impose conditions on the underdeveloped countries. He concluded on this point that it was left that Mr. Black would work out over the next two months the specific procedures to be followed.

Mr. Pella said that he agreed entirely with the need for coordination including the coordination of the actual investment of funds.

Mr. Dillon then said he wished to refer to the points made by Secretary Anderson to the IMF<sup>4</sup> regarding the need for the European countries to supply credit to the underdeveloped countries for equipment on a longer-term basis for such projects as dams, etc. Mr. Dillon noted that the U.S. had made substantial amounts of credit available on a longterm basis as had the Bank. However, most of the European credits had been on a shorter medium-term basis and imposed burdens on the underdeveloped countries. He noted that this had been unavoidable up until the present; now that the European economies were so much stronger, however, it was possible and indeed important for the European countries to make long-term credit available. He referred to recent credit extended by West Germany to Greece as an example. He said that otherwise we were in the paradoxical position whereby the U.S. was making longer-term loans to finance in many cases purchases by the underdeveloped countries of equipment in Europe.

Mr. Pella said he entirely agreed with Mr. Dillon's analysis, and believed that we had gone into sufficient detail on the question of aid to underdeveloped countries and that at an appropriate moment we might wish to discuss this further.

<sup>&</sup>lt;sup>4</sup>Secretary of the Treasury Robert B. Anderson addressed the IMF on September 28 and 30 during its September 28–October 2 meeting in Washington. For texts of Anderson's comments, see Department of State *Bulletin*, October 19, 1959, pp. 532–537.

# 249. Memorandum of Conversation

PSV/MC/9

October 1, 1959.

#### SEGNI VISIT

SUBJECT

Community of Six and Outer Seven

[Here follows the same list of participants as Document 248.]

Mr. Dillon asked if the Italians wished to discuss the question of relations between the Community of Six and the Outer Seven in Europe. Mr. Pella said that he wished to stress again that the Italian Government intended to make every possible effort in order to join the Community of Six to other European countries, particularly the Outer Seven. He said that the relationship with the UK was particularly important. He said no solution to this problem had been found yet but that the directives of the Italian Government were constantly to seek an agreement. He said the Six must not be an inward-looking organization and must permit the possibility of others joining unless such broadening meant essentially weakening the institutions of the Six.

Mr. Dillon said that the Italian view appeared close to that of the U.S. He said that we did not mean to weaken the Six. At the same time we do not want an economic split in Europe. He said we had one concern and that was that if, in composing their differences, the Community of Six and the Outer Seven lost sight of the interests of other countries this would have a harmful effect. He said the Community of Six and the Outer Seven should bear in mind the world-wide effects of such actions as they might take. He said he had not only in mind the question of discrimination against the U.S. and Canada, but particularly the problems of Latin America and the underdeveloped countries. He said the Latin Americans were particularly concerned in this matter. Therefore, he hoped that the Six would proceed in a liberal fashion.

Mr. Pella said that this would be the Italian line with which he thought the other Five members agreed. He said Italy had always been extremely liberal in her trade policy and that Italian reconstruction had been possible because of the liberal trade policy which she had followed. He said he did not wish to forget the role which U.S. aid had also played in Italy's reconstruction. He said when the tariff reductions in

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by McBride and approved in S on October 14. See also Documents 248 and 250–251.

the Community of Six occurred he wished to reduce tariffs for others as well. He referred to Italian dollar liberalization, and said that the Prime Minister had called a meeting with the interested Ministers to study this matter. With regard to Latin America, he said he also had their concerns in mind and noted that Italy has supported all efforts to increase trade between the Community of Six and Latin America. He stressed that Italy had consistently opposed protectionism and that he agreed with Mr. Dillon's exposé of the situation.

Pella said that there were three possible positions to take on this problem. The first was the rather theoretical one that there could be a closed market of the Six. The second was that the Six should be broadened by an association with the Outer Seven. He said that the third was to broaden the association on a world-wide basis—that is to lead to, in effect, a world-wide common market. He thought to adopt the third position now would be too precipitate and that Italy therefore supported the second possibility of an association between the Community of Six and the Outer Seven, and believed that by stages we should seek to arrive at the third position.

Mr. Dillon said he hoped Italy, in following her policy, would keep in mind the effect on countries outside of those who were participants. He said he welcomed the Italian statement regarding dollar liberalization. He said the most important economic objective of the United States, in which the President was personally concerned, was at the present time the elimination of dollar discrimination. He said that we believed in free trade and now that the European economies were strong and had large gold dollar reserves there should not be any quotas or discrimination for balance of payments reasons. He said that we were asking for the removal of all dollar discrimination as quickly as possible and believed that a number of countries were moving rapidly in this direction. He said otherwise there might be a reaction in the United States which would hurt our liberal trade policy. We were glad to keep our markets open even though for balance of payments reasons the European countries had not been able to keep their markets fully open to us in the past. However, now we need more U.S. exports. He noted that the U.K., Germany and France were planning now largely to remove their restrictions and he hoped that Italy would keep the U.S. problem in mind.

Mr. Pella concluded on this subject that Italy had been the leader in the removal of dollar discrimination. This concluded the discussion of economic matters.

## 250. Memorandum of Conversation

PSV/MC/10

October 1, 1959.

#### SEGNI VISIT

SUBJECT

Berlin

[Here follows the same list of participants as Document 248.]

The Prime Minister said that the President yesterday had made some very important statements regarding Berlin and he would like to ask for certain additional details regarding the U.S. position. He noted that the Berlin situation had repercussions on the German situation as a whole and throughout all Europe. Segni noted that NATO commitments in connection with the Berlin situation had been made in April 1959<sup>1</sup> when it was agreed at the NATO meeting in Washington that occupation troops should be retained in Berlin. In December 1957 NATO had stated that an attack on the occupation forces in Berlin would be considered as an attack on NATO as a whole.<sup>2</sup> Therefore he concluded that occupation forces could not be withdrawn from Berlin without NATO approval. Thus, he assumed that any developments along this line would be discussed in the NATO Council before any action was taken.

The Secretary said that the President yesterday had been talking in terms of the rather distant future. There would not be any quick changes in policy. We visualized that any negotiations involving Berlin would take a considerable time and would meet the criteria of the communiqué issued following the Khrushchev talks. That is, that any solution must be acceptable to all parties. In this context we had in mind not only the West Germans and the West Berliners, but also NATO as a whole, and, for that matter, the satellite countries, while obviously the Soviet Union and the other occupying powers must also accept the solution. The Secretary did not think that we could achieve any agreement acceptable to all concerned in a brief period. The President yesterday had merely intended to point out that the occupation regime should not be continued indefinitely. We certainly did not mean to give up any of our occupation rights unless a permanent solution were agreed to.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by McBride and approved in S on October 14. See also Documents 248–249 and 251.

<sup>&</sup>lt;sup>1</sup>See Part 1, Documents 208 ff.

<sup>&</sup>lt;sup>2</sup> Apparently a reference to the December 16, 1957, NATO statement on Berlin. Text is in *Documents on Germany*, 1944–1985, p. 367.

The Secretary continued, stating that the three Western Foreign Ministers at Geneva had stated that the Berlin situation was an abnormal one so the President's recent remark to this effect was not breaking new ground on this subject. He noted that Chancellor Adenauer likewise agreed with this estimate. The Secretary said we agreed with the Italian analysis as to the nature of NATO guarantees for the Berlin situation. He agreed that it was important we attempt to give to Berlin greater security than that arising from the wartime four-power obligations. He said that no agreements had been reached with Khrushchev as to when negotiations would begin again on Berlin. Segni said that the President had spoken yesterday with regard to the possibility of a Soviet-East German peace treaty, which we could not prevent, and following which the East Germans would be able to block the access routes to Berlin by a series of unilateral actions. He wondered if this would not constitute aggression and expressed the view that perhaps the Soviets and East Germans would resort to such measures. The Secretary pointed out that the President had stated his belief also that we could not prevent the Soviets from signing an agreement with the East Germans but that we would consider any transfer of Soviet obligations to East Germany as a result thereof as invalid.

Straneo said that the point was that the Soviets would not force the issue in Berlin if they knew it meant war. The Secretary agreed that any unilateral action in the Berlin situation was dangerous and that a transfer of Soviet rights to East Germany would appear to violate the agreement on continuing negotiations. He noted that the Soviet commitments to East Germany were embodied in the Zorin–Bolz exchange of letters.

Segni said that he agreed with the President that the Soviet Union does not want to risk war to achieve a limited objective. He said that the Soviets appeared to be looking around for credits now and have even asked for credits from Italy. He took this to indicate their peaceful intentions. The Secretary said that the President had felt that Khrushchev's desire to avoid war was sincere. Segni agreed with this and said that this was the deduction of Italians who had visited the Soviet Union. He thought that the Soviets wished to concentrate on the production of consumer goods and wished to raise the standard of living. Segni added that in order to maintain power Khrushchev wished to avoid war. He said he thought that in this situation it was extremely important to maintain the NATO guarantees on Berlin and to retain occupation troops in that city. If we appeared ready to cede we will merely invite greater Soviet pressure. He thought that the firm attitude of NATO to date had been useful and might eventually constitute sufficient pressure on the Soviets to lead to a more flexible position on their part.

Segni said that it was difficult to maintain the status quo in Berlin but that it was dangerous to change it. He knew that our proposal of an all-Berlin free city had been rejected by the Soviets. The Secretary noted that we had tried this in Geneva but the Soviets had said that it was not even negotiable. Segni repeated that if there were no new agreement on Berlin it was important to keep the status quo in the city. The Secretary agreed. Segni noted that NATO was committed to defend this status quo.

The Secretary said that we had at one time discussed an interim agreement on Berlin but that this had proved unfeasible since it was unclear where we would be at the end of such a negotiation. Segni said he thought that the status quo was preferable to an interim agreement with an unknown conclusion. Therefore he agreed that we should maintain the present situation until an agreement was reached in which all concerned would concur. He thought a temporary agreement would be worse than the present situation. The Secretary noted that, originally we had thought of the interim agreement as an arrangement to bide time, but that now the Soviets had lifted the time limit, we have additional time.

With regard to German reunification, Segni said that the Soviet Union certainly does not wish this now but that it might arise far in the future. He inquired what the Secretary's view was on this situation.

The Secretary said that the Soviets paid lip service to the concept of German reunification and then imposed unacceptable conditions stating that only East German-West German negotiations could work out a satisfactory solution. He noted there was not even any existing mechanism for the West Germans to undertake direct discussions with the Soviet-controlled East German regime. The Secretary added that at Geneva we had thought of inviting Germans to discuss these problems through the four powers but the Soviets had refused this formula. The Secretary and Segni had concluded that the Soviets do not wish reunification and that there are elements in other countries also opposing reunification. Segni concluded on this subject that the division of Germany, nevertheless, remained a focus of danger of war and that Italy, being close to the situation, remained concerned.

# 251. Memorandum of Conversation

PSV/MC/11

October 1, 1959.

#### SEGNI VISIT

SUBJECT

NATO Problems

[Here follows the same list of participants as Document 248.]

Prime Minister Segni noted that he had recent discussions with General Norstad.<sup>1</sup> He said that Italy was making a great effort to meet NATO requirements. In this context he was worried about the disparity between NATO and Warsaw Pact forces and wondered what comments we could make on the balance of forces. He noted that he had recently been in Turkey and that the Turks were also concerned on this score. He said he was referring particularly to modern weapons.

The Secretary said the present estimate was, that pending further development of ICBM's, the West maintained an over-all superiority. He noted that the time might be nearing when an aggressor would have a considerable advantage. Mr. Irwin said that it was believed that our present lead would last for some time but that it was true that thereafter for a period the aggressor might have some advantage. Finally, there would come a period when either side would have the capability of destroying the other regardless of who was the aggressor.

Prime Minister Segni asked as to the probable timing of these various periods. Mr. Irwin repeated that we had a lead now and a preponderance in nuclear striking power. He said the Soviets could undoubtedly inflict substantial damage but he believed that regardless of their greatest efforts we could carry on as a nation whereas we did not think that the same was true for the Soviet Union. Therefore, he believed we had a considerable period of time in which to undertake negotiations and perhaps reach disarmament agreements, etc.

Prime Minister Segni said that General Norstad indicated that IRBM's were still required in Europe and wondered what our comment was on this. Mr. Irwin said that indeed this need did remain and we were appreciative of Italian cooperation in this field.

Mr. Pella then asked with regard to U.S. views on certain ideas of Mr. Spaak on the establishment of NATO political committees. He said

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by McBride and approved in S on October 14. See also Documents 248–250.

<sup>&</sup>lt;sup>1</sup> These discussions apparently took place during Segni's September 3 visit to Paris for NATO meetings.

he was thinking of regional committees for areas outside of NATO, such as Africa, the Middle East and the Far East. He said he believed that Spaak would raise this at the December meeting and would suggest that those with interest in these areas might join the appropriate committees. It was not clear whether he was referring to an expansion of committees already existing or of some new initiative. Pella said that Italy was generally favorable to Spaak's ideas but hoped that the present consultative machinery in NATO would remain untouched.

The Secretary asked if Italy was anxious regarding tripartite consultation as raised in the de Gaulle memorandum.<sup>2</sup> Mr. Straneo confirmed that this was the case. Mr. Murphy said that this problem of tripartitism stems from General de Gaulle's memorandum of last year. He said that we were always happy to consult members of NATO but did not want to institutionalize these consultations. Therefore we agreed with the Italian view; we believed that consultation should fall within the present framework of NATO and not damage it. The Secretary noted that we were glad to confer in NATO on any subject. Mr. Murphy added that we did not wish to set up mechanisms which would damage the over-all structure of NATO. Pella said that he agreed with the U.S. line and would follow it during the meeting on October 13 and 14 of the Foreign Ministers Community of Six. At that time Italy would agree to the examination of certain political problems of the Common Market family, but would oppose any alteration of the NATO framework.

The Secretary said he was glad to hear this as we had been a little concerned that the discussions of political problems in the Six might become institutionalized and might become a grouping within NATO of the kind which we have tried to avoid. Pella confirmed that Italy did not favor the establishment of groupings within NATO. He said that the Six would not invade the political framework of NATO and that the Italians would only discuss certain questions involved in building up integration in Europe.

The meeting concluded, to be resumed at 3:30 on October 2.

 $<sup>^2</sup>$  Regarding the September 17 de Gaulle memorandum and tripartite consultations, see Documents 45 ff.

# 252. Memorandum of Conversation

PSV/MC/12

October 2, 1959.

SEGNI VISIT

1.10

#### SUBJECT

Disarmament

PARTICIPANTS	
×. •	

Italy	us
Prime Minister Segni	The Secretary
Foreign Minister Pella	Mr. Murphy
et al.	et al.

(For complete list of participants see attached)<sup>1</sup>

Prime Minister Segni referred to Italian and US membership in the Ten Power Disarmament Committee and asked if the five free nations could get together to work out arrangements for close coordination during the Ten Power Committee meetings.<sup>2</sup> He pointed out that the Soviet Bloc countries would be in close agreement and would work together in a coordinated way. The Prime Minister stressed that disagreement among the five, even though it might be small, would not be desirable. It was important that the West not appear weak in this matter. The Prime Minister said that since the Ten Power Committee was scheduled to meet in January, it would seem opportune for the five to meet some time before then to prepare a plan of work. Italy would soon name its representatives to the Ten Power Committee. A national commission would examine with care all disarmament plans that have been submitted and Italy would, of course, have suggestions to make in the Ten Power Committee.

The Secretary expressed complete agreement with the desirability of the five-power meeting. He said it was our hope that the Ten Power Committee would not meet before February since we were having a number of studies made by the Departments of State and Defense under the direction of Mr. Coolidge.<sup>3</sup> We hoped that we would be able to con-

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Stabler and approved by M and S on October 26. Eleven separate memoranda of this conversation were prepared; see Documents 253–258. Memoranda on French nuclear testing (PSV/MC/13), Communist China (PSV/MC/17), Law of the Sea (PSV/MC/21), and Berlin (PSV/MC/22) are in Department of State, Conference Files: Lot 64 D 560, CF 1490.

<sup>&</sup>lt;sup>1</sup>Not printed.

<sup>&</sup>lt;sup>2</sup>See footnote 2, Document 243.

<sup>&</sup>lt;sup>3</sup>See footnote 3, Document 243.

clude our studies in January. The Secretary mentioned that he had recently seen the French Foreign Minister and it was probable that Jules Moch would represent France in the Ten Power Committee. The Secretary pointed out that there was one preliminary matter to be considered. We did not know exactly what would happen in the UN, but we assumed that the item on general disarmament which the Soviets had introduced would be amalgamated with other disarmament proposals under a single agenda item. It was probable that the Soviets would mount a big propaganda offensive in the UN. We thought it was likely that the UN discussion would be in general terms but we would hope that Western efforts could be concerted.

The Prime Minister reiterated his view that it would be useful to have some preparatory work done by the five before the Ten Power Committee meeting. In this manner the West would not be unprepared for the meeting of the Committee and for the propaganda the Soviets will make. It was his view that the five-power talks should take place while the national commissions were preparing individual country positions. He commented that in Italian opinion the matter of safeguards and controls could not be separated from the general disarmament question and should be considered together. The Secretary said he thought these preparatory contacts could be arranged.

# 253. Memorandum of Conversation

PSV/MC/14

October 2, 1959.

### SEGNI VISIT

SUBJECT

Consultation Within European Community

[Here follows the same list of participants as Document 252.]

Foreign Minister Pella, referring to the discussion on October 1,<sup>1</sup> said he would like to underline certain points with respect to political

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Stabler and approved by M and S on October 26. See also Documents 252 and 254–258. <sup>1</sup> See Documents 248–250.

consultation within the Community of Six. He said that the consultation of the Six would in no way interfere with NATO consultations. The consultations of the Six was a form of European cohesion without substituting in any way for NATO solidarity or consultation. He said that it would be in this spirit that the Six Foreign Ministers would exchange some ideas at their Brussels meeting of October 13 and 14, after considering Common Market problems.

The Secretary said that there was concern on our part that these consultations within the Six might lead to the creation of an organization within an organization. We assumed that the political consultations of the Six would be limited to considering economic consequences of Common Market developments. Mr. Pella replied that this would be a matter of constant concern to him and that he could say that these consultations were simply the case of six friends discussing their problems together. There was absolutely no intention of forming a group within the NATO framework.

# 254. Memorandum of Conversation

PSV/MC/15

October 2, 1959.

#### SEGNI VISIT

#### SUBJECT

Algeria

[Here follows the same list of participants as Document 252.]

The Prime Minister said that Africa was of very great interest to Italy because of Italy's geographic closeness to Africa. Africa was strategically important to Italy. At the present time Africa was the object of a vast Communist propaganda campaign. With respect to Algeria, the Prime Minister believed that President de Gaulle's declaration<sup>1</sup> had opened a new way to a solution since never before had the French recognized the possibility that Algeria could be detached from France. General de Gaulle's declaration was very important and it would be of interest, said the Prime Minister, to have the Secretary's views with respect to the attitude of NATO countries on the declaration. The Prime

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Stabler and approved by M and S on October 26. See also Documents 252–253 and 255–258.

<sup>&</sup>lt;sup>1</sup> In a September 16 radio broadcast, de Gaulle offered the Algerian people a free choice by referendum on their future government within 4 years of a cease-fire.

Minister hoped that the situation in the UN last year when the NATO powers were divided on the Algerian item would not be repeated this year. He considered that the situation this year was more favorable to France.

The Secretary said that the President's statement<sup>2</sup> following de Gaulle's declaration gave full support to General de Gaulle's efforts to find a liberal solution to the Algerian problem with special emphasis on self-determination. The Secretary stressed that the President's statement, although a strong one, did not mean that we supported the French plan in every detail. The Secretary recalled that the President had said that he wished to consult with his advisors before commenting on details. The Secretary also recalled his recent statement at the UN Foreign Press Lunch.<sup>3</sup> He said that it was impossible for us to go further than these two statements at this time since we did not know just how far a UN resolution on Africa would go. Nevertheless, he thought that the conclusion could be drawn that the NATO countries would be a solid unit in support of General de Gaulle's efforts. The Secretary recalled that when he had discussed this question with Foreign Minister Pella at Geneva some time ago,<sup>4</sup> it was not possible then to give any assurances with respect to our position but he now thought that the Italian and American positions would be close.

Mr. Pella said that he also had been in a state of perplexity at Geneva. Italy had expressed the hope to the French subsequent to the talk with the Secretary that some new factor would present itself in this problem which would make it possible for France's friends to be helpful. Mr. Pella said that although he had not been sure that the French would produce some new proposal, he had felt it desirable to express this hope. He indicated that Italy had also indicated to the French that other unnamed but authoritative friends felt the same way.

The Secretary said that we had been encouraged by the actions of President Bourguiba and generally speaking the reactions of the Provisional Algerian Government had not been too bad.<sup>5</sup> We felt some encouragement in this regard.

<sup>&</sup>lt;sup>2</sup> For text of Eisenhower's statement, see Department of State *Bulletin*, October 12, 1959, p. 500.

<sup>&</sup>lt;sup>3</sup> For text of Secretary Herter's statement and excerpts from his discussion with the press that followed, see *ibid.*, pp. 502–504.

<sup>&</sup>lt;sup>4</sup> At the Geneva Foreign Ministers Meeting May 15–August 5, 1959. A copy of the memorandum of conversation is in Department of State, Conference Files: Lot 64 D 560, CF 1341.

<sup>&</sup>lt;sup>5</sup> On September 28, the Provisional Algerian Government indicated its willingness to negotiate on the basis of de Gaulle's September 16 offer. President Bourguiba of Tunisia endorsed the de Gaulle plan on October 1.

Foreign Minister Pella said that in the likely event that the French made no further statement in the UN, it may be assumed that some nations would be inclined to introduce a resolution hostile to France. He said he assumed that France's friends would reject such a motion. The Secretary said he thought this was likely.<sup>6</sup>

The Prime Minister said he was happy to find the US and Italy in agreement on this delicate and complex matter. It was his hope that France would be able to resolve this question soon because it would be a great relief to us all.

# 255. Memorandum of Conversation

PSV/MC/16

October 2, 1959.

## SEGNI VISIT

SUBJECT

East Africa

[Here follows the same list of participants as Document 252.]

Prime Minister Segni said that he had received alarming reports from French Prime Minister Debre and from his Turkish friends, in particular, Mr. Zorlu, regarding the vast Communist expansion in Africa. Italy had few details on this but it was alarmed that Emperor Haile Selassie, who in no way could be considered a Communist, had turned for help to the Soviet Union.<sup>1</sup> This meant that Soviet technicians would come to Ethiopia. He compared this situation with that of President Nasser. The Prime Minister said that even though Nasser condemned internal communism, he nevertheless brought military as well as civil-

<sup>&</sup>lt;sup>6</sup> France boycotted the General Assembly debates on Algeria in 1958 and 1959. In both sessions, resolutions introduced by Afro-Asian nations calling for recognition of Algeria's right to recognition failed to gain the two-thirds majority of votes needed to pass.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Stabler and approved by M and S on October 26. See also Documents 252–254 and 256–258.

<sup>&</sup>lt;sup>1</sup> During Emperor Haile Selassie's visit to the Soviet Union June 20–July 12, Ethiopia and the Soviet Union signed a trade agreement and Ethiopia was granted a long-term, low interest loan.

ian technicians into Egypt. He referred particularly to the Soviet technicians who had come to the military arsenal at Alexandria. He said he would be interested to have any further information we might have on these developments. He was particularly interested in any information concerning East Africa, Somaliland and Ethiopia. He pointed out that Italy was faced with a particularly delicate situation in regard to its trusteeship in Somalia.<sup>2</sup> Italy has had good relations with Ethiopia and many Italians live there. He thought it was not only in Italy's interest but also in those of Italy's allies that Italy maintain good relations with Ethiopia. He pointed out that Ethiopia was the only independent Christian country in North Africa. He said that the question which poisoned relations between Italy and Ethiopia and which also caused difficulties between Ethiopia and other countries was the Somalia border question. While there was the proposal for arbitration, it seemed to have little prospect for success. He wondered whether it was not desirable to have the US, UK, France and Italy examine the situation and reach some common position so that there would be no danger of lack of agreement between the Four.

The Secretary replied that he would be glad to have a Four Power meeting. He asked Mr. Satterthwaite to comment on the Prime Minister's exposition.

Mr. Satterthwaite said that we agreed on the complexity of this issue and the fact that it was poisoning relations with Ethiopia. We also agreed that there was little likelihood for success for the arbitration procedure. At the same time, it was felt in the Bureau of African Affairs that it was desirable not to make a final assessment of the situation until Trygve Lie<sup>3</sup> had been heard from. We understood he would be coming to New York this month. Mr. Satterthwaite referred to Ambassador Brosio's conversation on September 18 with Mr. Murphy in which the Ambassador had expressed the view it might be desirable to see what Trygve Lie might come up with.<sup>4</sup> Mr. Satterthwaite commented it was unlikely that there would be any agreement on the *compromis* or on the terms of reference. It appeared that everybody agreed that the provisional line should be the border but it seemed to be difficult to get everybody to agree to accept this line.

Prime Minister Segni said that Italy had few hopes of agreement on this question. He said the problem was more than just the matter of the

<sup>&</sup>lt;sup>2</sup> Italy's 10-year U.N. trusteeship in Somalia was to expire in 1960 at which time the former colony would receive full independence. The Italians were seeking a final agreement with Ethiopia over disputed borders.

<sup>&</sup>lt;sup>3</sup> Trygve Lie, former U.N. Secretary-General, had been appointed "independent person" on a three-man arbitration panel seeking to settle disagreements over the Ethiopian-Somalian border.

<sup>&</sup>lt;sup>4</sup>No record of this meeting has been found.

provisional line. He thought it was desirable for the Four allies to reach an understanding with respect to the border but he thought that their consideration of the question should go beyond and deal with Greater Somalia, Ogaden and Ethiopia. It was of considerable concern to Italy that Ethiopia, with its strategic position, should be open to communism. He desired to underline the great importance of Ethiopia in connection with the Soviet introduction of communism into Africa. Italy was deeply concerned lest Ethiopia might be transformed from a center of resistance to communism to a Communist stronghold.

The Secretary said he thought it was a good idea for the US, UK, France and Italy to meet at the Ambassadorial level to consider the problem. He believed it would be most embarrassing for a nation without borders to apply to the UN for membership.

The Prime Minister said that he certainly hoped that the arbitration efforts of Mr. Lie would succeed in determining the frontier. It would be difficult to admit Somalia into the UN if it did not have definitive borders. However, the problem was more serious than the border and he reiterated his hope that the representatives of the four countries in Washington would consider the serious Ethiopian situation. Mr. Satterthwaite pointed out that care should be taken that Ethiopia should not learn of these Four Power talks. The Secretary agreed and said that the Four Power meeting should be held without publicity since Ethiopia would be irritated at being the subject of Four Power conversations.

# 256. Memorandum of Conversation

PSV/MC/18

October 2, 1959.

SEGNI VISIT

SUBJECT

International Communist Expansion

[Here follows the same list of participants as Document 252.]

The Secretary said that he would like to discuss with the Prime Minister the question of international communism and particularly to hear about the communist situation in Italy.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Stabler and approved by M and S on October 26. See also Documents 252–255 and 257–258.

The Prime Minister said that he had already referred to the French, Turkish and Italian concern over communist expansion in Africa. He thought that the French concern might be somewhat excessive. With regard to the question of communism in Italy, the Prime Minister said that there was no doubt Italian communists were dependent on the Soviet Government, not just the Soviet communist party. The Italian communist party received financial help from the Soviet Union. Mr. Segni said that information available to the Italian authorities indicated that the inscribed membership in the Italian communist party was diminishing and that the circulation of the communist press had dropped. These developments had had an effect on the 1959 elections where the communist vote had remained static or had even shown a decrease. This decrease was particularly demonstrated in the recent San Marino elections where both the Communists and Socialists had lost.<sup>1</sup> It was also true in Sicily where it might have been supposed that the betrayal by a member of the Christian Democratic Party might have led to an increase in the communist vote.<sup>2</sup> However, this did not take place and the communist vote was about the same as in 1955. The Prime Minister said that if stability continued in the Parliament and Government and the economic situation continued to improve, the next administrative elections to be held in April 1960 should give favorable results, showing either an arrest or decrease in the communist vote. In reply to the Secretary's question the Prime Minister said that these elections, conducted as they would be throughout the country, would be an important test of the political situation in the country.

At the request of the Prime Minister, Foreign Minister Pella spoke about the source and amount of communist funds. He said that when there was no general election, the communists spent between \$10,000,000 and \$12,000,000 annually. When there was a general election, the communists then spent over \$30,000,000 annually. The Italian authorities had thought that a good part of these funds was furnished through percentages on East-West trade provided by cover corporations. It was true that this type of transaction still existed but it now appeared that the amounts obtained through this source were less than the Government had originally thought. [8-1/2 lines of source text not declassified]

[2 paragraphs (17 lines of source text) not declassified]

<sup>&</sup>lt;sup>1</sup> In September 13 general elections in San Marino, the Christian Democrats and Independent Social Democrats won 36 seats in the Grand Council while the Communists and Socialists won 24.

<sup>&</sup>lt;sup>2</sup> In the June 7 regional elections in Sicily, the Christian Democrats lost three seats while polling a slightly higher percentage of the popular vote than in 1955. The Communist Party gained one seat, although its popular vote declined slightly.

Mr. Murphy then inquired what the Italian Government was doing with respect to organizing a campaign to deal with the communist problem. He had in mind security aspects, police and especially the trade union feature.

The Prime Minister said that with regard to the trade unions, the Government favored the activities of CISL and UIL. CISL had obtained some good results this year and the Government aided the free trade unions whenever possible. [3 lines of source text not declassified] The Prime Minister stated that the shop steward elections this year had shown a drop in CGIL representation. [4-1/2 lines of source text not declassified]. It now appeared that Togliatti would have to resign as Secretary of the Party. According to the Prime Minister, the percentage of the communists in the army was very small. Recent call-up tests had shown favorable results. In the Marche there recently had been a test call-up of 18,000 reservists. Of this number only one hundred had failed to show up. With respect to propaganda the Prime Minister said that he believed that the political parties should undertake this rather than the Government. Much of this propaganda work was done by the Christian Democratic Party and this involved considerable sacrifice. He said that there were two aspects of the propaganda campaign. One was ideological and the other was social-economic. With respect to the ideological aspect, there was no party better than the Christian Democratic Party to combat the communists since the beliefs held by the Christian Democratic Party were at the opposite end of the spectrum from the communists. The Christian Democratic Party was a strong supporter of democratic principles and also had its religious faith.

The Secretary inquired how it was possible on ideological grounds to have such a large communist group in a country which was strongly Catholic. The Prime Minister replied that the expansion of communist strength in Italy resulted in part from the inheritance of pre-war socialism. There were many convinced communists in Romagna and Emilia. In other areas the reasons were solely economic and these reasons lay behind the land reform program. The Government was trying to remove the economic conditions which made successful communist efforts to seduce the people in these areas. One of the greatest difficulties in the Government's efforts to resist the communists lay in the strength of Soviet power. In 1956 the communists in Italy had lost through the Hungarian revolution, because the Soviet Union had, in effect, been outlawed by the civilized world. Today the situation was different because the Soviet Union was given a more respectable place in the world. This new situation gave added strength to the Communist Party. The Prime Minister stressed the relationship between the position of the Italian Communist Party and the international situation of the Soviet Union. This relationship existed because the Italian Communist Party was at

the service of the Soviet State as were all communist parties. In this connection, the Prime Minister pointed out that Togliatti had recently said that the time of the barbarism of anti-communism was now over. Togliatti was playing on this theme because the Italian Communist Party naturally exploited everything which could give them added strength.

The Prime Minister concluded that the Christian Democratic Party and the present Government, a Christian Democratic Government, are determined to go ahead in their battle against the Italian Communists. He hoped that in the 1960 elections the Christian Democratic Party, as well as the other democratic parties which were helping the Christian Democrats, would increase their votes with corresponding losses by the Communist Party.

# 257. Memorandum of Conversation

PSV/MC/19

October 2, 1959.

### SEGNI VISIT

SUBJECT

Spain

[Here follows the same list of participants as Document 252.]

Foreign Minister Pella remarked that Italy had received inquiries from various friendly countries regarding the possible closer association of Spain with NATO and asked what the US views were in this regard, particularly in light of the Secretary's talks with the Spanish Foreign Minister in London. Mr. Pella said that Italy encouraged Spanish participation in European economic cooperation. He realized that political cooperation with Spain would probably find objections among the Scandinavian members of NATO as well as among some elements of Italian public opinion. However, at times it was required to make a virtue out of necessity.

The Secretary stated that we have, for a considerable time, favored the inclusion of Spain in NATO. He noted that we had not concealed this

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Maestrone. See also Documents 252–256 and 258.

support, but commented that we would possibly say more on this subject after the British elections. He recounted his experience during a recent luncheon meeting in London with top Labor Party leaders including Gaitskell, Healy and Bevan who reacted almost violently to the mere fact of his meeting with Foreign Minister Castiella in London.

# 258. Memorandum of Conversation

PSV/MC/20

October 2, 1959.

#### SEGNI VISIT

SUBJECT

Italian Immigration

[Here follows the same list of participants as Document 252.]

Foreign Minister Pella expressed the Italian Government's appreciation over the passage of the recent immigration law permitting the issuance of nonquota visas to Italians registered under the preference quotas prior to the end of 1953. He also voiced the hope that the US would take the further step of allowing the issuance of unused quota numbers to those relatives and adult children of Italian immigrants already in the US, who are still on the waiting list.

Mr. Pella said the enactment of this immigration law was politically important in Italy. This action was proof of US friendship and contributed to the conduct of the anti-communist campaign in Italy. This could be contrasted with the absence of any similar effort on the part of the Soviet Union. Prime Minister Segni added his thanks for the passage of this legislation and called it a notable step forward.

The Secretary said that the Executive Branch of the US Government was sympathetic to the Italian immigration problem but noted that the passage of legislation in this regard was a matter within Congressional competence. The Prime Minister said the same situation existed with respect to his Parliament and he fully understood the problem.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1490. Secret. Drafted by Maestrone. See also Documents 252–257.

# 259. Telegram From the Embassy in Italy to the Department of State

Rome, October 21, 1959, 8 p.m.

1524. Christian Democratic Convention (DC) opening Florence October 23 being described as most important since war and political situation generally being viewed by observers here with serious concern.

Political center of gravity as represented by party organizations, platforms and membership, has shifted substantially to left in recent years. (Economic and social progress has contributed to, not reversed, this progress as expectations develop for even more progress in objective conditions which indeed leave room for much more progress.) Working outside this context, unaffected by its leftward trend and deeply disturbed by its implications, has been organized political influence of big business, operating directly on agencies of government and on individual deputies, and controlling entire non-party daily and periodical press all (according to many Italian observers) in atmosphere of considerable venality. Immediate political expression of this power element is Liberal Party (PLI) which has strongly opposed Fanfani and his "Center–Left" thesis.

Most important and politically dangerous consequence of this growing divergence is difficulty of reconstituting old center party coalitions. Entire Center–Left is impatient and unwilling be associated with PLI and rightist elements, while latter are digging in to prevent further erosion of vested interests.

Arithmetic of stable government, however, remains essentially what it has been since DC lost absolute majority in 1953 election. Communists (PCI) have 24 percent of Chamber seats, Nenni Socialists (PSI) 15 percent and right Neo-fascists 4 percent: DC has 45 percent of deputies and Center coalition being so difficult, party has been forced to look either to left or to right in remaining 12 percent of political spectrum for acceptable alliances necessary for parliamentary majority.

Fanfani made brave attempt, with government he formed with Saragat Socialists in June 1958, to implement forward-looking program which had been presented by DC to electorate. His margin (8 votes) was too small and he underestimated strength of opposing interests. Rapid pace at which he appeared to be moving toward implementation of program, combined with [1-1/2 lines of source text not declassified] shadowy maneuvering of Gronchi, led to some 30 deputies in his own party

Source: Department of State, Central Files, 765.00/10–2159. Confidential. Repeated to London, Paris, and Bonn.

secretly voting against him and to failure of attempt to govern with Center–Left formula. Workable alternative was found in Center–Right arrangement under which PLI, Monarchists and Neo-Fascists (MSI) agreed to support DC in Parliament (without, so far as we know, any specific commitments to MSI on politics or patronage).

For first time, Neo-Fascists have semblance of governmental respectability and support of government's domestic and foreign policies is endorsed by membership. However, anti-Fascist tradition (fanned by Communists) is still strong and MSI support of DC has become handicap—so serious that many observers believe DC must rid itself of appearance of MSI support and assumed concessions to rightist interests which it implies, well before country-wide municipal elections scheduled for next spring, or face substantial losses in those elections.

Saragat feels his position threatened by PSI "autonomy" (illusory though it still is) and is reluctant support present DC government when, notwithstanding its legislative achievements in social field, it can with superficial plausibility be tagged by PCI and PSI as Clerico-Fascists.

Unhappy logic of this analysis is that DC, for either practical or for prudential reasons, apparently cannot long govern with formal arrangements for either Center–Left or Center–Right support, or with coalition including Saragat socialists and PLI, unless rigidity of all present positions is attenuated.

Situation would be difficult enough to solve with united DC Party under outstanding leadership such as de Gasperi provided. As against this need, however, DC goes into Florence convention with more serious differences of principle and personal rivalries between factions than at any time in past. It is too early to speak of repetition on national scale of what happened in Sicily, but some of conditions which enabled DC and rightists elements to form regional government with support of PCI and PSI certainly exist.

Separate telegram describes situation within DC party itself.<sup>1</sup>

Zellerbach

<sup>&</sup>lt;sup>1</sup> In telegram 1542 from Rome, October 22, Zellerbach reviewed the strength and positions of the various political factions within the Christian Democratic Party. He noted that the main issues at the party convention were likely to be: "(1) Social and economic program; (2) acceptability of Segni government and possible alternatives; (3) DC relations with Nenni socialists (PSI). Foreign policy hardly mentioned in campaign but as result of (1) intense nationwide Communist and PSI propaganda pressure on GOI to adjust foreign and domestic policies to accord with Communist interpretation of policy of 'relaxation of international tension', and (2) new possibility of Gronchi visit to USSR, may become an active issue." (*Ibid.*, 765.00/10–2259)

### 260. Editorial Note

President Eisenhower made a State visit to Italy December 4–6, as part of an 11-nation good will tour. On the evening of December 4, shortly after his arrival in Rome, Eisenhower met with President Giovanni Gronchi at the Quirinale Palace; see Document 261. Eisenhower met with Prime Minister Segni and Foreign Minister Pella on the morning of December 5. Gronchi joined Eisenhower, Segni, and Pella for further discussions on the afternoon of December 5. Summaries of these discussions are printed as Documents 262–264. On December 6, President Eisenhower visited Pope John XXIII at the Vatican; see Document 390. After his meeting with the Pope, the President flew to Ankara, Turkey.

# 261. Telegram From the Under Secretary of State for Political Affairs (Murphy) to the Department of State

Rome, December 5, 1959, 6 p.m.

Murto 1. At initial meeting Quirinale 7:30 p.m. December 4 between President Eisenhower and Gronchi, latter outlined following topics for discussion with himself and with Segni during three scheduled meetings: (1) President's views on eve of Western and East-West Summit meeting; (2) Berlin; (3) East-West competition in economic and ideological fields, particularly meeting needs of underdeveloped countries; (4) European political and economic unification; (5) disarmament and security; (6) military aid; (7) Italian participation in Western and East-West summits; (8) liberalization of dollar trade.

On Berlin<sup>1</sup> Gronchi stressed necessity of West being prepared with fallback positions, primarily to reassure uncommitted opinion. He sug-

Source: Department of State, Central Files, 611.65/12-559. Confidential; Niact.

<sup>&</sup>lt;sup>1</sup> Following Khrushchev's visit to the United States and the further relaxation of the Soviet ultimatum on Berlin, the French Government on October 21 proposed an East-West summit meeting be held in Paris in the spring. The future status of Berlin was one of the items suggested for the agenda. The Heads of Government of the United States, the United Kingdom, and the Federal Republic of Germany agreed to meet in Paris on December 19 to formulate negotiating positions for talks with the Soviet Union.

gested successive proposals that both sectors be constituted as free city, that there be plebiscite in both sectors and that all-German committee with specific responsibilities be established. President noted we had tried some of these ideas without success and restated firm US determination not be pushed out of Berlin. (President decided not to enter into details of US position.)

Discussion of Italian participation was relatively brief, with President noting that unlike Italy, France, Britain and US had specific responsibilities for Germany and Berlin. On broader matters he saw no reason why there should not be wider consultation, perhaps by setting up special groups such as in case of disarmament.

On aid to underdeveloped countries, both suggested regional organization and agreed OEEC should be used to greatest extent possible. President suggested each country make contribution for which it was best qualified. Italy, for example, could help considerably by providing technical and professional aid in many fields. The President said that when he had discussed this general subject with de Gaulle, the latter had said that French efforts had to be devoted to the French community. Macmillan had answered that Britain had such great responsibilities to the Commonwealth that their possibilities were limited. Adenauer had agreed that the question should be studied on a broader basis.<sup>2</sup> The President said that the United States had carried a great burden for a very considerable period. We had been glad to do it, particularly since World War II—our country had been least damaged. We had poured 14 billion dollars into Europe. In addition, we had developed the military deterrent of atomic and hydrogen bombs, and the means of carrying them, including missiles. This was a tremendous burden and the President said that the West must now combine to share it, not only in giving aid to underdeveloped countries, but in carrying the rest of the burden. He said that this was a particular responsibility of NATO countries. This was so important that the President even thought it might be worth having a separate conference on these subjects, even though a number of other conferences on other subjects were already being planned.

Gronchi suggested USSR could participate in aid to underdeveloped countries, not by being associated formally with OEEC, but on case-by-case basis in particular countries and situations in which Soviets already had an established interest and in which, by associating our efforts with theirs, we could in effect keep check on what they were doing. President was skeptical regarding Soviet participation, saying they would have to be watched carefully.

<sup>&</sup>lt;sup>2</sup>These discussions apparently took place during Eisenhower's visits to Bonn (August 26–27), London (August 27–September 2), and Paris (September 2–3).

On East-West relations, President said he did not believe Soviets had changed basic objective of world domination but had made tactical change seeking diversion of military expenditures in order satisfy demand for consumer goods. Gronchi thought Khrushchev's visit to US had increased his conviction that this process was necessary. Gronchi said main purpose his visit to USSR in January<sup>3</sup> was to explore mind of Khrushchev, especially since changes might have taken place in three months since President saw him. Gronchi said he would give Italy's allies a summary of his impressions.

## Murphy

# 262. Telegram From the Under Secretary of State for Political Affairs (Murphy) to the Department of State

Rome, December 5, 1959, 10 p.m.

Murto 2. During the course of the President's meeting morning December 5 with Segni, latter expressed the hope that his recent visit to London<sup>1</sup> had served to eliminate certain fears. Segni referred especially to aid to underdeveloped countries, mentioning his recent conversations with Karamanlis and Averoff.<sup>2</sup> They have said that in connection with needs of underdeveloped countries, needs of certain countries in Europe such as Greece had to be kept in mind. They said that spoke of underdeveloped countries in the Moslem areas. [*sic*] It was also necessary to bear in mind the needs of certain countries in Europe, such as Greece and Turkey, as well as other countries such as Iran and Pakistan. Segni said that in London it was also agreed to examine this problem.

<sup>&</sup>lt;sup>3</sup> The Soviet Government invited Gronchi to pay a State visit to Moscow in October 1959. After extensive discussion within the Italian Government of the domestic and international impact of such a visit, the Soviet invitation was accepted for January 1960. The trip was postponed until February when Gronchi became ill. See Document 265.

Source: Department of State, Central Files, 611.65/12-559. Confidential; Priority.

<sup>&</sup>lt;sup>1</sup> Segni and Pella visited London December 1 and 2 for discussions with British leaders.

<sup>&</sup>lt;sup>2</sup>Greek Prime Minister Konstantine Karamanlis and Foreign Minister Evangelos Averoff visited Rome November 9–12.

The British seemed to be inclined to examine it within the framework of OEEC. President referred to a conversation with Macmillan<sup>3</sup> when the latter had stressed the Commonwealth aspect of the British position, and had pointed out that Germany, the U.S. and Italy did not have the same political ties as the UK. The President stated by and large a preference on our part for work within the framework of OEEC. Segni said that the important thing is to get coordination, whether in the OEEC or otherwise. The Italians feel that aid to underdeveloped countries provides a new chapter in the essential activities of the free world. We must coordinate our policies, which must include liberalization of exchanges and increased purchasing power in the underdeveloped countries. The Italians referred to their recent conversations regarding the Common Market in Brussels, Strasbourg,<sup>4</sup> and London. As result of these conversations, it seemed to them a broader framework is necessary to handle the problem. On balance the framework of OEEC, which includes 18 nations and the US and Canada, seems to be indicated. The President mentioned Japan also important in this connection. He noted that Dillon would be coming to Europe about December 9 for discussions of the general problem.5

Segni and Pella picked up idea which President had thrown out yesterday evening in meeting with Gronchi, that question of aid to underdeveloped countries and need for sharing burden among free world countries was so important that it might even be useful to organize a special meeting to consider this whole problem. Pella suggested that the meeting of the OEEC scheduled for January would provide a helpful opportunity to explore this possibility, looking toward a conference perhaps in the spring. The President said that he was disposed to favor such a conference as soon as the staff work could be done, and he would communicate with the Department today urging that steps be taken to "get the show on the road". He urged that elaborate organization involving heavy overhead expenses be avoided.

## Murphy

<sup>&</sup>lt;sup>3</sup> Apparently during Eisenhower's August 27–September 2 visit to London.

 $<sup>^{\</sup>rm 4}$  The dates of the visits of Segni and Pella to Brussels and Strasbourg have not been identified.

<sup>&</sup>lt;sup>5</sup> Dillon visited London (December 7–10), Brussels (December 10), and Paris (December 11–14) for discussions on economic matters.

## 263. Telegram From the Under Secretary of State for Political Affairs (Murphy) to the Department of State

Ankara, December 6, 1959, 5:36 p.m.

Murto 5. Rome eyes only for Ambassador. At President's meeting with Segni and Pella morning December 5, Italians raised following subjects in addition to aid to underdeveloped countries (Murto 2).<sup>1</sup>

1. *Military aid*. Italians referred to discussion with Gates in Washington<sup>2</sup> and restated in general terms Italy's need for continued assistance in meeting both MC–70 requirements and requirements of balance of their forces. President referred to burden U.S. was carrying and tremendous investment in research and development, but gave assurance of friendly cooperation regarding Italy's needs in light of our worldwide obligations.

2. European unification. Pella referred to recent discussions at Strasbourg, Brussels and London<sup>3</sup> and said that Italians had discussed with British question of political relationships among Six growing from decision at Brussels for Foreign Ministers to meet every three months, with first meeting in Rome on January 25. He said group would not make firm decisions and meetings would not prejudice consultation process in NATO or WEU. Whenever in consultations between EEC Foreign Ministers, questions affecting U.K. arose, latter would be brought in within framework of WEU. Italians felt that, as result of their recent discussions in London, previous British reservations were now entirely removed. Objective and spirit of Italian position in political consultation was to move toward European unification to maximum extent possible. President said he was delighted to hear of this progress and noted extreme interest of U.S. and of himself personally in movement toward European unification.

3. Dollar liberalization. Segni said Cabinet had decided few days ago on liberalization of additional imports from dollar area, bringing total to 92 or 93 percent of their dollar imports. Italians believed this would mean that Italy was European country with highest percentage of dollar liberalization. President expressed satisfaction and emphasized importance we attach to this question. Pella said also that Italian monetary authorities had decided to assist in our dollar problem to

Source: Department of State, Central Files, 800.0000/12–659. Confidential. Repeated to Rome.

<sup>&</sup>lt;sup>1</sup> Document 262.

<sup>&</sup>lt;sup>2</sup>Segni met with Gates on October 1 during his visit to the United States. No record of this meeting has been found.

<sup>&</sup>lt;sup>3</sup>See footnote 4, Document 262.

modest extent by anticipating certain payments on dollar indebtedness, such as first slice of Morgan-Stanley loan. Amount involved about \$10 million. Other similar action being contemplated and we would be kept informed. Parallel to this operation, Pella asked that use of DLF loans be more flexible so that Italy could participate in furnishing requirements of recipient countries such as Greece. President noted our new policy not entirely rigid but one of "primary emphasis" on dollar financing of US goods and services. President suggested Italians discuss whole subject with Secretary Anderson during Paris NATO meeting.<sup>4</sup>

4. *Alto Adige*. Segni stated with great feeling Italian concern at what they believed to be basic shift in Austrian policy.<sup>5</sup> He said Kreisky had said in response to parliamentary question that if legal means of resolving differences insufficient, Austria "would have recourse to other methods." Statement later denied but Italians believed it had been made and that this meant Austrian Government itself had responsibility for terroristic actions which had been taking place in Alto Adige. Segni restated Italian position and at President's request Murphy summarized U.S. position.<sup>6</sup>

5. *Algeria*. Segni mentioned briefly and said Italian objective was to encourage De Gaulle policy of "détente" and hoped it would bring about settlement.<sup>7</sup> President referred to his hope that De Gaulle would act with wisdom in effort to preserve peace and noted his approval of proposals De Gaulle had made, with reservation that further French action would have to be examined step by step without giving advance blank check, so to speak, in relation to support of further French policy.

## Murphy

<sup>&</sup>lt;sup>4</sup> The NATO Ministerial Meeting December 15–17.

<sup>&</sup>lt;sup>5</sup>See footnote 2, Document 239.

<sup>&</sup>lt;sup>6</sup> The United States regarded the Alto Adige as an integral part of Italy and favored settlement of Italo-Austrian disputes through bilateral discussions. It opposed a U.N. General Assembly debate on the issue. (Position Paper: Upper Adige–South Tyrol Problem, September 26; Department of State, Conference Files: Lot 54 D 540, CF 1491.

<sup>&</sup>lt;sup>7</sup> On November 10 and 20, de Gaulle reiterated his offer of self-determination following a cease-fire in Algeria.

# 264. Telegram From the Under Secretary of State for Political Affairs (Murphy) to the Department of State

Ankara, December 6, 1959, 7:59 p.m.

Murto 6. Rome—eyes only for Ambassador. At final meeting with Italians, President met with Gronchi, Segni and Pella late afternoon December 5.

1. *Aid to underdeveloped countries.* Gronchi noted agreement that initial step was to examine question in OEEC, and subsequently to consider proposal of conference to which President had referred (Murto 1 and 2).<sup>1</sup>

2. *Berlin*. Gronchi briefly restated position expressed on previous day.<sup>2</sup> President agreed that Italian proposals could be considered among others. They had been tried at Geneva,<sup>3</sup> but Khrushchev's reaction might now be different. President said would prefer not to mention Berlin in public at present time, but instead assume that Soviets had abandoned any intention of provocative action there. President said he did not wish to do anything to damage Adenauer's attitude regarding discussion of Berlin with Soviets.

3. *Military aid.* Gronchi said Italians understood U.S. budgetary problems, but restated Italian needs. Gronchi specifically asked that, in addition to financial aid, Italians be furnished with end items, such as transport vehicles, signal equipment and aircraft. President said he would look into this at once and bring it to Department's urgent attention for consideration in light of funds made available by Congress. Gronchi expressed appreciation but said he hoped criteria of distribution among recipient countries would give priority to points of greatest danger such as Italy.

4. *Participation in summit meetings*. Gronchi said he hoped agreement could be reached on concrete agreement on Italian participation in Western and East-West summits. On first East-West Summit meeting, he recognized difficulty of Italian participation and said that, for this phase, Italy would depend on assurances of Copenhagen Declaration.<sup>4</sup> On preliminary Western summit meetings,<sup>5</sup> he said Italy was vitally

Source: Department of State, Central Files, 800.0000/12-659. Confidential. Repeated to Rome.

<sup>&</sup>lt;sup>1</sup>Documents 261 and 262.

<sup>&</sup>lt;sup>2</sup>See Document 261.

<sup>&</sup>lt;sup>3</sup> At the Foreign Ministers Meeting May 11–August 5.

<sup>&</sup>lt;sup>4</sup> For text of the NATO communiqué, May 7, 1958, see *American Foreign Policy: Current Documents*, 1958, pp. 479–481.

<sup>&</sup>lt;sup>5</sup>See footnote 1, Document 261.

interested in disarmament and security questions. If Western summit discussed only Berlin, Italy would advance no request to participate. President interjected that he assumed that this also included Germany but Gronchi said that, in light of Italy's commitments in relation to Germany as member of NATO, they felt they must be brought in. Italy could not agree to being excluded from discussions affecting her national security. On disarmament, general principles could be discussed in UN and new 10-Power group, but when concrete proposals such as limitations in specified zones were discussed, Italy had to participate. President said he wanted to and would take Italians views into account. He said of course we would go through with commitment in Copenhagen Declaration but he could not go beyond this because other countries were involved. He said 10-Power group should not be confined to general principles but should be forum for detailed negotiation. He agreed Italian interest in disarmament obviously important. Gronchi then put forward proposal reported in Murto 3.6

Meeting concluded with discussion and revision of Italian redraft of draft communiqué which Embassy had previously submitted to them in text sent by Department.

## Murphy

## 265. Editorial Note

President Giovanni Gronchi made a State visit to the Soviet Union February 6–11. Gronchi's visit, the first by a senior Italian official since World War II, was carefully monitored by the Department of State. In telegram 1467 to Moscow, January 6, the Embassy was instructed:

"Department anxious learn all possible details talks between Gronchi and Soviet leaders and whether Enrico Mattei visits Moscow

<sup>&</sup>lt;sup>6</sup> Gronchi stressed Italian desire to participate in East-West discussions and read a statement proposing that at the end of their December 19 meeting the heads of Western governments issue a statement noting Italian and Canadian participation in the 10-nation disarmament conference and calling for the association of these two nations in all the preparatory work and preliminary discussions preparing for the Paris Summit conference scheduled for the spring of 1960. Segni noted that the Italians had secured British approval for the idea. Eisenhower agreed to consider the proposal. (Murto 3, December 5; Department of State, Conference Files: Lot 64 D 560, CF 1536)

during Gronchi trip. As Embassy Moscow undoubtedly aware Gronchi has capitalized on ambiguity of constitutional restrictions on his powers to play increasingly active role in governmental affairs especially on foreign policy and défense matters. He has long felt more Western initiatives to seek an accommodation with Soviets were needed and seems to believe he is logical person to take active role during this visit at time when pre-summit preparations in progress. Pella will undoubtedly attempt restrict talks to generalities but Gronchi may insist on substantive exchange of views on disarmament, East-West relations in general, aid to less-developed areas, China, and perhaps problems of European Se-curity in general. In past Gronchi has held lukewarm views on importance of NATO defense establishment; has been sympathetic to idea of neutral belt in Central Europe; has advocated more contact with Red China; and has tried to convince successive governments to undertake greater diplomatic initiatives and to insist on greater role for Italy in international affairs. If Moscow requires further details, Rome should provide." (Department of State, Central Files, 765.11/1-660)

The Gronchi visit resulted in agreements to expand cultural and economic relations between the Soviet Union and Italy together with Soviet promises to cooperate with the Italian Red Cross efforts to determine the fate of thousands of Italian prisoners of war missing in the Soviet Union since World War II. In private discussions with Soviet Premier Khrushchev, Gronchi made a "vigorous defense" of Western positions on Berlin and German reunification. Gronchi's suggestions that the Soviet Union cooperate in an Italian plan for assisting underdeveloped nations were rejected. (Telegram 2133 from Rome, February 13; *ibid.*, 765.11/2–1360) Khrushchev's February 8 comments at a Kremlin reception on "Italy's war role" in aiding the German invasion of the Soviet Union and on its "relatively weak international position" angered Italian officials and offended Italian public opinion, Ambassador Zellerbach reported. The net effect was to damage the arguments of those advocating closer cooperation with the Socialist and Communist Parties. (Telegram 2851 from Rome, February 11; ibid., 765.11/2-1160)

### 266. Editorial Note

On February 24, the minority government of Prime Minister Segni resigned. President Gronchi asked Fernando Tambroni to form a new government. Segni agreed to serve as the Foreign Minister in the new cabinet. Tambroni presented a minority government to the Chamber of Deputies on March 25. In addition to the Christian Democrats, the Tambroni government relied on the votes of the neo-Fascist Movimento Sociale Italiano for its parliamentary majority. Objections were raised within the Christian Democratic parliamentary group to the government's reliance on neo-Fascist support and Tambroni offered his resignation to Gronchi, who then requested Amintore Fanfani to begin consultations to form a government. Tambroni's cabinet remained in power as a caretaker administration. When Fanfani was unable to form a Center-Left government, Gronchi asked Tambroni to withdraw his resignation. The new government was then presented to the Senate for approval and formally took office on April 28.

## 267. Memorandum of Conversation

US/MC/33

April 13, 1960, 2:15 p.m.

## FOREIGN MINISTERS MEETING

## Washington, D.C., April 12-14, 1960

#### SUBJECT

**Tunisian Refugees** 

#### PARTICIPANTS

#### Italy

Foreign Minister Antonio Segni Ambassador Manlio Brosio Ambassador Carlo Alberto Straneo, Director General of Political Affairs, Foreign Office Dr. Federico Sensi, Foreign Office United States

The Secretary EUR—Mr. Ivan White WE—Mr. McBride WE—Mr. Stabler Mr. Arthur P. Allen, Interpreter

Source: Department of State, Central Files, 396.1-WA/4–1360. Confidential. Drafted by Stabler and approved by S on April 22. The meeting was held in Secretary Herter's office at the Department of State. Separate memoranda of conversation were prepared covering this conversation; see Documents 268–270. Memoranda on dollar liberalization (US/MC/34), Germany (US/MC/37), and Algeria (US/MC/39) are in Department of State, Central Files, 396.1–WA/4–1360.

Mr. Segni said that he understood that the Spanish Foreign Minister had talked to us about Spanish refugees from Morocco. Now he, Mr. Segni, wished to mention a problem which Italy had with respect to Italian refugees from Tunisia.<sup>1</sup> The Italian Government was now drafting legislation designed to aid these refugees. He said that there were tens of thousands of these refugees who now were returning to Italy at the rate of two hundred a week. Within a year it is expected that about ten thousand will have returned. This refugee situation was increasing Italy's difficulties. Mr. Segni implied the hope that we might be able to give Italy some assistance in this connection.

The Secretary said that in connection with the refugee problem he had received a letter from a member of his family expressing dissatisfaction with what the United States was doing for refugees. The Secretary had had a study made and had found that we were spending over seventy million dollars this year on refugees through PL 480, Palestine refugees, World Refugee Year, Algerian refugees, UN High Commissioner for Refugees, etc.

<sup>&</sup>lt;sup>1</sup> French raids into Tunisia in 1958 and 1959 in retaliation for Tunisian support of the Algerian national liberation movement led to a series of expulsions of Europeans living in Tunisia together with the enactment of "emergency measures" which forced Europeans out of large parts of the country. A large Italian population had settled in the country, and were now forced to return to Italy.

US/MC/35

April 13, 1960, 2:15 p.m.

## FOREIGN MINISTERS MEETING

Washington, D.C., April 12-14, 1960

SUBJECT

Atomic Stockpile and Cooperation Agreements

[Here follows the same list of participants as Document 267.]

Mr. Segni said that he had recently talked with Ambassador Zellerbach who was an old friend of his since the days of the Marshall Plan. He and the Ambassador had talked about the Atomic Stockpile Agreement.<sup>1</sup> Mr. Segni said the Italian Government was studying this question in an attempt to resolve the various financial and legal difficulties which this agreement presented. He could assure us that the maximum effort was being made to overcome these difficulties. Mr. Segni said that with respect to the Cooperation Agreement this was almost ready for signature.

The Secretary stressed the importance of getting these two agreements as soon as possible. He said it was our hope that the Cooperation Agreement could be signed by May 1 so that it could lie before Congress for sixty days prior to the estimated date of adjournment about the first of July.

Source: Department of State, Central Files, 396.1–WA/4–1360. Confidential. Drafted by Stabler and approved by S on April 22. See also Documents 267 and 269–270.

<sup>&</sup>lt;sup>1</sup> A memorandum of this April 1 conversation was sent to the Department of State as an attachment to despatch 951 from Rome, April 4. Zellerbach noted that negotiations permitting the establishment of a NATO atomic stockpile had been under way for nearly a year with very limited progress. The Ambassador expressed concern at their slow progress. Segni promised an early Italian reply to NATO's latest set of proposals. (Department of State, Central Files, 611.65/4–460)

US/MC/36

April 13, 1960, 2:15 p.m.

### FOREIGN MINISTERS MEETING

Washington, D.C., April 12-14, 1960

SUBJECT

EEC and EFTA

[Here follows the same list of participants as Document 267.]

Mr. Segni said that he expected to discuss the problem of the EEC and EFTA in further detail with the Under Secretary on April 14.<sup>1</sup> However, he wished to say to the Secretary that Italy favored in principle the acceleration of the Common Market. This acceleration would permit Italy to lower its tariffs which would then be cut nearly in half. At the same time Italy did not of course wish to see Europe divided in two.

The Secretary said that the situation was complicated from the factual point of view since it was difficult to know who did what to whom in raising or lowering tariffs. We were endeavoring to find out the implications of these changes. We were glad that the Italians were going ahead with the Common Market on an accelerated basis.

The Italian Foreign Minister said that Italy felt that acceleration was desirable for both political and economic reasons. From the political point of view it was necessary in order to prevent developments similar to those which had led to the two World Wars. He expressed appreciation of the fact that the United States had always encouraged Italy in its attitude toward the Common Market.

Source: Department of State, Central Files, 396.1–WA/4–1360. Confidential. Drafted by Stabler and approved by S on April 22. See also Documents 267–268 and 270. <sup>1</sup> See Document 271.

**US/MC/38** 

April 13, 1960, 2:15 p.m.

## FOREIGN MINISTERS MEETING

Washington, D.C., April 12-14, 1960

SUBJECT

Disarmament

[Here follows the same list of participants as Document 267.]

After a brief exchange during which Foreign Minister Segni said that the political situation in Italy was still on the "high seas", <sup>1</sup>Mr. Segni said that he would be grateful to know what the Secretary thought would be discussed during the Five-Power Foreign Ministers Meeting on Disarmament<sup>2</sup> which would take place immediately after the meeting with the Secretary. Mr. Segni noted that he had received reports from the Italian Delegation at Geneva<sup>3</sup> which indicated that, if the disarmament talks were not dead, they were certainly making no progress.

The Secretary said he thought the meeting this afternoon could agree on the report which the Five-Power Delegations in Geneva had prepared. There were several points of difficulty which might be discussed. In the first place it would be desirable to discuss the question of whether the Western Powers should agree to the drafting of a declaration of general principles, as the Soviets wished, or whether the West should maintain its present position of insisting on consideration of specific measures which would advance us towards our goal of disarmament. It might also be desirable to discuss the relationship of the control organization to the UN. This would be particularly important since any enlargement of disarmament to include many other nations might require relationship of the control organization to the UN. The Secretary pointed out too that the Canadians feel very strongly on this point. The United States was working on this problem at the present time and we hoped, the Secretary said, to have a paper for distribution before the next meeting of the Five Ministers in Istanbul.<sup>4</sup> The discussions on this

Source: Department of State, Central Files, 396.1-WA/4–1360. Confidential. Drafted by Stabler and approved by S on April 22. See also Documents 267–269.

<sup>&</sup>lt;sup>1</sup>See Document 266.

<sup>&</sup>lt;sup>2</sup> The Foreign Ministers of Italy, France, the United Kingdom, the Federal Republic of Germany, and Canada met in Washington April 12–14 for discussions relating to the forthcoming summit conference in Paris among the United States, United Kingdom, France, and the Soviet Union.

 $<sup>^3\,{\</sup>rm The}$  creation of an agency to control armaments was under discussion at the Ten-Power Conference at Geneva.

<sup>&</sup>lt;sup>4</sup> The North Atlantic Council Ministerial Meeting took place in Istanbul May 2–4.

point might be preliminary but we hoped that this would not be an issue which would split western unity so early in the proceedings. Another point of discussion might be the strong French insistence with respect to nuclear weapons without regard to other matters. The Secretary pointed out that the meeting this afternoon might be somewhat complicated since while the Foreign Ministers would be talking in Washington, the Ten-Power Meeting would also be going on in Geneva.

Mr. Segni said he thought that the Russian proposal for a declaration of principles had all the earmarks of propaganda. From the western point of view it would be desirable to refute this propaganda move. There was nothing new or concrete in the Russian proposal and it appeared that the Russians had tried to gain time this week without resolving anything. Mr. Segni wondered whether the Secretary thought that some of the points of difficulty with the Soviets might be resolved at the Summit.

The Secretary replied that it was difficult, of course, to know what the Russians are planning to do. It was possible that they might try at the summit to obtain our agreement to a declaration of principles. The Soviets wanted to build a propaganda record to prove that the West had failed to move toward disarmament. If the Soviets did not succeed at the Summit in obtaining our agreement to a set of generalities, then they might be ready to move to negotiations on specific matters.

The Italian Foreign Minister expressed agreement with this analysis and said that the Russians were always interested in propaganda. The propaganda tactics were similar to those employed by the Communists in Italy. Mr. Segni said that his Government believed that during the next days before the recess of the talks at Geneva the Soviets would continue their propaganda skirmish. Perhaps this might be useful since this might mean that some concrete discussions on disarmament could take place at the Summit.

The Secretary indicated that the Italian views coincided with ours.

Mr. Segni said he wondered whether it would be wise for the Five Ministers to attempt at Istanbul to establish a firm position on disarmament for the Summit Conference. It might be too soon to develop these positions since there might be some press leaks on the Western position occurring between the Istanbul meeting and the Summit meeting. These leaks might handicap the Western negotiating position at the Summit. Perhaps it might be desirable to have another Five-Power Foreign Ministers Meeting on disarmament sometime closer to the Summit meeting. Mr. Segni suggested that the Ministers at Istanbul might fix the time for the subsequent meeting.

The Secretary said that it might be possible to arrange such a meeting a day or two before the Summit Meeting but pointed out that this would depend on arranging the already difficult schedules of the Ministers. There would not be much time between Istanbul and the Summit. There would also be a question of whether the Canadian Foreign Minister would desire to come to Paris only for this meeting. The Secretary said that there was also the problem of consulting with NATO and that our NATO partners would want to know what proposals we intended to present at the Summit.

Mr. Segni said that it would of course be most useful to consult with the NATO partners. He repeated that it would also be an excellent idea to have another meeting of the Five Foreign Ministers on Disarmament after consultation with NATO and just before the Summit.

## 271. Memorandum of Conversation

US/MC/27

April 14, 1960, 3 p.m.

## FOREIGN MINISTERS MEETING

## Washington, D.C., April 12-14, 1960

#### SUBJECT

Future of EEC-Greek Desire for EEC Association

#### PARTICIPANTS

ItalyUnited StatesForeign Minister Antonio SegniUnder Secretary DillonAmbassador Manlio BrosioMr. R.H. McBride—WEAmbassador Carlo Alberto Straneo,Mr. Wells Stabler—WEDirector General, Political Affairs,Mr. H.M. Phelan—WEItalian Foreign OfficeMr. William J. Porter—AFNDr. Federico Sensi, Italian ForeignOffice

Foreign Minister Segni said that he would like to discuss and seek the Under Secretary's views on the current problems facing EEC. In

Source: Department of State, Central Files, 396.1–WA/4–1460. Confidential. Drafted by Phelan and approved in U on April 22. The meeting was held in Under Secretary Dillon's office in the Department of State. Separate memoranda of this conversation were prepared; see Document 272. Memoranda covering observers at OECD meetings (US/MC/28), civil aviation negotiations (US/MC/30), exports to Cuba (US/MC/31), tariffs on tobacco (US/MC/32), and dollar liberalization (US/MC/36) are in Department of State, Central Files, 396.1–WA/4–1460.

Segni's view the most urgent problems facing EEC stemmed from the acceleration-production proposals now under consideration, and the necessity that the Common Market develop in the most liberal manner possible. Italy had been a strong supporter of the Common Market principle from the beginning. Aside from the obvious economic advantages of participation, Italy felt that the EEC had great political value as well. The institution, if allowed to develop in a normal fashion, would constitute a bulwark in the common Western defense against the Soviet threat. The strength of a cohesive group was always greater than the combined strength of its single members. Italy fully understood the necessity for pursuit of liberal trade policies by the EEC. Only in this way could the EEC avoid economic conflicts with its Western neighbors. As far as Italy itself was concerned, Segni said that he had assured Ambassador Zellerbach last week that Italy had under active consideration a further step toward liberalization of trade with the dollar area.<sup>1</sup> He hoped to be able to give Ambassador Zellerbach more precise data on Italy's next step soon after his return. The Minister then asked the Under Secretary for his views on the future of the Common Market.

The Under Secretary replied that we had always favored the principle of European integration. It was most important from the political viewpoint, since the push from the East could only be met by the establishment of a strong group in central Europe. Economic integration could strengthen the economies of the participants.

With regard to acceleration,<sup>2</sup> the Under Secretary said that we wished the Common Market to develop as rapidly as it could as long as no damage was done to others in the process. We, at first, opposed the acceleration proposal feeling that it should have been discussed in GATT before being effected. However, when the common tariff reduction feature was added, we felt it was desirable to proceed without delay. We do not believe that proceeding with development of the EEC should lead to a split in Europe and we think the danger of such has been exaggerated. We have always believed that negotiations can eliminate difficulties. When it comes to the details of acceleration we, of course, do not take a position. We do, however, believe that a decision on the acceleration-reduction proposals should be reached promptly. The greatest difficulties now appear to stem from indecision. Once the

<sup>&</sup>lt;sup>1</sup> Apparently Segni was referring to a conversation with Zellerbach in Rome on April 1. Zellerbach reiterated U.S. concern about continued discriminatory restrictions against the dollar and presented Segni with a Note Verbale on the issue. Segni assured Zellerbach that he strongly favored freer trade. The memorandum of this conversation, dated April 1, was sent to the Department of State as an attachment to despatch 951, April 4. (*Ibid.*, 611.65/4-460)

<sup>&</sup>lt;sup>2</sup> For text of the statement recommending acceleration of the Rome treaty, see R.I.I.A., *Documents*, 1960, pp. 143–152.

decision is made we believe that EFTA will then and only then take the decisions necessary to live with it.

[Here follows discussion of Greek membership in the EEC.]

## 272. Memorandum of Conversation

**US/MC/29** 

April 14, 1960, 3 p.m.

## FOREIGN MINISTERS MEETING

Washington, D.C., April 12-14, 1960

SUBJECT

Aid to Somalia

[Here follows the same list of participants as Document 271.]

Minister Segni told the Under Secretary that he would like to make some observations on the subject of post independence aid to Somalia. He said that, to the Italians, the economic forecast for Somalia was far from clear. He planned to discuss the problem with the Somalia experts in some detail when he returned to Rome. All aspects of the future of Italian economic effort in support of Somalia would be considered, including the operations of the Italian Ente Banane<sup>1</sup> in this connection.

The Foreign Minister observed that one should be careful to distinguish between the economic problems and the political problems involved in assisting Somalia. This year Somalia and Ethiopia have had trouble and disputes over the border question. Italy was friendly with both Ethiopia and Somalia. However, in the Italian view, one should be very careful in assisting Somalia to avoid injury to Ethiopia. Ethiopia was a much larger country, richer, the home of many Italians and the only Christian state in Africa. Italy wanted to solidify its good relations with Ethiopia and to help insure that it remained with the West. Italy had been disappointed and concerned to see the Negus making a trip to Moscow.

Source: Department of State, Central Files, 396.1–WA/4–1460. Confidential. Drafted by Phelan and approved in U on April 22. See also Document 271.

<sup>&</sup>lt;sup>1</sup> The Italian state agency that handled the export of bananas from Somaliland.

The Italian Administration in Somalia had been unable to settle the boundary dispute with Ethiopia. Segni stated that Italy would very much like to consult with the United States on the problems of our mutual relations with Ethiopia. Italy was convinced that Ethiopia could be saved. They would like to develop a U.S.-Italian policy line as well as to reach a delineation of mutual objectives which would insure the continued alignment of Ethiopia with the West.

Italy would continue to aid Somalia after independence. Italy, however, was somewhat disturbed over talk of union of the three Somalilands.<sup>2</sup> Somalia had few enough riches and the other two had even less. Union would, in the Italian view, be very poor economics indeed. Italy will participate in extending economic aid to Somalia but will want a common policy designed to bring Somalia close to Ethiopia. Italy will wish to discuss this proposal in more detail through normal diplomatic channels.

The Under Secretary replied that the U.S. would agree with everything the Foreign Minister had said. We would be very interested in a mutual examination of the problems of aid in the area under discussion. We were particularly interested in reaching a joint conclusion with the Italians on the form and extent of the necessary post-independence aid to Somalia. At the same time we could also decide on the division of the aid burden. We have felt for some time that we could not make a great increase in our aid to the newly independent countries in Africa. We are doing as much as we can everywhere: in Africa, Asia and Latin America. We also feel that the European countries which were formerly colonial powers, and which are now able, should provide at least the same level of aid as they did before independence was granted to their former colonies. In the case of Somalia this would figure out to about one-third of the burden to the U.S. and two-thirds of the burden to Italy.

The Under Secretary assured the Foreign Minister that we fully shared the Italian view as to the importance of Ethiopia and stated that we would be glad to discuss practical problems as well as those of assistance to Ethiopia with Italy. Perhaps it would be best if we discussed the Somalia and Ethiopia problems at the same time. They appeared to be part of the same picture and perhaps we could combine our efforts.

In our view the problem of British Somalia was a real one. The Somalis there wanted independence and if they insisted the U.K. would not object. We don't know whether it would be possible to prevent union of the Somalias if they desired it. We would like to arrange a meeting

<sup>&</sup>lt;sup>2</sup> Reference is to the three adjoining colonial territories, Italian, French, and British Somaliland. Italian and British Somaliland were merged in July 1960 to form the independent Somali Republic.

between our experts and Italian experts to discuss the entire range of Somalia-Ethiopia problems. The Under Secretary emphasized that we would have to be extremely careful to insure that the knowledge that we were discussing Ethiopia did not become public.

Minister Segni replied that he was most gratified that the Under Secretary attached the same importance to the Ethiopian problem that he did. Agreeing that there should be no public knowledge of a U.S.-Italian discussion of Ethiopian problems, Segni added that whatever we do with Somalia we must not antagonize Ethiopia. Minister Segni said that Somalia was asking for an army and 10,000 police both of which they did not need since they were not justified.

As far as Italian aid plans went, the Minister said that Italy would contribute about \$2 million per year through the banana subsidy and an additional \$2 million in financial support. Italy, said Segni, could not guarantee Somali budget deficits after independence, however, they would give financial support. The Italian Finance Minister had not yet rendered a recommendation on the level of this support.

The Under Secretary said we would wish to talk with the Italians and try to reach a practical conclusion on what would be a proper level or limit to budget support. In our view we should help the Somalis with development expenditures with the hope that through this they would some day be able to meet their own budget requirements. This, of course, would be one of the things to be discussed by the technicians.

Minister Segni said Italy would be happy to agree to talks at any time we were ready to discuss Somalia–Ethiopia problems.

# 273. Telegram From the Embassy in Italy to the Department of State

Rome, April 24, 1960, 12 p.m.

3827. Paris for Thurston and Finn.

1. Question is being asked with increasing frequency here, and no doubt also abroad, whether, after eight weeks of intense controversy,

Source: Department of State, Central Files, 765.00/6–2460, Confidential. Transmitted in two sections. Repeated to London, Bonn, Moscow, all Consulates in Italy, and Paris.

with stable solution being nowhere in sight, Italian democracy is approaching stage where word "crisis" should be applied to existence of regime itself rather than merely to process of forming new government. Our judgment is that, while there are causes for concern, matters are not yet at critical stage. Nevertheless, process by which democratic parties find themselves hurrying down a narrowing blind alley, with new elections, which none of them want, being only apparent escape, should perhaps be reviewed.

2. Basic problem of Italian politics since 1947 has been essentially this. With neo-Fascists on right (five percent of vote in 1958 elections) and Communists and Nenni-Socialists on left (respectively 22 and 15 percent in 1958) denied in practice to normal processes of constructive parliamentary government, and given maximum disruptive power by effects of proportional representation, there was not room within rest of political spectrum for alternation of power which normally characterizes parliamentary life.

3. Policies had to be worked out within and between democratic parties outside of Parliament. Process was further complicated by nature of DC party. Conflicting social interests ranging from Christian Socialists to rock-bound conservatism could be reconciled only under pressure of common danger from PCI–PSI, urgency of economic recovery and commanding leadership such as that of de Gasperi.

4. Italy could only be governed by open or camouflaged coalition of remaining parties (58 percent of spectrum) which was in fact what happened until 1958. Successive governments were constructed after exhaustive negotiation and reconciling of general and specific pressures and interests. Resulting balance was, however, soon subjected to competing pressures which came to head within year or eighteen months, when new balance of essentially same forces was found.

5. Underlying this constant surface change and maneuver (most of it conducted in terms of ideological mystifications which have little impact on electorate) there has been remarkably consistent line of policy and notable achievement in many fields. Astonishing economic recovery and expansion have led to all economic indicators being at all-time high, and unemployment is falling. Statistics are supported by reality, and signs of rise in standard of living of all classes are evident all over country.

6. Disparity between richest and poorest is, however, as great as ever and phenomenon of "rising expectations" occurs here as elsewhere, egged on by steady drumbeat of Communist propaganda. Other grounds for protest are business monopolies, corruption in government, real and imagined clerical interference in civil affairs, etc., all fortified by traditional skepticism and suspicion of government in general, and central government in particular.

7. Solidarity of Communist-Socialist Left has been somewhat weakened as development toward democratic socialism, which has characterized all other socialist parties, gradually and very belatedly operates in Italy, producing so-called "autonomous" movement within PSI, Nenni has put himself at head of this faction and is skillfully keeping DC on defensive. He has posed conditions for his support which are superficially moderate. They are, however, carefully chosen to detach PSDI and PRI from former cooperation with DC, to intensify conflict between DC left and right wings and, meanwhile, to garner votes for PS from PCI, PSDI and DC left. Nenni wants DC agreement, before he agrees to abstain (on initial investiture vote only) on (A) establishment of regional governments, i.e., further weakening centralized structure of state; (B) "democratic" school reform, i.e., elimination of church influence and of state support for Catholic schools; (C) modernization of electrical and nuclear power; (D) and an end to "discrimination" in organized labor, i.e., progressive weakening of non-Communist unions. While PSI is now substantially autonomous from PCI, all these policies happen also to coincide with PCI policies. Unofficial hints abound of Nenni's readiness to compromise but, against background of last 15 years, skepticism of center and right of DC party is perhaps understandable.

8. Part of DC wished to join Saragat (and Republicans) in competition for left-wing vote and as tactical device toward this end, Fanfani [*less than 1 line of source text not declassified*] induced DC party in 1957 officially to reject "centrism" and to adopt Center–Left slogan. His policy may have helped DC Party somewhat in 1958 elections but his attempt in 1958 to govern on this basis, [*less than 1 line of source text not declassified*] was complete failure.

9. Hard realities and serious risks of PSI cooperation, without which "Center–Left formula" remains no more than electioneering slogan, have been ignored or covered over with meaningless evasions. DC Party hoped to get electoral profit without having to put it to real test. [2 *lines of source text not declassified*] (Moro as party secretary was so committed in this direction that he will probably be early casualty.)

10. Saragat and Republicans (together six percent of votes in last election) being dedicated to Center–Left governmental formula only realizable at present on basis of cooperation with PSI, available margin for parliamentary majority has been still further narrowed to fifty-two percent of votes.

11. Government which Segni formed in February 1959 therefore had to rest on parliamentary support of three small right-wing parties. Following substance [garble] in paragraph four above, however, this was balanced by having Moro (favorable to Center–Left) as party secretary and adopting Fanfani's progressive policies. Liberals could stand this only so long and no doubt thought that by bringing down Segni they could extract policy changes as price of return to new center-right coalition.

12. Meanwhile DC Party organization has become progressively more and more committed to notion of Center–Left government supported by "positive abstention" of PSI. For differing reasons, very substantial proportion of DC deputies and senators, of DC electorate and of powerful elements of Catholic Church whose moral authority and votegetting power are still great, oppose this attempt. Much of this opposition stems from vested economic interests but much of it believes that ideological inheritance and political realities of Nenni's position make operation dangerous and, going against consistent DC political line of steady opposition to Communist-Socialist left, would negate whole premise of appeal for democratic solidarity behind DC party and risk substantial losses at next election.

13. Unifying factors (paragraph 3 above) are no longer operative and after 15 years of power DC Party gives appearance of having degenerated into league of warring factions, using ideological rationalizations only to justify competition for power. Instead of acting openly, secret undermining of policies, leaders and governments, in which they have just joined in giving unconvincing but unanimous party approval, has become normal political practice.

14. Liberals and most other observers (including ourselves) misjudged Gronchi's relative power position. Prestige loss in Moscow trip was quickly forgotten, and faced by all-time low in DC party unity, he has still further enlarged his role in shaping form, policies and composition of governments. His first three attempts to foist on DC Party selections which went against well-known convictions of majority of their deputies and senators were thwarted by Segni and dominant Center-Right of party, but at cost of glaring and successive contradictions, surprising even Italian politics, which have led to considerable loss of prestige.

15. As to Communists, their great concern is to avoid isolation. There has been ample evidence around country of their instigating protest movements, on basis of "unity of action" with PSI, PSDI and PRI wherever possible. Situation in Leghorn (Embtel 3790)<sup>1</sup> may well be relevant to this campaign. PCI propaganda does not have impact which

<sup>&</sup>lt;sup>1</sup> In telegram 3790 from Rome, April 22, Horsey reported that rioting broke out between Italian soldiers stationed in the area and civilian youths "over local girls." The Communist-dominated CGIL had called a 2-hour general strike in an effort to exploit the situation. (*Ibid.*, 765.00/4–2260)

it had ten years ago but, operating against background of discontent and protest which still exists, has undoubtedly had certain effect and is not only useful electoral tactic but prepares ground for exploitation of any opportunity for popular front which may arise.

16. Important current consideration is whether present crisis is weakening constitutional system to extent that crisis of regime is threatened. Responsible journals have called it most serious governmental crisis since war.

Atmosphere has been heavy with some of same official exhaustion and public disgust or unconcern with governing process that characterized latter days of French Fourth Republic. However, parallel with France is weakened by many differences of national character, experience and especially of circumstance. Italy has no Algerian question (unless it be internal one of eroding consequence of maintenance of PCI strength). Army is not significantly involved in politics; there is no available symbolic figure such as de Gaulle and there has been no intellectual or ideological preparation, so to speak, for an authoritarian regime. Main danger lies in Gronchi's concept of Presidential form of government and his relative strength in current situation.

17. Well-known positions of all parties and factions have progressively hardened and there is no evidence yet of any tendency to compromise. Gronchi's latest attempt to salvage Tambroni seems worst possible course, almost as if it were calculated to destroy DC party. Unless Gronchi gives in and allows DC party full scope to choose leader and combination which they think can get stable majority in present parliament under present circumstances (some such arrangement as Segni constructed in February 1959) genuine caretaker government to prepare new elections seems only solution. Against latter prospect is fact that no democratic party, and probably not even Gronchi under present circumstances, wants them and parliamentary opinion will react against persons believed responsible for them. Italians have great confidence in special providence watching over their destinies and blind alley may in fact prove to have some other escape not yet discernible.

Horsey

## 274. Memorandum for Director of Central Intelligence Dulles

May 17, 1960.

SUBJECT

The Italian Political Crisis

*Summary.* The disintegration of the center as the stabilizing influence in Italian politics has left Italy in the grip of a fundamental political crisis which has been only temporarily eased by parliament's reluctant acceptance of the Tambroni "caretaker" government. [2 lines of source text not declassified] We believe it unlikely that the center coalition can be reconstituted and revitalized. The creation of a center-left government with tacit Socialist support would provide some opportunities for achieving a new political equilibrium excluding the extremists of right and left from power. However, it would risk splitting the CD, and arousing bitter opposition from the right and right center. It might also open the way for a further leftward trend in Italian politics. [4-1/2 lines of source text not declassified]

[Here follows the remainder of the memorandum.]

### 275. Paper Prepared by the Embassy in Italy

Rome, June 6, 1960.

[Source: Department of State, Central Files, 765.00/6–660. Secret. Enclosure 1 to despatch 1164, June 6. 2 pages of source text not declassified.]

# 276. Memorandum by the Counselor for Political Affairs at the Embassy in Italy (Torbert)

Rome, July 5, 1960.

[Source: Department of State, Central Files, 765.00/7–560. Secret. Enclosure 1 to despatch 12, July 5. 5 pages of source text not declassified.]

Source: Eisenhower Library, Project Clean Up, Italy. Secret. Drafted in the Office of National Estimates, CIA, and signed by Abbot Smith, Acting Chairman, Board of National Estimates.

### 277. Editorial Note

Although holding a very slim parliamentary majority and relying on the votes of neo-Fascist deputies for its survival, the government of Prime Minister Tambroni took a hard line against the political protests of the left-wing parties. Police suppression of a Communist political rally in Bologna in early June 1960 led to further public protests and to fist fights in the Chamber of Deputies. Tambroni's decision to grant permission to the neo-Fascist MSI to hold a party congress in Genoa led to riots in that city and the eventual cancellation of the meeting. Between June 30 and July 7, violent outbreaks took place throughout Italy. Leaders of the ruling Christian Democratic Party held meetings with the representatives of other center parties which resulted in a decision to replace Tambroni.

The negotiations for a new government were managed by Aldo Moro, Secretary of the Christian Democratic Party, and resulted in a July 16 agreement among the Christian Democrats, Liberals, Social Democrats, and Republicans to form a new government. This agreement was ratified by the directorate of the Christian Democratic government on July 18. Tambroni resigned the following day.

On July 26, Amintore Fanfani formed his third government, a fourparty coalition of Liberals, Republicans, Social Democrats, and Christian Democrats. In the confidence vote that followed, the Socialist Party abstained. This action was a victory for PSI Secretary Pietro Nenni over those Socialist Party elements favoring closer cooperation with the Communist Party. Ambassador Zellerbach commented:

"For the first time since 1958 Italy now has a government based on broad center parliamentary support which offers prospect of developing into effective governing instrument. Shock engendered by Communist riots, and by realization of how close Gronchi and Tambroni were to consolidating personal power with adventitious aid of certain extreme right political, economic and clerical elements, caused democratic parties to close ranks." (Telegram 426 from Rome, July 27; Department of State, Central Files, 765.00/7–2760)

## 278. National Security Council Report

NSC 6014

August 16, 1960.

## DRAFT STATEMENT OF U.S. POLICY TOWARD ITALY

## **General Considerations**

1. Since Italy is a key member of the Atlantic Alliance, its political and economic progress and full collaboration within that Alliance are essential, not only to the NATO strategic concept for the defense of Europe, but to the historic unity and continued growth of the Atlantic Community. Conversely, the loss of Italy to Communist control would result in profound political, psychological, and military damage to the Free World.

2. Until the election of 1948, grave danger existed that Italy would fall under Communist domination. Beginning with that election, the Communist drive was halted, partly as a result of large-scale economic aid, firm moral support from the United States, and the military security furnished by NATO membership. From April, 1948, to June, 1953, under De Gasperi's Christian Democratic leadership of the center party coalition, Italy made progress on many fronts. Despite its outspoken anti-Communism it failed, however, to discredit Communist pretensions to legitimacy as a democratic political institution, and did not take adequate steps to undermine the vast Communist organization. Meanwhile, the Communist Party became deeply entrenched in many local governments and socio-economic institutions.

3. Since 1953, as Italian politics emerged from the period of National Unity inspired by the Communist threat and the urgent needs of post-war recovery, there has been increased governmental instability. The four center parties have retained only a small majority in Parliament. Furthermore, a diminished sense of urgency about the Communist threat allowed differences among the center parties over program, ideology, and electoral tactics, to make it increasingly difficult for them to unite in support of any government. While the Christian Democratic Party has continued to be the nucleus of all governments, it is itself badly split and, because of its heterogeneous nature, can arrive at no lasting internal consensus around which a majority government can be formed. The resulting inability of the Christian Democratic Party to

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6014 Series. Secret. In a memorandum attached to the source text, August 16, Marion W. Boggs, Acting Executive Secretary of the NSC, noted that this draft statement of policy had been prepared by the NSC Planning Board. A Financial Appendix which estimated the costs of a U.S. aid program for Italy was circulated on September 16.

form stable, long-lived governments which can carry out effective, reformist programs has contributed to a growing cynicism about Italy's young democratic system. If such conditions continue, there is a real danger that a continued succession of unstable governments will increasingly discredit the institutions of parliamentary democracy and further reduce parliamentary representation for the moderate center parties, thereby strengthening the left and right extremes. The Fanfani Government, which took office in late July 1960 with broad center political support, benefits from a renewed spirit of cooperation among the center parties and marks at least a temporary pause in this trend. However, it was created as an emergency solution in the aftermath of serious public disorders, and it can only postpone, not resolve, the basic problem of political choice which has faced the Christian Democratic Party for many years. While successive governments have been able to point to considerable economic and social progress which has occurred in a generally favorable international economic climate, it is doubtful that governments which depend on ultra-conservative support will distribute the benefits of this economic progress on a scale sufficiently broad to blunt persistent popular demands for more fundamental "structural reforms".

4. Moreover, leftist sentiment in Italy remains strong. The Communists have built up over many years an effective machine of subversion reaching down to the block and village level. In the 1958 national elections they polled 23 percent of the vote. The Nenni Socialists (PSI) obtained about 14 percent. Together these two parties thus obtained about 37 percent of the vote, as compared with 31 percent in 1948. During 1948–58, however, the Communist national vote has remained almost stationary, and the significant gains have been made by the PSI.

5. Two major factors which have contributed to the leftist gains are: first, a shift of a small portion of the urban middle class vote away from the center; and second, the increasing disenchantment on the part of the poorer classes of the South with the disintegrating ex-Monarchist parties. The ex-Monarchists and to a lesser extent the Neo-Fascists have suffered the greatest losses in recent elections. The Christian Democrats, while losing some strength of the moderate left, have managed to pick up a majority of right-wing losses so that on balance they have actually increased their total percentage of the electorate.

6. The net effect of these voting trends has been to strengthen the Christian Democrats and the composite left at the expense of the right, thus shifting the center of the political spectrum somewhat toward the left. This shift has resulted from a number of factors: The increasingly pronounced public posture of political autonomy assumed by Nenni Socialists; revelations of corruption and misgovernment which to some degree result from the long period in which the Christian Democratic Party has controlled the national administration; deep-seated anti-clerical resentment at church interference in political life; disappointment at the slow implementation of basic economic and social reforms; and the recent aura of détente in over-all East-West relations. This electoral trend acquired increased significance because the moderate center parties found it increasingly difficult to agree among themselves on a government program, thereby permitting the Communist Party to maneuver skillfully to attempt to escape from the "political quarantine" in which it was placed in the early post-war period.

7. A key disruptive factor in the Italian political scene is the difference of opinion among the various democratic forces as to the possibility of accepting the Socialists (PSI) as a reliable and responsible democratic party. The Socialists have shown distinct signs of desiring political autonomy, and have increasingly distinguished themselves from the Communists on some important issues, most significantly by abstaining rather than voting against the Fanfani Government in the recent vote of confidence. This trend will probably continue, but it has not yet gone far enough to lend confidence that the PSI would not follow the Communist line on at least certain critical questions, and especially on foreign policy. Nonetheless, many democratic center-left elements feel that limited confidence can be placed in PSI support for a DC government, and that such action would result in a more rapid move by the PSI toward complete autonomy. Other democratic elements prefer to depend on the right as the lesser of the two evils. Most all agree, however, that a major danger is that of aligning conservative political, economic, and clerical forces with the Neo-Fascists in a "National Front" against a Communist-led "Popular Front" including the laboring classes and democratic elements of the moderate left. Such a clear split of the Italian body politic would reproduce the division which spawned Fascist authoritarianism in the 1920's. [5 lines of source text not declassified] An extreme rightist government would also almost certainly be ultra-nationalist and probably opposed to European unity, and possibly neutralist.

8. In this situation, it is clearly in U.S. interests to give maximum feasible support to democratic political forces as broadly based as possible, in order to achieve implementation of the reforms necessary to improve basic social and economic conditions in Italy, and increase public support for the Italian democratic system. This support should take fully into account the importance of the lay center parties, which act as barriers against the electorate's drifting to either extreme. The cooperation of these parties with each other, and the maintenance of the possibility of some moderate center formula for coalition governments for a further period of years, is highly desirable in order to avoid the extreme polarization of the electorate described in paragraph 7 above.

9. In recent years, Italy's rate of economic growth has been one of the highest in Europe. Since 1953, Gross National Product has increased 5-1/2 percent per year and industrial production 8 percent per year. Noticeable progress has been made in reducing unemployment. Although the Italian budget is still in deficit, the budget position has generally improved and the condition of the economy is such that a larger budget deficit could be maintained without creating significant inflationary pressures. However, there is likely to be significant political resistance to either a sharp expansion in the budget deficit or to an increase in tax rates.<sup>1</sup>

10. Gold and foreign exchange holdings have increased since 1953 by more than \$2 billion, giving Italy total reserves exceeded now only by the United States and Germany and making the Italian lira, which is now externally convertible, one of the strongest and most stable currencies in the world. The International Monetary Fund and the GATT have determined that Italy can no longer justify quantitative import restrictions for balance of payments reasons. Although many restrictions have been removed, our efforts to persuade the Italian Government to take early action to eliminate remaining quota restrictions—particularly those which discriminate against imports from the dollar area—have not yet been successful.

11. The rapid progress of recent years has eased but not eliminated Italy's chronic economic problems. Italy is very densely populated but poor in many raw materials and fuel resources. Per capita Gross National Product is substantially lower than in most other Western European countries. Within Italy there are wide regional and class divergencies in incomes and living standards which augment political tensions; for example, average income in the north is more than double the average in the south. The long-range program for development of the south has begun to help to expand job opportunities and improve economic conditions in that region. In the first four years of the program, more than one million new jobs were created, but the decline in unemployment has been much slower than was originally envisaged, and the gap in income between the north and south has not changed significantly.

12. Italy has indicated its interest in and support of proposals for expanding Free World efforts to assist the less-developed areas, but expects her contribution to be largely in the form of technical assistance

<sup>&</sup>lt;sup>1</sup> Italy's level of taxation, measured as a percent of GNP, falls below the level existing in the major European nations of the U.K., Germany and France, and above the level existing in a number of other European nations such as Belgium, Portugal and Spain. The Italian level of taxation is higher than that of the U.S. if social insurance payments are included for both countries, lower than that of the U.S. if these payments are excluded. [Footnote in the source text.]

and short- or medium-term commercial credits. The Italian Government has not yet established any government mechanism for furnishing long-term development financing abroad. Her contribution in this field to date has been almost exclusively limited to economic assistance for her former Trust Territory, Somalia. However, her economic position would permit an increase in the general field of economic assistance to less-developed areas.

13. Throughout the post-war period under a succession of Christian Democratic-led governments, Italy has collaborated closely with the Western powers, particularly the United States, and has given vigorous support to NATO. It also early assumed a leadership position in the movement for European integration, motivated not only by long-range security considerations but by the hope that through European unity its political and economic problems might be alleviated. This collaboration with the United States and NATO has not suffered substantially from the governmental instability which has characterized Italy's parliamentary system since the 1953 election.

14. During the past five years, successive Italian Governments have increasingly urged the United States and the other leading Western nations to recognize Italy as one of the major powers by admitting her right to participate in all major international conferences and in all important Western decisions, particularly those affecting Italian interests. This drive for acceptance as a major power does not appear to be based on any strong pressures of public opinion, but there is no doubt that an important element of Italian national character is that any important government official or leader must appear to play an important role in world affairs. Italian Governments have insisted, with some measure of justification, that their success or failure in obtaining this recognition has a substantial effect on their continued ability to provide wholehearted support for U.S. policies.

15. Italy also considers that it retains special, traditional interest and influence in the Mediterranean area and in Africa. With the independence of Somalia, Italy may be expected increasingly to look for ways to improve her position in Ethiopia. The wide-ranging activities of the National Petroleum Authority (ENI), headed by Enrico Mattei, throughout the Middle East and Africa, will undoubtedly be given full support by the Italian Government in the context of the above attitude.

16. The Trieste settlement of 1954 eliminated the major sources of friction between Italy and Yugoslavia. Consequently, our policy of encouraging Yugoslavia to maintain its independence in the face of Soviet pressures and blandishments no longer troubles our relations with Italy. Italy's relations with France have continued to be close and friendly. However, Austria's demands that Italy grant complete autonomy to the German-speaking Province of Bolzano (Alto Adige) have created a seri-

ous rift between Italy and her northern neighbor. Our policy of seeking to induce Austria and Italy to reach a solution for this problem, which would be satisfactory to the German-speaking minority without derogation from Italian sovereignty, has thus far not been successful, and this dispute will continue to complicate Italian-Austrian relations for the foreseeable future. However, it is unlikely to lead to serious violence.

17. Because of Italy's limited military capability and geographic location, its military role in NATO has essentially been confined to the defense of its own national territory and contiguous air and sea areas. Over the past few years, Italy has steadily expanded and improved its defense establishment and can be expected to continue its efforts to meet its current NATO force goals. Italy now furnishes almost all of the substantial number of land, sea, and air units required of it by NATO defense plans. However, its capability, principally that of the Army, to fulfill its NATO role remains limited, and external aid and support would be required for other than a short period of military operations (25–30 days). With support by the other NATO powers, Italy is capable of making a substantial contribution toward protecting the southern flank of Allied Land Forces Central Europe and of defending the western flank of Allied Land Forces Southeastern Europe, particularly if Yugoslavia takes concurrent military action to defend her territory against attack by the Soviet Bloc. Additionally, the Italian peninsula and Sicily constitute a zone of great strategic importance as a base area for the air and naval forces of other NATO nations. The heavy industry and oil refining facilities of Italy have been expanded toward meeting the needs of the Italian armed forces, and through the cross-servicing system can help to fulfill the material requirements of the armed forces of NATO countries. Italian forces can be expected to fight effectively if at the outbreak of hostilities the United States is able, through NATO or directly, to provide effective leadership and support.

18. Italian defense expenditures in 1959 were slightly over one billion dollars, or 3.8 percent of the Gross National Product. The Italian defense budget has increased each year, although the increase has not been quite as rapid as the increase in the country's total production so that the relative burden of defense has tended to diminish slightly. The Italian Government has given assurance that its defense budget will continue to rise about 4 percent per year. This figure can probably be increased, if appropriate inducements and political pressures are applied. However, increases substantially beyond this magnitude will encounter strong political opposition because of, among other factors, pressures for costly programs of economic development to remove one of the basic causes for Communist political strength.

19. In response to various inducements and pressures, the Italians have been taking over a progressively increasing share of the financial

responsibility for the maintenance of the conventional equipment required for their forces and for their spare parts requirements. They are producing a variety of items of conventional equipment, have embarked on an extensive naval construction program, are producing a light-weight strike fighter aircraft and are planning to participate with other Western European countries in the coordinated production of the F-104 aircraft. A number of other cost-sharing projects have been undertaken toward the fulfillment of NATO force goals. In addition, the Italian Government has assigned priority within its defense program to the reorganization, modernization, and strengthening of the operational units required by MC-70 in an effort to improve the quality of her armed forces. The measures contemplated to accomplish this include reducing national forces to the minimum level consonant with the risks which are considered acceptable. To this end, Italy has recently announced plans to reduce five of her national divisions to five brigades so as to permit a qualitative improvement in forces available to meet MC-70 requirements.<sup>2</sup>

20. Notwithstanding these efforts to improve the effectiveness of Italy's forces, equipment deficiencies will remain the major obstacle to achievement of Italian force goals called for by MC-70 plans.<sup>3</sup> Maintenance and operations of these forces takes almost 90 percent of the Italian defense budget leaving only a little more than 10 percent for the procurement of new equipment. The projected increases in the defense budget will not improve the situation materially because the integration of advanced weapons systems, such as the IRBM, into the Italian armed forces will involve sizeable increases in maintenance and operating costs. To equip Italian forces to levels which would meet MC-70 objectives by the 1963 target date would require equipment expenditures well above Italian defense expenditures (after they have been increased by the assumed four percent) plus whatever U.S. military assistance is likely to be approved for this period. Since any further likely increase in Italian defense expenditures would cover only a minor portion of this shortfall, and since U.S. assistance of a magnitude to fill all of the remaining gap is not in prospect, it is expected that there will be a considerable shortfall<sup>4</sup> or delay in meeting these planned force goals.

<sup>&</sup>lt;sup>2</sup>See footnote 3, Document 230.

<sup>&</sup>lt;sup>3</sup> Under NSC Action No. 2149–b, the Departments of State and Defense are preparing recommendations for U.S. policy regarding the future roles and contributions of the United States and other NATO nations with respect to the collective defense posture, as a basis for consultation with other NATO governments, such recommendations to be plausible to NATO Allies as well as sound from the U.S. viewpoint. [Footnote in the source text.]

<sup>&</sup>lt;sup>4</sup> In terms of JCS strategic objectives (JCS planned force goals), the shortfall would substantially exceed that projected for MC–70. [Footnote in the source text.]

#### Objective

21. A strong, stable Italy:

a. Free from Communist domination or effective Communist influence and subversion;

b. Having a constitutional, democratic government and a healthy, self-sustaining economy; and

c. Able and willing to make important political, economic, and military contributions in support of the Free World coalition.

Policy Guidance

### The Internal Situation in Italy

22. Encourage a broadening of the democratic base of the Italian political system, thus permitting the more effective conduct of parliamentary government. In so far as possible, pursue this end by strengthening the parties of the moderate center. Encourage all political forces within the democratic spectrum either (a) to support Christian Democratic attempts to construct stable, progressive, efficient, and firmly anti-Communist governments which will continue to cooperate with the United States and NATO; or (b) to form a loyal, constructive, Parliamentary opposition.

23. Encourage by all practicable means:

a. A maximum feasible reduction in the strength and effectiveness (influence, subversive potential, organizational and economic strength, and electoral appeal, etc.) of the Communist Party and of Communistcontrolled front groups, so as to prevent Italy from falling under the domination of the Communist Party, either directly or through other political parties or factions dominated by the Communists.

b. The evolution of the Italian Socialist Party as a completely autonomous and democratic party; the further development by that Party of policy lines distinct from and antagonistic to those of the Communist Party, and ultimately anti-Communist, Western-oriented, and fully supporting European and Atlantic solidarity. Until such evolution has been substantially demonstrated, however, attempt to prevent the Italian Socialist Party from exerting significant influence over the conduct of Italian foreign affairs and defense policies.

c. The prevention of domination of Italy by extreme rightist authoritarian groups, and the prevention of decisive extreme right influence on Italian Government policies.

24. Encourage the Italian Government to adopt and carry out a broad constructive program capable of attracting maximum popular approval and decreasing the appeal of extremists of both wings, whether Communist or Neo-Fascist.

25. Encourage by all practicable means the growth of the free labor federations as instruments with which to weaken Communist influence in the labor field.

26. Increase pressure on the Italian Government to eliminate all quantitative import restrictions not justified by GATT waivers, especially those which discriminate against imports from the dollar area.

27. Wherever appropriate and feasible, continue to support U.S. legislation and actions by other Free World nations designed to facilitate the emigration and resettlement of Italian nationals.

28. Consistent with NSC 5706/2,<sup>5</sup> support measures for the resettlement of international refugees temporarily residing in Italy.

29. Conduct vigorous information and educational exchange programs in Italy directed at winning Italian acceptance of and support for U.S. world-wide policies and objectives.

30. Encourage U.S. non-government organizations and individuals to undertake appropriate programs in support of U.S. policies in Italy.

## Italian Collaboration in the Free World

31. Recognize Italy's increased sense of self-confidence and national pride by supporting Italy's participation in Western councils whenever reasonable in the light of other U.S. interests.

32. Acting whenever appropriate with the support of or in concert with other friendly governments:

a. Support active Italian participation in and contribution to the movement for European economic and political integration, and encourage Italy to continue to play a leading role in this movement.

b. Promote strengthened Italian political, economic, and military collaboration with the United States, other NATO countries, and the other free nations of Western Europe through appropriate international organizations.

c. Continue efforts to encourage an early solution of the Alto Adige problem, and to avoid allowing this dispute to disrupt Western unity.

d. Persuade Italy to assume a share of the responsibility for extending appropriate economic aid and technical assistance to less-developed countries outside the Iron Curtain commensurate with its economic position.

e. Encourage Italy, together with the U.K., to continue to bear the major responsibility for assisting in the economic and political development of Somalia.

33. Maintain steady political pressure, exerted bilaterally and in conjunction with other governments and appropriate multilateral organizations, to induce Italy to increase the proportion of Italian resources devoted to defense. Continue to consult with the Italian Government concerning the size and character of the Italian defense

<sup>&</sup>lt;sup>5</sup> "U.S. Policy on Defectors, Escapees and Refugees from Communist Areas", approved March 8, 1957. [Footnote in the source text. For text of NSC 5706/2, see *Foreign Relations*, 1955–1957, vol. XXV, pp. 584–588.]

effort, the scope and nature of U.S. military assistance, and the extent to which an increased Italian contribution can be achieved without prejudicing Italy's political and economic stability.

### Majority

Consistent with the foregoing, continue to provide grant military assistance to Italy in support of Italy's military requirements, emphasizing cost-sharing and other techniques designed to bring about a maximum Italian NATO contribution.

## Treasury-Budget

As part of these consultations, inform the Italian Government at an early date that it cannot in the future look forward to the level of grant military assistance that Italy has received in the past and begin to plan with the Italian Government for the orderly reduction and early elimination of new commitments for the provision of military equipment to Italy on a grant basis.

### **Future** Contingencies

34. In the event of an external attack against Italy, the United States should make such use of its military power as it may agree to be necessary under Article V of the North Atlantic Treaty.

35. If Communist or Communist-front groups appear to be significantly increasing their influence on the Italian Government, and especially if anti-Communist determination appears to be waning, the United States should consider taking any feasible non-military actions, [less than 1 line of source text not declassified] either alone or in cooperation with other allied nations, to support any available Italian resistance to these trends.

36. In the event the Communists appear to be acquiring or actually achieve control of the Italian national Government or portions thereof by either legal or illegal means, the United States should be prepared, in the light of conditions existing at that time, to take appropriate action, either alone or in cooperation with other allied nations, [less than 1 line of source text not declassified] to assist whatever Italian elements are seeking to prevent or overthrow Communist domination.

SecDel MC/52

New York, September 26, 1960, 11 a.m.

## SECRETARY'S DELEGTION TO THE FIFTEENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

#### New York, September 19–28, 1960

#### PARTICIPANTS

U.S.

The Secretary Mr. T.C. Achilles, Counselor of the Dept. Mr. B.E.L. Timmons, Advisor, USDel UNGA

#### Italy

Foreign Minister Segni Mr. Gaetano Martino, Chairman, Italian Delegation to the UNGA Ambassador (to the U.S.) Brosio Mr. Straneo, Director of Political Affairs, Italian Foreign Ministry Mr. Sensi, Chief of Cabinet to the Foreign Minister

SUBJECT

Bilateral Discussion between the Secretary of State and the Italian Foreign Minister

The Italian Foreign Minister opened the discussion by bringing up the Alto Adige question,<sup>1</sup> which he termed one which deeply concerns the Italian Government. He said that following the advice of "Italy's friends", Italy had decided not to oppose inscription of the item, provided that the original Austrian wording was changed. This had been accomplished in the General Committee; now the matter will be discussed in Committee and later in the GA Plenary. The Foreign Minister

Source: Department of State, Conference Files: Lot 64 D 559, CF 1766. Secret. Drafted by Timmons. The meeting was held in the Waldorf Towers.

<sup>&</sup>lt;sup>1</sup> The Austrians had asked that the Alto Adige issue be put on the U.N. General Assembly schedule, claiming that Italy was not living up to the 1946 De Gasperi–Gruber agreement. They demanded that Balzano province with its large ethnic German population be granted an autonomous status similar to that of Sicily. Italy rejected Austrian claims that it fostered ethnic and linguistic discrimination and insisted that it was ready to negotiate directly with Austria or refer the matter to the International Court of Justice for arbitration. The Italians claimed that Austria's moves were prompted by the desire to annex the Alto Adige. The issue was referred to the Special Political Committee of the General Assembly on October 17. After 10 days of discussions, the committee recommended bilateral talks between Italy and Austria with recourse to the International Court of Justice for arbitration if these talks failed. The General Assembly, 15th Session, Special Political Committee Meetings 176–185. The report of the Special Committee is U.N. doc. A/4553. A text of the resolution is in *Yearbook of the United Nations*, 1960, p. 179.

again emphasized the importance of this "internal political question" in Italy. Bolzanc–Trento on the one hand, and Trieste on the other, was the reason why Italy entered the First World War in 1915, which had cost her 600,000 lives.<sup>2</sup> It would be wrong to think that the Alto Adige question is for Italy one of prestige or territorial expansion. It is not. The Minister also alluded to his conversation with President Eisenhower last year, at which the Secretary was present, in which the Minister had explained the importance of the Alto Adige problem.<sup>3</sup>

The Minister said Italy's conscience in the matter is clear and she does not fear the UNGA discussion. Italy does, however, need the aid of the U.S. and her other friends in the forthcoming debate.

The Secretary said that the U.S. had talked to a number of UN members and found there was general agreement that the Alto Adige item was a juridical matter. In his statement Ambassador Wadsworth had said the item should not be inscribed at all. This had provoked a sharp reaction from the Austrians.<sup>4</sup> The Secretary assured the Foreign Minister that the U.S. would support in the UN discussion the position Italy has taken and would also support it with others.

The Foreign Minister expressed his appreciation, emphasizing again the question concerns not only the Italian Government but the whole Italian people and the Italian state itself.

The Secretary remarked that the problem was a complicated one for the new states, and expressed the hope that the Italian Delegation would talk to them and also provide written materials giving background and facts.

The Foreign Minister said Italy was preparing a reply to the Austrian memorandum, which contains misleading statements.

Messrs. Segni and Martino spoke of propaganda emanating from Austria and Germany designed to influence the Latin American countries and others. Chancellor Adenauer had been quite correct in his approach to the matter but the same could not be said of some of his Ministers, such as Herr Seebohm, who had spoken in favor of Austria. Mr. Martino said that much Austrian propaganda (some examples were shown) comes from a center in Innsbruck which has Austrian Government support.

<sup>&</sup>lt;sup>2</sup> The 1915 Treaty of London guaranteed Italy postwar control of these areas in return for Italian military intervention against Austria and Germany.

<sup>&</sup>lt;sup>3</sup>See Document 247.

<sup>&</sup>lt;sup>4</sup>On September 23, Wadsworth underlined U.S. "regret" that the Austrians had brought the Alto Adige issue before the U.N. General Assembly. The Austrian Government subsequently modified the text of its resolution but insisted that the matter be considered by the General Assembly.

The Secretary inquired as to the timing of the discussion of the Alto Adige question. Mr. Martino replied that it was the fifth point on the Special Political Committee's agenda. The Secretary said he felt it should be gotten out of the way as soon as possible. The Foreign Minister spoke of the importance of ending the discussion now, and of ensuring that it is not brought back to a subsequent GA. He cited as an example of the political use to which Austria puts the Alto Adige question the fact that just as the GA opened Austria had sent Italy a note protesting an alleged border intrusion, although the incident was supposed to have taken place during Italian Army maneuvers last June or July.

The Foreign Minister, saying that he knew the Alto Adige region well and the "peaceful life" that prevails there, charged that Austria was attempting to make the Alto Adige a major question. The region is open to foreigners, who can see the political and press freedom that prevails; German-language newspapers in the Alto Adige are constantly attacking the Italian Government. However, Mr. Segni said, if the UNGA suggests a commission of inquiry, the Italian Government would be "absolutely opposed", it could not and would not accept it or let it enter.

Mr. Segni went on to say that earlier he had proposed to Chancellor Raab of Austria bilateral talks or a submission of the Alto Adige question to the International Court of Justice. This was not only logical but was also in accord with the Treaty obligations between the two countries.

The Secretary remarked that he thought this could usefully be emphasized in what the Italian Delegation would be saying to the delegations of other countries.

Concluding this portion of the discussion, the Secretary assured the Foreign Minister that since the U.S. had counseled Italy that the best tactics seemed to be to allow the matter to be inscribed, the U.S. definitely feels a sense of responsibility and we will do our best to help Italy.

The Foreign Minister then inquired as to the results of the Secretary's talks with Lord Home and Couve de Murville on the handling of the Khrushchev attacks on the UN and the West.

The Secretary replied that as the talks took place on the same day that Khrushchev had spoken, there had not been much time for reflection.<sup>5</sup> It had been agreed that Khrushchev had taken a very destructive line. Couve had had to return to Paris, and the role the French would play in this GA was not clear, as they were almost wholly preoccupied with Algeria.

<sup>&</sup>lt;sup>5</sup> In a September 23 speech to the General Assembly, Khrushchev attacked Western colonialism and demanded that the position of Secretary-General be transformed into a three-man body comprising representatives of the three major groups of states.

Mr. Segni said that if the Secretary had no objection he would like to counter in his speech Khrushchev's suggestion of moving the seat of the UN. The Secretary said he certainly had no objection to such a reference.

The Foreign Minister then turned to General de Gaulle's ideas for a revision of NATO. The Italian Government, Mr. Segni said, approached this matter with greatest caution and care.

The Secretary said he had been very frank on this score with Couve. If General de Gaulle were to be successful in implementing his ideas on NATO, the U.S. would have to withdraw all U.S. troops from Europe. Our justification for keeping them there is the existence of the integrated NATO command, which alone makes a defense possible. The U.S. was not happy over General de Gaulle's recent press conferences,<sup>6</sup> and he (the Secretary) had told Couve how unfortunate was this public airing of differences.

Mr. Segni said he too had been surprised by the press conference, in which the General had said things publicly that he had not mentioned two days earlier in the private discussions with the Italian Government. Mr. Segni added that military integration i.e., in the view of the Italian Government, was an absolute necessity. He thought that there should not be any radical changes in NATO.

The Secretary spoke of the Ten Year planning program of NATO and said the U.S. Government hoped shortly to talk informally to Italy about some of our ideas. In response to Mr. Segni's question he said this would be done through Ambassador Brosio. This would be a preliminary to a discussion in NATO at the December Ministerial meeting. The Secretary said he thought the ten year program should not be discussed in NATO until countries had had an opportunity to exchange ideas. The U.S. thinks that in various fields there can be actions that taken together will lead to the integration of Europe. If pursued separately however they could lead to the reverse. The U.S. conceives of integration as both political and military; "the defense of Europe belongs to all of us". Mr. Segni said NATO Secretary-General Spaak was of the same idea. The Secretary said Spaak would be here next week and he hoped to see him.

The Secretary said that the U.S. would have some ideas on MRBM's which would be different than the previous.

At the end of the discussion Mr. Segni expressed the hope that, when he returned to the United States in October, it would be possible for him to pay a call on the President in Washington. The Secretary

<sup>&</sup>lt;sup>6</sup> At his September 5 press conference, de Gaulle announced that France wished a revision of the North Atlantic Treaty to provide special representation for the United States, United Kingdom, and France and that the French Government favored the creation of an integrated European defense force.

thought this would be possible (having in mind the fact that in October much of the pressure arising from the attendance at the UNGA of Heads of Government and Foreign Ministers would be eased).

The meeting ended with expressions by both the Secretary and the Foreign Minister of the usefulness of the discussion.

#### 280. Memorandum of Conversation

October 12, 1960, 10:05–11:05 a.m.

#### PARTICIPANTS

US

The President Foy D. Kohler, Assistant Secy General Goodpaster Italian

Antonio Segni, Foreign Minister Carlo Alberto Straneo, Director General for Political Affairs Manlio Brosio, Ambassador to the US

The President received Mr. Segni at his request.<sup>1</sup>

After the usual amenities, during which the President expressed his pleasure at seeing Mr. Segni again, he asked whether the Foreign Minister would be making a speech to the United Nations General Assembly. Mr. Segni replied in the affirmative saying that he would probably deal mainly with the question of disarmament. There then ensued some discussion of Chairman Khrushchev's speech yesterday<sup>2</sup> which the President thought was part of his attempt while here to frighten the smaller UN members. Mr. Segni agreed that Khrushchev's presentation had been mostly direct or indirect threats. Referring to Khrushchev's position that disarmament must come first then the Soviets would accept even the most violent anti-Communist inspection, the President said that the United States had gone very far toward indicating our readiness to make disarmament and inspection simultaneous but in the last analy-

Source: Department of State, Central Files, 765.13/10–1260. Secret. Drafted by Kohler and approved by Goodpaster on October 20. The meeting was held at the White House.

<sup>&</sup>lt;sup>1</sup>Segni was in the United States attending the 15th U.N. General Assembly session.

<sup>&</sup>lt;sup>2</sup> In an October 11 speech to the U.N. General Assembly, Khrushchev proposed convening a special session of the General Assembly on disarmament at a European site in March or April 1961.

sis we must be sure that disarmament has actually taken place. We were certainly not going to be in the situation of throwing our arms in the Atlantic and then have the Soviets face us with an unwelcome surprise. Mr. Segni agreed and said he had pointed out to the Italian Parliament that there must be no unilateral Western disarmament.

The President then raised the question of the South Tyrol, saying he understood troubles between Italy and Austria still continued on this issue. Mr. Segni confirmed this understanding and referred to his conversation with the President on the subject last year.<sup>3</sup> He commented that while the South Tyrol was not important in the international picture it was of great importance for Italy. If the Italians should be defeated on this issue there would be an internal crisis. In reply to the President's question, Mr. Segni said that the issue had been inscribed on the UNGA agenda and would be debated next week in the Special Political Committee. When the President commented that Italy could surely make a more reasonable presentation than Austria on this subject, Mr. Segni said the Italians expected a majority but to obtain this they relied on US support. The President commented that he sometimes felt uncomfortable to have such issues arise between good friends of ours. He did not understand why the Austrians continued to press the matter but added he was of course not an Austrian. He then inquired as to where efforts stood in respect to a direct compromise of the issue between the two countries. Mr. Segni said the Italians had told the Austrians that if they had a complaint about the Italian observance of the 1946 treaty<sup>4</sup> then this complaint should be taken to the International Court of Justice but the Austrians had refused. Again in reply to a question, Mr. Segni confirmed the President's impression that the Austrians were seeking to discuss this matter in a political rather than a judicial atmosphere. He said that in trying to influence the Latin American delegations at the UN the Austrians had even been mourning the Treaty of St. Germain of 1920. The President then asked Mr. Kohler to review the US position, which was stated as support of the Italian position that the question should be referred to the ICJ, then asked Mr. Segni whether this was satisfactory to the Italians. Mr. Segni confirmed that it was but pointed out that there were two ways of going to the ICJ and that the Italians were seeking a decision rather than the advisory process. The President confirmed that we supported this position.

Mr. Segni then said that he was worried about the attitudes of the newly admitted nations in the UNGA. The President agreed this was a problem and mentioned that we had been making efforts to assure them

<sup>&</sup>lt;sup>3</sup>See Document 247.

<sup>&</sup>lt;sup>4</sup> The Gruber-de Gasperi agreement of 1946; see footnote 2, Document 239.

that we are reasonable and do not seek to dominate them. In this connection he mentioned that he was receiving fifteen heads of the delegations of the new African states at the White House on Friday. He also referred to talks he had had in Paris last winter with leaders of the new states of the French community<sup>5</sup> when he had felt that they were disposed to cast their fortunes with the West. He was always seeking ways to persuade them of our good faith and good intentions. He felt we would probably never succeed with respect to Guinea, that we would have troubles with Ghana and that the Congo was a question mark. He suggested to Mr. Segni that he should seek to see Prime Ministers Abubakar of Nigeria and Olympio of Togo as excellent men with the possibilities of exercising great influence in the African area. Mr. Segni interjected that the Italians had a number of firms doing public works in Nigeria and had good relations there. The President resumed by saying that the Nigerian Prime Minister had brought in a set of books about his country and that he had been surprised to learn of the size and importance of some of the cities in Nigeria. He repeated that Nigeria and Togo could be good friends. Mr. Segni said that he would certainly follow the President's advice with respect to seeing the Africans. He repeated that the Italians had economic interests not only in Nigeria but also in Rhodesia and even in the Congo where they were building roads. He said he thought the Africans knew that, like the United States, Italy had no ambitions in Africa. The President commented that he would suggest that Mr. Segni add this subject to his speech in the UNGA. He thought it would help to persuade the Africans of our friendly intentions.

Mr. Segni then raised the question of Europe, referring especially to the conversations that Prime Minister Fanfani and he had had with President de Gaulle and Prime Minister Debre.<sup>6</sup> He said the Italians had been firm with respect to their support of NATO and military integration. They had taken the position that the basic structure of NATO is sound and that before we consider reform we should consider how to make improvements in the operations of NATO as presently organized. In this connection he said the Italians were awaiting with great interest the suggestions the US would make in connection with the 10-year planning for NATO.

The President replied that he was a firm supporter of NATO which he believed was the salvation of the free world. He had himself helped to set up the military side of NATO in the beginning. He thought we should all note however that there had been changes in the past ten

<sup>&</sup>lt;sup>5</sup> During the visit to Paris on his 11-nation tour December 18–20, 1959.

<sup>&</sup>lt;sup>6</sup> Fanfani and Segni met with French President de Gaulle and Prime Minister Debré in Paris on September 2.

years as a result of the Marshall Plan and the industrial renaissance of Europe. Thus while he agreed that we should not change basic methods there should be a constant review of where each member of NATO could make the maximum contribution. The United States had worldwide responsibilities ranging from Korea through Formosa and Southeast Asia-with a serious problem currently in Laos-through Iran to Turkey and Greece. In addition there was the obligation of the industrialized western nations to help the lesser developed countries. While he was completely dedicated to NATO, he wanted to ask our allies to consider what they could do to make the burden easier. The United States was faced with an outflow of gold not on the basis of trade accounts but as a result of grants and expenditures throughout the world. While \$60 billion was owed to the United States our allies had some \$16-\$18 billion in short term claims on us. The United States had become the world's banker and it was necessary to maintain faith in the US dollar. The United States had undertaken this great load voluntarily and could and would support it but looked to our allies to carry their share. With respect to support of NATO he reiterated he completely agreed.

Mr. Segni said he completely understood the President's position. He realized that the European countries must contribute to the development of the LDC's. In this connection he referred to a discussion of the subject last year with Under Secretary Dillon when he had stressed Italian views as to the importance of Latin America where the Italians had had much emigration and had widespread interests.7 He referred to his idea that NATO should play a role in coordinating aid to Africa and Latin America and the President recalled that they had discussed this last year. The President added that he had also talked about this question with Chancellor Adenauer and President de Gaulle and Prime Minister Macmillan. Mr. Segni said the Italians greatly admired the vast effort the United States was making and fully agreed with the importance of coordinating the effort between the United States and the European countries. In this connection he referred to Italian-German relations saying that they had close cooperation but that he had to say that sometimes German political figures-he excepted Adenaueracted or spoke in ways that are embarrassing. He felt that unwittingly they risked arousing the fire of German nationalism. The Austrian attitude on the South Tyrol also strengthened pan-Germanic feelings. The President commented that it was important that nationalism should not run wild.

The President then referred again to the activities of Chairman Khrushchev saying he was glad to learn the Chairman was going home.8

 <sup>&</sup>lt;sup>7</sup> See Document 248.
 <sup>8</sup> Khrushchev left New York for Moscow on October 13.

Apparently he had come here with the intention of using a combination of blandishment and terror to force the Afro-Asians to his side. While he had not been successful the President thought Khrushchev's bad deportment had been an effort to see if he could bulldoze the new nations. When Khrushchev propagandized NATO as being an evil he knew full well that it was purely a defensive organization. These tactics demonstrated how important it is that the West remain on guard.

The President then referred to the resolution of the five neutral countries calling for a personal meeting between Khrushchev and himself and reviewed his letter to the five sponsoring leaders.9 Mr. Segni interjected that the President had done well to refuse such a meeting. The President said he had no disposition to go into a prize fight ring, shake hands and then leave. He did not intend to be a party to such a gesture. Mr. Segni again indicated his full agreement. The President continued that he had made a considerable effort to meet with the Chiefs of State or Heads of Government who were here, mentioning particularly the five in question-Nehru, Nasser, Nkrumah, Tito and Sukarno. He doubted that he had made any converts but he had explained his position. Sukarno had said that he understood the President's reasoning but he still thought the President should have met with Khrushchev. The President characterized Sukarno as an "egotistical type." Tito on the other hand he had found more reasonable. Mr. Segni commented that he thought Tito was coming much nearer to the West. The President replied that if Tito had been here alone he would have liked to have him travel all around the United States. Unfortunately there had been too many high-level heads of delegation to make this possible. However he had felt that Tito was a man who could be won over if a real effort were made. Perhaps he was engaging in wishful thinking but certainly Tito's manner was not that of the Soviet. He had no bluster and listened to what was being said, unlike Khrushchev who does not listen but simply repeats his propaganda over and over. Mr. Segni said that the Italians were working to get closer to the Yugoslavs, both on a political and economic basis. The President commented that this was a good idea and welcomed the development of an economic relationship since people were always influenced where their pocketbooks were concerned. Mr. Segni repeated that the Italians were trying constantly to improve this relationship and the President replied that we had noticed the steady improvement since the settlement of the

<sup>&</sup>lt;sup>9</sup> On September 29, a draft resolution calling on Eisenhower and Khrushchev to meet was presented to the U.N. General Assembly by Prime Minister Nehru of India, President Tito of Yugoslavia, President Nasser of the United Arab Republic, President Sukarno of Indonesia, and President Nkrumah of Ghana. For text of the resolution, see U.N. doc. A/4522. The text of Eisenhower's reply is in Department of State *Bulletin*, October 17, 1960, pp. 595–596.

Trieste problem. He continued that we were disappointed that there had not also been a settlement of the Tyrol problem between Italy and Austria. He commented that we had always tried to be very decent to the Austrians and help them. Because of the nature of things they had to be neutral but they should be oriented toward the West. Mr. Segni commented that there was a difference between their two neighbors in this respect. In the implementation of the Trieste agreement Tito and the Italians had both tried to be reasonable and had been able to work things out. However with respect to the 1946 agreement on the Tyrol the Austrians basically did not accept this agreement or even the arrangements dating from 1920. In this connection the President asked the present status of former Austrian Foreign Minister Gruber<sup>10</sup> and was informed by the Italians that he had disappeared from public and political life. Mr. Segni then expressed their appreciation for the President's interest and for US support on the Tyrol problem. He characterized this as a centuryold question which aroused deep feelings among the Italian people and reiterated that if the allies should not support Italy then there would be a serious crisis in his country. The President reassured Mr. Segni as to our support and expressed his hopes that a settlement would soon be achieved. In this connection he mentioned the Indus waters problem as a successful settlement of an issue which had been practically a matter of war between India and Pakistan.

In reply to the President's question Mr. Segni confirmed that he had talked with Secretary Herter in New York about the Tyrol problem. The President then directed Mr. Kohler to inform the Secretary of his own confirmatory talk with Mr. Segni and assured the Italians that the United States would not let this matter go by default.

<sup>&</sup>lt;sup>10</sup> Karl Gruber was Austrian Foreign Minister 1945–1953 and subsequently Austrian Ambassador to the United States.

#### 281. Memorandum of Conversation

November 3, 1960.

#### SUBJECT

Italian Imports of Soviet Crude

#### PARTICIPANTS

- Mr. W. A. Wright, Executive Vice President, Standard Oil Company of New Jersey
- Mr. William Carlisle, Government Relations Counsel, Standard Oil Company of New Jersey
- Mr. Wolf Greeven, Regional Coordinator for Europe, Standard Oil Company of New Jersey
- Mr. Merchant, Under Secretary of State for Political Affairs
- Mr. Davis-EUR

Mr. Fluker-U/CEA

Mr. Long---M

Mr. Phelan-WE

After the usual amenities, Mr. Carlisle opened the conversation by explaining that the Standard Oil Company of New Jersey had been worried for some time over the various implications of the developing Soviet "oil offensive." The company felt that Soviet operations in this field presented the company with a number of problems, most of which fell into two categories. The first were those which related to commercial competition which the company could and would deal with in the normal course of business operations. There were, however, other problems which appeared to the company to be of a purely political nature. The Board of Directors had asked the management to call on Mr. Merchant and to acquaint the Department with Jersey's views of the political aspect of the Soviet oil offensive and particularly of Italy's involvement therein through the operations of the State-owned petroleum company, Ente Nazionale Idrocarburi (ENI). Mr. Carlisle then asked Mr. Greeven if he would outline the Italian situation as seen by Jersey Standard.

Mr. Greeven said that Italy's imports of Russian crude have increased from 24,000 b/d in 1958, representing 7.8% of total consumption, to 70,000 b/d in 1960, representing 16.5% of total consumption. AGIP's<sup>1</sup> participation in these purchases has grown even more rapidly. In 1958, AGIP purchased 5,000 b/d of Russian crude and products, rep-

Source: Department of State, Central Files, 865.2553/11–360. Confidential. Drafted by Phelan and approved in M on November 16.

<sup>&</sup>lt;sup>1</sup>Operating subsidiary of ENI. [Footnote in the source text.]

resenting 8.3% of their sales in Italy, and in 1960 purchased 46,000 b/d, representing 54% of their Italian sales. As of this year, therefore, the Italian state-owned oil company relies on Russia for more than half of its supplies.

The ties between AGIP, Russia and other Iron Curtain countries and Red China are steadily becoming closer. Under the leadership of Enrico Mattei, AGIP and some of its sister state-owned companies are exporting sizable quantities of synthetic rubber to the Iron Curtain and Red China; are providing engineering service for the construction of the new crude pipeline system behind the Iron Curtain aimed at Western Europe; are instrumental in negotiating sizable supplies of pipe; and, lastly, are beginning to discuss tanker construction in Italy for Russia. These closer ties bring with them a continual exchange of visits of members of the AGIP staff to Russia and Red China, as well as return visits of Russian and Chinese delegations to AGIP, ENI, the San Donato research center and other ENI entities.

Enrico Mattei has just negotiated a five-year deal with Russia involving \$100 million of bilateral trade. AGIP will deliver, or cause to be delivered, to the Iron Curtain, over a five year period, the following:

50,000 tons of synthetic rubber \$27,000,000	
240,000 tons of pipe (40" diameter, good for	
1,100 miles)	50,000,000
Pumps and other pipeline equipment	19,000,000
Diesel engines	4,000,000
Total:	\$100,000,000
In exchange, Russia will deliver to AGIP:	
11,000,000 tons of crude	\$80,000,000
1,500,000 tons of low-sulphur fuel oil	21,000,000
Total:	\$101,000,000

The crude price of \$1. fob Black Sea Spot, negotiated by AGIP represents an all-time low. Worked back to the Persian Gulf at spot freight rates, the Russian quotation would correspond to a price per bbl. for Kuwait of \$0.69 per bbl., compared to today's posted price for Kuwait of \$1.59.

The contract AGIP has negotiated places them in the position of realizing a profit at price levels which are ruinous for the importers of Mid-East crude. AGIP is using this situation to the fullest, with the objective of forcing American, British, French, Belgian and Italian independent oil companies into a strong loss position in Italy, and of further complicating the relationship of these companies with Middle East governments. If the Italian Government continues to favor product price levels geared to the cost of Russian crude with all the long term dangers this implies, the companies relying on Middle East supplies will either be forced out of business or to further reduce price postings in the Middle East with all the consequences this entails.

An Italian trade mission will leave for Russia in mid-November in order to renew the Italo-Russian trade agreement which expires at the end of this year. This mission is to negotiate new terms with Russia, and it is to be expected that this mission will not only include the quantities negotiated unilaterally with AGIP, equivalent to 50,000 b/d, but will also take care of the independent Italian refiners today running 13,000 b/d of Russian crude and who would be forced out of business at today's prices if deprived of it, and is more than likely to accede to Russian pressure for accepting another 40,000 b/d of Russian fuel oil per year.

Adding together the deal AGIP has concluded with Russia, the requirements of independent Italian refiners and the Russian offer of increased fuel oil deliveries, Italy would import over a five-year period some 100,000 b/d of Russian crude and products, representing an increase for 1961 of 38% over 1960 and 21% of the country's total requirements.

The ambition of Enrico Mattei to use Russia as a means of harassing and forcing out foreign oil interests in Italy; of developing exports of Italian services and goods to Russia; and of using Russian low-cost supplies as a spring-board for entering Western European markets, coupled with the desire of Italy to increase her foreign commerce, threaten to bring Italy into a dangerous position of subservience to the Iron Curtain block.

We know that the Russians have offered AGIP a further 40 million tons of crude for delivery over an unspecified period and for sale world wide without any restrictions as to destination. So far, AGIP has not accepted this offer. It virtually implies the appointment of AGIP as a world-wide sales agent for Russia. This offer ties in with recent statements of Enrico Mattei listing the advantages of Russian supplies:

(1) He has highlighted the low cost of Russian supplies, brought about largely by the fact that Russia does not collect a royalty as do the Middle East Governments.

(2) The advantages of the use of pipelines, obviously referring to the four-pronged Russian pipeline system aiming at the Baltic, East Germany, Czechoslovakia and Hungary, which will afford Russia a cheap gateway to continued European markets.

It is conceivable that the planning of Mattei involves the lifting of sizable quantities of Russian crude ex the Russian pipeline system for penetrating the contiguous Western European markets. We understand that this latter deal is linked to the construction in Italian yards of ten 35,000 ton tankers and the delivery of increased quantities of Italian motor vehicles, tractors, tubular goods, et cetera. Consequently, added to AGIP's five-year contract with Russia the probability of a five-year trade agreement which will ratify the AGIP contract and sizably increase the over-all liftings of Russian crude and products for a five-year period, we stand in danger of a still much greater deal in line with which Italy would become a prime instrument for Russia for the penetration of European markets with Russian oil.

Mr. Greeven continued by observing that even though the current price structure of petroleum products on the Italian domestic market are essentially "political" prices, this problem is a commercial one which Jersey can deal with for the time being. On the other hand, the Soviet offer of 40 million tons of crude with freedom to sell anywhere was a most sinister development. Moreover, Mattei is also reported as looking forward toward pipeline transportation of Soviet crude with the apparent intent of completing the destruction of the existing price structure in the international oil market.

According to Mr. Greeven, the first step in a solution to the problem of Soviet oil would be to find some method of controlling Mr. Mattei. He said that he was informed that both the French and Netherlands Governments had formally expressed their alarm over ENI's relations with the Soviets to the Italian Government. Personally, he was not sanguine that the Italian Government, without strong external pressures, either could or would make an effective attempt to "control" Mattei's activities. He observed that, aside from Mattei's impressive political strength in Italy, most Italians would be glad to get cheaper petroleum products.

Mr. Merchant asked if other countries were taking Soviet crude. Mr. Greeven replied that most Western European countries were taking some Soviet crude, but that Italy was far and away the largest importer. In response to a question by Mr. Davis regarding the situation in Scandinavia, Mr. Greeven replied that Denmark and Norway were keeping Soviet crude imports under control. However, since the Swedes were always looking for bargains, Soviet crude was pouring into that country. Finland, or course, was a special case; the Soviets being the principal supplier. Mr. Carlisle observed that the Soviets now had about 40% of the total Scandinavian market.

Mr. Fluker asked whether the Jersey representatives had heard rumors of Mattei's interest in chemical industries in Eastern Europe. Mr. Greeven replied that he had not heard of any specific interest. He did know, however, that there were a large number of "international" students working at ENI's laboratories (petrochemical) at San Donato Milanese and that delegations of Soviet and other Bloc technicians visited ENI installations from time to time.

Mr. Carlisle expressed his hope that the Department would see fit to convey to the Italian Government the view that the Italians had already gone as far as they should with the Soviets. He also hoped that the Department could say something in this connection which would be convincing to the Italians, adding that anything Jersey representatives might say to Italian officials, for obvious reasons, would be suspect and, therefore, without effect.

Mr. Merchant told the Jersey representatives that we were most appreciative of the information they had given us. We were, of course, disturbed over the Soviet oil drive and we would need the benefit of the experience and ideas of our international oil companies in deciding what actions we, as a government, might properly take. As we continued with our examination of the problem we would no doubt be in touch with the Jersey representatives at a later date.

### **U.S. POLICY TOWARD PORTUGAL**

## 282. Despatch From the Embassy in Portugal to the Department of State

No. 108

Lisbon, August 25, 1958.

#### SUBJECT

Conversation with Dr. Marcello Mathias, Newly Designated Portuguese Foreign Minister

As already reported,<sup>1</sup> although Dr. Marcello Mathias, Portuguese Ambassador in Paris, has been selected as the new Foreign Minister, he has not yet taken his oath of office. His plan is to go back to Paris this week to make his official farewells and return here to assume his new duties in the latter part of September. In view of my expected absence from Lisbon at the time of Dr. Mathias' return, I asked if I could come to see him informally at his home, which I did on the afternoon of the 23rd. Our talk lasted a little over an hour.

Dr. Mathias began by again saying how much he had appreciated the friendly message of greeting from Mr. Dulles.<sup>2</sup> He was all the more pleased at the Secretary's thoughtfulness since, although he had once met him in a large group, he had never really had the opportunity of knowing him. He said he had long recognized the Secretary as a man of great physical and moral courage, as well as strength of will, and spoke admiringly of the manner in which, despite a serious operation, he continued without any sign of let-up to carry the heaviest responsibilities. He looked forward with keen anticipation to getting to know the Secretary better and working with him, particularly in NATO.

Dr. Mathias then said he wished to make clear his own firm belief in the vital role of the United States in these troubled times. He had no doubt whatever that without us the Western cause was lost and he was

Source: Department of State, Central Files, 753.00/8-2558. Confidential.

<sup>&</sup>lt;sup>1</sup> Following the Portuguese national elections on June 8, Mathias informed the Embassy in Lisbon that he would be the new Foreign Minister. (Telegram 44 from Lisbon, August 15; *ibid.*, 753.13/8–1258)

 $<sup>^2\,\</sup>mathrm{Not}$  further identified. Presumably Dulles wrote to Mathias congratulating him on his new position.

determined to cooperate with us in every possible way. However, the fact that we were the corner stone of the alliance also meant greater responsibilities for us. He said that when he, as Portuguese Foreign Minister, made a mistake it would not be fatal to the West, but when we made one the whole free world suffered. This placed on us the necessity of weighing our words and actions with the greatest care since we could not afford to make the slightest slip.

From this he went on to a discussion of the state of NATO which he found very bad and which, he said, had been the main subject of the conversations just concluded here with M. Louis Joxe, Secretary General of the Quai d'Orsay. The Portuguese shared the view of the French that the NATO base was now "too thin", the original concept having been rendered out-of-date by new weapons developments and the change of Soviet tactics. When NATO was founded there was a real fear of a Russian attack on Western Europe; now the Soviet threat to Europe was by way of Asia, the Middle East and Africa. NATO needed to take cognizance of and adapt itself to this change. When I asked if detailed suggestions to this end had been touched on in the conversations with M. Joxe I was told that only "broad principles" had been discussed.

With respect to France, Mathias clearly showed his deep affection and admiration for that country. He also indicated his firm belief that if the De Gaulle experiment failed NATO would be doomed, since he then anticipated the return to power of such men as Mendes-France, Jules Moch and Mitterand, for whom he had the greatest distrust.

He expressed himself as appalled at the breadth (but not the depth) of anti-American sentiment in France, for which he put the blame on the "ineptitude of American propaganda" and the "lack of unified direction". He thought we had too many people there whose activities were uncoordinated. Italy, he felt, was also very weak and, were it not for the stabilizing influence of the Catholic Church, would give us "some very disagreeable surprises". Even the Turks, he thought, were beginning to have second thoughts about NATO and to ask themselves "What is there in it for us?"

While he spoke "more in sorrow than in anger", Dr. Mathias made clear he felt American policy had been largely responsible for many of the setbacks which the Western world had suffered since the last war, notably the loss of China and the situation in Indonesia, the Near East and North Africa. With regard to Africa in general he reiterated the thought, often expressed by his predecessor<sup>3</sup> and Dr. Salazar, that the continent is an extension of Europe without which Europe cannot live. He spoke of the constantly growing pressure of India on East Africa,

<sup>&</sup>lt;sup>3</sup> Paulo Cunha.

particularly in Madagascar, and of Islam. He had given particular study to the writings of Lenin on the subject of Black Africa and stressed the latter's belief that the revolution of the Blacks in that continent would make the October Revolution pale by contrast. He was particularly worried about the steady growth of neutralism in Morocco and had grave doubts about the ability of the Sultan and Balafrej<sup>4</sup> to combat it.

All the above led Mathias back to his main point which he stressed with great vigor and which clearly revealed what the Portuguese have in mind when they talk of "broadening the NATO base". He said that if the West is to be saved "the United States must choose. It cannot have one policy north of the 42nd parallel and another south of it."

Turning to the domestic scene, Mathias spoke bitterly about the recent election campaign and the candidacy of General Humberto Delgado. His remarks displayed a deep contempt for public opinion and he expressed the extraordinary view that both prior to and since the election the people were completely quiet and satisfied. Only when demagogues had been allowed to excite them had there been trouble. Normally the people were apathetic and government should remain the concern of only those who wield power. He went on to say, however, that he himself had never joined the Uniao Nacional or any other offshoot of the regime. He wanted me to know this so that I could always feel free to discuss any problem with him.

#### Comment:

As will be seen from the above, Dr. Mathias' views on the world today do not differ from those of Dr. Salazar (with whom he is very close) and of his immediate predecessor, Dr. Paulo Cunha. Nor do his views on the domestic scene, despite his expressed lack of identification with the regime, show anything but the most extreme right-wing coloration. However, the difference between him and Dr. Cunha is marked and while we may expect no changes in policy as a result of his taking over the post of Foreign Minister we will have the advantage of dealing with a man who can be expected to deal with us with considerably more candor and with a greater "feeling" for NATO and the importance of trying to work with the United States.

For despite the critical opinions expressed in our first talk I had the strong impression that he is innately friendly and, with the exception of problems where a basic difference of opinion on policy exists, will do his best to support us in our leadership of the Western alliance. Unlike his predecessor he will not, I believe, oppose us in small matters for the fun of sticking pins in us. The man is obviously in his prime, both physically

<sup>&</sup>lt;sup>4</sup> Ahmed Balafrej, Moroccan Prime Minister and Minister of Foreign Affairs.

and mentally, and in spite of his protestations about not wanting the job he gives every indication of approaching it with vigor and enthusiasm. There is already a noticeable atmosphere of relief in the Foreign Office, where for over a year it has been next to impossible to obtain decisions, even on important questions, without interminable delays. Those days, it is hoped, are now over and the carrying on of day-to-day business between the Foreign Office and the foreign diplomatic missions here should be much accelerated.

#### **James Bonbright**

## 283. Telegram From the Embassy in Portugal to the Department of State

Lisbon, January 28, 1959, 8 p.m.

273. Your 858.<sup>1</sup> Secretary Quarles departed Washington via Lajes this afternoon after 2-day visit in which he had opportunity to discuss mutual defense matters with leading Portuguese and MAAG officials. From standpoint of public relations and ascertaining Port thinking on defense matters visit most successful.

I accompanied Secretary yesterday when he met with Defense Minister.<sup>2</sup> Others present this discussion were Minister Army, Minister Navy, Under Secretary Air, Chief Staff Armed Forces, Chief MAAG Adm Petersen. Defense Minister read prepared statement explaining Portuguese requirements vis-à-vis NATO and other commitments (Spain for defense of Pyrenees and Belgium for defense of lower Congo) and taking into consideration great concern defense of their African provinces. He listed main problems as: (a) Reorganization SHAPE division. (b) Modernization air defense. (c) Improvement naval forces for protection maritime communications lines especially with overseas provinces.

Source: Department of State, Central Files, 102.202/1–359. Confidential. Repeated to Madrid.

<sup>&</sup>lt;sup>1</sup> Telegram 858 to Lisbon, January 15, requested reports on Deputy Secretary of Defense Quarles' conversations with local officials. (*Ibid.*, 102.202/1–1559) Quarles began an eight-nation European tour on January 8 to discuss military assistance.

<sup>&</sup>lt;sup>2</sup>General Julio Botelho Moniz.

Defense Minister made strong appeal for US aid in solving these problems and for integration of air defense Iberian Peninsula. Said that Portugal prepared to make all necessary concessions to US and Spain to achieve that integration.

Quarles said that, while sympathetic consideration would of course be given to Portuguese requests, important that we be realistic on both sides. Said that Defense Minister projects appear ambitious and we must always endeavor keep our programs on practical level.

Said he heartily endorsed idea integration air defense Peninsula but matter was somewhat complicated by Spain's not being in NATO. Agreed study should be given to possibility tripartite arrangement tying in with our communications system in northern Europe.

*Comment:* Minister's request involves considerable equipment for all three forces and, while no mention of priority was made, it is probable that due to great preoccupation with defense of colonies stemming from disturbed condition in Africa, particularly in area contiguous to Angola, reequipment of SHAPE division comes last in their thinking. Defense Minister also implied that national funds earmarked for NATO commitments would be diverted to overseas defense if aid not forthcoming. My own impression is that Portuguese took opportunity of Quarles visit to present maximum shopping list and will be pleased if even a small part of their request is eventually fulfilled. As quid pro quo they made it clear they are prepared to grant us any additional facilities we may require in answer.

Despatch with text Defense Minister's prepared statement and itemization of equipment requested being pouched.<sup>3</sup>

#### Elbrick

<sup>&</sup>lt;sup>3</sup>Despatch 351 from Lisbon, January 30. (Department of State, Central Files, 102.202/1-3059)

## 284. Despatch From the Embassy in Portugal to the Department of State

No. 431

Lisbon, March 12, 1959.

SUBJECT

Call on Prime Minister

After waiting for two months to make my formal initial call on Prime Minister Salazar, I was finally received by him yesterday afternoon for half an hour at his residence.<sup>1</sup> The Prime Minister apologized for having kept me waiting so long, saying that he had been prevented from receiving me because of his illness (which had previously been described to me as a serious case of pneumonia), and he said he hoped I would understand the reason for the delay. He seemed in good spirits though he looked tired and somewhat drawn and his voice was not very firm. However, he was very alert and responsive and our conversation covered a large variety of subjects in which he displayed an interest.

I thanked the Prime Minister for having received me and expressed gratification over his recovery. I said that when I had seen President Eisenhower before my departure from Washington the President had recalled his visit to Lisbon some years ago<sup>2</sup> and his meeting with Salazar and asked me particularly to give the Prime Minister his best wishes. Salazar seemed very pleased and made several very friendly references to the President, whose visit he also recalled with great pleasure. He asked me to convey his best wishes to the President for his future health and happiness and for the prosperity of the United States. He said that the President is carrying a very heavy burden and he asked about his health. I told him that the President continues to be extremely active and that, on the occasions when I had seen him, he appeared to be in the best of health and in excellent spirits.

The Prime Minister then asked about Secretary Dulles' health and I told him that we had had very good reports of the progress he is making. I said that his illness had not prevented him from continuing a very active interest in affairs and that we all hoped that the treatment he is now undergoing would prove effective. Salazar expressed some concern about a possible successor for the Secretary in the event the latter might feel obliged to step down as Secretary of State. He said that the

Source: Department of State, Central Files, 753.13/3-1259. Official Use Only.

<sup>&</sup>lt;sup>1</sup> Elbrick transmitted a one-page summary of the conversation in telegram 323 from Lisbon, March 12. (*Ibid.*, 611.53/3–1259)

<sup>&</sup>lt;sup>2</sup> For documentation on Eisenhower's visit to Lisbon January 16–17, 1951, see *Foreign Relations*, 1951, vol. III, pp. 431–436.

Secretary is a man of great ability and character. He had always followed a very straight line, said the Prime Minister, in the formulation and execution of foreign policy and this was to be admired even though he felt there may have been times when the line was too straight and too rigid. His six years of experience as Secretary of State made him invaluable to the Western cause and he felt it would be most difficult to replace him at this critical time in history.

Salazar broached the subject of Western relations with the Soviets and the Berlin situation. I said that the Western powers in conjunction with West Germany were preparing a reply to the Soviet note of March 2<sup>3</sup> and that there were indications that a four-power Foreign Ministers meeting might be proposed in the near future to discuss the various aspects of the German problem. I said that this might be followed by a meeting of Heads of Government if the Foreign Ministers conference gave promise of real results. I could not say that I was very sanguine of results. It appeared that the Soviet Union had no intention of withdrawing from East Germany or permitting reunification on the basis of free elections for fear that such action would prejudice the Soviet position in the satellite countries. Salazar said that he felt the Soviets have us at a great disadvantage in Berlin and he felt that they could continue to make trouble for the West at any time. He did not feel that the Soviet Union wished to push matters to the point of provoking a war, however. I agreed that the situation is most difficult and that we do operate at a disadvantage as compared with the Soviet Union because we in the West must consult public opinion and must take the views of our Allies into account before taking any action. Khrushchev, on the other hand, can do or say anything at any time without any such restraint. Salazar said he was not in possession of all the facts, due principally to the fact that he had been confined to his house for some time, but he felt that the Western powers would find it extremely difficult to get out of this present situation. He felt that it had been a mistake originally to divide Germany as it had been divided, and it was particularly a mistake to leave Berlin completely surrounded by the Soviet Zone, a subject on which he dilated for some time. While I agreed that a most difficult task confronted the West, I said that an important objective of the Soviet Union is to divide and weaken the Western Alliance. In these circumstances it is all the more vital that the Western Allies present a united front on the Berlin situation. We felt most strongly that the Soviet Union should not be allowed to divest itself unilaterally of its responsibilities in Berlin and that the Western countries should all see eye to eye on this matter. Salazar

<sup>&</sup>lt;sup>3</sup> For text of the Soviet note, March 2, and the Western reply, March 26, see Department of State *Bulletin*, April 13, 1959, pp. 507–511.

agreed that it was important that the Western powers present a united front.

The remainder of the conversation was devoted to matters of lesser importance. Throughout the visit I felt that Salazar was interested and that his mind was very alert. At the end of the interview he escorted me to the door where a photographer snapped our picture. Judging from the publicity in this morning's press, consisting of front-page photographs showing a smiling Salazar, I take it that one of the purposes which he hoped to accomplish by this meeting was to scotch growing rumors of his serious illness and incapacitation. This purpose, I would say, was effectively served. Though he is tired and weakened by his illness he is still extremely active mentally and, barring any unforeseen developments, should increasingly resume his personal direction of affairs of state as his convalescence progresses.

C. Burke Elbrick

### 285. Memorandum of Conversation

May 19, 1959.

SUBJECT

Portuguese Political Situation

PARTICIPANTS

The Viscount Hood, Minister, British Embassy Mr. D. A. Logan, First Secretary, British Embassy Mr. Ivan B. White, Deputy Assistant Secretary of State for European Affairs Mr. Robert H. McBride, WE Mr. Raymond A. Valliere, WE

During the call of Lord Hood at the Department Mr. White took the occasion to exchange views with him on the political situation in Portugal.

Mr. White pointed out that there is no state of crisis in Portugal as the somewhat tense political situation which developed during the June 1958 presidential election, and continued at a lower level for some months thereafter, has recently shown signs of quieting down. However, in view of past events and continuing malaise in Portugal he believed it would be mutually helpful to exchange views on the current situation.

Source: Department of State, Central Files, 753.00/5–1959. Confidential. Drafted by Valliere.

Mr. White then briefly reviewed the Department's impression of the progress of recent events in Portugal. Pointing to the almost 25% of the popular vote garnered by General Delgado in the 1958 elections, he said this was in effect a protest vote symptomatic of the underlying dissatisfaction of the Portuguese people with the bureaucratic inflexibility of the Salazar regime and its apparent unresponsiveness to their economic, social, and political aspirations. While Dr. Salazar had wrung economic stability from financial chaos, it was achieved at a low level which still leaves the Portuguese with the lowest per capita income in Europe. Subsequent to the election, Mr. White stated, tension continued as a result of Dr. Salazar's illness and the action of General Delgado and others in taking asylum in various Latin American Embassies.

Mr. White then said that there had been a recent easing off of tension as the Prime Minister regained his health, although still somewhat weak, and the three most important asylum cases were at least temporarily solved when the asylees were permitted to depart from Portugal. Developments in Africa, he added, also tend to lead to internal stability and a coalescing of squabbling regime elements. Although there are some reports of possible factionalism in the Portuguese Armed Forces, Mr. White expressed the belief that a critical situation does not exist at present and the probable successors to Dr. Salazar would continue to be pro-West. He pointed out however that when authoritarian-type governments change all sorts of unexpected odds and ends are apt to bubble up to the surface.

In view of Mr. McBride's recent visit to Lisbon,<sup>1</sup> Mr. White requested any additional comments he might wish to make on Portuguese prospects.

Mr. McBride stated that it is Ambassador Elbrick's general view that while there is some talk of dissension in the Armed Forces regarding the succession to Dr. Salazar, with General Botelho Moniz reportedly in favor of Theotonio Pereira and Colonel Santos Costa backing Marcello Cartano, these elements will coalesce rather than permit the traditional opposition outside the regime or the Delgado–Galvao backers to gain control. It is probable, he added, that the succession will be an orderly process. There would be the question of the Communists who, although a small group, are the best organized opposition in Portugal. The Ambassador also believes, according to Mr. McBride, that now that initial asylum cases have been cleared off the Portuguese Government will be much tougher should any further cases arise.

<sup>&</sup>lt;sup>1</sup>McBride visited Lisbon following his participation in the meeting of the Foreign Ministers of the United States, the United Kingdom, France, and West Germany at Paris April 29–30.

Lord Hood stated that the British appraisal of the Portuguese situation is similar to the U.S. understanding. There are, he said, two views which must be taken—the short term and the long term. In the short term the situation is not as bad as it was a month or two ago. In the long term, however, a problem will arise when Dr. Salazar dies or otherwise vanishes from the scene. Basic confidence in the regime has been shaken by opposition activities during and since the 1958 election and by the Prime Minister's poor health. While Dr. Salazar's personal position is still strong, Lord Hood continued, one cannot discount the possibility of disturbances or even a coup. Ambassador Sterling in Lisbon has said that the Estado Novo, after raising Portugal from an economic morass, has been on a tableland and while it is not yet going downhill it has passed the watershed.

Insofar as immediate prospects are concerned, Lord Hood stated that the 1958 election campaign and Delgado's relative success suggests real discontent in Portugal. This has probably put out of Dr. Salazar's mind any thought of retirement in the near future. The situation is calmer at the moment and the recent Government announcement of the March plot against it suggests greater Government confidence. Lord Hood added that there was no evidence of Army participation in this plot and he had no recent information regarding possible maneuvering for position by Army elements. The British Government does not expect any trouble in the immediate future, he said, and has decided to go ahead with its plans for a British Trade Fair in Portugal and a visit by Princess Margaret.

In reply to Lord Hood's query as to whether or not the U.S. saw any connection between developments in Spain and Portugal, Mr. White stated that the U.S. saw no direct connection in the sense of coordination between opposition groups, but it is believed that events in one of these countries inevitably has an effect on the other. Lord Hood agreed with this.

Mr. White then stated that there is little information available as to the thinking among the non-commissioned officers, who might be an important factor. He also stated that detailed knowledge of the Communists cells is lacking and sometimes Communist support is stronger than one realizes, as witness developments in Iraq.

In concluding the discussion Mr. White expressed his appreciation to Lord Hood for the exchange of views and expressed the desire to continue them on appropriate occasions if the British found them helpful. Lord Hood stated that he was pleased with the unanimity of views revealed by the discussion and would certainly look forward to further consultation on this subject.

#### 286. Memorandum for the Portuguese Desk Files

December 16, 1959.

SUBJECT

Ambassador Elbrick-Inter-Agency Debriefing

Present at the debriefing were representatives of Defense, CIA and ICA, in addition to personnel from R, BI, and WE in the Department.

Ambassador Elbrick began by outlining the present political and economic conditions in Portugal, stressing particularly the high degree to which Prime Minister Salazar had control over Portuguese affairs; the question of who would succeed him should he disappear from the scene; and problems connected with the Portuguese policy in Africa. The Ambassador then answered questions put to him.

On the subject of the succession, the Ambassador reviewed the Botelho Moniz-Santos Costa matter. He said the Embassy continued to wonder why Botelho Moniz insisted on feeding information to the Embassy about his feud with Santos Costa; particularly since the vehemence with which he denounced Santos Costa did not seem to have prevented the latter's promotion to Brigadier. This promotion appeared to be in the nature of compromise, however, since Santos Costa could have been given a full generalship at this time. Discussing reports of coups, revolts, and shakeups of various kinds, the Ambassador commented that Lisbon was a fairly small capital without much news and with a highly controlled press. Consequently, any kind of report at any time on any subject was available for sale. He did not believe, the Ambassador said, that a regime so entrenched over a period of 30 years as Salazar's could be easily disentrenched. Salazar, who had made the people around him, still seems to have the power to unmake them if the need arises.

On Africa, the Ambassador noted the tremendous difference in the attitude of native populations in the Union of South Africa and in Mozambique. Portuguese policy had been not to promote education among the natives. The Portuguese do not have any imaginative solutions for such overseas problems as may arise; their policy is based on

Source: Department of State, Central Files, 753.00/12–1659. Secret. Drafted by Francis R. Starrs of the Office of Western European Affairs. This is one of nine memoranda prepared by Starrs and Valliere for the Portuguese desk files which considered various aspects of U.S. policy with regard to Portugal as described by Ambassador Elbrick during a visit to Washington in December 1959. A second is printed as Document 287; the other seven, which cover cultural relations, Africa, the Fulbright Agreement, cost sharing for naval vessels, USIA activities in Portugal, the Embassy residence in Lisbon, and agricultural assistance are in Department of State, Central File 753.00.

the fact that they have been in Africa for hundreds of years and there they intend to stay. They hold and express quite strong views on "mistaken" US policies on dependent territories.

On Portuguese-American relations generally, Ambassador Elbrick praised highly the operation at Lajes Air Base in the Azores, where both sides have cooperated ideally. (The Ambassador mentioned that he had visited Lajes in October as a result of which an analysis is being made by the Embassy of the reasons why operations at this base have been so harmonious.) The tact and good will displayed on both sides are one factor; another is the singularly happy choice made by both sides of commanding officers. Questioned specifically as to the flags flown on the Lajes base, the Ambassador stated that it was a Portuguese base and was regarded officially as such by both the Portuguese and Americans; it was his recollection that the Portuguese flag flew over the joint administration building, while an American flag flew over the US headquarters building.

On political matters, the Ambassador reported that some of the Portuguese bishops and other associates of the Bishop of Oporto were annoyed with the latter for his attempts to link them closely with his protests against the Salazar regime and for having leaked his letter to Salazar for publication.

He said that during the period of Delgado's exile, and especially during his recent tour, Delgado had been ridiculed in the Portuguese press to the point where he is not taken very seriously in the country.

Regarding Monarchist sentiments, the Ambassador said that, while Salazar might be favorably inclined toward the restoration of the Monarchy, it does not appear to be a serious possibility at this time.

#### 287. Memorandum for the Portuguese Desk Files

December 21, 1959.

SUBJECT

Ambassador Elbrick-Mr. James H. Douglas Conversation

Ambassador Elbrick called on Deputy Secretary of Defense Douglas on December 21 at the Pentagon. Also present were Mr. Knight, Dep-

Source: Department of State, Central Files, 753.00/12–2159. Confidential. Drafted by Starrs. Regarding other memoranda of this type, see the source note, Document 286.

uty Assistant Secretary of Defense for International Security Affairs; Mr. Philip E. Barringer and Colonel August P. Sauer of OSD/ISA, and Mr. Starrs.

Ambassador Elbrick congratulated Mr. Douglas on his recent advance to be Deputy Secretary. Mr. Douglas raised the question of renegotiation of the Azores Base Agreement, which expires at the end of 1962, and Mr. Knight inquired whether the Portuguese Government could be expected to ask a higher remuneration for future cooperation with the US in the Azores than they now receive. The Ambassador replied that, while there were no clear indications, it was likely the Portuguese would increase their demands on us. He said he had obtained the impression that the Defense Department considered our Azores installation of strategic importance now and for the foreseeable future, and Mr. Douglas confirmed that this was indeed the Defense view.

Ambassador Elbrick praised the operation of the Lajes Air Base as a model that might serve for US bases in other parts of the world, and said an analysis of its success showed how much could be accomplished if both sides employed common sense.

Mr. Douglas asked whether the US was doing generally a good job with the Military Assistance Program in Portugal. Mr. Elbrick reviewed briefly the questions of the cost-shared DE's and the second squadron of patrol aircraft (covered in another memorandum),<sup>1</sup> and stressed the embarrassment the US would feel if we could not provide the matériel which the Portuguese expected to receive. Our failure to provide the patrol aircraft would be particularly embarrassing, the Ambassador noted, because we had strongly urged the Portuguese to accept the patrol squadrons in lieu of fighter squadrons. Mr. Knight stated that the Portuguese MAP for FY 1961 was presently set at the \$16.5 million level, but that this figure was based upon an estimated MA appropriation of \$2 billion, and no one knew what the appropriation figure would turn out to be. Ambassador Elbrick said that, because of its relatively small size, the Portuguese program should not undergo the same percentage cuts as larger programs. Speaking of the proposal to eliminate or curtail future grant assistance to Portugal as a country capable of paying its own way, Mr. Knight indicated that he appreciated that this was true of Portugal only in a very special sense, and he indicated to Ambassador Elbrick that it might be preferable if Portugal were not listed as one of the nations capable of paying its own way.

Ambassador Elbrick spoke briefly about Portugal's extreme economic conservatism as developed under Salazar. He said that, while the country had a favorable balance of payments and some gold reserves,

<sup>&</sup>lt;sup>1</sup>Not found.

Salazar apparently feels that the lowering of the present strict economic and financial barriers by this or some successor regime in Portugal could dissipate the reserves rapidly and quickly produce bankruptcy. He also mentioned that the Portuguese were concerned over the tendency of important US officials to overfly Portugal to visit other European countries. The Ambassador hoped that important Defense officials, including Mr. Douglas himself, would find it possible to visit Portugal. Mr. Douglas expressed an interest in doing so at some future date.

#### 288. Memorandum of Conversation

Lisbon, May 19, 1960, 6:15 p.m.

SUBJECT

Summit; Sixes and Sevens; Africa

PARTICIPANTS

United States The President<sup>1</sup> Colonel Vernon Walters Portugal Prime Minister Salazar General Luis Pina

After the usual amenities, the Prime Minister asked what the President thought of his reception.

The President said that it had been splendid and was really very pleasant after the disappointments at Paris.<sup>2</sup> By that he did not mean the French people, who had been very hospitable and friendly, but Mr. Khrushchev.

Source: Department of State, Conference Files: Lot 64 D 559, CF 1682. Secret; Limit Distribution. Drafted by Walters and approved by Goodpaster on May 24. The meeting was held at the Queluz Palace in Lisbon.

<sup>&</sup>lt;sup>1</sup> In November 1959 when the White House was preparing for President Eisenhower's good will tour, it was decided that he should visit Spain rather than Portugal. Portuguese officials, however, expressed their desire that he pay a subsequent call to Lisbon. In February 1960, the White House agreed that he would stop in Portugal on his return from the summit meeting at Paris in May. The President arrived at Lisbon at 10 a.m. on May 19 and departed the next day at the same time. Documentation on the preparations for the visit and on the President's stay in Portugal is *ibid.*, Central File 711.11–EI, and *ibid.*, Conference Files: Lot 64 D 559, CF 1680–1682.

<sup>&</sup>lt;sup>2</sup> Reference is to the collapse of the summit conference on May 17.

Dr. Salazar asked for the President's opinion concerning the reasons why Khrushchev had broken up the Summit Conference.

The President said that something had evidently happened at some point where Khrushchev had decided not to hold the Summit Conference, as only a week before, his Ambassadors in both Paris and London had seen the respective Chiefs of Government to discuss arrangements for the Summit Meeting. General de Gaulle had expressed doubts to the Soviet Ambassador that the USSR really wanted a conference, and the Soviet Ambassador had replied that the Soviet Union did indeed want a Summit meeting and that he was sure it would be fruitful. Therefore, at some time subsequent to this, Khrushchev had evidently decided against holding a Summit meeting. We could only speculate as to the reasons. It might well be that he had yielded to pressure from the old Stalinist groups or the armed forces.

Dr. Salazar wondered why he had come all the way to Paris to impose such impossible conditions. He could easily have done this from Moscow.

The President said that General de Gaulle had asked Khrushchev why he had done this, and the Soviet Premier had given no satisfactory answer. The President believed that he could probably have made more of a propaganda issue by doing it from Moscow with an exchange of notes, etc.

Dr. Salazar asked the President what could be expected now.

The President replied that there would probably be further harassment by the Soviets of Berlin, and they might stir up trouble elsewhere by pressuring the Chinese Communists to create trouble in Southeast Asia or in the Formosa area. Khrushchev had indicated that he did not want to negotiate with the President. The President said that he felt that the meeting in Paris had not been a complete failure, that the unity of the West was greater than ever, and that General de Gaulle and Mr. Macmillan had made this quite plain to Mr. Khrushchev.

Dr. Salazar then referred to the Common Market countries and the Outer Seven, pointing out that the Outer Seven countries were at that time holding a meeting in Lisbon. He said that the countries of the Outer Seven were not seeking to divide Europe into two camps, but rather to see if some means could not be found to bring them all closer together in economic cooperation, though not necessarily political integration. He said that this was the essential difference between the two groups. The countries of the Common Market were cooperating economically with the purpose of achieving eventual political integration, whereas the countries of the Outer Seven were working together economically without aiming at political integration. He knew that this political integration was very dear to the Americans, but he felt that this was a long way off, perhaps not in their lifetime. Mr. Dillon had recently made a speech in which he had praised the six countries of the Common Market.<sup>3</sup> When the United States praised one of the two groups, it necessarily made things more difficult for the other.

The President said that the United States was in favor of the efforts of the countries of the Common Market to work together economically and politically. Likewise, he was in favor of the efforts of the Outer Seven to collaborate economically. He was actually in favor of the Thirteen, hoping that some way would be found to compose their difficulties. He referred back to the beginnings of these efforts, when he had been Supreme Commander at SHAPE, and of the support he had given to the idea of closer unity between the nations of Europe. He cited the historic example of the United States, where in the early stages of our history there had been great differences between the individual states, and the only way to solve them had been by union. He was, however, a realist, and he knew that there were obstacles and difficulties to similar action in Europe. Nevertheless, he felt that if the nations of Europe could constitute a great political-economic complex to stand with the United States facing the great political and economic complex of the Soviet Bloc, this would make the West even stronger.

Dr. Salazar then said that the Portuguese were extremely concerned with the situation in Africa. They felt that a great Communist effort was being made to move into this area. The Communists were already present through their representation in Morocco and Guinea. They would attempt also to move into some of the newly independent nations that were being set up. Portugal was watching with alarm the creation of a multitude of new independent nations in which a small elite ran the country and the illiterate masses were really not ready for self-government.

The President said that this wave of nationalism probably began during the First World War and had been rolling on since. In these underdeveloped areas the ideal of nationalism seemed to be the only ideal that could stand up to the appeal of communism, and the important thing was to swing this nationalistic feeling to the side of the West. He felt that the greatest problem facing the civilized developed nations of the West was the problem of helping peoples of these areas towards a better way of life. He had given much thought as to how this could best be done—perhaps by an association of free nations running across the world, including Japan, with a council to undertake studies, to make an inventory of the resources and requirements of these areas, and then to

<sup>&</sup>lt;sup>3</sup> Presumably reference is to Dillon's address to the annual New Jersey Business Conference, May 12. For text, see Department of State *Bulletin*, May 30, 1960, pp. 855–858.

see how best the highly developed nations could help. Not all could make a financial contribution, but all could contribute with something, perhaps teachers, doctors, engineers. The essential thing was to convince these peoples that standing with the West offered them the best opportunity to improve their way of life.

Dr. Salazar expressed fear that these nationalist forces would join with communism. As they became independent, these nations opened their gates not only to the West, but also to the countries of the Communist Bloc, enabling these countries to carry out propaganda operations in these countries.

The President said that the difficulty of holding these countries down by force was apparent. The French had to have 600,000 troops in Algeria merely to maintain order.

Dr. Salazar said that this was due to the fact that Morocco and Tunisia, which lay on either side of Algeria, were arming, supporting, helping, financing, and giving asylum to 25,000 or 30,000 rebels who were creating disorder in Algeria. His feeling was that the Western nations should bring pressure to these two countries to cease assisting the rebellion, which he felt would come to an end quickly if this Moroccan and Tunisian support were withdrawn. He felt that these small fragmentary countries that were being set up were not economically viable and that this weakness constituted a danger.

The President smiled and said that this was why Western Europe should give these countries a good example by working together towards much greater unity.

Dr. Salazar said that he realized the President had a dinner engagement, but he did want to say how pleased he was that the President had gone through with his trip to Portugal despite his trip to Paris, and this had given the Portuguese people a chance to show how they felt about the President and the United States.

The President thanked the Prime Minister for his kind words and spoke also of the close friendship between Portugal and the United States. He spoke also of the great changes for the better he had seen in Portugal since his last visit nine years previously.

Dr. Salazar and General Pina then took leave of the President.

# 289. Memorandum From the Under Secretary of State for Political Affairs (Merchant) to Secretary of State Herter

May 23, 1960.

#### SUBJECT

The President's Visit to Lisbon, May 19-20, 1960

1. General. The President's welcome in Lisbon by Government officials and the people alike was warm and impressive, particularly in light of the fact that the change in the date left some planning incomplete and the Portuguese Government had less than twenty-four hours confirmation of his actual arrival date. The President's impromptu remarks to the Embassy Staff before lunch (which were subsequently given almost verbatim to the press by Mr. Hagerty) and to the Chiefs of the Diplomatic Missions in the afternoon were enthusiastically received. The President's toast at the dinner he gave that evening for the President of Portugal was interrupted twice by applause—an action which was unprecedented, according to several Portuguese who spoke to me afterwards. All those with whom he talked individually were greatly impressed and the crowds in the street showed unanimous spontaneous enthusiasm on each of his public appearances from arrival to departure.

2. Talk with Salazar. The President talked alone with Salazar for over an hour with only the latter's interpreter and Colonel Walters present.1 They discussed the Summit Conference and the results of the NATO meeting earlier in the day. Most of the time, however, according to the President, was devoted to Dr. Salazar's exposé of the situation in Africa and his forebodings concerning the fragmentation of the Continent. The President told me that he listened sympathetically but urged on Dr. Salazar the responsibility of the most highly developed western nations to give assistance to the emerging new countries in Africa, and to present to Africa an example in Europe by moving ahead on the latter Continent with further steps toward unity and integration. (Mr. Hagerty in his subsequent press briefing with the President's approval did not specifically mention Africa as a topic of conversation.) Colonel Walters was writing virtually a verbatim record of the talk between the President and Salazar which we were informed was being forwarded from Paris to the White House.

[Here follow paragraphs 3 and 4 regarding unrelated matters.]

Source: Department of State, Conference Files: Lot 64 D 559, CF 1681. Secret. <sup>1</sup> See Document 288.

5. Tour of Lajes Air Base in The Azores. Shortly before arrival for refueling, the President sent word ahead that he would like to tour the Air Base with the Portuguese General Commanding and the American General in Command of the U.S. contingent. He asked me to accompany him, and we made a tour of the Base with a stop at the Officers' Club and a visit to the PX, where the President bought some gifts for his grandchildren. From observation and from every remark made there by Americans and Portuguese alike, the relations between the Portuguese and the Americans on the Base are excellent.

[Here follows paragraph 6 regarding unrelated matters.]

### 290. Memorandum for the Portuguese Desk Files

October 17, 1960.

SUBJECT

Ambassador Elbrick-General White Meeting

Ambassador Elbrick met with General White, C of S USAF, today at the Pentagon to discuss a number of points relating to Portugal. Col. Artwohl (OSD/ISA) and Mr. Valliere (WE) were also present.

1. Ambassador Elbrick suggested that an early invitation to General Freitas, the new Chief of Staff of the Portuguese Air Force, to visit the U.S. would be beneficial in cementing the already close relations between General Freitas and American officials. General White agreed. He immediately had his schedule checked and informed the Ambassador that he would send an invitation to General Freitas in the near future to visit the U.S. next Spring.

2. Ambassador Elbrick referred to the Lajes base on Terceira Island in the Azores and stated that he assumed that U.S. strategic planning continues to deem the retention of our base privileges there important. General White emphasized that the Azores base was still considered to be most important, even vital, in filling a U.S. strategic requirement.

3. Ambassador Elbrick then stated that with the negotiations for the renewal of our base agreement with Portugal coming up in 1961, the

Source: Department of State, Central Files, 753.00/10–1760. Secret. Drafted by Raymond A. Valliere. A handwritten notation on the source text reads: "Seen and approved by Amb. Elbrick." Elbrick was in Washington for consultations.

Portuguese will undoubtedly want a quid pro quo for their cooperation. This might take the form of a request for U.S. support for and assistance to Portugal in its efforts to retain its African provinces, although Ambassador Elbrick pointed out that this most likely would not be acceptable to the U.S. The Ambassador then reiterated Portugal's adamant intent to hold its African territories, with special reference to Angola's contribution to Portugal's balance of payments. He also noted that the U.S. has been granted permission by the Portuguese to utilize port and airfield facilities in Angola in connection with its missile tracking program. In addition, the Portuguese place great importance on the necessity of the West retaining a position of control in Africa in the face of the Communist threat. The Ambassador then asked General White for his views on the military importance of Africa. General White stated that he had prepared a study on Africa for the JCS two years ago.<sup>1</sup>He said that the African situation at the present time is one for political rather than military decisions and that military views were peripheral. [7-1/2 lines of source text not declassified] He then expressed the hope that when the Azores agreement was renegotiated the Portuguese would restrict its quid pro guo to requests for "hard" items, such as trainers and cargo planes. General White assured the Ambassador that the Air Force would certainly do its share in meeting Portuguese requests along these lines. Ambassador Elbrick expressed his agreement with White's suggestion that the U.S. should be preparing to go into Africa with programs to keep those territories aligned with the West. He pointed out that he made the recommendation some months ago that the U.S. should, for example, enter into a technical assistance program to help the Portuguese improve conditions in their African Provinces.

<sup>&</sup>lt;sup>1</sup>Not further identified.

### 291. Memorandum of Conference With President Eisenhower

November 9, 1960, 9:30 a.m.

OTHERS PRESENT

Ambassador Elbrick Colonel Eisenhower

The meeting opened with a discussion of the election returns, after which Ambassador Elbrick gave the President the greetings of Dr. Salazar. [2-1/2 lines of source text not declassified] Salazar had been a professor of economics and had told the President in a visit some ten years ago that he had accepted the job of dictator only with reluctance.

[1-1/2 lines of source text not declassified] Salazar's big problem now is retention of African colonies, particularly Angola. Angola is the only sector which keeps the Portuguese balance of payments situation sound. No immediate difficulty is being expected, but much is anticipated. To the President's question, the Ambassador said the Portuguese enclave in India represents nothing but a drain on their resources. However, the Portuguese are reluctant to give it up for fear of setting off a chain reaction in other colonies.

The President told of a talk he had had with the British some years back. He had advised Winston Churchill that the British should notify all remaining colonies that in the space of twenty years they will be required to determine their own fate. In the meantime, the British should train these colonies to administer themselves. At the end of that time each individual colony should determine what its relationship to Britain should be, both economically and politically. The President is of the opinion that such an approach would maintain far closer ties between Britain and her colonies than any effort to maintain these ties by force. The President added that this idea had jolted Winston Churchill very considerably. The President recommended that the Ambassador broach this idea to Salazar. The Ambassador said that Salazar is aware of our views on this matter but that he would mention it to him again.

The President said that obviously Portugal is not strong enough to hold down large territories with her meager population of two million. He cited the relationship between Britain and India at the present time. Trade between these countries is more lucrative to Britain than it ever was during the days of the empire. The President said sometimes it is necessary to make a virtue of necessity.

Source: Eisenhower Library, Whitman File, DDE Diaries. Secret. Drafted by John Eisenhower.

The Ambassador said Salazar is afraid of mentioning the word "independence" to any territories because once the idea of independence is planted in the minds of the people, they forget all about the conditions under which this independence was offered. The President told of his conversation a year ago September with members of the French Community in Paris,<sup>1</sup> among whom was Prime Minister Youlou of the Congo Republic. These leaders of the French Community admitted that their only interest in independence was to achieve a vote for each country in the UN. [2 lines of source text not declassified]

The Ambassador said he is enjoying his tour in Lisbon very much and has had a chance to travel to Black Africa. The President said he might have done so himself had the Vice President been elected President. However, were he to make a trip to Africa now, it would look as if he were asking one last round of applause. He nurses a private ambition to visit Nigeria, which is the largest of the African States and he also feels it desirable to do something to improve the outlook of Tubman, in Liberia. He admitted, however, that such a trip is now withdrawn from consideration.

The Ambassador said he wished the President could make the trip and could drop off in Lisbon again. He observed, however, that he is uncertain whether he will be in Lisbon himself very long. The President said he did not believe a new Administration would change career Ambassadors very much for the mere purpose of change. In this connection he hoped that the new Administration would retain Under Secretary Merchant and Under Secretary Henderson on the "Permanent Under Secretary" concept. He said that had anything happened to Secretary Herter, he himself had had three men in mind who might replace him, of which Secretary Merchant was one.

After further amenities, the meeting came to an end.

John S. D. Eisenhower<sup>2</sup>

<sup>&</sup>lt;sup>1</sup>Not further identified.

<sup>&</sup>lt;sup>2</sup> Printed from a copy that bears this typed signature.

### **SCANDINAVIA**

#### **U.S. POLICY TOWARD ICELAND**

## 292. Preliminary Notes of the Operations Coordinating Board Meeting

May 7, 1958.

[Here follow items 1-4.]

5. Report on Iceland (Secret)

Messrs. Edwin G. Moline, Ernest DeW. Mayer, and Mr. R.K. Beyer, Office of British Commonwealth and Northern European Affairs, were present for the discussion.

The OCB had before it three reports from the Working Group on Iceland: a) a general report under NSC 5712/1 covering the period from November 1, 1957;<sup>1</sup>b) a special report recommending against a geological survey;<sup>2</sup> and c) a special report recommending that the U.S. support Iceland's accession into the Free Trade Area and cooperation with the OEEC and that only in the event that satisfactory results do not accrue from such action should there be a renewal of a study of special Iceland–U.S. economic and political arrangements.<sup>3</sup>

Governor Herter opened the discussion by paraphrasing a message from the Secretary to the President reporting on behind the scenes developments on Iceland at the Foreign Ministers meeting at Copenhagen.<sup>4</sup> The Secretary had reported that the Icelandic Prime Minister might soon demand exclusive fishing rights twelve miles offshore. [5-1/2 lines of source text not declassified]

Mr. Moline said that the Icelandic reaction to the U.S. position at the Geneva Law of the Sea Conference had been strongly unfavorable;<sup>5</sup> also

Source: Department of State, OCB Files: Lot 62 D 430, Iceland. Secret. No drafting information appears on the source text.

<sup>&</sup>lt;sup>1</sup> Not found in Department of State files. The report as revised by the OCB is printed as Document 293. NSC 5712/1, May 20, 1957, is printed in *Foreign Relations*, 1955–1957, vol. XXVI, pp. 499–504.

<sup>&</sup>lt;sup>2</sup> A copy of this 2-page report, May 7, and its 4-page annex is in Department of State, OCB Files: Lot 62 D 430, Iceland.

<sup>&</sup>lt;sup>3</sup> A copy of this 2-page report, May 7, and its 2-page annex is *ibid*.

<sup>&</sup>lt;sup>4</sup>See Part 1, Documents 136 ff.

<sup>&</sup>lt;sup>5</sup> Reference is to the Law of the Sea Conference held at Geneva February 4–April 27, 1958.

that we feared a unilateral claim by Iceland of twelve-mile exclusive fishing rights would cause the OEEC to lose interest in helping Iceland find non-Soviet-bloc purchasers for its fish. He also mentioned that fishing fleets from the U.K., German Federal Republic and the USSR have long operated up to within a three to four mile line. He expressed the hope that OEEC channels might be used to forestall the unilateral twelve mile fishing claim by Iceland through some conservation measures such as tonnage or area limitations.

Mr. Smith (ICA) said there seemed to be little likelihood of expansion of Icelandic land resources and suggested that the U.S. should support Iceland in some of its fishing rights aspirations. Governor Herter noted that if any nation has the right to expand its exclusive fishing limits it is Iceland.

Mr. Irwin (Defense) said that U.S. troop strength is now at 4,600 and that a net reduction of 1,100 is planned for October and November, leaving no ground forces. We have no anti-aircraft defense in Iceland but the introduction of some anti-aircraft units has been planned. General Cutler thought that the report should "state the facts" as to the number and type of troops in Iceland and give definition to its troop plans. He also thought that the U.S. should proceed with a \$50,000 preliminary geological survey of Iceland in view of the possibility that it might show the feasibility of heavy water manufacture. Mr. Moline pointed out the OEEC had a team looking into that possibility. When Mr. Mayer added that an operating plant for heavy water production would cost between \$20 and \$40 million and that the potential market might be limited, General Cutler concurred in the report.

The Board agreed that the critical developments since the preparation of the basic report would require its recasting. The Working Group was requested to bring in a report for the meeting of May 21.6 The Board accepted the recommendations of the geological and politico-economic reports and requested that certain supporting material orally presented at the Board meeting be added to those papers.

[Here follows the remainder of the notes.]

<sup>&</sup>lt;sup>6</sup> According to the preliminary notes of the OCB meeting on May 21, Iceland was not discussed. (Department of State, OCB Files: Lot 62 D 430)

# 293. Report by the Operations Coordinating Board

June 25, 1958.

# OPERATIONS COORDINATING BOARD REPORT ON ICELAND (NSC 5712/1)<sup>1</sup>

# (Policy Approved by the President on May 20, 1957)

(Period Covered: From November 1, 1957 Through June 25, 1958)

# A. Summary Evaluation

1. The U.S. objectives in Iceland are: (a) to assure that U.S. forces are permitted to remain in Iceland, that facilities there continue to be available for the use of these and Allied forces and that Iceland is denied to unfriendly or potentially hostile forces; (b) to maintain in Iceland a stable government friendly to the United States and actively cooperating in NATO; and (c) to check and reduce Communist economic and political influence.

2. During the period under review these objectives have been attained to the extent that (a) the U.S. military bases continue to be available for the use of U.S. and Allied forces and Iceland has been denied to unfriendly or potentially hostile forces, and (b) government attitudes friendly to the United States and cooperative toward NATO have been maintained.

3. The maintenance of base facilities in Iceland is generally accepted by both the Icelandic public and the three democratic political parties, although the issue could be reopened for political reasons. The Communists have made continuing but unsuccessful efforts to revive the defense issue, and the National Defense Party which made the ejection of the Defense Force the only plank in its platform is in process of liquidation. The democratic majority in the present government is friendly to the United States and has been able to assure cooperation in NATO.

4. This government, a coalition of two democratic parties (Progressives and Social Democrats) and the Communist-front Labor Alli-

Source: Department of State, OCB Files: Lot 62 D 430, Iceland. Secret. This report comprised a cover sheet, an undated action memorandum by the Executive Officer of the OCB, a report on Iceland, and three annexes. Only the report is printed here. The report was reviewed by the OCB at its meeting on June 25, and after some discussion, the language on troop withdrawal was agreed to by officials of the Departments of State and Defense. (Preliminary notes of the OCB meeting, June 25; *ibid.*)

<sup>&</sup>lt;sup>1</sup>See footnote 1, Document 292.

ance brought together for reasons of political expediency has serious internal tensions, but the cohesive forces have thus far outweighed the divisive forces. In May the government weathered its most serious test to date. Whenever a new government is formed it is not likely to include Communists. While the non-Communist majority and the opposition Independence (Conservative) Party have been able to contain Communist influence on a number of domestic and international matters, the Communists were a major factor in precipitating action by the government to extend Icelandic fishery limits. This may threaten the attainment of United States objectives in Iceland (see paragraph 7 below). However, one of the three coalition parties (the Social Democrats) appears disposed to seek a solution to this thorny question acceptable on the one hand to the three democratic parties and on the other hand to the other Western nations concerned.

5. The Communists have been largely instrumental in preventing the adoption of effective economic stabilization measures through their participation in the government and their power in the labor movement. However, the Communist position in the trade union movement has been weakened to the extent that democratic forces now have a fair chance of regaining control of the Icelandic Federation of Labor in the elections this coming fall. Nevertheless, Communist electoral support remains substantially intact and their maneuvering position in Icelandic politics has been enhanced by the decline in strength of the Social Democratic Party as revealed in the recent municipal elections, increasing bitterness between the Conservatives and Progressives, and the emergence of the fisheries limits issue.

6. Although the situation is confused and contains potentially serious dangers to the attainment of our objectives in Iceland, the OCB believes that a review of policy is not required at this time. However, developments should be followed with great care. The United States should be prepared, if opportunities for practicable action present themselves, promptly to implement the policy already provided for in NSC 5712/1 (May 20, 1957) of using economic and political pressures to eliminate Communist participation in the Icelandic Government.

# B. Major Operating Problems or Difficulties Facing the United States

# 7. Extension of Fishery Limits.

a. The Iceland Government has for several years been under strong popular pressure from all political elements to extend its exclusive fishery limits and/or territorial waters well beyond the present limits. Partly because of our urgings, the Government agreed in 1957 to take no action until the results of the Geneva Conference on the Law of the Sea became known; but it was committed to announce an extension if those results were not satisfactory to Iceland. The Geneva Conference, which closed April 28, did not agree on a general rule on territorial waters and contiguous fishery zones. The Icelandic Government has now announced its intention unilaterally to extend its exclusive fishery limits to 12 miles from the present 4 miles on September 1, 1958.

b. If foreign fishing interests are excluded from this zone it would have serious adverse effects on the British and some Western European countries' fishing industries. The Icelandic announcement has consequently caused diplomatic representations from other countries and a strong public protest from the British which included a statement that they could not permit any interference with British trawlers on the high seas. Roughly half of the fish caught in Iceland waters are estimated to have been caught by Iceland, the balance by Western European fishing interests—notably German and British.

c. The United States position is that unilateral extensions of territorial waters and/or establishment of contiguous fishery zones cannot be accepted. It is our hope, however, that the question of Icelandic fishery limits can be amicably settled by the countries directly concerned. The position of the Communists in the Icelandic Cabinet has enabled them by threatening to force new elections to exploit the strong sentiments aroused in Iceland over this question. If a solution cannot be negotiated it could result in a deterioration of relations between Iceland and its NATO partners and threaten Iceland's adherence to NATO and our continued use of the bases in Iceland.

8. Economic Situation.

a. The economic situation in Iceland remains unsatisfactory. The economy continues to be beset by inflation resulting from a high level of consumer demand coupled with deficit-financed investment and inadequate credit controls. Icelandic leaders, notably the Prime Minister and the Minister of Education and Industries, have sought to educate the public on the shortcomings of the present system of disguised multiple exchange rates and bilateral barter trade. Also a committee of Icelandic economists, appointed by the Icelandic Government, recommended reforms along the lines of advice already received from the IMF and stressed the need to curtail inflationary financing of rural electrification and land reclamation. Economic legislation has recently been passed which involves some improvements, notably removal of some discriminatory elements, some depreciation of the effective exchange rate and simplification of the rules governing subsidization of export industries and taxation of imports. Despite the Government's commitment to NATO (referred to in subparagraph c below) this legislation also involves proliferation of exchange rates, while continuing subsidization of exports on an ad hoc basis, and adds to the inflationary pressures through a general wage increase. Iceland consulted the IMF in advance regarding these recent exchange rate changes and adopted them despite

the fact that the IMF did not concur. The new exchange rates system also specifically discriminates against U.S. defense expenditures in Iceland, and the Icelandic Government has been informed that the United States has noted this action and has reserved its position.

b. The Icelanders may again request external budget financial assistance before the end of the year whether or not there is a change of government. Iceland is seeking outside assistance to acquire up to 15 trawlers from Great Britain or elsewhere in the West. The Embassy has reported that it is probable that Iceland will seek a \$7.5 million loan for 8 of these trawlers from the United States Development Loan Fund. Iceland has been negotiating with the Soviet Union a refinancing of indebtedness equivalent to about \$3 million incurred in the purchase of fishing vessels in East Germany. It has not appeared opportune during the reporting period for the United States to exert overt pressure on the Icelandic Government to carry out an effective economic reform program.

c. Icelandic acceptance of a substantial Soviet Ioan was forestalled by an agreement between the Icelandic Permanent Representative to NATO and the NATO International Staff which resulted in the December 27, 1957 Ioan of \$5 million from the United States and the German agreement to lend Iceland \$2 million. At the time the U.S. Ioan was made, the Icelanders made a verbal commitment to NATO to attempt to undertake internal economic reform based on recommendations of either the IMF of OEEC or both. The Communists are continuing to press Iceland to accept substantial economic assistance from the Soviet bloc. While there are no present indications of acquiescence on the noncommunist majority of the Cabinet, Soviet offers of assistance may well be exploited in order to seek further loans from Western sources.

d. With a view toward assisting Iceland in developing its economy, the Operations Coordinating Board has recently considered what special economic and political arrangements might be made between the U.S. and Iceland. The Board concluded that it would be inopportune to proceed further at this time with this study and agreed that the U.S. should take all appropriate action to further Iceland's accession into the Free Trade Area and cooperation with the OEEC. The Board has also studied the question of a geological survey of Iceland.<sup>2</sup> The Board concluded that it would not be in the U.S. interest to suggest or encourage a general survey or a preliminary study of Iceland's natural resources.

9. *Export Markets.* The proportion of Iceland's export trade going to the Soviet bloc increased from 30 percent to 33 percent in 1957. (The Icelandic fish catch was reduced but the commitment to the Soviet bloc remained fixed.) However, Iceland's export commitment to the Soviet

<sup>&</sup>lt;sup>2</sup>See footnotes 1 and 2, Document 292.

Union was reduced from 32,000 metric tons in 1957 to 25,000 metric tons in 1958. In addition, U.S. PL 480<sup>3</sup> sales are displacing Soviet exports to Iceland, and cement to be produced by the U.S.-financed Icelandic cement plant also will replace bloc exports to Iceland. Icelandic authorities have shown increased awareness of the desirability of avoiding excessive dependence upon trade with the Soviet bloc. The above-mentioned (1) reduction in Iceland's export commitment to the Soviet bloc, (2) switch of wheat imports from the Soviet Union to the United States and (3) early manufacture of Icelandic cement to replace Soviet bloc cement are steps away from such dependence. The opening of a new market for Icelandic salt fish in Jamaica, a very substantial increase in sales to the U.S. in 1958, Icelandic interest in plans for a European Free Trade Area provided it includes fish products, and Icelandic cooperation with an OEEC mission to solve a program for the development of certain Western markets are also hopeful signs. However, there is a danger that if Iceland attempts to enforce its announced extension of its fishery limits Great Britain and perhaps some of the Western European countries would retaliate by denying their markets to Icelandic fish.

10. Level of U.S. Defense Forces. The Departments of State and Defense have still under consideration the implementation of the NSC action 1721-c of May 16, 1957<sup>4</sup> to undertake as feasible the reduction of U.S. Army Forces currently stationed in Iceland. The Joint Chiefs of Staff have stated that it is militarily desirable to withdraw the U.S. Army Forces now in Iceland, which consist primarily of a Battalion Combat Team of about 1100 men thereby reducing the overall U.S. Military Forces in Iceland to approximately 4000 men. They further state that the Forces remaining in Iceland are adequate for internal security purposes and that the war plans of the Joint Chiefs take into consideration the defense of Iceland in case of external attack. Accordingly, the Department of Defense wished to withdraw the Battalion Combat Team by December 31, 1958. The Department of Defense also advises that the withdrawal of U.S. Army Forces is routine in nature as similar adjustments are made from time to time in U.S. Forces stationed elsewhere to perform missions in support of NATO, and that this adjustment should not prejudice increasing the garrison in Iceland as new weapons become available. From the standpoint of both logistical support and military effectiveness, the Department of Defense considers it not desirable to fragment the Battalion Combat Team by reducing numbers within the

<sup>&</sup>lt;sup>3</sup> P.L. 480, the Agricultural Trade Development and Assistance Act of 1954, enacted July 10, 1954, provided for the disposal of U.S. agricultural surpluses abroad. (68 Stat. 454)

<sup>&</sup>lt;sup>4</sup>NSC Action No. 1721 provided that the Secretary of Defense would undertake as feasible the reduction of U.S. troops stationed in Iceland. (Eisenhower Library, Whitman File, NSC Records)

unit. The Department of State has considered that the removal of these forces, which are regarded by the Icelanders as a component of the Icelandic Defense Forces and have the specific duty of defending Iceland, is not feasible at this time for important political considerations, vis-à-vis Iceland and our other NATO allies. Further, the Department of State, CIA, and USIA feel that there is a strong possibility that withdrawal of the Army contingent would reopen the whole issue of the presence of the Defense Force in Iceland. The Department of State is checking with Embassy Reykjavik the validity of these latter considerations as they currently apply in Iceland. When Embassy Reykjavik's reply is received, the Departments of State and Defense will resume their discussions with a view toward resolving their differences.

*Note:* See latest National Intelligence Estimate Number 28.4–56, "Outlook for Iceland", dated 21 August 1956.<sup>5</sup>

<sup>5</sup>Not printed. (Department of State, INR–NIE Files)

# 294. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to Secretary of State Dulles

September 3, 1958.

SUBJECT

Current Status of the Iceland Situation

On September 1 the Icelandic Government extended its exclusive fishery limits from four to twelve miles but, as they had forewarned, the British refused to accept this unilateral action as conforming to international law, and their trawlers continued to fish in the disputed area, protected by Royal Navy vessels. Incidents between these trawlers, Royal Navy vessels and Icelandic Coast Guard vessels attempting to enforce the new regulations have occurred, but thus far nothing of a really violent nature.

We understand that the Icelandic Coast Guard is under instructions to avoid violence, and the Royal Navy is under instructions to be as care-

Source: Department of State, Central Files, 740B.022/9–358. Confidential. Drafted by Beyer and cleared by Mayer and Willoughby. The source text bears the handwritten notation: "Sec saw 9/4".

ful as possible but to be firm in protecting trawlers. The Icelandic present tactics are, when British Naval vessels are present, to merely obtain records of which British trawlers violate their regulations with a view to prosecuting them for such action if they later enter Icelandic ports, which many of them will probably have to do at some time because of bad weather or mechanical breakdowns. When British Naval vessels have not been present, the Icelandic Coast Guard has attempted to arrest trawlers violating the new fishing limits. The trawlers of other Western European nations generally have been instructed to observe the new limit, although their Governments do not regard it as legal.

This large-scale violation of their new regulations has stirred strong public reaction in Iceland. Should violent incidents occur, or the differences between Great Britain and Iceland be intensified, this could lead to highly damaging developments such as the building up of pressure on the Government to break its relations with the United Kingdom and withdraw from NATO, and eventually might result in the loss of our base in Iceland. The Communist-front Labor Alliance Party, which is in the present coalition Government, will do its best to bring about this result.

Prior to September 1 efforts were made by the NATO governments directly concerned with fishing in Icelandic waters (Iceland, Great Britain, France, Western Germany, Belgium, the Netherlands, Denmark and Norway) to find a compromise solution.<sup>1</sup> Domestic political forces prevented the Icelandic Government from accepting any of the suggested compromises.

The governments concerned, other than Iceland, are willing to make further efforts to find an agreed solution, but at the moment no promising proposal has been put forward. The fundamental difficulty is that Iceland demands recognition of its right unilaterally to extend its fishing limits. Denmark and Norway are also much concerned about areas under their jurisdiction (Faroe Islands, Greenland and northern Norway) where the inhabitants are as fully dependent on fishing as the Icelanders and where there is strong political pressure to obtain the same exclusive 12-mile limits.

We have not participated directly in any of the negotiations which preceded this crisis, but did use our influence as far as possible to urge all concerned to be moderate, use restraint, and seek a compromise. We have been kept well informed by the parties involved, but have not yet been able to suggest any compromise which would be generally acceptable.

<sup>&</sup>lt;sup>1</sup> Documentation on U.S. efforts to assist in finding a solution through discussions within NATO at the end of August is *ibid.*, 740B.022.

# 295. Telegram From the Department of State to the Mission at the North Atlantic Treaty Organization and European Regional Organizations

September 24, 1958, 4:11 p.m.

Topol 965. Poltos 677 and 672.<sup>1</sup> Secretary had talks with Lloyd and Gudmundsson in New York re Iceland fishing rights problem (memos of conversation being pouched above addressees).<sup>2</sup>

UK position appears to be that they remain ready and willing negotiate modus vivendi. There is however no indication they can agree any formula requiring explicit recognition unilateral Icelandic extension fishing limits. Though apparently anxious avoid incidents they feel they must continue challenge this by continuing send trawlers and protection vessels into disputed area. Icelanders position is that negotiation on anything short of acceptance Icelandic position is under present circumstances precluded by public reaction to incidents in disputed area and this would be case for some time even if no new incidents occur. Meanwhile Iceland committed to effort get UN settle issue by adopting general rule recognizing 12 mile fishing limit for all States in framework of agenda item on Law of Sea. British position is that GA should not consider substance this or other Law of Sea issues but should instead call for another Law of Sea conference.

Seems apparent under present circumstances there is virtually no prospect of fruitful negotiation in NATO on this issue until GA completes action on question second Law of Sea conference. FYI. US prefers avoid debate substantive issues at current GA session, but too early predict whether such issues will be successfully injected into discussion Law of Sea item. End FYI. Depending on GA results there may be further occasion try to work out modus vivendi in NATO framework.

Source: Department of State, Central Files, 740B.022/9–1258. Secret. Repeated to London, Reykjavik, and USUN.

<sup>&</sup>lt;sup>1</sup> Polto 672 from Paris, September 12, reported a suggestion by Stikker that President Eisenhower write to the President of Iceland emphasizing that in the interest of NATO further efforts should be made to reach an equitable solution to the fisheries dispute. (*Ibid.*, 740B.022/9–1258) Polto 677 from Paris reported the discussion of the Icelandic fisheries problem at the North Atlantic Council meeting on September 12. The Council reviewed the respective positions and agreed to draft a report tracing the efforts to settle the dispute. (*Ibid.*)

<sup>&</sup>lt;sup>2</sup> The conversations took place on September 16 and 17, respectively, in New York where the Foreign Ministers were attending the 13th Session of the U.N. General Assembly. Copies of the memoranda of conversation (USDel/MC/7 and USDel/MC/12), both dated September 17, are *ibid.*, Conference Files: Lot 63 D 123, CF 1107.

Also seems apparent no useful purpose likely be served by Presidential letter on subject this time, but suggestion will be kept in mind if future developments warrant.

Meanwhile hope door can be left open for further NATO consideration this problem as developments permit.

You may in your discretion draw on foregoing in any discussions with IS or PermReps re this problem and question NATO role in its solution.

# Dulles

# 296. Memorandum of Conversation

November 12, 1959.

#### SUBJECT

Proposed Withdrawal of Army Forces from Iceland

#### PARTICIPANTS

#### Department of State

Hon. Livingston T. Merchant, Assistant Secretary of State for European Affairs Hon. John Muccio, U.S. Ambassador to Iceland Ivan White, Deputy Assistant Secretary of State, European Affairs Robert Brandin, Officer in Charge, Northern European Affairs Theodore Long, Special Assistant to Secretary Merchant

#### Department of Defense

Hon. John N. Irwin, II, Assistant Secretary of Defense, ISA General Lyman L. Lemnitzer, Chief of Staff, U.S. Army Rear Admiral H.A. Renken, Director, Logistics Plans Division, OPNAV Colonel Robert Tuttle, Office of Plans, USAF Captain H.C. Steele, U.S. Army Jonathan D. Stoddart, European Region, ISA

Secretary Irwin opened the conversation with the observation that all participants were thoroughly acquainted with the background on the Department of Defense's efforts to redeploy Army forces from Iceland.

Source: National Archives and Records Administration, RG 330, OASD/ISA Files, Country Files, Iceland. Secret. Drafted by Stoddart. The meeting was held at the Department of State.

He hoped, therefore, that State and Defense could proceed without undue delay on the current Defense recommendation for the withdrawal of the 1300 Army Battalion Combat Team. Secretary Merchant then set forth the State position on this question. It was expected that the process of Cabinet formation in Iceland would be completed late in November with the creation of a Conservative-Social Democratic coalition Government. On the assumption that such a coalition were formed, the Department of State was, in principle, amenable to the proposed Army withdrawal. Mr. Merchant emphasized, however, that the decision to withdraw should involve a number of carefully coordinated U.S. actions before, during, and subsequent to the initiation of the troop redeployment. Specifically, the U.S. should plan for the closest advance consultation with Iceland, SACLANT, and NATO. Mr. Merchant suggested the establishment of an ad hoc State-Defense Working Group, with USIA participation, to coordinate a program of future U.S. actions which would minimize the impact of the troop withdrawal. In this context the Working Group should consider such questions as dependent housing and other U.S. construction projects, the possible introduction of other defense units, to include anti-aircraft batteries and/or added Air Police. Secretary Merchant reiterated that if the withdrawal were handled improperly the political repercussions in Iceland would be inimical to U.S. interests. He then inquired of General Lemnitzer if there had been any change in the views of the Chiefs of Staff on the strategic importance of Iceland.

In response General Lemnitzer stated that the Army was reluctant to withdraw its forces from any area abroad. Iceland was obviously of strategic importance and the Army's position was not based on a downgrading of Iceland's strategic value. However, the Army was up against the hard fact of budget and personnel limitations, particularly the latter. General Lemnitzer emphasized that the spaces saved in Iceland would be applied to increased Army requirements within NATO, [8-1/2 lines of source text not declassified].

Ambassador Muccio expressed his concern at the apparent critical attitude of the military toward Icelanders. In his judgment there was no violent anti-U.S. sentiment, barring the Communists, in Iceland. The Ambassador agreed that withdrawal of Army forces, if properly presented, could be accomplished without adverse effect on the U.S. position in Iceland. He suggested that the decision to withdraw be communicated to only a few individuals in the Government. To dispel any impression that the U.S. was abandoning Iceland these individuals should also he apprised of future U.S. programs in Iceland. [2 *lines of source text not declassified*]

Secretary Irwin indicated that the Air Force and Navy had tentative plans to increase personnel in Iceland to a level which would generally compensate for the Army reduction. He also pointed out that prompt action on the withdrawal would permit savings in the Military Construction Program as the Navy could suspend some programmed construction activity by taking over facilities vacated by the Army. At Secretary Irwin's request, Mr. Stoddart pointed out that the Navy was prepared to suspend construction on a Navy enlisted barracks, programmed in FY 59, and one of three BOQ's programmed in FY 60, at a savings of approximately \$3 million. Admiral Renken amplified on the savings that could accrue from suspending construction for a power plant and warehouse storage facilities. He added that as a planning figure only, the Navy had a current requirement for 1000 added personnel in Iceland by 1 July 1961.

In response to a question by Secretary Merchant on the timing of the Army withdrawal General Lemnitzer stated that the Army would prefer to initiate action as soon as possible. However, he would not insist on a crash decision on the removal and proposed the phase out be effected in the period between 1 January and 30 June 1960.

Secretary Merchant again emphasized the need to work out a coordinated withdrawal schedule and referred again to the creation of an inter-Departmental Working Group for this purpose. Secretary Irwin stated that Mr. Stoddart and a representative from the Army would be prepared to represent Defense on the Working Group. Mr. White designated Mr. Brandin as State's representative and indicated that someone from USIA would be subsequently added to the group.

Secretary Merchant added that State would request another look at the proposed Army withdrawal if Progressives and/or Communists participated in the new Icelandic Government. This position was based on the possibility that the Army withdrawal might provide the rationale to either of these parties to demand a termination of the Base Agreement.

Secretary Irwin pointed out the possibility of a reduction of Air personnel in Iceland at some later date. He also stated that Icelandic acceptance of NATO's proposed infrastructure program in Iceland, particularly POL and ammunition storage facilities, would be of mutual benefit to Iceland and the United States. This point generated some discussion on the current status of infrastructure in Iceland. The meeting concluded with Secretary Irwin's suggestion that the Working Group, in developing its recommended actions to minimize the effects of the Army withdrawal, consider means to expedite the infrastructure program.

> Jonathan D. Stoddart Assistant, Northern and Western Europe

# 297. Telegram From the Embassy in Iceland to the Department of State

Reykjavik, December 8, 1959, 1 p.m.

169. Upon my return Reykjavik I found UK–GOI fisheries dispute being discussed between UK Ambassador and certain Icelandic officials. Just prior his departure December 3 Ambassador showed me "think piece". Gist was (1) inefficacy British show of force to achieve desired result Iceland, (2) GOI has public solidly behind it, (3) public opinion and Althing resolution in fact hold GOI captive, (4) new government<sup>1</sup> however does offer some hope workable compromise, (5) if UK wishes salvage position at next Law of Sea conference<sup>2</sup> it should withdraw warships from fisheries patrol duty soonest and in any event not later than day before conference opens. He also brought to my attention proposal reported London telegram sent Department 2926.<sup>3</sup>

In recent calls on Foreign Minister Gudmundsson and Minister Justice Benediktsson both mentioned fisheries to me. I found that these two key officials feel excellent working relations within new government and widespread appreciation necessity therefor warrant all out effort resolve present imbroglio. Later on December 5 Foreign Minister showed me copy memo covering current GOI–UK proposal and said he was not wholly without hope something would come of it.

Both these key officials still consider first proposal recommended July 1958 by NATO committee of experts,<sup>4</sup> which would have established two (later three) areas off Icelandic coast in which Iceland would enjoy fisheries control, as favorable to Iceland. Many other Icelanders have expressed similar opinion to me. Should current UK–GOI exchanges lead to impasse it would be most desirable to revive experts' proposal.

I believe it would be erroneous assess recent Icelandic proposal as indicating lessening Icelandic resolve achieve 12-mile fisheries limit.

Source: Department of State, Central Files, 740B.022/12-859. Secret. Repeated to London and Paris.

<sup>&</sup>lt;sup>1</sup> In November 1959, the Independence and Social Democratic Parties of Iceland had formed a new coalition government.

<sup>&</sup>lt;sup>2</sup>Reference is to the second Law of the Sea Conference held at Geneva March 17-April 26, 1960.

<sup>&</sup>lt;sup>3</sup> Telegram 2926 from London, December 4, reported that Iceland had proposed to the British that, in exchange for the withdrawal of the British fishery protection vessels, Iceland would cancel all accumulated fines against British trawlers for violating Icelandic fisheries limits. (Department of State, Central Files, 740B.022/12–459)

<sup>&</sup>lt;sup>4</sup> Documentation on the work of the NATO committee is *ibid.*, 740B.022.

Unless some interim adjustment involving withdrawal warships is achieved we cannot hope to carry Iceland with us on larger issues of greater concern to us that will come up at Law of the Sea conference. Muccio

# 298. Report by the NSC Planning Board

NSC 6025

December 29, 1960.

# STATEMENT OF U.S. POLICY ON ICELAND

#### General Considerations

#### Importance of Iceland for U.S. National Security

1. Iceland is of great strategic importance to the United States and its membership in NATO significantly enhances NATO offensive and defensive military capabilities in the North Atlantic. Iceland now provides the United States and NATO with (a) a key link in the Early Warning System for the defense of the United States and other NATO countries; (b) an important base [1-1/2 lines of source text not declassified]; (d) a significant air base for NATO requirements; and (e) a key communications link between the United States, the United Kingdom, and other NATO countries. Denial of these advantages to the United States and NATO would result in [less than 1 line of source text not declassified] weakening of the North Atlantic defense system; and the loss of Iceland

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6025 Series. Secret. On October 18, the OCB recommended that NSC 5712/1 (see footnote 1, Document 292) be brought up to date in accordance with the Presidential directive of April 7 that NSC papers be current for the new administration. (NSC Action No. 2215–c; Department of State, S/S– NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council) The resulting paper, NSC 6025, prepared by the NSC Planning Board, comprised a cover sheet; a memorandum from NSC Executive Secretary Lay, dated January 18, 1961, which stated that it had been approved by the President on that day; a memorandum of transmittal by Lay, dated December 29, 1960; the statement of policy; and a financial appendix. Only the statement of policy is printed here.

According to the January 18 memorandum, pp. 3, 6, and 13 were "editorially revised" for insertion in NSC 6025, but the changes were not indicated.

NSC 6025 was rescinded by President Kennedy on May 2, 1962.

to Soviet control would directly threaten the security of the United States.

# U.S.-Iceland Agreement for the Defense of Iceland

2. NATO has delegated to the United States responsibility for the defense of Iceland, which has no armed forces of its own and a police force of only 180 men. In fulfillment of this responsibility, the United States, on May 5, 1951, signed a Defense Agreement under which the United States is stationing forces and is developing military facilities in Iceland.<sup>1</sup> Additional U.S. rights and facilities were obtained by supplementary understandings concluded in May 1954.<sup>2</sup> In March 1956, the Icelandic Parliament passed a resolution calling for discussions with the United States on revision of the Defense Agreement, aiming at withdrawal of U.S. forces and having Iceland assume responsibility on behalf of NATO for maintenance of the defense installations. However, U.S.-Icelandic negotiations completed in December 1956<sup>3</sup> permitted U.S. forces to remain in Iceland under substantially the same conditions provided for in the original agreement of 1951, and established a procedure (which neither party has yet taken steps to implement) for subsequent high-level consultations between the United States and Iceland on defense arrangements. Normal relations between the defense forces and the Icelandic Government are conducted through a joint Defense Council. Troop-community relations and troop morale problems have been continuing causes of difficulty in the maintenance of the base and defense force. U.S. efforts to improve troop-community relations, which reached a low in the Fall of 1959, have resulted in some improvement, but serious difficulties continue and efforts to ease irksome restrictions on defense force personnel movements, customs privileges, and military police jurisdiction have been unsuccessful.

# Political Orientation

3. Although its political orientation is basically toward the West, Iceland traditionally prefers isolation and neutrality. All Icelandic political parties must take into consideration, and perhaps solicit the support of, that part of the electorate which opposes the stationing of foreign military forces in Iceland in peacetime. Icelandic politicians are particularly sensitive to any feeling in Europe or elsewhere that there is any relaxation of world tensions. Defense activities have had a marked social and economic impact on a previously isolated country of 180,000

<sup>&</sup>lt;sup>1</sup> For text of this agreement, see 2 UST 1195.

<sup>&</sup>lt;sup>2</sup>Not further identified.

<sup>&</sup>lt;sup>3</sup> For text of the agreement on U.S. forces in Iceland, concluded by an exchange of notes on December 6, 1956, see 7 UST 3437.

persons, and the presence of foreign forces in Iceland inevitably is a factor in Icelandic domestic politics.

4. Since Iceland's independence (1944), no political party has been able to elect a majority to the Icelandic Parliament. Consequently, all Icelandic Cabinets representing a majority of Parliament have been formed by a coalition between two or more parties. From 1950 until 1956 the Independents (Conservatives) and the Progressives, the two largest parties, maintained an uneasy coalition in the Government. In the 1956 general election, the Progressive and Social Democratic Parties were unsuccessful in their effort jointly to elect a majority of the representatives to the Icelandic Parliament. Rather than be junior partners to the powerful Independence Party, the Progressive and Social Democratic Parties formed a coalition with the Communist-front Labor Alliance Partyeach of the three parties being represented by two cabinet ministers. After two and a half years of stress and strain within the coalition, with each party attempting to strengthen its own position and favor the interest groups it represented, the government fell in December 1958 as a result of a clash between the Progressives and Communists on how to meet the galloping inflation problem. During 1959 the Social Democrats, with the tacit parliamentary support of the Independence Party, maintained a minority-caretaker government. Elections were held in June and October 1959 in order to carry out long-needed electoral system reforms. In November 1959, the Independence and Social Democratic Parties formed a majority coalition government primarily aimed at carrying through a basic economic stabilization program.

5. The influence of the relatively small number of Moscow-line Icelandic Communists has been magnified (a) by their ability to enlist *[less than 1 line of source text not declassified]* isolationist extremists into Communist-front political organizations like the current Labor Alliance Party; (b) by their control of the Icelandic Federation of Labor and several large, key trade unions, which gives them great potential to disrupt the Icelandic economy; and (c) by Icelandic tolerance of Communist activities. There have been indications of internal Communist, involving also the left-wing Social Democratic adherents to the Labor Alliance Party front-organization. No open rifts have occurred as yet, although the front-organization has lost some popular support in recent elections.

#### **Economic Problems**

6. Iceland's economic problems derive from its overwhelming dependence on the fishing industry. A high proportion of manufactured goods and raw materials must be imported and virtually the only way for Iceland to finance these imports is through fish and fish products, which comprise 90–95% of Iceland's commodity exports. Over 70% of the country's total foreign exchange income is derived from exports of fish and fish products, with about 15% being derived from the expenditures of U.S. forces in Iceland and less than 10% from all other exports. Thus the necessity for finding and maintaining markets for fish and fish products has a powerful impact on Iceland's relations with other countries. In the long-run, Iceland must achieve greater diversification of its industry if it is to have a sound, balanced economy.

7. Traditionally, Britain was the largest single importer of Icelandic fish, and also has the greatest foreign fishing interest in Icelandic waters. After Iceland unilaterally extended its exclusive fishery limits in 1952 to 4 miles, calculated on extremely extended new base lines, the British fishing interests imposed a landing ban on Icelandic fresh fish imports. The embargo was lifted in 1956 but the British market never recovered its importance for Iceland. When Iceland unilaterally further extended its exclusive fishery limits to 12 miles in 1958, the British refused to accept the new limits, and until the second United Nations Law of the Sea Conference in Geneva in March 1960, gave Royal Navy protection to their trawlers operating within the new limits. After the failure of the Law of the Sea Conference in March 1960, the British agreed informally to observe the new Icelandic fishery limits in practice as long as there continued to be good prospect for a bilateral settlement of the dispute. At present this informal agreement remains in effect.<sup>4</sup>

8. The United States has become the principal Free World importer of Icelandic fish, and Icelandic exporters are making further efforts to expand in the U.S. market. Since 1956, there has been a decline in attempts of U.S. domestic fishing interests to impose additional governmental restrictions with respect to imports of Icelandic products.

9. From 1940 until this year Iceland experienced inflation in various degrees resulting from labor shortages, excessive bank credit and extraordinarily high rate of investment (stimulated by the abnormal foreign exchange earnings resulting from wartime booms and defense force expenditures), direct and indirect subsidization of fishing and agricultural groups (which has encouraged inefficient practices) and a series of weak governments unable to take the necessary financial and economic measures to control inflation. During this period the Icelandic currency was over-valued, causing exporters great difficulty in marketing their fish and fish products on a competitive price basis.

<sup>&</sup>lt;sup>4</sup>On March 11, 1961, the United Kingdom and Iceland signed a 3-year agreement resolving the fisheries question. In return for British abandonment of its objection to the 12-mile limit, Iceland permitted British trawlers to fish in certain areas from 6 to 12 miles offshore.

10. The loss of the British market caused Iceland to turn to Soviet Bloc countries which were prepared to accept Icelandic products under bilateral trading arrangements. The percentage of Iceland's total exports going to the Soviet Bloc has risen from 5 to 7% in 1949 to 1952, to approximately 35% in recent years. The conclusion of bilateral trading arrangements with the Soviet Bloc necessitated a considerable diversion of Icelandic imports from Free World to Soviet Bloc sources. About 25-30% of Iceland's imports, including most of Iceland's requirements for petroleum, iron, steel and coal and some of its consumer goods imports, are now obtained from the Soviet Bloc. The increased trade offered the Soviet Bloc opportunities for strengthened political and cultural relations through diplomatic contacts, trade missions, and artistic and other delegations. Offers of credit have also been made by the Bloc from time to time. However, Iceland's principal difficulty has been in finding sufficient commodities to import from the Soviet Bloc to utilize the Bloc currencies earned from its exports to the Bloc. Icelandic dependence on imports from the Soviet Bloc has been somewhat counteracted by U.S. loan assistance on fertilizer, cement, and hydroelectric plants construction, and by P.L. 480 program supplies of foodstuffs and cotton.

11. The principal factors likely to determine the extent of Iceland's future trade with the Free World are: (a) the success of the economic stabilization program introduced in 1960, (b) success in settling the fishery limits dispute with the U.K., and (c) arrangements for Icelandic trade with the countries of the Common Market and the Outer Seven.

a. The comprehensive economic stabilization program introduced in February 1960 included exchange reform and consolidation of exchange rates, trade liberalization, and a series of budget, credit, and tax measures. The program appears to be proceeding favorably although growing pressures from the Communist-dominated Federation of Labor pose a serious threat to the program. The opposition, principally Communist, may attempt to destroy the austerity program through a general strike. If price stability can be maintained, Icelandic export markets in the Free World should improve, although some of its former Free World customers have now expanded their own fishing industries. In particular, the maintenance of price stability may help Iceland to expand further its sales in the United States. Formal devaluation of the Icelandic currency and abolition of a system of export premiums have helped to minimize the pressure within the United States for the imposition of countervailing duties on Icelandic products.

b. Unless a U.K.-Icelandic settlement is reached, the British may take further retaliatory measures.

c. Iceland's major Free World markets lie in Western Europe and the future of this trade will depend heavily on the arrangements which it is able to make with the regional trading groups now being formed in Europe. Iceland may join one of these groups, more likely the Seven, or make special arrangements with both. In either eventuality, there would appear to be prospect for increases in Icelandic trade with the Free World. If, however, Icelandic commodities are excluded from the preferential trading arrangements of these groups, the impact on Icelandic trade with the Free World is likely to be severe.

12. Even if Icelandic trade with the Free World continues to expand, it is probable that Iceland will continue to maintain a substantial amount of trade with the Soviet Bloc, unless the Bloc should decide, for political reasons, to terminate the trade.

13. From FY 1949 to 1953, the United States made available \$34.6 million in economic aid to Iceland. No direct economic aid was given between FY 1953 and FY 1956, but a substantial contribution to Iceland's foreign exchange earnings was given by the heavy construction and installation expenditures of the U.S. defense force.<sup>5</sup> Following the establishment of a new Icelandic Government in July 1956-a coalition of Progressives, Social Democrats and the Communist-front Labor Alliance Party-further financial assistance was deemed essential in order to improve the climate for the base negotiations and to ensure the continuation of our political and defense relations. From July 1956 to December 1958 total U.S. assistance amounted to \$20 million. Since 1958 assistance totaling \$14 million has been provided primarily to support a Social Democratic caretaker government (December 1958-November 1959) in its anti-inflationary measures, and the subsequent Independence-Social Democratic majority government in carrying out a comprehensive economic stabilization program. The \$14 million included a \$6 million grant in FY 1961. At the time this grant was made the U.S. Government advised Iceland that it should be considered the final U.S. contribution to the stabilization program as such, that we counted on the Icelandic Government's intention faithfully to carry out this program, and that future project loan applications should be made through orthodox channels such as the Export-Import Bank.

14. The political and economic situation in Iceland has been a matter of concern to other NATO countries as well as to the United States, and European assistance to Iceland was, on one occasion, arranged through NATO. It was through OEEC, however, that the European countries provided external assistance to Iceland in connection with the economic stabilization program and the Western European countries remain as logical potential sources for assistance should further aid be required in the future.

15. In the absence of a settlement, the British-Icelandic dispute, involving the "use of force" between two NATO allies, will remain a con-

<sup>&</sup>lt;sup>5</sup> Since 1954, U.S. defense force expenditures for construction, operations and maintenance have contributed an average of about \$12–15 million per annum to Iceland's foreign exchange earnings. [Footnote in the source text.]

stant source of concern because of its possible effects on continued Icelandic membership in NATO and on the maintenance of U.S. forces and military installations in Iceland.

#### Objectives

16. To assure that U.S. forces are permitted to remain in Iceland, that facilities there continue to be available for the use of these and allied forces, and that Iceland is denied to unfriendly or potentially hostile forces.

17. To maintain in Iceland a stable government friendly to the United States and actively cooperating in NATO.

18. [1-1/2 lines of source text not declassified]

# Major Policy Guidance

19. In carrying out U.S. military and other activities in Iceland under the Defense Agreement, keep in mind the nationalist, anti-militarist sensibilities of the Icelandic people, endeavor to promote harmonious relations with them, and encourage their participation—consistent with military readiness—in performing defense functions.

20. Encourage as appropriate more active Icelandic understanding of and participation in NATO defense activities relating to Iceland.

21. [4 lines of source text not declassified]

22. Encourage the collaboration of all democratic parties in the development of a vigorous anti-Communist labor movement in Iceland, and thereby assist them to regain from the Communists, and to maintain control of the national labor movement.

23. Take all feasible actions with respect to Iceland's economy required to achieve U.S. objectives, particularly to prevent undue Icelandic dependence on Soviet Bloc trade:

a. Use U.S. influence with our allies and other friendly countries to increase Iceland's export markets in the Free World, and maintain maximum feasible access to United States markets for Icelandic products.

b. If external assistance is required to counteract economic deterioration in Iceland adverse to U.S. interests, urge Western European countries to provide assistance to Iceland and provide U.S. aid as needed.

c. If necessary provide loans for specific Icelandic development projects consistent with relevant U.S. loan policies.

d. Encourage and, as feasible, assist through technical support the exploration and exploitation of Iceland's natural resources and the diversification of the Icelandic economy.

e. Encourage Iceland to continue its efforts to achieve and maintain a stable economy through such means as pursuit of firm budgetary, monetary credit and wage policies.

monetary credit and wage policies. f. If requested by Iceland, provide technical support to increase the skills needed for defense activities and to increase the efficiency of its industry. 24. In maintaining the U.S. position on territorial waters and fisheries jurisdiction in the UN or in other world forums, take all feasible steps to mitigate possible adverse effects on U.S.-Icelandic relations and also to forestall any precipitate further extension by Iceland of offshore fishery controls.

25. In the event that Iceland again requests withdrawal of the Defense Force, consult with NATO; if in the best interests of the United States, also suspend construction and exercise other political and economic pressures.

26. In the event of an actual Communist seizure from within of the Government in Iceland, or the imminent threat of such seizure, be prepared to take all feasible measures [*less than 1 line of source text not declassified*] to deal with the situation.

#### U.S. POLICY TOWARD DENMARK, NORWAY, AND SWEDEN

# 299. Letter From the Ambassador to Sweden (Bonbright) to the Deputy Under Secretary of State for Political Affairs (Merchant)

Stockholm, October 13, 1959.

DEAR LIVIE: As he was about to leave for the airport from our house last week, Secretary Benson told me that when he got home he was going to urge the President very strongly to visit a number of countries.<sup>1</sup> He seemed to be thinking mainly of such visits taking place on the President's way home from Moscow next year,<sup>2</sup> although his thought was not limited to this timing. The countries which he mentioned to me were India, Yugoslavia, Finland and the Scandinavian countries, including Sweden. I did not have time to question the Secretary as to his reasons, but, with the possible exception of Finland where he seemed to have possible political benefits in mind, his recommendation about the rest of Scandinavia appeared to be based largely on the concept that they are nice countries, populated by nice people.

I naturally do not know how receptive the President will be to Mr. Benson's suggestions, but, on the chance that the Department's views may be sought in the relatively near future, I thought that I should perhaps lay before you informally some of the factors which will need to be taken into consideration with respect to a possible Presidential visit or stop-over in this country. For the sake of convenience, these have been put in the form of a memorandum which is enclosed. As you will see, it is not categorically affirmative or negative, although at the moment our thoughts here incline quite a bit more toward the latter.

I am taking the liberty of sending a copy of this to Foy Kohler, too. All the best,

As ever,

#### James C.H. Bonbright<sup>3</sup>

Source: Department of State, Central Files. 711.11–EI/10–1359. Confidential; Official–Informal. Attached to a letter of transmittal, also dated October 13, from Bonbright to Kohler.

<sup>&</sup>lt;sup>1</sup> Secretary of Agriculture Benson visited Eastern Europe, the Soviet Union, Berlin, Finland, and Scandinavia September 23-October 9.

<sup>&</sup>lt;sup>2</sup> Following Khrushchev's visit to the United States in September, President Eisenhower planned to visit the Soviet Union in 1960. The failure of the summit conference in May resulted in Khrushchev's withdrawing the invitation.

<sup>&</sup>lt;sup>3</sup> Printed from a copy that bears this typed signature.

#### [Enclosure]<sup>4</sup>

#### Memorandum by the Ambassador to Sweden (Bonbright)

Stockholm, October 13, 1959.

SUBJECT

Considerations Bearing on a Possible Visit by the President to Sweden

1. Swedish practice as a general rule is not to issue official invitations to chiefs of state or heads of government except in the case of the neighboring Scandinavian countries. It is not felt, however, that this point would be overriding in the case of a possible visit by the President, especially in conjunction with a visit to several other countries. In such a case, his visit would presumably be more in the nature of a visit by a head of government than by a chief of state. In any case, exceptions to the general rule have been made in the past and doubtless will be made in the future.

2. Reaction is apt to be divided as between the people and the Government. With regard to the first, such a visit should be exceedingly popular and the welcome might provide an interesting contrast to that expected for Khrushchev.<sup>5</sup> There is also the angle of Mrs. Eisenhower's family background.<sup>6</sup>

3. From the Governmental point of view the reaction would be much more doubtful and restrained, and whatever they might say they would probably view a visit with mixed feelings. In any case, no significant change in Sweden's basic international policies could be expected as a result of a visit to Sweden.

4. In Sweden these matters are judged largely on the basis of reciprocity which was the ostensible reason for the invitation to Khrushchev. Would a visit by the President raise the question of a return visit by Erlander or by the King? The first might be easy, the second might be difficult.

5. Such a visit would immediately reactivate the question of the Khrushchev invitation which the Swedes would like to allow to remain

<sup>&</sup>lt;sup>4</sup>Secret.

<sup>&</sup>lt;sup>5</sup> On February 25, 1959, the Prime Ministers of Norway, Denmark, and Sweden invited Khrushchev to visit their countries. After an initial positive response, the Soviet Government on July 19 informed them that the visit would be postponed. Khrushchev subsequently visited Scandinavia in 1964. A report on the postponement of the visit, OIR 8052, July 24, 1959, is in Department of State, INR Files.

<sup>&</sup>lt;sup>6</sup>One pair of Mamie Eisenhower's grandparents were from Sweden.

dormant at least until after the election in September 1960. They would probably prefer never again to take the initiative with regard to Khrushchev in view of the manner in which his visit was postponed and the attendant domestic political row. However, with their policy of balancing every action as between the East and the West, a visit by the President might impel them against their will to make an important gesture towards the Russians, either by renewing the invitation to Khrushchev or in some other way.

6. The question arises as to what effect it would have in Sweden if the President were to visit the other Scandinavian countries and not come here. Since they have chosen to remain aloof from NATO it would do no harm and it might be even salutary for the President to visit Copenhagen and Oslo and skip Stockholm. It would be much more difficult to do this if he were to include Helsinki with Oslo and Copenhagen. On the other hand, a visit to Finland alone, presumably en route to or from the USSR, would not in our view necessitate a visit to Sweden as well. Further, if the President were to visit solely NATO members, it would be embarrassing to the Swedes if he were to visit Sweden also.

7. One way of going about it would be to avoid taking any initiative with the Swedes (as we presumably would do with the others) and at the same time find some way to let them know that a visit to the others is contemplated. In this event they could either remain silent and be bypassed, or they could themselves take the initiative to be included.

8. Although it may not be for us here to point out, it does seem that there are a number of other countries, e.g. Italy, where a visit by the President could be expected to pay much larger dividends than in Sweden.

9. Finally, while we cannot and do not want to intervene in domestic affairs, there is an election coming up in Sweden next year and it is at least questionable whether it would be a good thing to hand to the Social Democratic Party as a present the prestige which they might obtain from a visit by the President and possibly a return visit by the Swedish Prime Minister. This is particularly true during a period when there is a serious debate on Swedish foreign policy going on, in which the policy of at least one of the opposition parties is much more specifically based on collaboration with the West than is that of the party in power. Also, it would be difficult for the President to avoid making statements [1-1/2 *lines of source text not declassified*]. Sweden's spirit of neutrality [1 *line of source text not declassified*] might be encouraged as a result of the visit. This would be particularly true if Sweden were singled out for a visit in any way that might be comparable to a previous or subsequent visit to India.

10. The timing of a visit to Sweden would present some difficulty. The winter months from mid-November to mid-February are usually unfavorable from the standpoint of weather. A visit in the spring or summer, when the weather should be more pleasant and when the countryside is more attractive, might run into the campaign for the Swedish national elections which will be held in September 1960.<sup>7</sup>

<sup>7</sup> President Eisenhower did not visit Scandinavia during his term in office.

#### 300. National Security Council Report

NSC 6006/1

April 6, 1960.

# STATEMENT OF U.S. POLICY TOWARD SCANDINAVIA (DENMARK, NORWAY AND SWEDEN)

General Considerations

#### Political

1. The Scandinavian countries are of political interest to the United States for several reasons. First, they are regarded throughout the world as prime examples of Western democracy. Second, there are strong cultural, sentimental and family ties between Scandinavia and the United States. Third, because the Scandinavian countries enjoy considerable prestige in the international community, their support of U.S. policy is valuable in international organizations and for general propaganda purposes. Fourth, any Soviet threat to Scandinavian security would create severe apprehension among the other northern European NATO allies who would feel seriously exposed.

2. Democratic institutions and procedures are firmly rooted in Scandinavia. Although the multi-party system can lead to weak coali-

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6006 Series. Secret. NSC 6006/1 comprised a cover sheet; a memorandum of transmittal from Executive Secretary Lay, dated April 6, which noted that the statement of policy had been approved by the President on that day; a table of contents; a statement of policy; and a financial appendix. Only the statement of policy and part of the appendix are printed here.

NSC 6006, March 14, was amended by the NSC at its 439th meeting on April 1. The discussion was confined to paragraphs 28, 35, 41, and 42. The memorandum of discussion is in Eisenhower Library, Whitman File, NSC Records.

NSC 6006/1 was rescinded by President Kennedy on May 2, 1962. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6006 Series)

tion cabinets (as is often the case in Denmark), there is no danger in any of the Scandinavian countries that the democratic system will be overthrown from within by leftist or rightist extremists. Communist parties are legal and they hold a few seats in the parliaments of all three countries, but their influence in political affairs is only of a nuisance nature. There is little likelihood that the Communist parties will develop significant strength. On the other hand, as vehicles of subversion and espionage for the Soviet Bloc, they represent a potential menace.

3. The Social Democratic parties (Labor Party in Norway) govern in Norway and Sweden and constitute the largest member of the coalition government in Denmark. The Social Democratic parties are now evolving away from doctrinaire socialism toward a moderate welfare philosophy. The principal other non-Communist parties are the Agrarians, Liberals and Conservatives. Barring some amalgamation of these parties, the Social Democratic parties will continue to be the largest parties for the foreseeable future. In general the Conservative and Liberal parties take a stronger line on increasing defenses and opposing the USSR than the Social Democratic or Agrarian parties.

4. Labor is highly organized in all three Scandinavian countries and Social Democratic control of unions is overwhelming. Although there is Communist influence in some unions, over-all Communist influence is only of a very minor nature and the prevailing feeling is strongly anti-Communist. Scandinavian labor unions are strong supporters of the ICFTU and cooperate closely among themselves and with U.S. labor unions. They are of considerable potential value to the United States in combating Communist labor influence in third countries, particularly Iceland and Finland.

#### International Relations

5. In foreign affairs not concerning NATO, the Scandinavian countries frequently concert their positions, especially in international organizations and negotiations. On the whole, this Scandinavian solidarity works in favor of the West and, to the extent it is broadened to include Finland, is a definite advantage to the West.

6. With a few notable exceptions, the foreign policies of the Scandinavian countries do not radically diverge from those of the United States:

a. All three countries strongly support the UN and its activities, contributing to the Middle East emergency force, truce commissions, technical and health programs, economic funds, etc. They are among the staunchest supporters of the United States in international organizations, although they favor the admission of Red China to the UN and tend to take a generous attitude toward Soviet Bloc candidacies.

b. Denmark and Norway are firmly committed to membership in NATO. It is extremely unlikely that Sweden would wish NATO to be

weakened by their withdrawal. Denmark and Norway are willing to follow U.S. leadership in NATO, but oppose major power directorship. They oppose also NATO commitments which tend to involve them in areas outside Europe, and they become deeply concerned at any indication of the formation of one or more political blocs within NATO, fearing that such a development would weaken NATO unity and lessen their own influence within the alliance. Continuing anti-German feeling complicates their cooperation with West Germany within NATO, but they support West German rearmament as necessary for NATO defense. They have been adamantly opposed to the admission of Spain to NATO.

c. All three Scandinavian countries are ideologically committed to the West and opposed to international Communism and have been firm in rejecting efforts of the Soviet Bloc to create a closed Baltic, or an atomic-free Baltic "zone of peace". They appear, however, to be susceptible to ideas of disengagement, thinning out of forces and negotiated settlement in continental Europe and are tending toward increased contacts with East Germany.

d. The Scandinavian countries appear to follow a coordinated policy of friendly relations toward Poland in the hope of weakening the Soviet hold on that country.

e. Scandinavian policy toward Finland seems to be based on acceptance of the status quo in which Swedish neutrality is balanced off against Finnish neutrality. Desire not to provoke Soviet reaction on Finland undoubtedly is a factor in Swedish neutrality and Scandinavian caution in building up offensive military strength. Conversely, Soviet restraint with respect to Finland may reflect a desire not to push Sweden into NATO or to accelerate Scandinavian military preparations. Within this context all three Scandinavian countries, but particularly Sweden, support Finland in maintaining its independence and Western ties.

#### Strategic and Military

7. The geographical position of the Scandinavian countries makes them strategically important to both the North Atlantic community and the Soviet Bloc. They constitute the northern flank of NATO and are in a position from which the exits from the Baltic and Barents Seas can be controlled. But the potential use of Scandinavia as a base for Western retaliatory operations is limited by Swedish neutrality and the unwillingness of Denmark and Norway to permit such use.

8. Soviet domination of Scandinavia would enable the USSR to deploy forces further to the West, thus permitting it to increase the threat to the Western Hemisphere, to threaten operations in the North Atlantic, and to form a protective shield against sea or air attack from the Northwest.

9. The northern island possessions of Denmark and Norway are also of strategic military significance. Greenland has large U.S. air bases and U.S. early warning installations important to U.S. strategic operations and of vital importance to the defense of the continental United States against attack by manned bombers and missiles. In view of its location and the current trend in weapons development, Greenland must continue to be available to the United States for military purposes. Other early warning and navigational installations are located on Jan Mayen (Norwegian) and the Faroe Islands (Danish). The Spitzbergen Archipelago (Norwegian) is demilitarized by treaty. Norway maintains only normal surveillance over the some 3,000 Soviet workers in Spitzbergen who are operating certain uneconomic coal concessions there.

10. In general, U.S. military cooperation with Denmark and Norway is based on NATO plans and force goals. However, the contribution of Denmark and Norway to NATO defense has been handicapped by their limited military power and by certain national attitudes which tend to restrict the effectiveness of their efforts: (a) Neither country is supporting a defense budget which is in keeping with its capabilities or even comparable with that of most other NATO countries in terms of proportion of GNP; (b) both have very limited training and service requirements which tend to reduce the capabilities of their active forces; and (c) a problem of special significance has been presented by Danish and Norwegian refusal to accept the presence of U.S.-controlled nuclear warheads or to agree to the stationing of foreign troops on their soil prior to the threat of attack [2 lines of source text not declassified]. This refusal will tend to limit modernization of Danish and Norwegian forces. In the long run their effectiveness in Western defenses depends on the integration of their military production and force composition within the broader Western defense system.

11. The U.S. grant military assistance program for Denmark amounted to \$20.9 million in FY 1959 and it is estimated at \$35.1 million for FY 1960. For Norway it amounted to \$18 million in FY 1959 and is estimated at \$34 million for FY 1960. To ensure effective, modern forces, Norway and Denmark will need to obtain, either through purchase, grant aid, or through participation in coordinated NATO production programs, additional advanced weapons, modern aircraft and naval vessels, and training to complement the matériel program.

12. Sweden has retained its traditional policy of armed neutrality. Even its abortive effort to establish a Scandinavian defense organization in 1949 was merely an effort to expand the geographic scope of armed neutrality. Sweden has established an advanced civil defense and maintained reasonably effective military forces, particularly air forces, based largely on Sweden's own industrial and natural resources and financed by a relatively high defense budget. These forces are by far the most effective military forces in Scandinavia. The Swedish defense effort undoubtedly has strengthened Sweden's position in dealing with the Soviet Bloc. Sweden is incorporating missiles into its defense system.<sup>1</sup> Sweden has started basic research on nuclear weapons, and the question has already arisen within Sweden of whether it should develop or otherwise acquire an atomic capability. Without some outside assistance, however, particularly in the form of weapons designs and permission to purchase Western equipment, this process would be costly and lengthy and could result, during an interim period, in a diversion of resources to this purpose which might otherwise be used to sustain Sweden's present power position, for example, by modernization of its existing forces. If Sweden decides to acquire nuclear weapons, Denmark and Norway might be encouraged to accept nuclear warheads within the NATO framework. Under the present circumstances, Sweden's membership in NATO is not necessary to Western defense. It would contribute to the over-all defensive strength of the Western powers for Sweden to modernize its defense posture and to establish in Sweden early warning, air control and advanced weapons systems (without nuclear warheads) which are compatible with and complementary to those planned for installation in the territory of neighboring U.S. allies.

13. [5 lines of source text not declassified]

14. The three Scandinavian nations, particularly Sweden, have the most highly-developed civil defense programs in the Free World. In each of these nations the incorporation of shelters in new building construction and registration for civil defense duties are required by law. Civil defense in Sweden and Norway is characterized by large deeprock shelters for elements of the population and industry, and in Denmark by an extensive fallout shelter program.

# Economic

15. Denmark, Norway and Sweden all have relatively strong and highly-developed economies, which provide for their people living standards that are among the highest in the world. They have long had "mixed economies" with significant public and cooperative as well as private sectors and extensive social benefits. Their economic systems operate as modified free market economies, but with more government controls than in the United States. They have abandoned the idea of further nationalization of industry. Cornerstones of their economies are iron and wood products in Sweden, agricultural commodities in Denmark, and shipping, fishing and wood products in Norway. The strategic significance to NATO of Scandinavian resources is minor with the

<sup>&</sup>lt;sup>1</sup> In FY 1959 Sweden purchased \$10.2 million worth of Sidewinder missiles from the United States. In December 1959 Sweden expressed interest in purchasing in the United States or in manufacturing in Sweden certain advanced U.S. weapons. [Footnote in the source text.]

exception of the Norwegian merchant marine (which has 10 per cent of world tonnage).

16. All three countries have shared in the prosperity and economic growth which Western Europe has experienced in recent years. The real GNP in these countries has been expanding at a rate somewhat lower than the average for Western Europe but higher than that achieved by the United States. For the past year all three have been in a period of economic upswing, with production and investment expanding rapidly under conditions of relative price stability. The strength of their balance of payments positions is indicated by the substantial recent increases in foreign exchange reserves of all three countries. All three joined the major Western European countries in introducing currency convertibility in December 1958, and all have made substantial progress in relaxing exchange restrictions and reducing trade discrimination.

17. Despite the favorable economic growth and generally high living standards in the Scandinavian countries, the northern regions of Norway and Sweden remain chronically depressed. There are indications that the USSR is interested in expanding economically into this area.

18. Foreign trade plays a major role in each country, exports accounting for about 20–25 per cent of GNP. Trade is directed heavily toward Western Europe: about two-thirds of each Scandinavian country's exports go to Western Europe. As a result of these strong trade ties, economic conditions in Scandinavia are linked closely to conditions in the rest of Western Europe. Exports to the United States, on the other hand, account for only 8 per cent of total Scandinavian exports.

19. There is no evidence that Scandinavia is regarded by the USSR as an economic prize. Exports to the Soviet Bloc are less than 5 per cent of the total Scandinavian exports despite the Scandinavians' tendency to favor East-West trade in principle as conducive to international peace and understanding. However, Soviet Bloc markets are important to certain industries, and provide outlets for certain products not readily saleable in other areas. Denmark and Norway participate in the international strategic trade control system through membership in COCOM; Sweden cooperates informally and to a limited degree in the maintenance of this trade control system.

20. There is a high degree of cooperation among the Scandinavian countries, a good part of which extends to Iceland and Finland within the framework of the Nordic Council.<sup>2</sup> Efforts since the end of World

<sup>&</sup>lt;sup>2</sup> The Nordic Council is a consultative body of parliamentary and governmental representatives of the five Northern European countries—Denmark, Finland, Iceland, Norway and Sweden. It was established in 1952 to provide a unifying framework for the many cooperative activities among these countries in the social, economic, cultural and political fields. [Footnote in the source text.]

War II to establish a Nordic Common Market have failed in part because of Norway's fear of Swedish industrial and Danish agricultural efficiency. As a result of the increased interest of the Scandinavian countries, especially Sweden, in a broader free trade area and the formation of the European Free Trade Association (EFTA), further consideration of a Nordic Common Market has been dropped. Interest might revive if the broader free trade area does not work out. One advantage of a Nordic Common Market would be that it might include Finland and thus strengthen that country's ties with the West.

21. The relatively small size of their economies and their dependence on Western European trade makes the Scandinavian countries apprehensive about the formation of exclusive economic blocs within Europe, such as the European Economic Community (EEC). Following the formation of the EEC, the Scandinavian countries have joined in forming the EFTA in the hope that it can expand into an OEEC-wide free trade area, embracing the EEC and thus protecting their vital markets in the EEC. The particular form of the Scandinavian countries' trade relations with the Free World are of little direct economic importance to the United States per se because of the limited U.S. commercial interests in Scandinavia, although the United States is opposed in general to proliferation of preferential trading areas. But the maintenance of prosperous, Western-oriented economies in Denmark, Norway and Sweden is important to the realization of the basic U.S. policy objective of a strong, democratic and united Western Europe.

22. Certain aspects of our economic policies create difficulties from time to time in our relations with each of the Scandinavian countries. In the case of Norway it has been U.S. shipping policies (subsidies, flags of convenience, 50–50 clause); in Denmark our agricultural import restrictions and surplus sales overseas; and in all three countries our anti-trust and anti-dumping legislation.

#### Objectives

23. Independent Scandinavian countries:

a. With democratic institutions.

b. With stable, prosperous economies oriented toward the non-Communist world.

c. Friendly to the United States and actively opposing Communist influence in the Baltic and Scandinavian area, particularly in Finland.

d. Supporting U.S. positions on major international issues.

24. Effective and equitable participation by Denmark and Norway in NATO.

25. Continued availability for U.S. military purposes of facilities on Danish and Norwegian territory, especially Greenland; denial of military facilities to the Soviet Bloc.

26. A Sweden willing and able to withstand Soviet political pressures and to resist Soviet military pressures.

#### Major Policy Guidance

27. Carry out U.S. commitments under NATO to come to the defense of Denmark and Norway in the event of aggression.

28. In the event of general war with the Soviet Bloc (a) seek to prevent Sweden, as long as it remains neutral, from giving any assistance to the Soviet Bloc, and (b) encourage and assist Sweden, without prejudice to U.S. commitments to NATO, to resist Soviet Bloc attack against Sweden. In the event of Soviet Bloc aggression against Sweden alone, be prepared to come to the assistance of Sweden as part of a NATO or UN response to the aggression.<sup>4</sup> In the event of Communist domination of Finland, consider promoting Sweden's membership in NATO. Maintain and encourage selected NATO powers individually to maintain discreet liaison with the Swedish military establishment as the basis for possible future active military cooperation.<sup>5</sup>

29. Encourage the Scandinavian countries to support a firm Western political and military position as a deterrent to Soviet Bloc aggression and as a prerequisite to the negotiation of an acceptable and stable modus vivendi in Europe. Stress the danger to Scandinavian and Free World security of unilaterally neutralizing or demilitarizing Scandinavia.

30. Encourage cooperation among the Scandinavian and Nordic countries (Scandinavia plus Finland and Iceland), particularly in assisting Finland to oppose Soviet pressure and maintain its Western ties.

31. Seek Scandinavian support in denying membership in the UN and specialized international agencies to Red China and the puppet Communist governments of East Germany, North Viet Nam, North

<sup>&</sup>lt;sup>4</sup> By NSC Action No. 2332–c (approved by the President on November 10, 1960) the National Security Council concurred in the recommendation of the NSC Planning Board that the policy set forth in the second sentence of the new paragraph be subject to the understanding that this language is intended to provide the basis only for unilateral U. S. planning and not for planning within NATO. [Footnote in the source text that was not in NSC 6006. See also footnote 5 below.]

<sup>&</sup>lt;sup>5</sup> In NSC 6006, this paragraph reads: "Be prepared to come to the defense of Sweden against Soviet Bloc aggression, if possible in cooperation with appropriate NATO countries." This paragraph was deleted during the NSC discussion on April 1, and the Department of State asked to study the matter further. The subsequent paragraphs were renumbered accordingly.

In September 1960, the Department of State reported to the NSC Planning Board on the question and the Planning Board drafted the language printed here as paragraph 28. The subsequent paragraphs were again renumbered accordingly. A memorandum of the discussion of this paragraph at the 466th meeting of the NSC on November 7 is in Eisenhower Library, Whitman File, NSC Records. The President approved the new paragraph on November 10.

Korea and Outer Mongolia. Urge the Scandinavian countries against inadvertently bringing about a condition of de facto recognition of the socalled German Democratic Republic through increasing commercial, cultural and technical contacts.

32. Cooperate as appropriate with Scandinavian initiatives in Poland as a means of strengthening that country's position vis-à-vis the USSR.

33. Bearing in mind Scandinavian sensitivities as regards Germany and the Franco regime in Spain, seek to persuade key officials and opinion leaders of the importance to Western European security of cooperating with West Germany within NATO and of accepting Spain as a NATO member.

34. Seek the development by Denmark and Norway of modern, efficient military forces which are in keeping with their capabilities and which support NATO objectives. To this end:

a. Maintain discreet pressure, principally through NATO and SHAPE, on Denmark and Norway to increase their defense budgets to an equitable level with other NATO members, [2-1/2 lines of source text not declassified] and to establish longer periods of military service.
b. Provide military assistance to Norway and Denmark where

b. Provide military assistance to Norway and Denmark where such assistance significantly furthers the attainment of NATO goals, continuing to seek through cost-sharing and other techniques to maximize Norway and Denmark's own contribution.<sup>6</sup>

35. a. Provide no grant military assistance to Sweden. However, be prepared to sell to Sweden military matériel, and to provide training to Sweden on a reimbursable basis. With due regard to NATO requirements, and provided that prior offer to NATO allies has been made, be prepared to sell to Sweden modern weapons systems from NATO or U.S. production or to authorize licensing arrangements for manufacture in Sweden. However, do not provide nuclear warheads; and discourage Sweden from producing its own nuclear weapons.

b. Through such means as those referred to in a above, seek the establishment by Sweden of early warning, air control and advanced weapons systems which are compatible with and complementary to those planned for installation in the territory of neighboring U.S. allies.

<sup>&</sup>lt;sup>6</sup>On December 23, 1959, the President approved NSC Action No. 2158, which directed the Secretaries of State and Defense, in consultation with other departments and agencies as appropriate, to take steps that would achieve, at the earliest feasible time, the ultimate objective that new commitments for the provision of military equipment on a grant basis should not be offered to nations which are financially able to pay for such equipment. Although it has been determined that Denmark and Norway are not now "financially able to pay" in this context, this matter remains under review. [Footnote in the source text.]

36. Make every effort to ensure the continued availability to the United States of military facilities located on the territory of Denmark and Norway, utilizing to this end our NATO relationship with them. In this regard give special attention to continued acceptance by the Danish Government of our presence in Greenland.

37. Urge Norway to maintain effective surveillance of Soviet activities in Spitzbergen, [less than 1 line of source text not declassified]. Be prepared to concert with Norway and other interested nations in protesting any Soviet violations of the demilitarization provisions of the 1920 Treaty and in refusing to consider any revision of the Treaty that would permit the establishment of Soviet political authority or military bases in the Archipelago.

38. Seek the denial or limitation of exports of strategic commodities from these countries to the Sino-Soviet Bloc, and their avoidance of undue dependence on trade with the Sino-Soviet Bloc, in accordance with U.S. economic defense policy. Encourage effective participation by Denmark and Norway in international strategic trade controls of COCOM.

39. Encourage the Scandinavian countries to facilitate the flow of U.S. and Free World private investment capital for the development of private enterprise in these countries.

40. Encourage the Scandinavian countries to undertake projects to improve the depressed areas of Northern Scandinavia.

41. Encourage the Scandinavian countries to contribute to the strengthening of the less-developed countries by supplying increased amounts of public capital and by facilitating movement of private capital to these countries.

# [Attachment]<sup>7</sup>

# FINANCIAL APPENDIX

[Here follow two full-page tables on current or projected U.S. authorizations for Scandinavia.]

<sup>&</sup>lt;sup>7</sup>Secret.

#### DEFENSE COMMENTS

# I. FY 1950-1959

#### A. Denmark

#### Military Assistance Fiscal Data

Total grant military assistance for Denmark as of 30 June 1959 amounted to \$511.5 million, of which \$434.9 million had been delivered by that date.

In addition, as of 30 June 1959, excess stocks (not chargeable to the Military Assistance Program) with an acquisition cost of \$16.6 million had been programmed, \$10.3 million of which had been delivered by that date.

Denmark has also benefited from military assistance offshore procurement (OSP). OSP obligations as of 30 June 1959 amounted to \$25.6 million, of which \$16.8 million had been expended by that date.

#### Forces

Mutual Security Forces for Denmark are:

- 4 Infantry Divisions
- 75 Naval Vessels
- 7 Air Squadrons
- 1 Surface-to-Surface Missile Squadron (Mace)
- 2 Surface-to-Surface Missile Bns. (Honest John)
- 2 Surface-to-Air Missile Bns. (Nike)
- 1 Surface-to-Air Missile Bn. (Hawk)
- 2 8" Howitzer Batteries (Atomic)

#### U.S. Military Commitments

U.S. military commitments to Denmark stem from our joint membership in the North Atlantic Treaty Organization.

#### Military Assistance Program Content

The Military Assistance Program has greatly assisted in strengthening the Danish forces by delivery of tanks, transport vehicles, artillery, aircraft, escort vessels, mine warfare vessels, special electronics equipment, and ammunition. The grant military assistance programmed during the period FY 1950–1959 included the following major categories of equipment:

Aircraft, components, spares and related support	\$113 million
equipment (includes 240 F–84 and 56 F–86 aircraft)	
Ships and harbor craft, components and spares	\$ 54 million
(includes 2 minelayers, 12 minesweepers,	
and 2 patrol escort vessels)	
Tanks, other vehicles, weapons, components and	\$101 million
spares (includes approximately 290 tanks and	
3,900 trucks)	

Ammunition (training and war reserve)	\$ 90 million
Guided missile systems, components, and spares	\$ 40 million
(for a Nike and an Honest John missile battalion)	
Electronics and communications equipment,	\$ 37 million
components and spares	

### **Cost-Sharing Programs**

Denmark has benefited from the U.S. contribution to NATO Infrastructure Program with total expenditures of \$17.3 million as of 30 June 1959. In addition, the United States and Denmark signed an agreement in FY 1959 for the construction in Denmark of 23 small naval craft over a five-year period, with costs to be shared equally between the United States and Denmark. \$10.2 million of military assistance has been programmed through FY 1959 as the U.S. contribution to the cost-sharing shipbuilding program.

# Military Sales Program

During the period FY 1950–1959, Denmark placed orders with the U.S. Military Departments for purchase on a cash dollar basis for \$3.5 million of equipment under the Mutual Security Military Sales Program, of which \$2.4 million had been delivered by 30 June 1959.

#### Analysis of Expenditure Trends

The average annual expenditure level for the period FY 1958–1960 is less than half the average annual expenditure level for the previous five fiscal years (FY 1953–1957). Inasmuch as the NATO requirements for the Danish forces have never been fully met, the declining level of expenditures is attributable to the over-all decline in the availability of military assistance funds and the increased demands upon these funds for other countries. The estimated increase in FY 1960 expenditures, as compared with FY 1958 and FY 1959, is due to the delivery of Honest John and Nike missiles.

# B. Norway.

#### Military Assistance Fiscal Data

Total grant military assistance for Norway as of 30 June 1959 amounted to \$679.7 million, of which \$603.7 million had been delivered by that date.

In addition, as of 30 June 1959 excess stocks (not chargeable to the Military Assistance Program) with an acquisition cost of \$19.0 million had been programmed, substantially all of which had been delivered by that date.

Norway has also received benefits from military assistance offshore procurement (OSP). OSP obligations were \$48.7 million as of 30 June 1959, of which \$26.5 million had been expended by that date.

#### Forces

Mutual Security Forces for Norway are:

- 3-1/3 Infantry Divisions
- 46 Vessels
- 1 ASW Patrol Squadron
- 9 Air Squadrons
- 2 Surface-to-Surface Bns (Honest John)
- 2 Surface-to-Air Bns (Nike and Hawk)

### U.S. Military Commitments

U.S. military commitments to Norway stem from our joint membership in the North Atlantic Treaty Organization.

## Military Assistance Program Content

The Military Assistance Program has greatly assisted in strengthening the Norwegian forces by delivery of tanks, transport vehicles, artillery, aircraft, escort vessels, mine warfare vessels, special electronics equipment, and ammunition. The grant military assistance programmed during the period FY 1950–1959 included the following major categories of equipment:

Aircraft, components, spares and related support equipment (includes 176 F–86 aircraft)	\$177 million
Ships and Harbor craft, components and spares (includes 9 minesweepers, 2 minelayers and 10 motor torpedo boats)	\$52 million
Tanks, other vehicles, weapons, components and spares (includes 113 light tanks and approximately 3,500 trucks)	\$119 million
Ammunition (war reserve and training)	\$137 million
Guided missile systems, components and spares (including an Honest John and a Nike battalion)	\$55 million

# **Cost-Sharing Programs**

Through FY 1959 Norway received \$41.4 million of U.S. assistance under the NATO Infrastructure Program. In addition, Norway participates in the Mutual Weapons Development Program (MWDP) and the Weapons Production Program (WPP). Expenditures through 30 June 1959 were \$2.5 million for MWDP and \$0.8 million for WPP.

#### Military Sales Program

During the period FY 1950–1959, Norway placed orders with the U.S. Military Departments for the purchase on a cash dollar basis for \$2.5 million of equipment under the Mutual Security Military Sales Program, of which \$2.2 million was delivered by 30 June 1959.

# Analysis of Expenditure Trends

The expenditure level for FY 1958 was comparable with the average annual expenditure for the five preceding fiscal years. There was a sharp decline in FY 1959 because of the over-all decline in the availability of military assistance funds and increased requirements elsewhere in the world. The estimated expenditures for FY 1960 show an upward turn resulting from the delivery of Honest John and Nike missiles, although the estimated FY 1960 expenditures will still be only about half the annual expenditure level for the FY 1953–1957 period.

# C. Sweden

Sweden does not receive grant military assistance and is not joined with the United States under any collective security agreement. As a result, U.S. assistance is limited to the cash dollar sale of equipment under the provisions of the Mutual Security Military Sales (MSMS) program.

Sweden purchased \$10.7 million of equipment on a direct cash basis from the U.S. Military Departments under the MSMS program through 30 June 1959, of which \$0.3 million was delivered by that date. Most of the purchases occurred in FY (\$10.2 million for 2,000 Sidewinder missiles).

In December 1959, Sweden expressed interest in purchasing in the United States or in manufacturing in Sweden certain advanced U.S. weapons including Hawk, Bomarc, Falcon, and Sidewinder missiles. Final action has not yet been taken.

#### II. FY 1960-1963

#### A. Denmark

#### Military Assistance, FY 1960–1963:

Military Assistance for the period FY 1950–1959 was predominantly in the form of grant assistance for conventional weapons for the initial equipping of the Danish forces. Some advanced weapons, including Nike and Honest John missiles, were programmed in the FY 1950–59 period. During the next few years, Military Assistance will be primarily directed toward (1) continuation of the equipping of the Danish forces with advanced aircraft and missile systems, (2) the replacement and modernization of obsolete or worn out conventional equipment, and (3) inducing an increase in and better utilization of Danish defense resources through cost-sharing programs.

The estimated program for FY 1960 includes 17 F–100 aircraft, a fifty percent U.S. contribution toward the construction of two minesweepers and a submarine in accordance with the U.S.-Danish costsharing agreement, missile spare parts and components, ammunition, and training assistance. The proposed FY 1961 program contains 17 F–100 aircraft, a fifty percent U.S. contribution toward the construction of two escort destroyers and two minelayers, rehabilitation costs for two minesweepers to be redistributed from Norway, spare parts, ammunition and training assistance.

The projected programs for FY 1962–1963 include Nike, Hawk, Honest John, and Sidewinder missiles; light tanks, armored personnel carriers, self-propelled artillery, and other combat vehicles; F–104 and F–100 aircraft; ammunition; spare parts and engine overhaul; naval vessels; and training assistance. A significant portion of the naval vessels, aircraft, and missiles will probably be provided through Danish-U.S. and/or NATO cost-sharing programs.

#### Assumptions:

No major changes are projected in the force structure or mission of the Danish forces. The ability of the Danish forces to assist in closing the exits of the Baltic to Soviet submarines will continue to be of security interest to the United States.

The estimates assume that Denmark will not become "financially able to pay" for military equipment within the terms of NSC Action No. 2158 during the period covered by this Financial Appendix.<sup>8</sup>

#### Fiscal Analysis:

A total grant assistance program of \$203 million is projected for FY 1960–FY 1963 to assist Denmark in the attainment of its NATO goals (paragraph 33).

The undelivered balance of grant aid military assistance programmed as of June 30, 1959, was approximately \$70 million. This balance plus the projected FY 1960–1963 programs of \$203 million would result in projected expenditures of \$198 million over the FY 1960–1963 period, leaving an undelivered balance of \$75 million as of June 30, 1963.

# Expenditure Trends:

The annual expenditure level for the period FY 1958 and FY 1959 was less than half the average annual expenditure level of the previous five fiscal years. Inasmuch as the NATO requirements for the Danish forces have never been fully met, the decline in FY 1958 and FY 1959 expenditures was primarily attributable to the over-all decline in the availability of military assistance funds and the increased demands upon these funds for other countries. Expenditures are expected to return to the pre-FY 1958 level in the FY 1960–1963 period because of the

<sup>&</sup>lt;sup>8</sup> The financial capability of Denmark remains under review. The Treasury Department believes that there is a reasonable likelihood that Denmark may be determined to be "financially able to pay" during this period. [Footnote in the source text.]

increased cost of the more modern weapons systems included in the current and projected programs.

### B. Norway

## Military Assistance FY 1960–1963:

Military Assistance for the period FY 1950–1959 was predominantly in the form of grant assistance for conventional weapons for the initial equipping of the Norwegian forces. Some advanced weapons, including Nike and Honest John missiles, were included in the FY 1958 and FY 1959 programs. During the next few years, military assistance will be primarily directed toward: (1) the continuation of the equipping of the Norwegian forces with advanced aircraft and missile systems, (2) the replacement and modernization of obsolete or worn out conventional equipment, and (3) inducing an increase in and better utilization of Norwegian defense resources through cost-sharing programs.

The estimated program for FY 1960 includes 25 F–86F aircraft, six maritime patrol aircraft, a minelayer, electronic equipment, missile spares, ammunition, and training assistance.

The proposed FY 1961 program includes a fifty percent U.S. contribution toward the construction of two submarines; 12 advanced reconnaissance aircraft; 10 F–86F attrition aircraft; four maritime patrol aircraft; missile spares and components; ammunition; and training assistance.

The projected programs for FY 1962–1963 include SS 10/11, Honest John, and Hawk missiles, destroyers and submarines, RF–104 and maritime patrol aircraft, armored personnel carriers, medium tanks, special purpose vehicles and helicopters, ammunition, spare parts, and training assistance. A significant portion of the aircraft, naval vessels and missiles will probably be provided through U.S.-Norwegian and/or NATO cost-sharing programs.

#### Assumptions:

No major changes are currently projected in the force structure or the mission of the Norwegian forces. The ability of the Norwegian forces to provide surveillance and assist in closing the exits of the Baltic to Soviet submarines will continue to be of security interest to the United States.

The estimates assume that Norway will not become "financially able to pay" for military equipment within the terms of NSC Action No. 2158 during the period covered by this Financial Appendix.<sup>9</sup>

<sup>&</sup>lt;sup>9</sup> The financial capability of Norway remains under review. The Treasury Department believes that there is a reasonable likelihood that Norway may be determined to be "financially able to pay" during this period. [Footnote in the source text.]

# Fiscal Analysis:

A total grant assistance program of \$207 million is projected for FY 1960–FY 1963 to assist Norway in the attainment of its NATO goals (Paragraph 33).

The undelivered balance of grant military assistance programmed as of June 30, 1959, was approximately \$33 million. This balance plus the projected FY 1960–1963 programs of \$207 million would result in projected expenditures of \$185 million over the FY 1960–1963 period, leaving an undelivered balance of \$55 million as of June 30, 1963.

# **Expenditure** Trends:

The expenditure level for FY 1958 was comparable with the average annual expenditure level for the five preceding fiscal years. There was a sharp decline in the FY 1959 expenditures resulting from the over-all decline in military assistance funds and increased requirements elsewhere in the world. The estimated expenditures for FY 1960–1963 show an upward turn because of the increased cost of the more modern weapons included in the current and projected programs.

C. Sweden

*Military Assistance, FY 1960–1963:* 

It is not currently envisaged that U.S. grant military assistance will be provided to Sweden in the FY 1960–1963 period.

# 301. Despatch From the Embassy in Norway to the Department of State

No. 52

Oslo, July 29, 1960.

SUBJECT

Norway and U.S. Leadership

*Summary*—The events of the past few months and the role played in them by the United States Government have given rise to some uneasiness in Norway concerning United States leadership of the free world. Divergencies of views between the United States and Norway have

Source: Department of State, Central Files, 611.00/7-2960. Confidential.

appeared in other than the three areas where they have persisted for some time, namely, China, Spain in NATO, and shipping and maritime policy. The withholding of United States support from EFTA in the period of its formation, the timing of the U-2 flight, our handling of the shooting down, the collapse of the Summit<sup>1</sup> (though the U.S. is not blamed for it), the cancellation of President Eisenhower's visits to the Soviet Union and Japan, and the curtailment of the importation of sugar from Cuba have all contributed to a questioning either of the wisdom of some of our policies or of our skill in carrying them out. At the same time the warmth of British-Norwegian relations glowed brightly during the recent official visit of the British Prime Minister to Norway. The Embassy recommend that we take measures which will renew confidence in United States leadership and contribute to the furtherance of our common goals. Among the actions recommended are the speedy conclusion of a bilateral agreement providing for a jointly financed ship building program for the Norwegian Navy,<sup>2</sup> closer contacts with Norwegian leaders, including the Chief of Government and the Head of State, and a continuation and development of consultation, particularly within the framework of NATO and the OEEC or OECD.

During the dramatic events of the past three months our Norwegian friends, who are rarely if ever reticent, have been outspoken, and they have been more critical than usual of our conduct of foreign affairs. A brief review of some of their criticism would appear to be in order. To date Norway has been one of our most friendly and understanding allies, and it would be unwise to ignore the Norwegian misgivings.

When I arrived in Norway three years ago there were really only three areas in which there was any serious and persistent divergence of views between the United States and Norway in the field of foreign policy. These were: China, Spain as a potential member of NATO, and United States shipping and maritime policy. In the past three years nothing has happened to reconcile the Norwegians to U.S. policy in these three matters.

A new area in which there has grown up in the past two years a serious conflict of policy between our two countries has centered around the United States position in regard to the European Common Market and the European Free Trade Association. Despite our persistent efforts the Norwegians have not understood why we gave such strong support to the EEC. They regarded it as dividing free Europe and therefore considered it as a hindrance to the unification of Europe, of

<sup>&</sup>lt;sup>1</sup>Reference is to the downing of a U.S. high altitude reconnaissance plane (U–2) over the Soviet Union on May 1 and the collapse of the summit conference at Paris on May 18.

<sup>&</sup>lt;sup>2</sup> This recommendation was implemented in an exchange of notes at Oslo on November 29. For text of the agreement, see 12 UST 101.

which we had been such a firm supporter in the postwar years. Further, in view of our strong backing of the EEC they could not understand our coldness to the European Free Trade Association. Part of their complaint has been that the United States did not take the views of their friends into account. They cited as an example the omission from the report of the Group of Four<sup>3</sup> of many the key ideas advanced by the Norwegians and those who thought like them, particularly in connection with the functions of the new OECD.

The Norwegians are also having doubts about our intention to undertake with them a jointly financed shipbuilding program for the Norwegian Navy similar to the one negotiated with Denmark in 1958.<sup>4</sup> As soon as the Norwegians heard about the Danish program they came to us in November 1958 and asked about the possibility of a similar agreement. To date the Embassy has not been authorized to begin negotiations.

It is far more difficult to assess the impact of the events of the past two or three months on Norwegian attitudes than to point out areas of disagreement or frustration prior to that time. It is safe to say, however, that the U–2 affair reinforced Norwegian adherence to their base policy, [2 lines of source text not declassified].

The most direct and immediate adverse effect of the U–2 affair arose from the involuntary involvement of Norway. Mr. Lange informed the Storting on May 13 that after it had been ascertained that the pilot was bound for Bodo he called in the American Ambassador and protested.<sup>5</sup> On May 30, 1960 he went further and again in the Storting stated that the Americans had confirmed that the destination of the plane was Bodo, although the Embassy has never received from the Department any evidence to substantiate this statement. The Norwegian Government has maintained firmly throughout that no permission to land at a Norwegian airfield had been requested or granted. The position of the Norwegian Government was, therefore, that the American Government was planning to use a Norwegian airfield without Norwegian consent, and a formal protest was lodged with the United States Government.

The intention of the United States to use Bodo as the termination of the flight is given credence by all, and so is Mr. Lange's assurance that

<sup>&</sup>lt;sup>3</sup> Reference is to the Report of the Group of Four (United States, United Kingdom, France, and Greece), April 19, 1960, recommending, inter alia, a new organization to replace the OEEC.

<sup>&</sup>lt;sup>4</sup> Presumably a reference to the shipbuilding agreement between Denmark and the United States effected by an exchange of notes at Copenhagen on May 8, 1959. For text, see 10 UST 939.

<sup>&</sup>lt;sup>5</sup> Willis reported Lange's protest in telegram 963 from Oslo, May 13, and transmitted the translated text. (Department of State, Central Files, 611.40B/5–1360)

no permission had been requested or granted. There was an outcry from a small group that Norwegian territory was not completely controlled by Norway. Even within the government it was considered necessary to review and possibly tighten up the regulations governing the use of Norwegian airfields. The established Norwegian policy of non-provocation of the USSR was invoked by many and the wisdom of the base policy was widely proclaimed anew, by the Prime Minister, among others.

The threats to bomb Norwegian bases and Mr. Mikoyan's attacks on Norwegian membership in NATO and on the United States were more than enough to make all Norwegians except the Communists, and a small group of ultra left wing members of the Labor Party, fully aware anew of the value of NATO to Norway. The Norwegians were not frightened by the threats, but at the same time, even among the supporters of NATO, the resistance stiffened to the use of Norwegian territory in connection with actions regarded as provocative by the Soviet Union. [2 lines of source text not declassified] At the same time, possibly somewhat paradoxically, there was widespread acceptance of the need for a strong defense, and the pressure for the reduction of the period of military service is expected to be less.

As far as the Norwegians are concerned, however, the U-2 had repercussions which to many were more serious than the exclusively Norwegian consequences discussed above. Norwegians, other than the Communists and possibly some of the left wing Orientering Group of the Labor Party, have not expressed the belief that the U-2 caused the collapse of the Summit. But it is widely held that the United States played into Khrushchev's hand by giving him a better excuse than he himself could have devised for wrecking the Summit. This is important in two respects: First, many Norwegians blame the U.S. for the timing of the flight and giving Khrushchev an "out", and they do not consider this the farsighted, wise leadership they want us to exercise. Second, the Norwegian Government and Labor Party set great store by negotiations between East and West as the best road to the reduction of tension. Even though the Norwegians did not expect great results from a single Summit meeting, they watched hopefully the laborious progress of the Great Powers toward the Summit, and were sorely disappointed when it collapsed. Almost generally, Norwegians regarded what happened in Paris as a serious setback in East-West relations and a temporary end, at least, to the hope that a series of Summit meetings might eventually produce a sustained reduction of tension. Although Khrushchev bore the brunt of the blame, there were misgivings about the U.S. handling of affairs, although there was sympathy for and admiration of the President's conduct in Paris under extremely difficult circumstances.

In the wake of the wreck of the Summit Mr. Macmillan and Lady Dorothy arrived in June for an official visit of four days. After Suez the British star, if it did not wane in Norway, had paled somewhat. But the shadow of Suez did not reach to 1960, and as reported by the Embassy, the glow of the warmth and sincerity of mutual admiration far surpassed that of the usual official visit. One could not document it, but one could sense the confidence in British leadership going up, just as confidence in American leadership was slipping, much to the sorrow of many Norwegians.

It was not an official statement, but it was a significant one, when, on the occasion of Mr. Macmillan's address under the auspices of the Students' Association, the President of the organization said that "in Norway Britain is regarded as the bulwark of the free world." Prime Minister Gerhardsen said in one of his speeches during the Macmillan visit (recalling the early days of the occupation of Norway): "When tyranny's dark night sank over Europe, it was from Britain that the only ray of light came." After the war there were also very close relations between the British Labor Government and the Norwegian Labor Government. Even now with a Conservative government there is a great community of interest, and the position of the Norwegian Government on negotiations with the Soviets has been closer to Mr. Macmillan's than to that of the United States. The Norwegians and the British have also worked closely together in EFTA, and they have both been disappointed by our policy in the matter of European unification. It was therefore not surprising for the Norwegian Prime Minister to say in his speech at the official dinner given by the Government for Mr. Macmillan that "I feel sure I speak for the great majority of my countrymen when I say that we have confidence in Britain's skill as a leader and in the qualities and abilities of British statesmen. We have, therefore, a feeling of security in the company of Britain."

We should not be over-sensitive and read into the Prime Minister's speech a meaning that was not there, because two weeks later, during Mikoyan's visit to Norway, both the Norwegian Prime Minister and Mr. Lange stoutly defended NATO and the United States. Particularly at the dinner at the Soviet Embassy on the evening before Mr. Mikoyan's departure, Mr. Gerhardsen was extremely forthright in his defense of Norway's membership in NATO and friendship with the United States.

As reported in the Embassy's despatch No. 19 of July 15, 1960,<sup>6</sup> Mr. Mikoyan's reiteration of the threats against Norwegian airfields, his attacks on the United States, and his advocacy of Norway's reversion to neutrality certainly did not achieve their obvious goal. They made the

<sup>&</sup>lt;sup>6</sup> Despatch 19 from Oslo transmitted a 3-1/2-page evaluation of Mikoyan's visit to Norway in June. (*Ibid.*, 033.6157/7–1560)

Norwegians in general firmer believers in NATO, and in the need for defense, and instead of driving a wedge between Norway and the United States, helped to draw us closer together. That, however, does not mean that Mr. Mikoyan dispelled the doubts which had arisen about American leadership. We must do that ourselves.

In our recent dealings with Cuba we have come in for some strong unofficial criticism. Our restraint in dealing with Castro in the first year and a half of his rule, in spite of severe provocation, won approval. On the other hand the cutting of the Cuban sugar quota, the pronouncement of the Standard Oil Company on the subject of tankers<sup>7</sup> and other moves have been criticized, sometimes in very sharp terms. Mr. Lange himself in a private conversation remarked that Norwegians almost automatically have a certain sympathy for the "little fellow".

The misgivings about the wisdom of some of our policies or the way in which we seek to carry them out have not deterred the Norwegian Government from continuing to give us valuable cooperation. The most recent example which can be cited was in the case of the RB47.<sup>8</sup> Even before the debate in the Security Council with Mr. Lodge's account of the shooting down of the plane over international waters in the Barents Sea and the Soviets' two vetoes preventing any investigation, the Norwegians did not hesitate to run risks in our behalf. At the same time the Norwegian Government was firm in its insistence on the non-involvement of Norway in the flight of the RB47 itself.

*Conclusion*—From the foregoing review it can readily be seen that there is no crisis in Norwegian-American relations. What is involved is something more subtle. It is rather an uneasiness about the U.S. capability to lead the free world in these crucial times. Confidence in the United States or lack of it is reflected in Norwegian political life in a number of ways, but possibly the most significant one was called to my attention by Mr. Lange shortly after my arrival. In one of our long conversations on a number of subjects, he observed that the strength of neutralism in Norway varies in inverse ratio to confidence in American leadership and the wisdom of U.S. foreign policy. One Labor Member of the Storting very succinctly summed up the views of many Norwegians as follows: "We desperately want American leadership, we do not want to be told what to do, but we want the United States to follow policies we can support."

 $<sup>^7</sup>$  Reference is to the sharp reduction in the Cuban sugar quota ordered by President Eisenhower on July 5 and Standard Oil Company's threat to blacklist any tanker owners or brokers who carried Russian oil to Cuba.

<sup>&</sup>lt;sup>8</sup> Reference is to the shooting down of a U.S. RB–47 airplane over the Barents Sea on July 11.

There are many things which the United States Government might do which would help to restore or renew the Norwegians' confidence in us and our leadership. A few specific suggestions are enumerated in the following paragraphs.

In the field of bilateral Norwegian-American relations the most important and most immediate contribution we could make would be to proceed speedily to the negotiation of a mutually advantageous jointly financed ship building program for the Norwegian Navy. We should seek opportunities for contact between leaders of the Labor Party, especially the Prime Minister, and civilian leaders in the United States Government. We should consider an early opportunity after the visit of the King and Queen of Denmark to the United States<sup>9</sup> to extend, with sufficient advance notice, an invitation to the King of Norway for an official visit to the United States.

In the broader field of multilateral relations we should seek, especially in NATO and in the OECD, to develop the process of consultation. This is something to which the Norwegians attach great importance, and they have been pleased with the progress made in NATO in this field since the report of the "Three Wise Men", of which Mr. Lange was one.<sup>10</sup> They fully recognize the imperative need for a large power to take fast action at times. On the other hand, as a small nation and a member of NATO they want, particularly in matters which affect the alliance, to be consulted, not merely informed after a decision is made or action taken. Although the OECD is a much looser organization, they may also measure its worth partly by the degree of real consultation achieved in it.

In this presentation of the Norwegian reaction to recent events and the criticism of our role in them, no attempt has been made to describe the broad measure of agreement between us in numerous fields. This fact should be borne in mind in order to avoid a distorted evaluation of the state of relations between our two countries, which have been, and I hope will continue to be, excellent.

Frances E. Willis

<sup>&</sup>lt;sup>9</sup>See Document 302.

<sup>&</sup>lt;sup>10</sup>Reference is to the Report of the "Three Wise Men," approved by the North Atlantic Council on December 13, 1956, concerning cooperation within NATO in non-military fields.

#### 302. Memorandum of Conversation

October 12, 1960.

#### SUBJECT

Call of King of Denmark on President Eisenhower: SAS

#### PARTICIPANTS

The President Frederik IX, King of Denmark<sup>1</sup> Danish Foreign Minister Krag Acting Secretary Douglas Dillon Danish Ambassador Count Knuth-Winterfeldt Ambassador Val Peterson

This second portion of the conversations with the President took about twenty-five minutes and Foreign Minister Krag and the Danish Ambassador joined the group at this point. Mr. Krag assumed the burden of the conversation at this time and raised three substantive questions with the President: First, the recent air talks held in Copenhagen to discuss mutual air traffic problems between the United States and the three Scandinavian countries. Mr. Krag pointed out that the Scandinavians took great pride in their accomplishments in building up the Scandinavian Airlines System (SAS) and indicated how important they felt the airline was to them. He stated that they believed in complete freedom of competition in air traffic and were greatly disturbed by the implications of the recent air talks and the attempts of certain American international carriers to curtail traffic between the United States and Scandinavia, including the so-called "sixth freedom traffic." After further discussion, Krag indicated the Scandinavians were perfectly satisfied with the status quo, and saw no need for an agreement on capacity. Krag noted that SAS share of traffic between Europe and the U.S. had remained constant at 7% since 1953. Krag implied that SAS might be willing to accept a limitation to this percentage figure. The President pointed out the difficult situation in which the United States finds itself as between the

Source: Eisenhower Library, Project Clean Up. Confidential. Drafted by Peterson. A separate memorandum covering the personal conversation between the King and the President that took place before they were joined by Foreign Minister Krag and Ambassador Knuth-Winterfeldt is *ibid*.

<sup>&</sup>lt;sup>1</sup> On September 29, 1959, Danish Foreign Minister Krag raised with Secretary of State Herter the possibility of King Frederik IX visiting the United States in connection with the opening of a Danish exhibit of the Metropolitan Museum in New York in October 1960. (Memorandum of conversation, October 29, 1959; Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199) On January 29, 1960, Herter recommended to the President that he invite the King to pay a State visit to the United States in October. (Memorandum for the President; Eisenhower Library, Whitman File, International File) Following the visit with the President, King Frederik went to New York to open the exhibit.

pressures from those countries which either do or don't place restrictions on air traffic which the United States can carry. (In other words, the protectionists and the countries who believe in unrestricted competition.) He said that we believed in free competition, and added that he certainly wanted his people in the aeronautical traffic area to deal with everyone as equitably as possible while giving full consideration to legitimate American airline interests.

The second question Mr. Krag raised was the desire of the Danes to establish a United States-Danish Committee for Greenland Projects. The purpose of this proposed committee is to assist the Danes in securing every possible consideration in bidding on Defense contracts for construction activities and materials required for the support of the American troops in Greenland. In this connection he mentioned the desire of the Danes to supply food for the American forces and also to gain a larger proportion of the shipping business. At this point Ambassador Knuth-Winterfeldt indicated how important he felt it was that an American be stationed in Copenhagen to help the Danish business community interpret Defense requirements, regulations, and contracting procedures, et cetera. (Note: The American Embassy in Copenhagen has raised some questions about this specific portion of the proposal and there was no comment on the suggestion.) At the conclusion of the discussion on this subject Mr. Dillon said the matter of the establishment of such a committee was already being negotiated and that there was no problem.

In raising the third question, Mr. Krag stated to the President that for the first time in history all the political parties in Denmark had recently agreed upon a defense plan and legislation that called for an eventual 8 per cent increase in defense expenditures by Denmark. He suggested that the agreement of all non-Communist parties was very noteworthy in Danish political history. (This is a reference to the Radical Liberal Party which has a pacifist tradition.) He then went on to say that the Danish defense program was based upon the assumption that American military assistance would be continued. He said it would be impossible for Denmark to carry out the program they now have in mind without American assistance. The President responded that while the United States was under increasing pressures from other areas of the world for military assistance and that it was America's hope that her allies who were able to do so would accept a larger share of the cost of maintaining military forces, that nevertheless he did not anticipate there would be any radical shift in the foreseeable future in our participation with the Danes in their defense program.

The one-hour conference ended on a very pleasant and happy note and concluded with the press taking pictures of the President and the King.

# **U.S. POLICY TOWARD SPAIN**

# 303. Telegram From the Embassy in Spain to the Department of State

# Madrid, January 31, 1958, 11 p.m.

791. As instructed Deptel 917, January 27<sup>1</sup> Foreign Office and chief high general staff were informed January 30 by Embassy and chief team mid-February. [*sic*] Was emphasized that team is technical and will not discuss air defense requirements or military assistance. Embassy reserving action on request in [*for*] Franco interview. We have suggested that team will be ready commence discussions Tuesday February 18. Chief JUSMG has recommended team arrive Madrid February 13 day before Ambassador departure for US in order have adequate time for discussion with US officials Madrid before commencing talks with Spaniards. Talks should conclude by twenty-first. Country team concurs.

In opinion country team problems posed by Spaniards in recent weeks are largely interrelated and collectively constitute all-out attempt increase substantially amount US economic and military assistance. We think this true even of vulnerability question although recognize their expressed views also reflect some sincere concern over possible impact future war might have on Spain, given existence US bases their territory.

Problem preoccupying us, however, is whether or not some general response to questions raised by Spanish Chief State is desirable.<sup>2</sup> Country team inclined to think such would be beneficial for several reasons.

Almost since signing agreements in 1953<sup>3</sup> we have engaged in parrying Spanish aid requests that have substantially exceeded our capacity or willingness to respond. This has been particularly pertinent with

Source: Department of State, Central Files, 711.5852/1-3158. Secret.

<sup>&</sup>lt;sup>1</sup> Telegram 917 to Madrid asked the Embassy and JUSMG to inform their counterparts that a technical team would be going to Spain in February and suggested the possibility of an interview with Franco for its head. (*Ibid.*, 711.5852/1–2758)

<sup>&</sup>lt;sup>2</sup> In a meeting with Dulles on December 20, 1957, Franco raised a number of questions on economic and military assistance. For a memorandum of this conversation, see *Foreign Relations*, 1955–1957, vol. XXVII, pp. 591–596.

<sup>&</sup>lt;sup>3</sup> Reference is to the defense and economic agreements signed at Madrid on September 26, 1953.

respect to our economic programs under which both our recommendations and ultimate allocations have consistently fallen short of Spanish requests. On military side, Spaniards have been waiting, with increasing impatience since July 1956 talks<sup>4</sup> for some indication US future assistance intentions beyond original \$350 million commitment.

However, each successive expression Spanish desires involves larger amount of aid and each successive US response that falls short creates greater frustration and irritation on part of Spaniards. They are motivated not only by general vulnerability fear but need resolve economic difficulties that have continued mount during period since agreements were signed. We in turn are motivated by our security requirements for bases in an operationally ready condition. Difficulty is to relate these two national requirements in manner that will preserve mutuality of interest in 1953 agreements and at same time avoid excessive costs to US.

At present we are confronted with new series Spanish economic and military requests which collectively are unreasonable in respect to what they can hope to obtain; individually several of them are unrealistic. To a degree it should be possible to whittle down some of these economic and military aspirations during technical level discussions with them. (Economic discussions will be more or less continuous; but to hold MAP talks now as proposed Deptel 679, December 3<sup>5</sup> poses difficulties which are being discussed in separate telegram.) Despite these staff level efforts it appears to country team that problems Franco raised merit acknowledgment at high-level and that such response would afford us important opportunity to help reestablish general relations on basis more likely endure during period ahead when we critically need bases here. Response could include, but not be limited to, following points: refer to continued US interest in being of minimum possible assistance helping Spain help itself, but point out our world-wide commitments and emphasize present impossibility predict beyond annual basis precise character and amount aid; emphasize we have substantially exceeded our 1953 commitments but have made decision nevertheless undertake some further military and economic assistance; indicate our willingness within obvious limitation to respond favorably to reasonable Spanish requests but point out how impossible it is for us contemplate, for example, moving bases, constructing new ones, and on

<sup>&</sup>lt;sup>4</sup> Documentation on these talks is in Department of State, Central File 752.5–MSP.

<sup>&</sup>lt;sup>5</sup> Telegram 679 to Madrid reviewed the U.S. military assistance program in general for fiscal year 1958, informed the Embassy that the Spanish program should be developed on a yearly basis and on the minimum level essential to maintain Spanish cooperation, and that the Chief of JUSMG should begin discussions with the Spanish military based on these premises. (*Ibid.,* 752.5–MSP/9–2357)

basis present policy providing military aid of magnitude General Barroso has in mind (Embtel 788);<sup>6</sup> express appreciation for part Spain is playing on western defense team (though regrettably not member NATO) and emphasize that bases are significant Spanish contribution to deterrence war.

If undertaken, country team believes such an approach should be made by me to Franco on instructions from Department. Would plan meet initially with Castiella prior my return to States February 14 and inform him that problems raised during Secretary–Franco meeting are under active consideration. While in Washington (February 18, 24, 25) I could meet with Department officials in order define approach to be taken in conversations with Franco. At that time I would hope find it appropriate reveal to him \$15 million additional FY 1958 defense support and be authorized inform him change in counterpart distribution ratio to 90–10 Export-Import Bank and DLF loans, and perhaps additional allocation cotton and edible oil under PL 480. Thus armed we believe substantial progress toward achieving above-mentioned general objectives ought be made.

Prior my trip would appreciate any general comments Department may have on approach recommended this telegram.<sup>7</sup>

Lodge

<sup>&</sup>lt;sup>6</sup> Telegram 788 from Madrid, January 31, reported that General Barroso, the Spanish Army Minister, had proposed a program for bringing 14 Spanish divisions up to NATO standards at the cost of \$325 million annually. (*Ibid.*, 752.5–MSP/1–3158)

<sup>&</sup>lt;sup>7</sup> On February 12, the Department of State replied, noting that the suggested points for discussion with Spain were excellent and informing the Embassy that as individual items in the Spanish aid package were approved, the Embassy should make "frank and vigorous" statements at the Ministerial level concerning the realities of Spanish economic expectations. (Telegram 996 to Madrid; *ibid.*)

# 304. Telegram From the Embassy in Spain to the Department of State

Madrid, February 11, 1958, 7 p.m.

833. At request Foreign Minister I called on him February 10. He said he wanted to inform me on action taken at Cabinet meeting February 7 (Embtel 815<sup>1</sup>).

He said I must understand that everyone in Cabinet is friendly to US and he had reported that relations with me were good but there was strong feeling that whole basis of our relations should be re-examined, that economic aid should be substantially increased and that 1953 agreements should be amended. Indeed he had before him a thick folder containing lengthy memos on the various aspects of our relations and recommendations for the future. These memos were he said in support of a note which the Cabinet wished him to deliver to me. He had note before him but said he had convinced Cabinet that he should not deliver this note; that the Franco-Dulles conversation last December<sup>2</sup> was best basis on which to proceed. He wished me to know not only of the prevailing mood of the government but of his action preventing a formal demand for changes. I thanked him and said I thought his action had been wise. He handed me examples of editorial comments on Martin Artajo speech which he on instruction Franco had caused to be censored (Embtel 8193). These all favor Martin Artajo's stand. I said I hoped he made it clear I had made no request for censorship and he assured me that he had taken full responsibility.

He then stated that General Franco had remarked that Spain was more interested in credits. I replied that I was glad to hear this and thought facilitation of entry of foreign capital into Spain would not only help Spanish economy but might well help Spain obtain both public and private credits.

He mentioned again that US should treat Spain like a NATO nation re military aid; that Congress had prior to NATO Council Meeting last May passed resolutions favoring admission Spain in NATO.<sup>4</sup> I replied

Source: Department of State, Central Files, 611.52/2-1158. Secret; Priority.

<sup>&</sup>lt;sup>1</sup> In telegram 815 from Madrid, February 6, Lodge reported that Castiella had informed him that Spanish Cabinet would review the whole range of U.S.-Spanish relations on February 7. (*Ibid.*, 611.52/2–658)

<sup>&</sup>lt;sup>2</sup>See footnote 2, Document 303.

<sup>&</sup>lt;sup>3</sup> Telegram 819 from Madrid, February 6, reported that the Spanish Government was censoring all comments and remarks in the Spanish press about the speech on U.S.-Spanish relations given by former Foreign Minister Martin Artajo on February 5. (Department of State, Central Files, 611.52/2–658)

<sup>&</sup>lt;sup>4</sup> For texts of House Concurrent Resolution 115, March 20, 1957, and Senate Concurrent Resolution 16, April 12, 1957, see *Congressional Record*, vol. 103, part 3, p. 4035, and part 2, p. 91.

that there was agreement between Legislative and Executive branches of our Government as to desirability Spain being in NATO and that question of treating Spain like a NATO nation had been discussed in the Franco–Dulles meeting. I pointed out also that an increase in military aid would place an additional load on the Spanish budget (he understood that and said additional economic aid would indeed be required in that case). He reiterated his willingness to commit Spanish divisions outside of Spain in support of NATO forces.

*Comment:* Department will note that foregoing emphasizes importance of Secretary's December visit, difficulties of situation we face and urgency expediting consideration on approach suggested Embtel 791.<sup>5</sup> Clearly Martin Artajo has expressed Cabinet views but Franco and Foreign Minister (Embtel 809)<sup>6</sup> have agreed on other tactics for the present. In compliance Deptel 982<sup>7</sup> I have refrained from telling Foreign Minister that problems raised during Dulles-Franco meeting were under active consideration but it will be obvious Foreign Minister and I each believe their December meeting constitutes at this time more useful and concrete basis future activity than series new and probably exaggerated demands apparently advocated by Cabinet. Latter can be forestalled for time being I believe if we can show that we are already beginning respond favorably to Franco approach.

Lodge

<sup>&</sup>lt;sup>5</sup> Document 303.

<sup>&</sup>lt;sup>6</sup> Dated February 5, telegram 809 from Madrid reported that former Spanish Foreign Minister Martin Artajo had addressed the American Chamber of Commerce in Spain on February 5 concluding with the summation that both countries had lived up to their obligations under the 1953 mutual assistance pacts. (Department of State, Central Files, 611.52/2–558)

<sup>&</sup>lt;sup>7</sup> Dated February 7. (*Ibid.*, 711.5852/1-3158)

# 305. Telegram From the Embassy in Spain to the Department of State

Madrid, March 24, 1958, 7 p.m.

1024. Pursuant to instructions contained Deptel 1100,<sup>1</sup> I will make following points in meeting with Castiella now scheduled for Tuesday, March 25, about noon Madrid time.

As introduction, indicate careful consideration US has recently given various Spanish requests for additional military and economic assistance; cite importance both governments attach to 53 agreements and their contribution to deterrent strength free world. Indicate mutual benefits derived therefrom stating US generally satisfied with way Spain living up to agreements and reviewing in detail our contributions in military and economic aid, beyond agreed commitments, as significant evidence our good faith.

Nevertheless US in consideration Spanish military and economic position willing to undertake extensions assistance these fields on an annual basis. Will point out what we specifically prepared do in economic field including \$15 million dollars, lira, finmarks, Danish kroner, or counterpart change, and additional cotton.

Will then state as reported last paragraph Embtel 967<sup>2</sup> this additional assistance being made available because US knows in years to come it will continue receive cooperation Spanish authorities which is necessary to effective operation joint bases. Will seek his confirmation that such is case and attempt to establish basis on which I may feel free count on his assistance in solving any future problem connected with our military activities in Spain which may become of sufficient importance to pose challenge to intent or content our agreements.

Will briefly advert to conditions under which future military assistance being given, emphasizing importance we attach to ability of Spain to absorb and utilize military equipment effectively without serious impact on its economy.

On economic aid will stress this assistance being made available to help Spain help itself and will emphasize Secretary Dulles' statement that economic aid cannot be more than marginal contribution to any country's development efforts.<sup>3</sup> Will recapitulate what this additional

Source: Department of State, Central Files, 752.5-MSP/3-2458. Secret; Priority.

<sup>&</sup>lt;sup>1</sup> Telegram 1100 to Madrid, March 5, authorized Lodge to inform the Spanish Government that the United States was prepared to grant \$15 million to Spain from the fiscal year 1958 funds and that it was prepared to revise the 60–30 division of counterpart funds to 90 percent Spanish economic use. (*Ibid.*, 752.5–MSP/3–558)

<sup>&</sup>lt;sup>2</sup>Not printed.

<sup>&</sup>lt;sup>3</sup>Not further identified.

amount means in terms of total US contribution in fiscal 58. Will emphasize significance of counterpart change, not only in increasing Spanish receipts under defense program but also in broadening possible uses of pesetas so developed.

Will recall Spanish note 310, April 5, 1957,<sup>4</sup> which contained undertakings on economic stabilization, noting that progress achieved in reducing inflation, but expressing concern that foreign exchange position has shown no real improvement. Will indicate particular interest in receiving information re success of steps being taken reduce budget deficits, control private and public credits, contain internal demand and, in general, adopt measures bring Spain's foreign exchange position into better balance. Will add desirable encourage selective private foreign investment to increase export earnings or save foreign exchange. Finally, will point out such steps are not only in Spain's interest but should strengthen possibilities their obtaining EXIM and private bank loans and assistance from IMF, IBRD and other international organizations.

Based on past experience, believe foregoing points can be made to Castiella more effectively orally than in aide-mémoire. This will minimize danger that Foreign Minister might out of disappointment with amount of aid, submit our document directly to Cabinet. (As reported Embtel 833 February 11,<sup>5</sup> Cabinet desires revise 1953 agreements.) I of course, recognize Foreign Minister may request record points made in which case substance foregoing will be incorporated in memorandum and sent him after meeting.

Press release on additional aid being cabled separately.<sup>6</sup>In accordance Deptel 1203, March 22,<sup>7</sup> any release on counterpart change will be made later.<sup>8</sup>

## Lodge

<sup>&</sup>lt;sup>4</sup> A copy of this note was transmitted as an enclosure to despatch 1102 from Madrid, undated. (Department of State, Central Files, 752.5–MSP/4–1157)

<sup>&</sup>lt;sup>5</sup> Document 304.

 $<sup>^6</sup>$  Transmitted in telegram 1026 from Madrid, March 24. (Department of State, Central Files, 752.5–MSP/3–2458)

<sup>&</sup>lt;sup>7</sup>Not printed. (*Ibid.*, 752.5–MSP/3–1158)

<sup>&</sup>lt;sup>8</sup> On March 25, Lodge reported that he had met with Castiella and made the presentation outlined in this telegram. Castiella confirmed continued Spanish cooperation on the joint operation of the bases, stated that he would advise the Ambassador on the progress of the Spanish economic stabilization program, but was not enthusiastic about a press release concerning the \$15 million grant since he believed the public would be disappointed by the small amount. Lodge characterized the presentation as "well received." (Telegram 1038 from Madrid; *ibid.*, 752.5–MSP/3–2558)

On April 10, the Ministry of Foreign Affairs transmitted to the Embassy a note outlining the measures that had been taken to strengthen the Spanish economy. A copy of the note was transmitted as an enclosure to despatch 797 from Madrid, May 5. (*Ibid.*, 752.5–MSP/5–558)

# 306. Letter From Secretary of State Dulles to Chief of State Franco

April 17, 1958.

MY DEAR GENERAL FRANCO: I have not forgotten my visit to Madrid of last December or the conversation, both agreeable and useful to me, which we then had. At that time I recall that Your Excellency mentioned various aspects of our relations where you thought improvement possible, in terms, for example of our counterpart arrangements, the magnitude of our economic assistance, and as to studying the implications of modern weapons upon the location of our joint bases in Spain.

I asked my associates to follow up on these matters and I think that some satisfaction is being given to your desires. I realize that these desires will not be fully satisfied; but our own capabilities under the applicable laws and appropriations of the Congress and our world-wide commitments do not give the Executive unlimited resources or discretion.

As Foreign Minister Castiella has been informed by Ambassador Lodge, there is a planned change, in Spain's favor, in the counterpart arrangements which will be applicable to the fiscal year 1959 Defense Support program.<sup>1</sup> We hope that, from one source or another, the economic aid will be substantial, although below the figure you mentioned to me. But it should be adequate, assuming there are corresponding Spanish internal measures. Our military people have, I believe, given your military people information which should enable your Government to quiet any popular apprehensions as to the location of the bases. We all live dangerously. But the scope of the danger is such that slight shifts do not appreciably reduce the danger. On the contrary a courageous stand may surmount difficulties, as your own conduct over the years so well exemplifies.

I recall that we also talked about relations between your country and Morocco, and France and North Africa. I am glad that since then some progress seems to have been made in finding a solution acceptable to both you and the Government of Morocco for part of the problem between you and that country. When I passed through Morocco on my way to the Baghdad Pact meeting,<sup>2</sup>I strongly urged on the Foreign Minister that Morocco should not take an uncompromising position. Since then, we have continued to urge moderation on Rabat. Despite recent

Source: Department of State, Central Files, 110.11–DU/4–1758. Secret. Drafted by Dulles on April 16 and cleared with Reinhardt, Elbrick, Torbert, and Palmer.

<sup>&</sup>lt;sup>1</sup>See footnote 1, Document 305.

 $<sup>^2</sup>$  Dulles visited Marakesh January 22, on his way to the meeting of the Baghdad Pact in Ankara, January 24–26.

difficulties with the turnover of the Southern Zone, I hope that you will remain convinced, as we have been during our efforts in Rabat, that moderate elements within the Government of Morocco continue to desire peaceful settlements of outstanding problems and that these elements should be encouraged and supported to the extent possible.

I see no good future for North Africa, or for that matter for Western Europe, unless North Africa can be kept out of the zone of Communist influence and maintains the historic ties—cultural and economic which have so long united North Africa with Western Europe. Spain has always had a proud record in this respect, and I hope that it can be maintained. The problems of France are, I judge, even more difficult and a greater cause of concern.

From the above comments you will note, my dear General Franco, that I have not forgotten the views you expressed to me so ably in Madrid, and that they have gone into the fabric of our policy thinking.<sup>3</sup>

With best wishes, I am Sincerely yours,

John Foster Dulles<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> In a reply dated April 28, Franco expressed appreciation for the steps taken by the United States, but noted that the bases near Madrid and Zaragoza were a matter of public concern due to their proximity to Spanish cities. The letter was delivered to Dulles on May 20 by Ambassador Areilza. No copy of the letter has been found in Department of State files, but it is summarized in a memorandum of Areilza's conversation with Dulles, May 20. (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

<sup>&</sup>lt;sup>4</sup>Printed from a copy that bears this stamped signature.

# 307. Telegram From the Embassy in Spain to the Department of State

Madrid, April 19, 1958, 3 p.m.

1167. Reference: Deptel 1339.<sup>1</sup> Franco–McElroy meeting took place April 18 at 1700 with Foreign Minister Castiella, Minister Army Barroso, Ambassador Lodge, Jaime Pinies (for translation). Generals Twining and Donovan<sup>2</sup> also present. Conference lasted slightly more than two hours. All went smoothly in friendly atmosphere of exchange of ideas.

Secretary Defense and Twining commented briefly on NATO Defense Ministers meeting in response to Franco's indicated interest. Franco then raised question of North Africa pointing out with considerable emphasis importance of support of France in Algerian border [*question*] to protect the back of Europe. He also raised question of importance of a clandestine organization which would provide arms and equipment to anti-Communists in satellite countries in event of conflict. He raised base vulnerability question not in terms of relocation but rather in terms of substitution for bases at Torrejon and Zaragoza. He thus varied from approach he took with Secretary State. Secretary Defense was noncommittal this point indicating very expensive to build bases but matter would be studied.

We feel Secretary Defense's visit was most useful in establishing rapport with Spanish civil and military leaders. Questions of military and economic aid not raised by Franco. Neither was use of MDAP equipment in Northern Africa nor Spanish membership NATO.

Following Pardo meeting Service Ministers gave joint reception for Secretary Defense and party in Ministry of Army which well attended by principal military and civilian officials.

# Lodge

Source: Department of State, Central Files, 740.5/4-1958. Secret; Priority.

<sup>&</sup>lt;sup>1</sup> Telegram 1339 to Madrid, April 17, informed the Embassy that McElroy, who was returning to Washington following a meeting of the NATO Defense Ministers at Paris April 15–17, should not raise the question of Spanish membership in NATO during his meeting with Franco. (*Ibid.*, 033.1100–McE/4–1758)

<sup>&</sup>lt;sup>2</sup> Major General Stanley J. Donovan, Chief of the Joint U.S. Military Group in Spain.

### 308. Memorandum of Conversation

May 12, 1958.

SUBJECT

Meeting with Don Juan

#### PARTICIPANTS

Don Juan, Count of Barcelona (Pretender to the Throne of Spain)

Mr. Joseph J. Jova, WE Mr. Herbert B. Thompson, WE

Don Juan had arrived last night and had spent the night at the Spanish Embassy. This morning Ambassador Areilza telephoned to say that Don Juan had indicated that he would like to see Mr. Jova and would be prepared to receive him at 12:15 p.m. at the Embassy residence. Mr. Jova said that he would be delighted to go, he also requested permission to introduce Mr. Thompson to Don Juan.

At the Embassy the Ambassador brought us in to Dun Juan and then discreetly left the room. After a few moments of conversation on Don Juan's trans-Atlantic crossing and after he had expressed his appreciation for the courtesies extended to him by the Immigration and Customs authorities and the U.S. Coast Guard on his arrival in South Carolina, Mr. Jova remarked on the great success which the visit of his son Don Juan Carlos has had.<sup>1</sup> Don Juan indicated that it was most flattering and expressed his appreciation for the hospitality which Washington had shown his son. He remarked on how pleased he had been at the way his son had handled himself and observed that he was a very straight-forward and a very loyal boy. Mr. Jova remarked that the Prince had demonstrated his loyalty to his father during the course of this visit. Mr. Jova expressed regret that it had not been possible to arrange a call at the White House for Don Juan and Don Juan Carlos, but said that he was sure that Ambassador Areilza had described the background and had explained the Department's position that if a call were made, it should be a joint one. Don Juan understood perfectly and said that he had been very touched by the consideration which President

Source: Department of State, Central Files, 752.11/5–1258. Confidential. Drafted by Jova, who had become acquainted with Don Juan while serving as First Secretary of the Embassy in Lisbon, 1954–1957.

<sup>&</sup>lt;sup>1</sup> The visit of Don Juan and Don Juan Carlos to the United States had occasioned discussions among the Spanish Embassy, the Department of State, and the White House concerning a visit to President Eisenhower. After various possibilities had been raised, the Department of State decided that neither Don Juan nor his son should call at the White House. Documentation on this decision is *ibid.*, Central Files 752.11 and 711.11–EI.

Eisenhower had shown towards his position. It was his intention to write a personal letter to President Eisenhower expressing his appreciation.

Don Juan said that he desired to make it quite clear that the fact that he was staying at the Spanish Embassy in no way changed his position in regard to the Franco regime. I am the same as always, he said. It had been his intention to by-pass Washington and proceed directly to New York, but Ambassador Areilza had so arranged things that it had been necessary for him to spend the night in Washington. It was his first intention to spend the night at a hotel but he had decided that this would have led to all sorts of gossip and comment and would have placed everyone in a difficult position, particularly as his own son was staying in the Embassy.

In New York Don Juan intended to attend various festivities that had been organized in connection with his son's visit. The most important of these was a banquet which was being given at the Union Club with some 200 persons present on Wednesday evening. He would preside at this banquet and intended to make a speech. He would utilize this occasion as well as others which might arise in order to make himself better known to important American opinion leaders. After his son's departure for Spain on the 16th Don Juan would spend several more days in New York and hoped to get in touch with various bankers and other important members of the financial world. *The New York Times* had indicated an interest in doing something in his honor. He would also see Mr. and Mrs. Luce who he understood were giving a dinner party for him. He knew Mrs. Luce from Rome and also from her visit to Lisbon on the Niarchos yacht and considered her to be a good friend.

As regards General Franco he said that he sometimes believed that he meant to stay in power for life. This was the last thing desired by the Spanish people or by their friends abroad. Discontent had increased greatly in Spain and he felt that events were exerting a much greater pressure towards a change in the situation. Franco would make an important policy speech in the next few days and everyone was on edge awaiting to see what he would announce. It was possible that his announcement might be that he would retain power for his lifetime, and this, he said, would have a very bad effect on the whole country and might serve to hasten a denouement. As regards Mrs. Franco's visit to Estoril,<sup>2</sup> he said that news of her imminent arrival had at first dismayed him since he was on the point of departing on his cruise but feared it

<sup>&</sup>lt;sup>2</sup> Mrs. Franco and Foreign Minister Castiella visited Don Juan on his yacht at Estoril on March 14 during a 10-day visit to Portugal. Brief reports on the meeting were transmitted in telegram 1028 from Madrid, March 24 (*ibid.*, 752.00/3–2458), and in despatch 799 from Madrid, May 5 (*ibid.*, 752.00/5–558).

would be said that he had left deliberately to avoid her. He decided to delay his departure for a day and had invited Mrs. Franco to tea. She had accepted and this had gone off very well as had their visit together in Madeira where Mrs. Franco had come aboard the *Saltillo*, in spite of the bad weather in order to see the boat on which Don Juan was crossing the Atlantic. Undoubtedly Mrs. Franco's visit had made a good impression on the Caudillo.<sup>3</sup> He was very much of a family man and had long been reported to fear that a restoration would mean slights and discourtesies to Mrs. Franco and their daughter from the Royal Family; the visit had at least been able to reassure him on this score. Don Juan pointed out that in spite of the fact that there were basic divergences between himself and Franco, the latter had always treated him correctly even courteously —as far as their personal relations went.

Don Juan inquired whether we read the reports submitted by Mr. Xanthaky from Lisbon. He said that he had long followed the practice of keeping Mr. Xanthaky informed as to developments in the Monarchist movement and as to his own thinking on this subject and hoped that they were reaching the Department. Mr. Jova assured him that Mr. Xanthaky was a faithful reporter and that his despatches were read with the greatest interest in the Department. Don Juan said that he also had close and cordial relations with Ambassador Bonbright but did not wish to burden him with details as to developments within the Monarchist movement. On an occasion when he might wish to say something of a more solemn nature, however, he might speak directly to the Ambassador himself.

<sup>&</sup>lt;sup>3</sup>General Franco.

#### 309. Intelligence Report

No. 7772

August 7, 1958.

[Here follow sections I and II.]

#### III. Present and Future Spanish Foreign Policy

## A. Introduction

Spain's relations with other Western European powers have improved markedly since the early postwar years. Spain was then excluded from the OEEC and NATO, and the Franco regime was condemned by the UN and barred from membership therein. The UN also recommended that Spain be barred from membership in international agencies associated with the UN and that UN members withdraw their chiefs of mission from Madrid. A number of countries recommended stronger measures, such as economic sanctions and severance of diplomatic relations to effect a change of government in Spain. Opposition to Franco in the immediate postwar period and the lingering hostility to his regime today stem largely from the popular identification of his regime, particularly among western European leftist groups, with those of Fascist Italy and Nazi Germany. The decline in hostility toward Franco, which would probably have occurred to some extent with the mere passage of time, has been due more fundamentally to growing tensions between the Soviet orbit and the free world. Also, more moderate European domestic politics have reduced the antagonisms.

Since the early postwar years, Spain has concluded economic and cultural treaties with many nations. In August 1953, Spain and the Holy See concluded a Concordat, which incorporated mutually satisfactory accords reached in 1941 and 1946. The single most important foreign policy achievement of Franco was the signing in September 1953 of bilateral economic and defense arrangements with the US. After Spain was admitted to the UN and acquired observer status at the OEEC in 1955, and associate membership in January 1958, the major remaining obstacle to Spain's full reintegration into the Western European community was its exclusion from NATO. In view of the lingering hostility of several NATO members, an invitation to Spain to join NATO seems unlikely in the immediate future, but quite possible within a year or two.

A key element in Spanish foreign policy has been the "indication" theme, according to which Spain was the first country to fight

Source: National Archives and Records Administration, RG 59, OSS–State Intelligence Reports. Secret; Noforn. The report, prepared in the Division of Research for Western Europe, comprised a cover sheet; table of contents; abstract; sections on the present internal political situation, probable political trends, Spanish foreign policy, economic trends; and four tables.

Communism successfully during its Civil War, and it thereby incurred the lasting enmity of Communist-dominated governments. Following World War II, so the doctrine holds. Spain was ostracized chiefly because it was anti-Communist. Since that time, according to the doctrine, Spain has not changed its foreign or domestic policies, but other countries have come to realize the justice of Spain's stand and have admitted this by normalizing relations. Spain is constantly looking for propaganda material to back up this position, and, occasionally, the direction of Spanish foreign policy is clear only if related to this position. A favorable statement from a foreign statesman that can be quoted by the press and radio is sometimes worth more to the Spanish Government than a real achievement that cannot be translated into propaganda terms.

Another basic feature of Spanish foreign policy has been the need to demonstrate an external threat in order to justify continued controls over the country's political and economic life. Now that Franco has been generally accepted outside the Soviet orbit, this type of justification for some features of the regime is no longer valid unless Franco can demonstrate that the threat continues. Vehement Falange demands for the return of Gibraltar constitute in part an attempt to keep this menace alive. The Soviet Union and Communism continue to be external enemies and the regime, despite its boasts of having exterminated Communism within Spain, attributes disorders such as the 1951 strike wave, the 1956 student demonstrations, and the attacks in 1957 by Moroccan natives on Ifni and Spanish Sahara to Communism is an immediate threat in the eyes of most Spaniards.

Another aspect of Spanish foreign policy that influences its direction is the fact that, because the major groups supporting Franco do not entirely agree on what course Spanish foreign policy should take, it is often a compromise between them. In the last analysis, Franco decides what policy is to be followed. Falangist militants have advocated a dynamic and aggressive foreign policy, particularly in North Africa, where, prior to the establishment of the Kingdom of Morocco in 1956, they demanded a larger share of Morocco and exclusive Spanish control over Tangier. The more moderate and internationalist spokesmen for Catholic organizations, such as Martin Artajo, would like to see Spain incorporated more fully into the Western European community, in line with Vatican policy. The ultraconservative wing of the church would prefer that Spain be as aloof as possible from international commitments and influences. Oatalan and Basque Provinces businessmen favor friendly relations with France and the UK, and would prefer that all US economic assistance go to private business rather than to Spanish Government economic agencies. The army, while distressed at the loss of Morocco and the threats to Spanish presidios and colonial territory in North Africa, realistically wants to keep Spain's commitments within its power limitations and to avoid foreign commitment of more than a token force of Spanish troops.

If the Franco regime continues in power during the next few years. Spain's over-all foreign policy is likely to change with respect to Western Europe, France in particular, and with the Arab nations. Spain's entry into NATO, which the US favors, is politically impossible at present because of the opposition of several Western European members, but may well occur in this period. Attacks by Moroccan "liberators" on Ifni, Spanish Sahara, and Mauritania in late 1957 resulted in 1) an improvement in French-Spanish relations, and 2) less cordial relations between Spain and the Arab nations-Morocco in particular. A reversal of the previous policy of cultivating rapprochements with Arab nations and of periodic outbursts of hostility toward the French would mean that Spanish foreign policy would be less flexible in the future. Other foreign policy lines are expected to remain the same. Implementation of the US-Spanish bilateral arrangements will probably continue. The occasional polemic against the presence of US forces will continue to be heard, but will not be permitted to assume serious proportions. It is virtually certain that Spain will continue to maintain its close ties with Portugal, the Vatican, and the Latin American Republics, and its firm anti-Soviet position.

If Franco departed from the scene, it is probable that Spanish policy would be altered drastically only 1) if a long period of civil disorders ensued, causing Spain to be incapable of playing any role in international affairs, or 2) in the unlikely event that anti-American extremist Falangists gained control of the government. If the left should return to power under a democratic Socialist-Republican government it would probably be pro-West; only a government dominated by Communists or extreme Anarchists—a very unlikely prospect—would sever US ties. The US-Spanish bilateral arrangements would be worth little if prolonged civil war paralyzed Spain and might well be undermined or even terminated by a Falangist government. Assuming the continuation in power of the present ruling conservative coalition (either under a monarchy or not), or the less likely possibility of a return to parliamentary government, Spain would probably become more closely integrated with Western Europe and its regional political and economic arrangements and US-Spanish ties would be firmly maintained. Even another military dictator would be more acceptable to the Western European democracies than Franco, as long as he had no direct connection with Hitler and Mussolini.

A weakening or collapse of the North Atlantic alliance, due, for example, to the neutralization of France or Italy or to a resounding Labor victory in the UK accompanied by the adoption of an extreme Bevanite foreign policy, would be exploited by the Spanish. In such an eventuality, Spain would probably gloat over the confirmation of its frequently reiterated mistrust of major European powers (except for West Germany), and the opportunity to present itself as strategically indispensable to the US. If, in the unlikely event that the US should propose to alter, to Spain's disadvantage, the nature and level of its dollar aid and expenditures or its contract arrangements, this act would almost certainly disappoint Spanish officials to such an extent that they would slacken their efforts in implementing the bilateral arrangements. In view of the position long maintained by Spanish officials that the US should compensate Spain for the years it received no aid—while nations that were "less reliable" as bulwarks against Communism received vast sums—it can be expected that the Spanish will intensify their campaign to have American economic assistance increased and continued indefinitely.

## B. Spanish Relations with the US

Spain's most important foreign ties are with the US. Since 1947, a key Spanish foreign policy goal has been to seek economic assistance and diplomatic support through official channels and through contact with influential persons and organizations in the US. Efforts to achieve these goals culminated in the conclusion of three bilateral arrangements in September 1953 concerning economic and defense matters. Since 1953, relations have been more cordial than they were at any previous time. The controversy surrounding the origin and nature of the Franco regime has ceased to be a live issue in the US, and supporters of close relations with Spain have become increasingly powerful and vocal.

Despite several difficult problems, and, as in other countries that receive US aid, a certain decline in enthusiasm as time goes on, US-Spanish relations should, on balance, continue to be generally satisfactory during the next few years. Spain's pressing need for additional US aid should, at least in the immediate future, assure continuing cooperation to carry out the 1953 bilateral arrangements. Nevertheless, Spanish reactions in 1957–1958 to an influx of American military personnel, attempts to attribute inflation in living costs largely to this influx, and the longstanding problem concerning the situation of Protestants in Spain are factors in US-Spanish relations that periodically demand the attention of diplomats of both countries. Despite the generally good conduct of American military personnel in Spain, a certain number of minor incidents have inevitably occurred. They were given exaggerated coverage in the Spanish press. There was one suggestion that the US garrison its foreign bases with local troops. Increased demands for servants in cities near the bases, and price increases and local shortages in various commodities have been attributed in some press statements and other quarters to the "American invasion." On top of these allegations, the Spanish

press in early 1956 gave very little publicity to the sales of P.L. 480 commodities, although later in the year more recognition was given to this program. Because of the general hostility of the Spanish Catholic Church toward Protestantism and the political influence of the church, representations by US diplomats in behalf of US Protestant missionaries and the small Protestant minority in Spain have been largely ineffective. At the time the bilateral arrangements were signed, a large segment of the Catholic hierarchy was apprehensive concerning increased contacts in the future between Spaniards and American, particularly non-Catholics. This attitude may well increase as the American military community in Spain reaches its maximum size. Another potential problem in US-Spanish relations is the growing fear among Spaniards of nuclear war; with the completion of the oil pipeline and the major runways at the bases in 1956, and the missile developments in 1957 and 1958, Spaniards have become more aware of the possibility of war. Nevertheless, José Maria de Areilza (Spanish Ambassador to the US) lavishly praised the US aid program in September 1957 upon the occasion of the fourth anniversary of the signing of the 1953 agreements. Cooperation between Spanish and American officers is reported to have been excellent with the major exception of a period in early 1956 when some Spanish naval officers imposed certain difficulties in the implementation of the agreements. The three defense ministers installed in February 1957 are reportedly pro-American; the present Minister of the Navy is more cooperative than was his predecessor.

Several incidents of the past four years also serve to symbolize the improvement in US-Spanish relations. In July 1954, while traveling in the US, Franco's daughter and son-in-law were received unofficially at the White House. When Secretary Dulles called on Franco and former Foreign Minister Martin Artajo on November 1, 1955—between sessions of the Geneva conference—it marked the first time that a US Secretary of State had visited Madrid. The return visit to Washington of Artajo in April 1956 was similarly unprecedented. Secretary Dulles conferred with Franco again in Madrid on December 20, 1957 to inform him of the discussions of the NATO conference that had just taken place at Paris. Both visits were given extensive front-page coverage in Spanish newspapers.

[Here follows additional reporting on Spain's foreign policy.]

8. *NATO*. From 1949 to 1956, Spanish officials publicly indicated that Spain was not interested in joining NATO; during the first few years of NATO's existence they frequently expressed disdain for the organization. Throughout this period, nevertheless, periodic official statements by Portuguese leaders, doubtless made with Spain's approval, indicated that Spain actually desired an invitation.

In an interview of January 1956, Martin Artajo, then Foreign Minister, made the first official Spanish declaration to the effect that Spain would accept an invitation to join NATO. To guard against official and popular disappointment if such an invitation was not extended in the immediate future, he hastened to add that, in view of Spain's ties with the US and Portugal, NATO was more important to its present members than it would be to Spain.

As of mid-1958, an invitation to Spain to join NATO, which the US advocates and which Spain would accept, probably depends, in the last analysis, on the support of France and the UK. It is unlikely that Belgium, the Netherlands, and Norway would continue to oppose Spain's entry into NATO, despite their dislike of Franco, if France and the UK joined the US in advocating Spain's membership. The Federal Republic of Germany would not oppose Spain's entry, but leaders of the Adenauer government would probably prefer not to be put in the position of sponsoring Spain's candidacy, on account of the domestic political situation and the strong anti-Franco sentiment among anti-Nazi groups in Germany. The present Christian Democratic government in Italy would favor Spain's entry even though certain elements in the left wing of the party and some leaders of the other center parties (Liberal, Republican, and Democratic Socialist) are still hostile to Franco. Luxembourg's Prime Minister declared in April 1957 that he would favor admitting Spain to NATO, although he realized that Luxembourg's Socialists would be displeased. Spain's entry into NATO would probably revive Portugal's enthusiasm for NATO in some measure. Since 1947 Portugal, doubtless with Franco's acquiescence, has periodically contended that Spain's exclusion severely limited NATO's value.

[Here follows the remainder of section III]

IV. Economic Trends

[Here follow parts A–E.]

F. The Question of US Culpability for Inflation

Some Spanish officials have alleged that one of the main causes of the inflationary pressure has been increased spending by the US on the construction of military bases. Actually, US operations in Spain have been anti-inflationary since 1951 when they began.

As of December 31, 1957, the US had supplied Spain with \$538,000,000 in goods and services, excluding the commodities that Spain was able to import as a result of \$94,000,000 in loans by the Export-Import bank. The US obtained for its use, mostly for base construction, Spanish goods and services valued at \$175,000,000. There is thus no question but that the direct net impact of US operations in Spain was anti-inflationary. In spite of this it might be argued that, in some particular period, US operations in Spain may have had an inflationary impact,

or that, for the entire period 1955–1957 when the base construction program was in high gear, US expenditures for Spanish resources out of peseta funds generated by US aid may have had secondary effects that could have created a consumption demand that exceeded the value of the goods supplied by the US.

In order to estimate the maximum possible inflationary impact, let it be assumed that the total amount of goods made available to the US by Spain has all been employed for strictly military and hence nonproductive purposes. In the period 1951 through 1954 inclusive, the US used for its purposes only \$6,000,000 of Spanish resources in return for which the Spanish received \$14,000,000 in grant aid, and \$35,000,000 of surplus agricultural commodities for pesetas. In addition, the US provided Spain with net credits of \$66,000,000 against which Spain imported commodities. The impact of US operations in this period was certainly anti-inflationary. In 1955 the US spent \$21,000,000 in pesetas in Spain. The US actually supplied \$123,000,000 in all kinds of commodities, the bulk of which were agricultural products and industrial raw materials. The US supplied more than 6 times the resources that it obtained from the Spanish economy. In 1956 the US spent \$56,000,000 in pesetas in Spain and supplied \$196,000,000 of commodities. In 1957 the US spent \$90,000,000 in pesetas in Spain and supplied it with \$170,000,000 of goods and services. Since it is unlikely that the total direct and indirect effects of US aid should have increased Spanish incomes by more than twice the amount the US spent for Spanish goods and services, the net impact of US operations has been greatly anti-inflationary through 1956 and, at the worst, neutral in 1957.

#### G. Spanish Policy and the Imperative for Economic Growth

The principal aim of Spanish policy is to develop the economy as rapidly as possible, and the Spanish have from the first looked upon defense support assistance given them by the US as a source of developmental funds, rather than as a means of offsetting the inflationary impact of increased mutual defense spending by them and by the US.

There is no question about the need for rapid economic development. After seven years of boom, Spain has per capita income of only \$308. The only Western European country with a lower standard of living is Portugal. Moreover, Spain's population is increasing at a rate of 0.8 percent per year. The US and Spanish Governments both agree on the need for rapid development, but differ as to the best method of achieving it. Under the influence of authoritarian models and the autarchic ideas of the Falange, the Spanish emphasize government investment and controlled inflation.

US officials believe that, if financial stability were achieved and private enterprise encouraged, as Germany and Italy have done, Spain's economic development could proceed faster and on a sounder basis. The Spanish authorities profess to be taking some steps in this direction. They appear to be relaxing their rigid limitation on foreign investment. The law to encourage foreign companies to exploit Spanish petroleum, recently approved by the Cabinet, suggests that Spain may, in time, permit foreign companies to hold majority rights in Spanish companies. It is also probable that some other types of liberalization may be adopted. However, it is very doubtful that they will seriously attempt to follow the German or Italian pattern of economic development. Indeed, it would be impossible for Spain's economy to expand rapidly along German or Italian lines unless Spain were to receive economic aid on a scale proportionate to that received by Italy and Germany.

# H. Prospects for Preventing a Runaway Inflation

The Spanish inflation can perhaps better be characterized as a wage-price "ratchet" rather than a wage-price "spiral". What has prevented the situation from getting out of control in the past and is likely to prevent a runaway inflation is the government's control over wages. Since the end of the Civil War, the government has periodically adjusted wages upward, but only after a considerable period of rising prices and at the stage where popular unrest was evidenced by strikes and demonstrations and where the prospects of increased supplies of consumers goods were favorable.

The breathing spells afforded workers and persons with more or less fixed incomes have generally not lasted very long. Yet per capita incomes in constant prices have shown a continued upward trend since 1949, as seen in the following tabulation:

Year	%
1950	6.8
1951	18.3
1952	5.9
1953	-2.1
1954	8.0
1955	1.0
1956	3.6
1957	3.8

#### Change in Per Capita GNP over previous year

Because there is no prospect of free organization of labor and collective bargaining, wage adjustments by the government may be expected to continue to lag well behind prices. Sooner or later another general round of wage increases will become imperative, but, as long as the per capita real income of urban workers continues to increase and full employment continues, the ratcheting process in itself is not likely to become intolerable to them. The Spanish have lived with the inflationary problem since the Civil War. There is no reason to expect that they can not continue to live with it, providing per capita real gross national product continues to grow by, say, 3 percent a year.

That it will do so does not seem unlikely, so long as the US continues to subsidize the economy as it has been doing since 1953. At the present stage of Spain's economic evolution, it is clear that, without US aid, the Spanish would have to reduce imports drastically, thereby forcing industry to curtail operations and creating large-scale urban unemployment with explosive implications for political stability. ICA estimates that to achieve financial stability, build up gold and dollar reserves from their present low of about \$120,000,000, and achieve a rate of growth of Gross National Product of around 4 percent a year by 1963, Spain will need about \$600,000,000 of aid, or about \$120,000,000 annually. ICA has based its projections on the assumption that investment will decline by 5 percent from its present rate of 18.9 percent of GNP between now and the end of 1958 and by 15 percent during 1959 and 1960 and will rise gradually thereafter until it reaches 17 percent of GNP in 1963 where it will remain, and that price increases will be relatively modest for Spain between now and 1963.

# I. Spanish Economic Prospects Over the Long Run

The ICA estimates appear rather optimistic, for they are based on two questionable assumptions: (1) there will be no major crop failure over the next five years due to drought or freeze (because of bad weather, there have been eight or nine poor crop years since 1940 and four very serious crop failures since 1945); and (2) the Spanish authorities will subordinate their development schemes to the imperatives of achieving fiscal and monetary stability and a sound balance of payments position.

Although the Spanish authorities will probably endeavor to do some of the things that American officials have been urging upon them, and although they may be forced by economic necessity to relax certain controls, they are likely to stop short of carrying out many of the major recommended reforms. For these would require a fundamental reorientation of Spanish economic policy and philosophy, involving a radical change in the psychology of the Spanish business community as well as Spanish officialdom.

The following obstacles appear to stand in the way of a soundly based economic development:

(1) There is inadequate investment in Spanish agriculture, which supplies more than 50 percent of the country's exports and employs almost half the labor force. The agricultural economy suffers from soil exhaustion, lack of consolidation of farm holdings, lack of irrigation and antiquated methods, and irrational price and production controls by the state that reduce incentives to more efficient production. Except for rice and maize, there has been no significant increase in agricultural production since before the Civil War, despite the fact that population has grown by almost 5,000,000 since 1935.

(2) There are too many middlemen between the farmer and the ultimate consumer, with the latter paying seven to eight times what the farmer receives for his product. Also the spread between what the farmer gets for his products and what he must pay for industrial commodities is too great.

(3) Private investment is retarded by the monopolistic operations of Spanish industrialists, who are reluctant to invest in any project that does not permit rapid amortization and very high profits.

(4) Although Spain from time to time devalues the peseta for commercial purposes when inflation makes this necessary, the rate is still insufficient to provide incentive to export.

(5) There is gross waste in the allocation of labor resources; featherbedding is widespread; incentives for greater labor productivity are poor.

(6) There is widespread tax evasion.

(7) Insufficient investment is made in the exploration and exploitation of Spain's untapped mineral resources.

(8) Paternalism, protectionism, and hostility to private capital, foreign and domestic, on the part of the government discourage private investment and lead to the diversion of resources to dubious public undertakings such as the construction by the state of uneconomic plants for the manufacture and assembly of automobiles. Some change of attitude is visible, however, in the recent Cabinet approval of a bill to make possible petroleum development by foreign private capital.

(9) Despite the fact that the state dominates the Spanish economy and the basic philosophy of the administrators is corporativist, government agencies do not have adequate statistical information to do their jobs properly. In addition, the interministerial committees that are supposed to coordinate the efforts of the various governmental economic agencies appear to function poorly. Moreover, there is no general longrange plan or program by which priorities in investment can be set and operational performance judged.

US aid for the next five years on the scale proposed by ICA will probably enable the Spanish to prevent a runaway inflation, but it is doubtful that Spain will be able to stand on its own by 1963, unless there is a fundamental reorientation of Spanish economic policy. With its agriculture no longer able to keep up with the requirements of its growing population, with its export static, and with its investment resources being inefficiently allocated, the Spanish Government has become highly and dangerously dependent upon the United States. In the difficult period from 1939 to 1950, the Spanish people were more or less resigned to a low level of living. Since 1950, their level of living has increased substantially and, since 1953, largely as a result of US aid. With this amelioration has come a growing and general demand for an even greater improvement in housing, diet, clothing, health, and recreation that seems impossible for Spain to provide out of its own resources as these are now being managed. When the United States ceases to subsidize the Spanish economy, the real troubles of the regime will probably begin.

[Here follows the remainder of the report.]

## 310. Memorandum of Conversation

November 28, 1958.

### SUBJECT

**US-Spanish Economic Relations** 

### PARTICIPANTS

Senor Don Jose M. de Areilza, Spanish Ambassador Senor Don Enrique Dominguez-Passier, Economic Attaché, Spanish Embassy Senor Don Juan Jose Rovira, Ministry of the Presidency, Madrid Senor Don Francisco Elorza, Marques de Nerva, Foreign Office, Madrid Senor Don Jaime Pinies, Foreign Office, Madrid

Mr. C. Douglas Dillon, Under Secretary for Economic Affairs Mr. W.T.M. Beale, Deputy Assistant Secretary for Economic Affairs Mr. Robert H. McBride, WE Mr. E.J. Beigel, WE Mr. Frederick H. Sacksteder, Jr., WE

This meeting was arranged at the request of the Spanish Ambassador who wished, under instructions from his Government, to explain the Spanish position on our negotiating proposals for an FY 1959 PL 480 agreement, to express his Government's concern with what it considers a set-back to previous US proposals in this field, as contrasted with our excellent political and military relation, and to request Mr. Dillon's views on the broad United States approach in the field of economic relations.

The Spanish Ambassador began by reiterating the arguments that he had previously advanced on November 26 in his meeting with Assistant Secretary Merchant.<sup>1</sup> He emphasized that the apparent in-

Source: Department of State, Central Files, 411.5241/11–2858. Confidential. Drafted by Sacksteder. A summary of this memorandum was sent to Madrid in telegram 652, November 28. (*Ibid.*)

<sup>&</sup>lt;sup>1</sup> A 3-page memorandum of Areilza's conversation with Merchant and Ambassador Lodge, in which he presented similar but more detailed arguments on the P.L. 480 agreement, is *ibid.*, 411.5241/11–2258.

consistency between our cooperative, understanding and forthcoming attitude in the military and political fields, exemplified by the cordiality which prevailed during Mr. Dillon's and Mr. MacIntosh's recent visit to Madrid,<sup>2</sup> and the arbitrary, bureaucratic and unsympathetic attitude evidenced by our negotiating proposals for the FY 1959 PL 480 agreement, had created dismay and consternation in the Spanish Government. He said that the terms and conditions, which were set forth in a memorandum that formed a part of the negotiating package submitted by the American Embassy at Madrid on October 31,<sup>3</sup> failed to take into account the present Spanish situation, and the excellent and mutually cooperative state of our political and military relations.

The Ambassador stated that the Spanish contribution to our overall relations caused a heavy drain on the Spanish economy, because by committing itself irrevocably on our side in the common struggle, the Government of Spain had to consider public opinion within Spain, and the fundamental desire of the Spanish people to improve their economic situation. He said that American economic assistance was one of the conditions on the basis of which Spain had taken the major step of allying itself with the United States, and was particularly essential at this time to assist Spain in crossing a major barrier in its development. The Ambassador said US Defense Support assistance had helped but PL 480 remained a critical and essential part of the aid that Spain required to achieve its objective; therefore, the Spanish Government was anxious to know the US Government's attitude toward the Spanish situation.

Mr. Dillon said that we do not have different policies and different attitudes in the different areas of our relations with Spain. He said that we regard economic, political and military policy as part of our whole policy toward Spain, and we wish to work together all across the board; if the climate of our relations appears to be more favorable in one field than in others, this is unintentional, for we wish to be helpful at all times, within the limits of our ability to be so. For this reason, he said, we intend to continue our aid programs as usual, with each form of aid contributing to the desired whole; in addition to Defense Support and PL 480 this year, we are hopeful some DLF projects will be ready by the end of the year.

Mr. Dillon said that he understood the basis of the Spanish Government's concern with this year's PL 480 proposal. He said that perhaps

<sup>&</sup>lt;sup>2</sup> A 4-page memorandum of Dillon's conversation with Castiella and the Spanish Ministers of the Treasury and Commerce on September 22 concerning the Spanish economic situation was transmitted as enclosure 2 to despatch 187 from Madrid, September 23. (*Ibid.*, 110.12–DU/9–2358)

 $<sup>^3</sup>$  Not found in Department of State files, but according to telegram 602 from Madrid, November 22, it gave the conditions for a proposed P.L. 480 sales and loan agreement. (*Ibid.*, 033.5211/11–2258)

the unnecessarily adverse reaction was motivated by the manner in which the matter had been handled. He said that PL 480 programs, which are in effect with many countries throughout the world, involved a large number of interested agencies in the US Government; hence the presentation of the negotiating proposal was perhaps not always tailored to the specific situation in the recipient country. He said that the exact proposals are worked out in Washington on an inter-agency basis, and often include, for negotiating purposes, conditions or suggestions which may be unacceptable or impracticable for the recipient government, all of which are subject to discussion and negotiation. He said that the manner in which the negotiating proposal is submitted varies from case to case, and country to country, and may have been accomplished in an overly formal manner this year with Spain.

Mr. Dillon said he wished to comment on two aspects of our proposals. During his visit to Madrid, he had spoken about the Cooley provision,<sup>4</sup> and had then indicated that our position was not inflexible. He said that although we continued to hope that we could make some use of these funds for purposes envisaged by the Cooley provision, which had worked well in other countries and could be of mutual benefit, if this continues to present serious problems for Spain, we were prepared to handle the matter in the same manner as last year. Mr. Dillon also referred to the desirability of signing sales and loan agreements at the same time, and added that failure to do this in the past had resulted in the accumulation on a world-wide basis of very sizeable sums of local currencies. He said that the Congress had expressed concern about these idle local currencies, and it was, therefore, highly desirable to arrange for the use of the sales proceeds at the same time as the sales agreement was signed. Mr. Dillon assured the Ambassador that what we desired was to reach a mutually satisfactory agreement, and not to insist on acceptance of any unilateral conditions.

Ambassador Areilza emphasized that Spain is making every effort to stabilize its currency, liberalize its trade patterns, and expand its participation in the OEEC. The Spanish Government, he continued, hoped that it could at this time count on full US understanding. He said that it would also be helpful to Spain to know whether the US may be willing to provide structural aid to Spain to enable it to join fully in the activities

<sup>&</sup>lt;sup>4</sup> The Cooley Amendment to the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), introduced by Representative Harold D. Cooley and adopted by Congress on August 13, 1957 (71 Stat. 345), provided that up to 25 percent of the total sales proceeds of Title I programs be made available for loans to foreign and U.S. private investors through the Export-Import Bank. Loans were to be made in local currency and were repayable in that same currency. The law prohibited loans for the manufacture of products to be exported to the United States in competition with American products.

of the OEEC, by assisting Spanish intra-European trade. Such structural aid would be most helpful if available around the first of the year.

Mr. Dillon replied that we continue to support closer association of Spain with the OEEC, and said that we would do what we could to assist in Spain's efforts to overcome remaining difficulties. We would, therefore, study carefully the proposals to be developed by the OEEC in this connection. He said that as far as our aid funds were concerned, the situation was very difficult at this time because of heavy emergency demands from various critical areas of the world in the past months, but we would be in a better position to assist later on, if we should ask for and obtain a supplemental appropriation from the new Congress.

It was agreed that the Spanish representatives would meet in the Department on Monday, December 1, to discuss in greater detail the various points which disturbed the Spanish Government.<sup>5</sup>It was agreed that subsequently instructions would be sent to Madrid, and that the final negotiation and signature of the Agreement would be concluded there.<sup>6</sup>

## 311. Memorandum of Conversation

May 7, 1959.

SUBJECT

Head of Spanish Republican Government-in-Exile Calls at the Department

PARTICIPANTS

Senor Don Felix Gordon Ordas, President of the Council of Ministers of the Spanish Republican Government-in-Exile, Paris, France

Senor Don Jose Asensio, Delegate of the Spanish Republican Government-in-Exile in the United States, New York, New York

<sup>&</sup>lt;sup>5</sup> Areilza discussed the loan agreement on December 3 and 10 with Assistant Secretary Merchant along similar lines. A 2-page memorandum of the first conversation and a telegraphic summary of the second (telegram 694 to Madrid, December 10) are in Department of State, Central Files, 411.5241/12–358 and 411.5241/12–1058.

<sup>&</sup>lt;sup>6</sup> On December 31, the Department of State announced that the U.S. Development Loan Fund had authorized two loans totaling \$22.6 million to assist Spain in financing imports. The two loan agreements implementing this authorization were negotiated in Madrid and signed on June 4, 1959. For text of the announcement, see Department of State *Bulletin*, January 19, 1959, p. 107.

Source: Department of State, Central Files, 752.00/5–759. Confidential. Drafted by Sacksteder.

Mr. Raymond A. Valliere, WE Mr. Frederick H. Sacksteder, Jr., WE

Sr. Gordon Ordas came to Washington and called on the Spanish Desk to give his views on the current situation in Spain and on the plans of the Spanish Republican Government for the post-Franco period. Sr. Gordon Ordas is completing a six and a half months' tour of the Spanish communities in South and Central America and will return to France next week. The appointment was made by telephone from New York by Sr. Asensio on the basis of prior informal visits to the Desk by Sr. Gordon Ordas and other exiles.

During a meeting of nearly two hours' duration, the Prime Minister of the Spanish Republican Government expounded his views on the current situation in Spain and on the Republican Government's position with regard to a succession to General Franco. In Sr. Gordon Ordas' opinion, the collapse of the Franco regime is imminent. United States assistance cannot prevent the fall of Franco's house of cards as opposition to Franco and disgust with his regime are universal in Spain. Therefore, the Spanish Republican Government-in-Exile is busy preparing for the moment when Franco disappears. Sr. Gordon Ordas said that active efforts were being made to bring together the various opposition Republican parties in a broad political coalition supporting a minimum program. This program will include the formation of a provisional government representing all non-Communist anti-Franco forces. This coalition would agree to assume power and then call elections to determine whether the Spanish people desire a republic or a monarchy. Franco's 1947 referendum on the restoration of the monarchy is considered invalid by the exiles because it presumes to restore a monarchy by divine right rather than by the explicit consent of the people. Sr. Gordon Ordas said that he, himself, would remain an opponent of the monarchy. He believes that the vast majority of the Spanish people will vote for a republic, that this is known to the Monarchists and that for this reason the Monarchists reject free elections.

Sr. Gordon Ordas said that the Franco regime was being kept in power by two things: First, the fear of many Spaniards that any change will be accompanied by violence because of the pent-up hatreds of the Spanish people resulting from the brutalities of Franco's police state; and second, the fear of the conservative forces and the profiteers of the Franco era that they will be held to account for their actions during the past two decades. However, Sr. Gordon Ordas said, these people need have no fear for the Exile Government was motivated by a spirit of conciliation and forgiveness, not by one of vengeance and retribution. He said that the Republican Government would not establish peoples' courts or military tribunals. The enemies of the Republic would be tried by duly constituted courts under civil law and would be accorded all the

guarantees of the constitution. Sr. Gordon Ordas said that the President of the Republic in Exile, Sr. Martinez Barrios and the members of the government all abhorred violence and wished to avoid bloodshed. He said they were all convinced that Franco could be deposed without a shot being fired. Such was his unpopularity today. Although Sr. Gordon Ordas did not so state, it was clear that he believes a third factor keeping Franco in power is the United States' interest in bases in Spain and its economic aid to Spain. In this connection, he said that, although he did not seem to realize it, the Republican Government was a truer friend of the United States than was Franco. He remarked that Franco, like the Soviets, was a dictator and a tyrant and that these two had more in common than did Franco and American democracy. Sr. Gordon Ordas said that, in his opinion, Spain was not threatened by Communism. The Spanish Communist Party was an insignificant group which had had a limited recent appeal to young people who were tired of Franco and wanted to see a change. Many of these young people, he said, had been attracted by Communism because of the following reasoning: "I hate Franco; the United States helps Franco; the Communists hate the United States so I help the Communists." The danger of the Communists, according to Sr. Gordon Ordas, lay in the fact that they alone had unlimited means at their disposal and that only their message of hatred for Franco and for the West was getting through to the Spanish people. Their apparent ability to do things was likely to appeal to the young.

When asked how soon he thought the opposition forces could unify, Gordon Ordas replied that there was still much to do. So far, he said, only the exile Republicans, the exile Socialists, headed by Llopis at Toulouse, and the non-anarchist faction of the CNT (National Confederation of Labor) had agreed to the program. However, he was confident that in a few months general unanimity could be obtained. He tended to dismiss all other opposition groups as inconsequential.

Gordon Ordas said that it would be in the interests of the Western democracies to support the opposition cause. In so doing, they could redeem their past error of having recognized Franco's totalitarian regime. Gordon Ordas said that the Spanish Monarchists had forfeited their rights as a result of the 1931 municipal elections, which led to the abdication of the Bourbons, and the Republic was the only legitimate government of the Spanish people. It had not been defeated in a civil war, he stated, but only temporarily overthrown by a military revolt which succeeded solely because of the massive support of the German and Italian armies. For this reason, the Republican Government could not recognize the 1947 referendum and demanded a proper election before a monarchy could be restored.

## 312. Memorandum From Acting Secretary of State Dillon to President Eisenhower

June 4, 1959.

### SUBJECT

"Spain's Coming Ordeal", an Article by Emmet Hughes in "Esquire Magazine"<sup>1</sup>

With reference to your request for my comments,<sup>2</sup>I agree that Emmet Hughes' article on Spain is most interesting and provocative. In it Hughes refers to some questions of fundamental significance of which we have been well aware and have had under study for some time. His arguments that our policy supports an unpopular regime in Spain are familiar, because they reflect the present "line" of the anti-Franco forces both in and outside Spain. We have very carefully weighed this charge against our national security objectives and in the context of the actual situation in Spain. We find no reason to recommend a change in the policy which you approved on May 14, 1957.<sup>3</sup> The Operations Coordinating Board found this policy adequate on June 3, 1959, when it made its semiannual appraisal of the Operations Plan for and Policy on Spain.<sup>4</sup>

Emmet Hughes knows Spain well, and approaches his topic with evident sympathy. The problems he mentions are real and serious. As was indicated in the recent Report on Spain,<sup>5</sup> there has been increasing unrest there. The discontent of the Spanish people is based, first, on their economic difficulties in a period of rapid industrialization and on their desire for an improvement in their standard of living; second, on weariness with the unchanging and restrictive political climate; and, third, on discontent with the rigid social structure of their country. As Mr. Hughes says, Spain is a land of paradox where hate and fear of

Source: Department of State, Central Files, 752.00/5–2059. Secret. Drafted by Sacksteder and cleared by McBride and White. Secretary of State Herter was attending the Geneva Foreign Ministers Meeting May 11–June 19.

<sup>&</sup>lt;sup>1</sup> The article was published in *Esquire* magazine, May 1959, pp. 91–94.

<sup>&</sup>lt;sup>2</sup> On May 20, Goodpaster wrote Dillon that President Eisenhower had read Hughes' article, which he thought was "provocative and of considerable interest," particularly since it stated that support of Franco was harmful to long-term U.S. interests. The President told Goodpaster that he wanted it analyzed. (Department of State, Central Files, 752.00/5–2059)

<sup>&</sup>lt;sup>3</sup>NSC 5710/1, "U.S. Policy Toward Spain," May 14, 1957, was not declassified.

<sup>&</sup>lt;sup>4</sup> At its meeting on June 3, the OCB reviewed U.S. policy toward Spain and decided that no review of U.S. policy was necessary at that time. A copy of the notes for the meeting is in Department of State, OCB Files: Lot 62 D 430; a copy of the Semi-Annual Appraisal of Operations Plan and Policy on Spain is *ibid.*: Lot 60 D 661, Spain.

<sup>&</sup>lt;sup>5</sup> Reference is to the OCB "Report on Spain," November 19, 1958, which reviewed U.S. policy toward Spain for the previous 6 months. A copy is *ibid.*: Lot 62 D 430, Spain.

Spaniards for their fellow Spaniards is widespread, where the individualistic character of the people promotes disunity, and where uncertainty about the future is universal. The problems pointed out by Mr. Hughes are not, as he acknowledges, the fault of one political regime. They are a historical reality, and are certain to plague any future ruler of Spain as they have plagued its past governments.

Unfortunately, this article is long on diagnosis but short on remedy. We do not know with certainty, any more than Mr. Hughes, what will come after Franco, or how the change will come about. We do know that, for the reasons outlined above, there is considerable opposition to General Franco. But, as Mr. Hughes states, a sizeable proportion of the Spanish people still prefer him to the unknown future. Potential political opposition is still fragmented and disorganized. As Mr. Hughes concludes, many things could happen in Spain, yet there are no simple answers to present dilemmas or future dangers, neither for the Spanish people, nor for the United States. He charges, and the Spanish opposition to Franco would agree, that by its presence and by its programs, the United States, in fact, interferes in Spain's internal affairs, despite professions of respect for Spanish sovereignty.

Emmet Hughes is, of course, correct in this assumption. The United States acquired a more than passive interest in what was going on in Spain by signing the 1953 Defense Agreement. Since then, we have actively, although often indirectly, pursued policies that committed us in Spain's internal affairs. Our use of Spanish bases as a part of our cold war deterrent to Soviet aggression has removed Spain from among the neutrals, shattered tradition, and placed it on our side. Our military assistance to Spain's armed forces has been aiding them to develop a capability for defense of Spanish territory, and of the jointly used military facilities located thereon. It has also taught them United States' concepts and use of NATO-type equipment. Our economic aid, which since 1951 has exceeded \$1.1 billion in the form of grants, loans, and sales of surplus agricultural commodities in pesetas, has contributed to economic stability in Spain, promoted some economic growth in that country and more than compensated for the impact on Spain's economy of our base construction program. As part of our contribution to the belated industrial revolution in Spain, the Development Loan Fund recently approved a \$14.9 million project for the Spanish railways.6 To the same end, the Export-Import Bank has, in past years, made various equipment loans for the electrification of Spain and to develop transportation resources. We have, in this manner, and to a greater degree than most

<sup>&</sup>lt;sup>6</sup> This was part of the \$22.6 million U.S. Development Loan Fund Agreement signed at Madrid on June 4.

Spaniards are willing to realize or recognize, taken Spain out of the cocoon of isolationism in which it has been sheltered for generations. Our policies in Spain and for Spain have been the catalysts of its present evolution into the modern society of nations.

Yet we have been conscious of the danger of identifying United States' programs, beyond the inevitable degree, with the continuance of General Franco and his regime. We have, therefore, sought to underline the benefits which the Spanish people as a whole, whatever their political beliefs, derive from American aid and the presence of our military forces among them. In this sense also, we have recognized the value of Spanish participation in international organizations. It is largely due to United States' support that Spain was admitted to the United Nations in December 1955. We encouraged Spain's joining the International Monetary Fund and the International Bank for Reconstruction and Development, and we look forward to the early admission of Spain as a full and equal member of the Organization for European Economic Cooperation, a step which we have steadfastly supported. We continue to back the admission of Spain to NATO, and are pleased to note increased support on the part of France, West Germany and the Benelux countries. However, we have been recently informed that Norway and Denmark continue to oppose Spanish membership. The purpose of all these efforts is to Europeanize Spain, and to establish and nurture as many bonds as possible between the Spanish people and the Western world. Breaking down Spain's isolation will, we hope, give an impetus to the development of more democratic attitudes among its people, the majority of whom still appear to have understanding and good will for us. Many Spaniards would dispute the contention that the United States has become General Franco's main support, and would point out that, on the contrary, the outside influences we have introduced contributed as much as anything to the growth of discontent and the increased desire for change. We believe that this Europeanization of Spain offers the best hope that the change, which seems inevitable sooner or later, will be evolutionary rather than revolutionary.

Emmet Hughes seems to recommend that we assume a more active role in forcing this change in Spain. His view disregards the part that Spain plays in our worldwide defensive strategy, and the fact that our policies towards that country are dictated, in a sense, by our security interests. We must also remember that Spanish history is replete with instances of violent reaction to foreign intervention. We have no reason to believe that an attempt on our part to force short-range change in Spain would not suffer a similar fate. Therefore, while we are alert to developments, we believe that our long-term interests in Spain are being best served by our present policies.

Douglas Dillon<sup>7</sup>

<sup>7</sup> Printed from a copy that bears this stamped signature.

## 313. Memorandum of Conversation

July 9, 1959.

SUBJECT

Spanish Stabilization Program

## PARTICIPANTS

The Acting Secretary The Spanish Ambassador Sr. Aragones, Spanish Embassy Mr. Waugh Mr. White, EUR Mr. Beigel, WE

The Spanish Ambassador called at his request to discuss this subject. He said that he understood the board of the IMF would consider the Spanish program on the morning of July 17, that the OEEC Council would also take up the Spanish program and membership that day, and that public announcements on this subject should follow sometime during the week of July 20. He gave the Acting Secretary a copy of the Spanish memorandum on the program.<sup>1</sup>

The Ambassador pointed out that the Spanish proposals involve extension of its trade liberalization lists, global quotas and state trading to dollar countries on a non-discriminatory basis which would cover some \$875 million in estimated imports during the coming year, whereas U.S. exports to Spain, including aid-financed commodities, have run about \$280 million over the past year. He said that dollar trade opportunities will therefore rise to more than three times the actual level of U.S. exports to Spain over the past year. He added that his people believe imports may also increase more sharply than would otherwise be the case simply because Spanish importers have this access to the U.S. as a source of supply. The Acting Secretary expressed some surprise that this would be the case. The Ambassador said that the Spanish

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Beigel.

<sup>&</sup>lt;sup>1</sup>Not found in Department of State files, but see Document 314.

technicians estimate there may be a substantial shift in Spanish purchases of raw materials and semi-manufactures from other sources to the U.S.

The Ambassador said that his Government anticipates that the build-up in inventories and possible bulge in imports of liberalized goods following the announcement of the new program requires that foreign exchange resources amounting to at least \$250 million should be available over the next six months. He said this amount takes into account increased earnings from tourism as well as increased exports. He said that Spain hopes and expects that in addition to the OEEC, IMF and private U.S. banks, the U.S. Government through some means can provide short-term stand-by credit to Spain. He said his Government fully appreciated the extent of U.S. loans, grants and commodity sales which have contributed to the rehabilitation of the Spanish economy over the past five years. He said Spain now intends to go forward without hesitation on the new stabilization program and there will be no political maneuvering by the Government in this respect. He pointed out that Spain is a sound client for foreign credits, and provided Mr. Dillon a copy of the Spanish debt service<sup>2</sup> prepared by experts of the IEME who had arrived in New York earlier in the week. The Ambassador said that in addition to such balance of payments assistance which he hoped would be available for a period of 24 to 36 months, he would like to indicate in a public announcement whatever project loans the Export-Import Bank had in mind.

The Ambassador said that another possible form of U.S. support that had occurred to him would be the purchase by the U.S. from the IEME of the pesetas necessary to meet the accommodation requirements of U.S. personnel in Spain. He said that Spanish estimates would put such dollar earnings by Spain at around \$15–20 million a year. Mr. Beigel said that the problem in such a suggestion for the U.S. is the fact that considerable amounts of pesetas are on hand and will continue to accrue to U.S. accounts in Spain from the proceeds of the programs presently under way in Spain. The Ambassador then requested that consideration be given to the possibility of making some of these peseta accruals available to Spain as additional financing for its investment budget.

At this point the Ambassador said that plans had been made for the Spanish Minister of Commerce to visit New York to discuss the possibility of credits from the private banks, and to speak to the board of the IMF on July 17 at the invitation of Mr. Jacobson. He said that Sr. Ullastres would also spend July 14–15 in Washington. He said he would like the

<sup>&</sup>lt;sup>2</sup>Not found in Department of State files.

Minister to have an opportunity to speak to both the Acting Secretary and Mr. Waugh during his visit in Washington.<sup>3</sup>

The Acting Secretary asked about progress to date with the New York banks and the Ambassador said that \$50 million is in sight from a group of banks so far. He then referred to letters he had received from the Spanish Ministers of Commerce and Finance with regard to the short-term requirements of Spain, and raised again the question of such financing by the Export-Import Bank. He asked about the possibility of such a credit which, if unused, could be converted into project financing. Mr. Waugh said that the Bank would not tie up its funds in that fashion, and that the Bank preferred to devote its funds to long-term projects which he said were in the greatest interest of Spain. The Ambassador asked if DLF funds could be made available on such a short-term basis and the Acting Secretary replied that under the legislation they cannot be used for this purpose.

The Acting Secretary referred to the OEEC Mission report calling for \$200-220 million in resources, and said he had discussed with the Ambassador a few weeks ago the notion of assembling an aid package totalling around \$230 million.<sup>4</sup> He said that we are pressing in Paris for \$100 million from the Europeans and we hope the Spanish Government will do so as well. He said that we had pushed the IMF and now expect to see the Fund go as high as \$75 million. With \$50 million from the private banks, this would make \$225 million. He said that we also envisage an announcement of \$30 million in Export-Import Bank credits for projects now under study, and that this would not foreclose approval of additional projects during the course of the year. The Ambassador asked whether the specific projects could be announced. Mr. Waugh said he would prefer not to give out a list now but announce only the over-all amount, with the specific projects announced as they are approved. He then noted that the Bank will pay out \$26 million in the coming year on projects already approved.

The Acting Secretary and Mr. Waugh both said that their impression is that the New York banks will give Sr. Ullastres a very good reception, and that lines of credit should be available in excess of the figure mentioned by the Ambassador. Mr. Dillon said he wondered whether it might not also be desirable to include in the announcement a reference to the defense support and P.L. 480 sales that might be reached this year, subject to appropriations in the first case and the negotiation of a sales agreement in the second. He said that language could probably be

<sup>&</sup>lt;sup>3</sup> A memorandum of Dillon's conversation with Spanish Minister of Commerce Alberto Ullastres Calvo on July 14 is in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199.

<sup>&</sup>lt;sup>4</sup> A memorandum of Dillon's conversation with Areilza on June 19 is *ibid*.

worked out to cover these conditions. He said our estimate is that in view of the expected crop situation in Spain the P.L. 480 sales may be \$60 million in the coming year, but this is only an estimate; and that on the defense support side, we tentatively estimated that \$40 million might be a reasonable figure. The Ambassador said these suggestions would seem to be acceptable to his Government.

The Acting Secretary said that we would have to look into the suggestion regarding the attribution of counterpart funds to the Spanish investment budget. Mr. Beigel asked whether the Ambassador had in mind the attribution of proceeds to the financing of the 80 billion peseta budget for 1960, for which blanks had been indicated in the memorandum submitted to the OEEC and IMF. He said our impression was that the anticipated deficit of 10 billion would, in Spanish thinking, be partly financed with an attribution of 6 billion in Spanish-use counterpart and sales proceeds. The Ambassador indicated this was the figure he had in mind.

Mr. Waugh said that he would not have believed two months earlier that Spain could arrange credits with the private banks to the extent he now believes to be the case. The Acting Secretary agreed with this and noted the desirability of having private bank credits associated with this program as well as the U.S. Government. Mr. White said that from the point of view of indicating public confidence in the new Spanish program it is of even more significance that private banks are participating in the aid package than that the U.S. Government is doing so. The Ambassador agreed that it would be desirable, and likely, that the private bank contribution would rise about the \$50 million estimate he had given.

## 314. Editorial Note

On July 20, the Organization for European Economic Cooperation (OEEC) announced that Spain had been admitted to full membership and had been granted a \$100 million credit from the European Monetary Fund. On the same day, the International Monetary Fund (IMF), the U.S. Government, and a consortium of New York banks announced that they were providing \$75, \$130, and \$70 million in loans and credits to the Spanish Government in support of the Spanish stabilization program.

The Spanish Government in return agreed to the program of economic reforms previously proposed, including:

- 1) Increase in taxes and limits on expenditures;
- 2) Increase in interest rates and tightening of credit ceilings;
- 3) Abolition of many quantitative restrictions on imports; and
- 4) Change in the exchange rate from 42 pesetas per dollar to 60.

Documentation on these developments is in Department of State, Central File 852.00. For text of the announcement issued by the Department of State on July 20, see *American Foreign Policy: Current Documents*, 1959, pages 564–566.

# 315. Memorandum of Conversation

US/MC/13

London, August 31, 1959, 2:30 p.m.

## PRESIDENT'S TRIP TO EUROPE1

August-September 1959

## PARTICIPANTS

**United States** 

The President The Secretary of State Ambassador Lodge Colonel Walters (Interpreter) Mr. McBride Spanish

Foreign Minister Castiella Ambassador Areilza Mr. Sedo Mr. Pinies

### SUBJECTS

Khrushchev Visit; Spanish Relations with other States; Economic Program; African Problems

After expressing satisfaction at the President's excellent state of health, Foreign Minister Castiella said he did not bring any problems with him but only the gratitude of Spain for US assistance and the

Source: Department of State, Conference Files: Lot 64 D 559, CF 1749. Confidential; Limit Distribution. Drafted by McBride and approved by Goodpaster on September 2. The meeting was held at the U.S. Embassy Residence.

<sup>&</sup>lt;sup>1</sup> The President and the Secretary of State were visiting Bonn, London, and Paris to brief Western European officials on the forthcoming visit of Khrushchev to the United States.

admiration of Spain for the efforts which the President was making on behalf of world peace. The President thanked the Foreign Minister for his remarks. Mr. Castiella said that the gratitude of Spain went beyond merely what had been done for his country but included the President's efforts on behalf of Western Europe as a whole.

The President expressed pleasure at the letter from General Franco<sup>2</sup> and particularly at the statement expressing understanding of the President's reasons in undertaking the exchange of visits with Khrushchev. He also agreed with the statement in the letter to the effect that the world situation had not changed and that this was no time for inertia or inaction. He said he hoped to have a reply to General Franco's letter which Secretary Herter could hand him during their more extended conversation later,<sup>3</sup> and inquired regarding General Franco's health which Mr. Castiella confirmed was excellent. Mr. Castiella added that he would be proud if the President could visit Spain. The President replied that he would of course like to make such a visit if possible.

The President noted that he had wanted to visit Spain during his tour as SACEUR in Paris but that circumstances had made it impossible at that time since the attitudes of such NATO countries as the UK, France and the Scandinavian countries had been unfavorable. Castiella said that the Socialist governments of some of the NATO countries still remained opposed to Spanish membership in NATO, and that some conservative governments took the same attitude because of electoral considerations. He said Spain actually had less prejudices than some of the so-called liberal countries. The President noted the gradual improvement in the situation insofar as Spanish membership in NATO was concerned.

Mr. Castiella said that Spain had been working hard to improve her relations with other countries throughout the world. He noted the excellent relations which Spain enjoyed not only with the Latin American countries but also with the Arab states. He said most recently Spain had been concentrating on improving relations with her European neighbors. He said relations with France were infinitely better and noted the curious fact that this improvement had begun when a Leftist, Pierre Mendes-France, was Prime Minister of France. He said the same phenomenon had occurred with Belgium where improved relations dated from the days of the Socialist Foreign Minister, Larock.

The President referred with gratification to the new Spanish economic program and the fact that it was being vigorously pursued. He

<sup>&</sup>lt;sup>2</sup> For text of Franco's letter, August 24, and the President's reply, September 2, see Department of State *Bulletin*, September 21, 1959, pp. 404–405.

<sup>&</sup>lt;sup>3</sup>See Document 316. A summary of both conversations was sent in Secto 35 from London, September 7. (Department of State, Central Files, 611.52/9–159)

was glad to see that Spain could follow the rules of the IMF which he thought were good ones. Castiella said he would like to thank the US not only for its material assistance in connection with the economic stabilization program but also for the fact that Spain had been certain she could count on our moral support. The President replied that this program must succeed, and Castiella agreed, and added it was essential to fight inflation in Spain.

Mr. Castiella said Spain was the most anti-Communist country in the world so he thought General Franco's letter approving of the Khrushchev visits might be useful in countries behind the Iron Curtain as showing that there was no change in US policies. The President said that Turkey also was strongly anti-Communist. Castiella stated that Spain had excellent relations with Turkey and with the other Mediterranean countries, Greece and Italy.

The President expressed the hope that a solution to current African problems could be found, as this would make the situation in the whole Mediterranean infinitely better. He hoped an acceptable solution could be found to the Algerian question. Castiella said the Spanish Government was very concerned at the North African picture with which Spain had had an association that dated back to Roman days. He noted Spain had been in both Ceuta and Melilla since before the discovery of America. He said Spain believed that the North African peoples were currently politically unstable and lacked the necessary qualities for stability. He said it would be a tragedy if France were forced to leave Algeria and, as a result, Communism were able to infiltrate and turn the Mediterranean flank of Europe.

The President said that the spirit of nationalism was the most powerful force in the world today, and that the pull of independence was stronger than that of Communism. Communism uses nationalism, he added, and our problem was how these peoples could be assisted to find true self-government and nationalistic existence without falling prey to Communism. The President said it was impossible to use force in this context. Castiella said it was a mistake to look on these peoples as if they were Europeans. He agreed it was important to help them along the road to independence and pointed out that Spain had good relations with Morocco and had endeavored to help the Moroccans. The President said the problem was to ascertain what course of action we should follow. Castiella said it was a question of timing, and these steps should be taken bit by bit. The President pointed out that unfortunately nationalism is impatient and wants independence quickly.

Mr. Castiella said it was important not to confuse the North African masses with a few Sorbonne-educated individuals. He noted the liberal offer of de Gaulle to the African states which had resulted in the independence of Guinea. He said the outcome had been a failure because the Guineans had signed agreements with the Soviets and were now accepting arms from them. He said the Tunisian, Algerian and Moroccan peoples were quite different from the other African peoples as they were Mediterraneans separated by a sea of sand from the other Africans. He concluded saying we must not deny assistance to those seeking independence but should seek to do this by stages. The President repeated that we were in agreement we should not keep any of Africa as a colony but pointed out it was difficult to proceed in gradual stages because of the impatience of nationalism.

## 316. Memorandum of Conversation

US/MC/14

London, August 31, 1959, 3 p.m.

## PARTICIPANTS

Spain

Foreign Minister Castiella Ambassador Areilza Mr. Sedo Mr. Pinies

## US

The Secretary Ambassador Lodge Col. Walters (interpreter) Mr. McBride

## SUBJECTS

North African Problems; Military Reorganization and Spanish Membership in NATO; Spanish Gold Claim

After referring to the outstanding impression of confidence and security he had derived from his talk with the President, <sup>1</sup>Foreign Minister Castiella continued his discussion of the Moroccan situation in more detail with the Secretary. He said the Department of State had informed his Embassy in Washington in confidence of our intention, after the talks with President De Gaulle, to issue a public statement recognizing the principle of evacuation of the Moroccan bases. He realized that this did not mean our immediate departure but that this would be phased over a period of time. He said there had recently been Spanish-Moroccan talks

Source: Department of State, Conference Files: Lot 64 D 559, CF 1749. Confidential. Drafted by McBride and approved by S on September 2. The meeting was held at the U.S. Embassy Residence.

<sup>&</sup>lt;sup>1</sup>See Document 315.

and, during these discussions, Spain had refused to issue a declaration of principle regarding the departure of all Spanish forces from Morocco, primarily at the urgent insistence of the French who did not wish to recognize the principle of total evacuation. He said he realized actual departure could be delayed if the declaration was made, but said the French felt the principle was the important factor. Castiella added that sometimes it is easier to do things than to say them. In this context Spain in effect had reduced her forces from 60,000 to 10,000 and these figures would be further reduced in two weeks to 5,000 (this did not include about 10,000 in the presidios of Ceuta and Melilla).

The Secretary said we had had a long and difficult time with the Moroccans. If no statement were made regarding our willingness to leave in principle, we might not in fact remain even for one year. It was important that we remain longer than that; therefore, we thought the declaration in principle the best means of achieving at least partially our objectives. The Secretary said we thought at times we had been in agreement with the French on this but then at other times there had been a lack of understanding. Castiella said that the US of course was in a different position from the French because anything the French did in Morocco had repercussions in Algeria and Tunisia. He added that the Algerian problem greatly worries Spain, and the continuation of fighting there seriously hampers the freedom of movement of all of us. Castiella said that, when Secretary Dulles came to Madrid in December, 1957 to brief General Franco on the NATO Heads of Government meeting, Franco had spoken not of the importance of the Spanish contribution to western defense, but of the importance of Algeria and keeping the Communists from obtaining bases there with which they would outflank the Mediterranean.

Mr. Castiella referred to the fact that certain Spanish exile elements here and other leftists have attempted to portray his trip here as an effort to get Spain in NATO. He said no Spanish Foreign Minister or Ambassador had ever requested Spain be admitted to NATO. The Secretary said we must obviously proceed little by little on the Spanish NATO membership issue. Castiella said he thought the reason for attacks now was that opponents of Spain resented the President's willingness to meet with the Spanish Foreign Minister. Accordingly by saying Spain came seeking NATO membership they could present the trip as a failure since it was obvious that Spanish membership would not result therefrom. The Secretary said he thought Castiella's airport statement on this subject had been wise.<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> An extract from this statement was transmitted in telegram 331 from Madrid, August 29. (Department of State, Central Files, 611.52/8–2959)

Castiella said that many NATO countries favored Spain and that he was grateful for US assistance in connection with this question. He said he was asking of the US only understanding in Spanish efforts to modernize her army which she wished to do in order that the US might never have to move her bases from Spain because of the internal weakness of Spain. In this connection he handed the Secretary a note covering the modernization of the Spanish army which he had received from General Barroso.<sup>3</sup> Castiella said that the Council of Ministers had recently approved the US request for permission to establish a missile tracking station in the Canary Islands.<sup>4</sup> He said there would be a simple negotiation on this to complete the arrangements but that there was no problem since the cabinet had approved the establishment of the station in fact. The Secretary said we were appreciative of this decision.

The Spanish Foreign Minister expressed appreciation for the President's kind word with regard to the Spanish economic program, and expressed confidence that US support would ensure the success of this program which our material and moral assistance had helped in getting under way. Castiella then passed to a historical economic problem-the fact that the Soviet Union still retained 510 tons of Spanish gold worth \$600,000,000, which the Republican regime had sent there. He said that it had been an illegal transaction. Negrin, who had fought Franco harder than anyone, on his deathbed had admitted that this gold belonged to the Spanish people and not to any individual regime. Accordingly he had turned over the full documentation on this matter to General Franco. The Spanish Government felt that, on behalf of the Spanish people, it could not ignore this claim and accordingly planned to raise the matter in the forthcoming IBRD meeting. He handed the Secretary a note requesting US cooperation and support in Spanish efforts to retrieve this important sum which would greatly assist its economic recovery.<sup>5</sup> The Secretary promised to study this matter. Castiella said that Mr. Black was informed about it.

There was a brief interchange with Mr. Hagerty and Mr. Berding who joined the group briefly to discuss the release of the President's correspondence with General Franco, and it was agreed that the two letters would both be released in Madrid at 10:30 p.m. Wednesday, September 2, and simultaneously in Washington, i.e., at 5:30 p.m. September 2.

Finally the Secretary indicated to Castiella that we had been told through diplomatic channels that General De Gaulle would probably

<sup>&</sup>lt;sup>3</sup>Not found in Department of State files.

<sup>&</sup>lt;sup>4</sup> For text of the agreement for the establishment and operation of a tracking and communications facility on Gran Canaria, effected by an exchange of notes at Madrid March 11 and 18, 1960, see 11 UST 1307.

<sup>&</sup>lt;sup>5</sup>Not found in Department of State files.

outline a program for Algeria to the President which we hoped it would be possible for us to support, though we as yet knew of none of the details thereof. He said it was also probable that De Gaulle would make a public statement regarding this program before the September opening of the UNGA. The Secretary said De Gaulle might have trouble with the army on the program.

In conclusion the Secretary said he hoped for the privilege of welcoming Mr. Castiella in Washington this spring. He said he indicated this spring because this forthcoming autumn the schedule was extremely crowded with the Khrushchev visit. Castiella indicated his pleasure at this prospect and said the Spanish Government would also like to welcome the Secretary to Spain at any time convenient to him.<sup>6</sup>

# 317. Telegram From the Embassy in Spain to the Department of State

Madrid, December 5, 1959, 11 p.m.

793. Chief JUSMG–MAAG General Donovan showed me telegram December 4 which he had just received from DOD (Defense telegram 969145)<sup>1</sup> reporting November 27 conversation between General Miranda (Chief Spanish Military Mission Washington) and Deputy Assistant Secretary Knight (ISA) in which Miranda, acting he said on instructions from Areilza, discussed what he termed his government's interest in admission Spain to NATO and obstacles thereto, and said he wondered whether DOD from military point of view would support official approach through State Department requesting UK good offices

<sup>&</sup>lt;sup>6</sup> For text of the communiqué issued following Castiella's conversations with the President and Secretary of State, see Department of State *Bulletin*, September 21, 1959, p. 404.

In a letter to Under Secretary of State Murphy, September 23, Ambassador Lodge reported that the meetings "were not only a great success, but, in my opinion, a definite step forward in the development of our policies toward Spain." (Department of State, Central Files, 611.52/9–2359)

Source: Department of State, Central Files, 740.5/12–559. Secret; Priority; Limit Distribution. A typed notation on the source text reads: "Note: This telegram has been repeated to Mr. Murphy."

<sup>&</sup>lt;sup>1</sup>Not found in Department of State files.

to put pressure on Norway to let Spain become NATO member. Miranda, according Defense telegram, also raised theme that Spain, by authorizing construction US bases, subjected itself to same dangers as NATO powers and should therefore be member of alliance. Furthermore, and this is what interested me most, Miranda suggested to Secretary Knight [garble—Franco might raise?] question with President during his visit. (Knight, according Defense telegram, explained to Miranda US political position on matter of Spain's entry into NATO and said President fully conversant with problem and would be supplied with briefing paper concerning it.) Miranda then raised other factors which he said favored Spain's admission into NATO (1. "Forthcoming withdrawal of US from Moroccan bases" and consequent transference units and equipment to Spain, thus increasing importance Spanish bases; and 2. Importance Rota as possible NATO naval headquarters), and then reportedly also referred to political interest of Franco invulnerability of Madrid to atomic attack and need for adequate missile defense, and indicated Franco might also discuss these matters with President.

I felt it imperative in light of this information to inquire of Foreign Minister if it were true that Franco intended raise these subjects, for if so it would be essential for me to help prepare President for such discussions. Moreover, as Foreign Minister had previously told me that Franco would raise no matters of substance with President (decision which I welcomed in view of nature of President's trip and his desire to avoid country problems), I had to see if this represented change in that decision and if so to try through Foreign Minister to dissuade Franco from raising them.

When I mentioned gist of Miranda's conversation with Secretary Knight to Foreign Minister this morning and asked if this indicated change of decision by Franco on raising such subjects with President, Foreign Minister hit the roof. He was indignant that question of Spain's admission to NATO had been raised in this way, said it was done without his authority or knowledge, and emphatically stated that Franco had not slightest intention of raising this subject with President. Castiella [3 *lines of source text not declassified*] recalled how calmly he, Castiella, had taken first news I gave him on Department's instructions that President would not come to Spain on this trip, having replied merely that he thought then it was important that President come to Madrid next spring during his trip to Moscow (Embtel 637).<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> Telegram 637 from Madrid, November 6, reported that Spanish reaction to the initial decision of President Eisenhower not to visit Spain in the course of his good will trip in December had been slight, but that the Spanish Foreign Minister thought he should visit Madrid on the way to the summit conference in 1960. (Department of State, Central Files, 711.11–EI/11–659)

I said it had seemed to me unlikely Franco would take up with President now matters which Castiella had avoided raising with President in London, and Castiella said "of course". He agreed with me that Franco and President would both prefer to keep away from substantive matters and he expected their conversation to take very much course outlined in Department's scope paper prepared for President.

Upon returning to my office from interview with Foreign Minister I received Deptel 839<sup>3</sup> re Areilza's conversation with Murphy in which Areilza said no problems exist between US and Spain and he did not believe Franco would bring up military assistance program with President. I immediately passed sense of this information to Castiella, but he said action being taken to dissuade Areilza and Miranda from taking further unauthorized initiative.

Lodge

<sup>&</sup>lt;sup>3</sup> Telegram 839 to Madrid, December 4, concerns an unrelated subject. Reference is probably to telegram 844 to Madrid, December 4, which reported a conversation between Murphy and Areilza on December 3 concerning the topics that might be raised during President Eisenhower's stop in Madrid. (*Ibid.*, 752.5–MSP/12–459) A memorandum of the conversation is *ibid.*, 752.00/12–359.

## 318. Memorandum of Conversation

US/MC/26

#### Madrid, December 22, 1959, 8 a.m.

### PRESIDENT'S GOOD WILL TRIP1

### December 1959

PARTICIPANTS

United States

The President Mr. Murphy Ambassador Lodge General Goodpaster Mr. James Hagerty Acting DCM William N. Fraleigh Col. Vernon Walters (interpreter) Spain Generalissimo Franco

Foreign Minister Castiella Ambassador Areilza Director for North American Political Affairs, Jaime Pinies

SUBJECT

President's Trip; Paris Summit Meeting; Franco's Review of World Situation; Situation in Morocco; Spanish Stabilization Program and Foreign Economic Policy; Protestants in Spain

The President and General Franco met, with the other persons listed above, first for breakfast at the Pardo Palace, General Franco's residence, at 8:00 a.m. Then, after breakfast, the two Chiefs of State, and the persons listed above, moved to the Generalissimo's study for their conference, which lasted about 90 minutes.

[Here follow a summary of the conversation and the President's brief report on the background and first eight stops on his trip.]

## Summary Comments on President's Trip

The President then said that to sum up, his trip had convinced him that the mass of people know in their hearts that the whole West is trying

Source: Department of State, Conference Files: Lot 64 D 560, CF 1545. Secret; Limit Distribution. Drafted by Fraleigh on December 31 and approved by Murphy and Goodpaster on January 11, 1960.

<sup>&</sup>lt;sup>1</sup> In November, when President Eisenhower's good will trip was being planned, he was not scheduled to visit Madrid. Following representations by Areilza to the Department of State, however, it was agreed that the President would include an overnight stop in Spain December 21–22. Documentation on these developments is *ibid.*, Central File 711.11–EI.

The President arrived at Torrejon Airport at 4:30 p.m. on December 21. Following the conversation reported here, the President left for Casablanca at 10:58 a.m. Background papers and documentation relating to his stay in Madrid are *ibid.*, Conference Files: Lot 64 D 560, CF 1523, 1530, and 1545. For Eisenhower's account of his conversation with Franco, see *Waging Peace*, pp. 509–510.

sincerely to develop international security, a better world, peace and economic improvements for all countries that will improve the standard of living and bring about economic betterment based on integration and a desire for greater spiritual development also. In the over-all picture the President had seen very little sentiment that some kind of Communist rule would be better than this. People preferred the West and wanted to tie themselves to it—not just to the United States, but to all of the West.

Then the President turned to the Generalissimo and said he had spoken of a few countries he had visited and he would like to ask General Franco how he viewed the developing world situation, particularly concerning China and the Soviet Union and the efforts of the countries in the Western Alliance to divert the Communist effort to push forward in economic, military or political ways.

## General Franco Comments on World Situation

General Franco began by saying that he believed that Communism must be fought with closest unity and be countered in a way to maintain and uplift the spirit of the people of the world through every possible means.

He said he believed that the Communist world was passing through some internal crises. He believed that there were two Russias, for example, the former Russia of Stalin and that of the post-Stalin era. Since the death of Stalin he thought there had been a slow revolution in the Soviet Union, beginning with the elimination of the police terror. Under Stalin at the top military and political levels men were constantly under the fear of purges by the police. Now this fear had disappeared, for the successors of Stalin had destroyed the power of the secret police and liberated themselves from the police terror.

At the same time the international struggle had shown the Soviets that they need to develop fully the science and techniques of the West if they are to win out in that struggle. This had made it necessary for the Soviet leaders to renounce the Communist spirit of total crisis. They were now embarked on new efforts in the field of science and technology.

In connection with this a new aristocracy was forming in the Soviet Union—that of scientists and technicians, marshalls and generals. Everywhere possible the Soviets are now exerting an effort to develop contacts with Western countries and experts and this is beginning to stimulate in certain groups, and particularly the youth of the Soviet Union, a small evolution. This might bring a change in time in the international attitude and orientation of the USSR.

These developments make the Soviet Government wish to appear more civilized and Khrushchev has attacked the situation which existed in Stalin's time and denounced the terror of which he himself might have been a victim.

As a result of all this the Soviet policy is now running counter to the concepts of the Chinese Communists. Mao Tse-tung had considered himself Number Two Communist after Stalin and Stalin had been his teacher up to his death. Mao in his speeches often quotes entire phrases from Stalin. Attacks on Stalin by Khrushchev have been greeted coldly in China because the Chinese Communists need a reign of terror for some 30 years or so, just as the Soviet Union did, to establish their domination over the country. The Soviets have hence been given cause to worry about the future of China and this causes the Soviets to desire closer links with the West—without, however, abandoning their Communist doctrine.

At the same time the Communists are concentrating on small wars in Africa, for example, to create a favorable climate for their expansion to outflank Europe. While this is going on they are willing to accept the status quo in Europe.

But there is in Europe one important factor in this connection—that is that the countries occupied by the Soviet Union thoroughly hate the Soviets, as anyone who has had Communism at home must do, and that must be a concern to the Soviets. The West should be careful that what had happened in Hungary without any aid coming to the struggling Hungarians from the West might take place anywhere in the Sovietdominated countries and provoke a war. This was one reason why the defenses of the West must be kept up and the freedom-loving spirit of the youth in the occupied countries maintained. The West should not want to sacrifice its friends in the occupied countries on behalf of good relations with the Soviet Union.

There was the problem of the countries which still have the old spirit of nationalism. General Franco said we must live with their caprices. After all, men of Western countries understand each other basically whereas "words can fight words". He had seen in the press that in France there was an underground struggle against the idea of integration. What, he asked, is integration? It is a question of terminology. You can change the name and save people's honor by calling it something else. It should be possible for reasonable men to sit around a table and come to an agreement on this subject too.

Here Franco reverted to his view that the Communists are working hard to gain influence in North Africa. He said that in Algeria particularly he believed the France was right. If France were to give up Algeria the Soviets might replace France there. The leaders of the Algerian liberation movement were receiving help and intelligence from behind the Iron Curtain. Franco said it was important to do what was possible to delay turning over this "house" to a new owner until the internal situation had improved and until better leaders had been found. He said all the educated people in Algeria were committed to France and other elements were persecuting this educated group. This brought him to the subject of Morocco where he said Spain had favored the independence movement. But it had been a disappointing lesson, for all the good people who had collaborated with Spain and the friends of the Sultan were now being persecuted by elements calling themselves nationalists, who were in fact under the influence of Moscow. The Soviets had opened an Embassy in Rabat and had over 100 agents in the country moving everywhere. Some people felt that there was safety in the fact that the Moslem religion repels Communism, but this very belief was put to use by the Communists who were enlisting Moslems to help them. Just these days there had been a crisis provoked in the Moroccan Government in anticipation of the President's visit. As soon as the President left Morocco the real crisis would begin and only the King would be able to maintain order.

In Africa General Franco reiterated that the Communists were trying to destroy the friends of the West and create allies for themselves throughout the area.

The President said he agreed with this summary by General Franco. He was trying to support General de Gaulle and had been ever since the General came to power. He thought the General had made intelligent proposals and he had publicized his support for him. The President said he had just had long talks with General de Gaulle and that de Gaulle saw the problems exactly as General Franco saw them. The President added that he might have said earlier that the Paris Summit Meeting powers agreed between themselves and with NATO to see what they could do to stop Communist penetration in Africa, and they were starting on it right away.

## Discussion of Morocco

Franco then said that in Morocco as in Asia, but even more so because of the lack of administrative capability of the leaders, there was a tendency on the excuse of nationalism to waste money on arms and a failure to face the real social problem. Hence quarrels had come up as between country and city people. The Moroccan country people were on the whole bitter in their views and felt they were being maladministered. The government took their cattle, for example, and sold it for low prices. There was persecution of the unhappy country people by the city-dwelling leaders.

Turning to the question of evacuation of bases in Morocco, Franco said that the people as a whole were not interested in this and were not pressing for it. Indeed they gained from the presence of foreign troops through social and economic benefits—but this was a battle which the political parties had launched for their own purposes. There was a danger that the evacuation of the bases would leave a magnificent platform for the Soviets to use one day, for the Moroccan leaders might turn them over to Soviet control. It was Franco's view that the U.S. must retain its bases in Morocco and elsewhere in North Africa.

The President said that we had fought to get a delay on evacuation with the hope that if we ever have to evacuate, by the time we leave the bases, airplanes won't be so important in war. The President wanted to ask a question of Franco: Is the King of Morocco strong enough to assert himself between the warring factions and establish a system whereby the Crown can keep order? Franco replied that he thought the King had a slightly mythical prestige among his people. It was traditional in Morocco that kings have always had the role of religious leaders-that is, defenders of the faith. The people bowed to the King and regarded him as their religious as well as their temporal leader. This was the power which the King was now expending to try to control the political parties, but some of the politicians were in contact with the Soviet Union and Communism was making inroads, especially in the trade unions which are now outwardly anti-Communist, largely because of the distance by which they are separated from the Soviet Union, but are at the same time far from being conservative.

In addition to this, the King's health was delicate. [3 lines of source text not declassified] Morocco was in a state of unrest and it was hard for the King to rule well because of the machinations of the political parties which were particularly strong in the cities where a proletariat was growing as people came from the country to seek a better living. There are now many miserable persons without adequate work in Moroccan cities. Peace, order, work, were what was most needed in Morocco and when the people could work they were good. Franco said Spain had helped maintain peace 30 years in Morocco and the country had been disarmed except for the police. But now arms were arriving clandestinely in considerable quantities and the local cabildos were trying to create new armed forces. There was a danger of civil strife in Morocco.

To this the President remarked with a smile that he did not see much chance of his doing much good in Morocco. (The President was leaving for Casablanca within the hour.)

In reply Franco asked the President to speak to the King about the need to improve the conditions of the people, to create jobs. Franco said that when the King was in Spain as he had been twice, Franco had spoken to him of this need and offered him Spanish support. He had also asked him what was going to happen with the political parties and suggested that Morocco needs a political truce for at least 10 years—not to fight among themselves as Moroccans are now doing. The President said this was interesting and he would try to take these things up with the King.

Spain's Stabilization Program; entry into OEEC; U.S. aid; possible concessions to the USSR

The President then said he did not want to terminate the interview without speaking of Spain's stabilization program. He said the American Government had been watching this effort and was very happy with it. He also wanted to tell General Franco how much the U.S. values the excellent cooperation which the Spanish Government has shown in connection with the bases. We are very much obliged to the Generalissimo about this. We hoped to continue to develop better understanding and use of the bases and of course we realized that some aid was necessary for this from us, and especially some economic aid, until Spain could stand on its own feet. There are detailed matters of course which our Ambassador is always ready and willing to attend to and work out with the Spanish Government.

The President said he was glad that Spain had joined the OEEC and believed the time would come when the association of Spain with organizations of Europe and the North Atlantic countries would be even closer. In one or two countries there was still some prejudice against Spain but the President thought that our relations had developed in about as mutually beneficial a manner as could have been hoped for. He hoped that Franco felt so also.

General Franco said that he did feel so. He thanked the President so much for his words. Spain had prepared for a long time to reach the point where it could adopt the stabilization program and was now able to do so with relative ease. He expressed his thanks for U.S. aid and especially for the President's contribution at this stage of development of Spain and said the day would come when Europe would stand more united and stronger so that it could better do its own part in supporting the political efforts of the U.S.

The President said that we were all making progress.

Franco said that in regard to the Soviet Union the day was coming when we must make some mutual concessions and what the U.S. must give up the European countries could assume to some extent on behalf of the U.S. Franco said that we must not lose ground to the Soviets as the President, as a great strategist, knew.

The President said we would not throw our atom bombs into the sea.

## President Raises Protestant Problem

Then the President said that he wanted to mention one problem which was internal both to Spain and to him. He said he had a very vocal public opinion group in the U.S.—namely, the Baptists. They had petitioned the President to bring up this subject with Franco even though it was an internal Spanish matter. They thought they had been abused because they had built a church in Spain and because of regulations they were not permitted to use it. The President said that he felt that the only thing he had a right to say about this to Franco was that he hoped Franco would reconsider this matter because in the U.S., which has so heterogeneous a population, including peoples of all religions, it was just not understood why in Spain some groups were not permitted to exercise their religion, and this fact disturbed U.S.-Spanish relations a bit.

The President asked Franco if he could look into this matter and see if he could do anything about it. He said he would be grateful and that it was the only problem he had to raise.

General Franco replied that in Spain there were almost no Protestants, not one in a thousand—he said it was a local matter and he was sure it could be overcome.

The President said that many of his Catholic friends have brought the matter up also and said that this subject had special implications in the U.S. because of our history of the separation of church and state. For General Franco to do something about this matter would strengthen U.S.-Spanish friendship. It would enable officials in the U.S. to talk more freely about Spanish-U.S. friendship.

Franco said that the trouble was with the ecclesiastical hierarchy in Spain. He will have to have them pushed by Rome. (Foreign Minister Castiella broke in to say that the Spanish Government was working on the subject.)<sup>2</sup>

Here the conversation ended.<sup>3</sup>

 $<sup>^2</sup>$  In a separate memorandum on this subject, Murphy reviewed what the President had said and stated that Castiella told him during the drive to the airport that a satisfactory formula for legislation on the Baptist Church would be found in the near future. (US/MC/15, December 22; Department of State, Conference Files: Lot 64 D 560, CF 1521)

<sup>&</sup>lt;sup>3</sup> For text of the joint communiqué, see Department of State *Bulletin*, January 11, 1960, pp. 56–57.

# 319. Despatch From the Embassy in Portugal to the Department of State

No. 259

Lisbon, December 29, 1959.

REF

Embassy telegram 268, December 22, 1959<sup>1</sup>

SUBJECT

Conversation with Spanish Pretender: His Views on Visit of President Eisenhower to Spain; His Meeting with General DeGaulle

Continuing his talks with the Spanish Pretender initiated some time ago, the reporting officer saw Don Juan at the latter's residence in Estoril just before the Christmas holidays.

As reported in the Embassy's telegram under reference, the Pretender spoke enthusiastically about his encounter with a group of 350 monarchists, coming from every Spanish province, who met with him on December 20 for the purpose of reaffirming their allegiance. He explained that although Luis Arellano and Arauz de Robles, former Carlists, had organized the visit, the group comprised all shades of monarchical support. He was particularly pleased that the majority were workers and persons in modest circumstances. Many of them, he said, came without passports and with the aid of "contrabandistas" had walked across the frontier to Portugal. A copy of the address which Don Juan made to his supporters is enclosed.<sup>2</sup> The Department will have noted from the Embassy's telegram that Don Juan took the occasion to refer in most favorable terms to President Eisenhower's impending visit to Spain and he remarked that this part of his speech received prolonged and warm applause.

Commenting on the economic situation in Spain, the Pretender said that things were going better than had been anticipated. However, he said, the austerity program seems to be for everybody except the Government.

With respect to President Eisenhower's visit to Spain, he said that he was delighted that the President had found time to go to Madrid. He condemned what he called those misguided monarchists who had protested against the visit [1-1/2 lines of source text not declassified] President Eisenhower, he said, was visiting Spain and not Franco. "It is too bad

Source: Department of State, Central Files, 752.11/12–2959. Confidential.

<sup>&</sup>lt;sup>1</sup> Telegram 268 from Lisbon transmitted a summary of Xanthaky's conversation with Don Juan on December 21. (*Ibid.*, 752.11/12–2259)

<sup>&</sup>lt;sup>2</sup>Not printed.

that it had to be Franco who received him but that is just an accident of history."

Don Juan mentioned that his son, Prince Don Juan Carlos, would soon take up residence at his, Don Juan's, house, "Miramar", in San Sebastian. The young man has now finished his military studies and will complete his education in the humanities and economics under private tutors. There had been considerable pressure for him to send Juan Carlos to the University of Salamanca but he had decided against this. He added that his son was now 22 and that next year he would have to get married. [6 lines of source text not declassified]

The Pretender then spoke about his meeting in Paris on September 17 with General DeGaulle. Their conversation lasted about an hour. General DeGaulle spoke in very friendly terms about the Count of Paris, saying that he greatly admired him. DeGaulle mentioned that the Count's eldest son constituted a "value" for France which should not be discarded; he intended to transfer the young man from Algiers, where he was doing his military service, to Paris and place him in his military cabinet so that he could see how the Government operated. (Don Juan remarked that this actually took place last November.) From his conversation with DeGaulle, Don Juan got the definite impression that he has monarchical leanings.

The Pretender found the French President badly informed about the monarchist situation in Spain. He appeared to believe that Don Juan had renounced his rights in favor of his son. The Pretender said that after putting DeGaulle right on that score the latter remarked that he was "glad to have the real picture because after all Franco is not eternal".

> For the Chargé d'Affaires: Theo. A. Xanthaky First Secretary of Embassy

# 320. Letter From Chief of State Franco to President Eisenhower

Madrid, March 18, 1960.

MY DEAR MR. PRESIDENT: I avail myself of the occasion of the visit of my Minister of Foreign Affairs to the United States to send you through him my cordial greetings, still having in mind the very pleasant memory of your visit to our Country,<sup>1</sup> an unforgettable one for us and one in which the Spanish people had occasion to demonstrate affection and enthusiasm for your distinguished person and for the nation which you represent.

My Minister will undoubtedly have an opportunity to express to you how keenly we are following your efforts toward peace and toward ensuring for the world a happier future.

The responsibility which in these days falls upon the United States as the leader of the Western group of nations obliges us all to collaborate to the extent of our ability and knowledge in the great cause of the defense of Western civilization in the face of the progressive advances which communism is making.

This uneasiness which the Western world has been feeling during recent years has been felt by the Spanish nation for twenty-five years. The aims of general Russian policy are constant and invariable. The tactics and details may change, but not the direction. Already in 1935 the Soviets had revealed at the latest meeting of the Comintern the direction of the latter's attacks and the aim toward which it was directing its activities: the constitution of a Moscow–Madrid Axis as an arrow aimed at the subversion of the Spanish-American peoples. Upon the failure of the Asturian Communist revolution of 1934, Communist subversion in Spain was planned for 1936 by the use of the new tactic of popular fronts.

Today, twenty-five years later, their attempts upon Spain having repeatedly failed, they have been seeking in Cuba a new Moscow– Habana Axis which, replacing the above-mentioned Axis and directed toward the Caribbean and Central America, has for its aim the subversion of all Hispanic America. This is proved by instructions which the Communists are giving their agents in Spain and which we in due course have brought to the knowledge of your Government through our Ambassador.

Source: Eisenhower Library, Whitman Files, International File. No classification marking. The source text is a Department of State translation. The letter was delivered to President Eisenhower by Foreign Minister Castiella on March 23; see Document 327. The source text bears the President's initials.

<sup>&</sup>lt;sup>1</sup>See Document 318.

From the words which you have spoken upon returning from your trip to several South American countries,<sup>2</sup> I perceive the impression made upon you by the situation and the advance of communism in those nations. I therefore take the liberty of giving you my impression concerning so important and basic a question as the advance and progress of communism.

I consider that there are two campaigns which communism is waging and preparing against the West as its immediate target: the first is eminently political. It takes advantage of all the weaknesses and faults in the Western political systems, exploiting through the latter their difficulties, playing up their problems, and exploiting with propaganda the natural longings for social betterment and a rise in the living standards which the popular masses so desire. The great problem, as I see it, rests in the inability of the political systems themselves in many nations to meet such needs and protect themselves against Communist propaganda and its genuine advance. Both views require unity, authority, continuity, order, discipline, faith in the future, and effectiveness which, unfortunately, are not found in a large majority of the nations.

That which is possible in the great American democracy, because of its wealth, youth, and great economic and cultural development, does not have the same effectiveness in the underdeveloped or semideveloped nations, which are in the majority.

I take note of your offer of aid to the nations of the Western Hemisphere in order to facilitate the solution of their economic problems,<sup>3</sup> but the heart of the problem lies in what they themselves do. Outside aid may facilitate and assist in that task, but it will always be only a part of the whole. It is the peoples themselves who must make the effort, and that cannot be achieved through civil strife, accompanied by domestic disorder and lack of discipline. Policy is not a caprice that peoples can decide on lightly, but a necessity, like a medicine needed by each patient in an illness.

This, which your Excellency with your vision of a great soldier will understand much better than others, is the root of the great lack of understanding from which we have been suffering.

The struggle with which Russia has confronted the West is not merely a military struggle. Its principal field is, rather, political and economic, in which other large states are working intensely, and it is

<sup>&</sup>lt;sup>2</sup> The President visited Brazil, Argentina, Chile, and Uruguay February 23–March 3.

<sup>&</sup>lt;sup>3</sup> For text of President Eisenhower's address to the Nation, February 21, in which he promised to work with the nations of South America to promote security and well-being in the Western Hemisphere, see Department of State *Bulletin*, March 7, 1960, pp. 351–353.

studying the political and economic structures of the adversary and the means to combat and destroy them.

In the economic field a battle parallel to the political struggle is being readied which can greatly facilitate action in the political struggle. It is contained in the buildup of production in Russia and the satellite countries to flood, at the appointed hour, world markets in order to create a grave crisis with catastrophic results for the West. Their experts are working intensively toward that end, as can be seen by examining the five-year plans being carried out in all those countries.

In conclusion, General, I do not wish to tire you but to sound my note of alarm in these fields in which the West is so trusting, and which will in my opinion have a decisive effect on the fate of West in the future.

With best wishes for your health and that of your family, and for the success of your efforts as President, I remain,

Your cordial friend,

F. Franco<sup>4</sup>

## 321. Editorial Note

As a follow-up to the informal invitation made on August 31, 1959 (see Document 316), Secretary of State Herter formally invited Foreign Minister Castiella to visit the United States in a brief letter dated November 5, 1959. (Department of State, Central Files, 033.5211/11–559) On November 21, Castiella accepted the invitation for the period March 22–24, 1960. (*Ibid.*, 033.5211/11–2159)

The Foreign Minister arrived in Washington after a brief stop in New York on March 22. On March 23, he attended meetings at the Department of State and the White House followed by a reception at the Spanish Embassy. On March 24, Castiella attended various functions in Washington before returning to New York the following day. He spent March 26 and 27 in New York; March 28–31 in Florida; and on April 1, the Foreign Minister flew back to Spain. (Department of State Press Release No. 136; *ibid.*, Conference Files: Lot 64 D 559, CF 1616)

<sup>&</sup>lt;sup>4</sup> Printed from the English translation that indicates that Franco signed the original Spanish-language copy.

## 322. Memorandum of Conversation

March 23, 1960, 10 a.m.

SUB	ECT
000,	

Morocco

## PARTICIPANTS

U.S.

The Secretary	Sr. Fernando Maria Castiella,
Ambassador John Davis Lodge	Spanish Foreign Minister
Mr. Ivan B. White, EUR	Ambassador Jose M. de Areilza
Mr. Robert H. McBride, WE	Spanish Embassy
Mr. Raymond A. Valliere, WE	Sr. Jaime D. Pinies, Spanish
Mr. Fernando A. Van Reigersberg,	Foreign Ministry
L/S	

Spanish

Foreign Minister Castiella expressed his deep appreciation for the magnificent reception accorded him and his party on their arrival in Washington.

The Foreign Minister referred to the conversation between President Eisenhower and General Franco last December<sup>1</sup> on the Protestant question and stated that he planned to raise it during his call on the President this morning.<sup>2</sup> The Secretary said the President would be pleased if the Foreign Minister brought up this matter.

The Foreign Minister then raised the matter of Morocco. He pointed to the friendly ties between Spain and Morocco and stated that Spain had tried to maintain very good relations with the country, both because it is a neighbor and because Spain desires to help maintain the King's position. He said that the King was essential for stability in Morocco. [2-1/2 lines of source text not declassified] Noting that Morocco was going through a nationalistic phase, he said that this was the reason there was so much talk about the withdrawal of foreign troops from Moroccan soil. The Minister pointed out that US forces will withdraw by 1963 and wished to thank the US for keeping Spain informed of this in advance so that it was not faced with a fait accompli.

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Valliere and Van Reigersberg and approved in S on April 1. Five separate memoranda of this conversation were prepared; see Documents 323–326. A summary of this conversation was sent to Madrid in telegram 1342, March 24. (Department of State, Conference Files: Lot 64 D 559, CF 1616)

<sup>&</sup>lt;sup>1</sup>See Document 318.

<sup>&</sup>lt;sup>2</sup>See Document 327.

Referring to the French and Spanish troops in Morocco, Minister Castiella stated that the number of Spanish troops had been substantially reduced from 60,000 at the time of independence to 5,000 today, stationed near Ceuta and Melilla. The Minister informed the Secretary that following his meeting with him and the President in London last August, he was invited by President de Gaulle to visit him in Paris.<sup>3</sup> President de Gaulle told him that France could not abandon its bases in Morocco. The Minister continued that Spain was fortunate in not having as many material interests in Morocco as France. He then referred to Ceuta and Melilla which he said were historically Spanish and added that he would elaborate on this in his speech at Georgetown University tomorrow.

The Foreign Minister stated that the Moroccan Government had requested Spain to make a public statement similar to that made by the United States regarding the evacuation of troops. He noted here that the position of the United States vis-à-vis Morocco was as different from the Spanish position as Spain's was from France. Repeating that there were only 5,000 Spanish troops on Moroccan territory, he said that the Moroccans insisted on their withdrawal, and since Spain had been having trouble supplying its troops in Moroccan territory it was ready to withdraw them completely.

Ambassador Lodge inquired if this applied also to Ifni, to which the Foreign Minister replied that it did not as Ifni was Spanish and he was referring only to Moroccan territory.

The Foreign Minister then noted that, as a loyal friend, the Spanish Government did not want to embarrass France and so he informed the French Ambassador in Madrid of Spain's intention to withdraw its troops. Sr. Castiella stated that the French Foreign Minister, through the French Ambassador, informed him of his gratitude for the information and that the Moroccans had not been informed of Spanish intentions. While expressing an understanding of Spain's position, the French requested that the Spanish make no statement of principle regarding the withdrawal of their troops. The Moroccans, Sr. Castiella pointed out, want such a statement. He said that Spain was seeking a solution which would be acceptable to both the Moroccans and French, though it would, in fact, accept this principle in talks with the Moroccans soon. The Foreign Minister informed the Secretary that Spanish troops would not leave immediately but, like the United States, Spain will phase out its troops over an approximate three-year period. He added that the

<sup>&</sup>lt;sup>3</sup> Reports on Castiella's conversations with de Gaulle are in a memorandum of conversation, September 9, 1959, drafted by McBride (Department of State, Central Files, 711.11–EI/9–955), and in despatch 201 from Madrid, September 11, 1959. (*Ibid.*, 752.13/9–1159)

Moroccans want to be informed that Spanish troops will be withdrawn, although they do not appear to be in a hurry for the actual withdrawal.

Referring to the French position, the Foreign Minister stated that Spain had been informed by France that it plans to retire from all but two of its training bases (Base Ecole), but President de Gaulle stated that the French would never leave completely. Sr. Castiella stated that "never" appeared to be a very forceful word. He also stated that President de Gaulle required Agadir and Port Lyautey as bridgeheads essential to continuing French community interests in Africa.

The Secretary inquired when the Spanish Government intended to speak to the Moroccans regarding its intentions. The Foreign Minister indicated that it would do so in the near future, although Spain would not issue a statement immediately as they did not want to embarrass the French. He noted that there was a continuing exchange of information with the French on such subjects as the smuggling of arms to the FLN and activities of Spanish terrorists in France.

## 323. Memorandum of Conversation

March 23, 1960, 10 a.m.

SUBJECT

Latin American Developments and President Eisenhower's Trip

[Here follows the same list of participants as Document 322.]

During his discussions with the Foreign Minister, the Secretary noted Spain's special relations with Latin America, and said he would appreciate receiving the Foreign Minister's impressions of developments in that area, particularly in Cuba.

The Foreign Minister stated that Spain's friendly ties with all Latin American countries were well known. The situations in Cuba and Venezuela, he said, were of concern to Spain, especially Cuba. He stated that Spanish Communists were temperamentally more dynamic than other

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Valliere and Van Reigersberg and approved in S on April 1. See also Documents 322 and 324–326.

Communists and were, therefore, more dangerous. The U.S.S.R. had realized this, he continued, and was trying to send Spanish Communists to Latin America where the climate was more favorable for their work and where they might obtain results.

With regard to Cuba, the Foreign Minister stated that Spain had difficulties with Castro but was trying to keep relations normal. He pointed out that there was a large Spanish colony in Cuba and that Cuba has strong economic ties with Spain, since the latter was the largest consumer of Cuban tobacco. Therefore, he said, Spain had tried to show a great deal of patience and not to break off relations. Nevertheless, the Foreign Minister continued, Spain was worried about Cuban agitation. He added that many Spanish exiles in Cuba, both Communist and non-Communist who were also anti-American, were trying to cause trouble.

The Secretary stated that he was greatly interested in the Foreign Minister's appraisal as the Cuban situation disturbed the US deeply because of its effects in other Latin American countries. He said it was made clear during President Eisenhower's trip to Brazil, Argentina, Chile and Uruguay that there was little sympathy for Castro's activities, such as the placing of Communists in many high government positions which was a tendency which appeared to be growing. However, the Secretary stated there was still a reluctance in those countries to criticize Castro as his "mystique" continued to be very strong. The few demonstrations, mostly by students and some labor elements, during the President's trip were primarily pro-Castro rather than anti-American. The Secretary pointed out that Latin American countries were watching Cuban developments with great anxiety as Castro occupied a unique position and they feared internal Castro-type revolutions. The Secretary stated that the United States did not believe this was a propitious moment to bring the Cuban question before the Organization of American States. He added that continued patience was necessary as strong feelings existed on the principle of non-intervention, and a request for group action might be embarrassing to some countries. The Secretary also noted that, during the President's trip, the feeling of the great majority of the people was of warmth, happiness and appreciation. They greeted the President not just from idle curiosity but to express a basic friendliness and latent good will, which impressed the local officials who had never seen such crowds before.

The Foreign Minister stated that the existing good relations between the United States and Spain had made a good impression on and was a good example to Latin America, and to Arab countries as well.

The Secretary thanked the Foreign Minister for his views and stated that he wished to add further comment on the President's Latin American trip. There was no doubt, he said, that the Governments in the countries visited were under continuing political and social pressure to hasten internal developments, which worried them. This gave rise to questions for the United States, the Secretary continued, for if developments were not fast enough the United States would be blamed for not satisfying their needs., He pointed out that when the President of Brazil refused to cooperate with the International Monetary Fund on a stabilization program (which the Spanish were carrying out so successfully) he wanted United States approval for his decision, while Argentina, which was taking the opposite course and was involved in a stabilization program, also wanted United States endorsement. This posed a dilemma for the United States which was in danger of being charged with going too slowly in aiding Latin American countries. Actually, he stated, the United States had cooperated in establishing the new Inter-American Development Bank to assist Latin American economies.

The Foreign Minister replied that he and all Spaniards were happy that the President and Secretary had visited Latin America. He added that while this trip did not solve all problems the fact that concern with them was shown had a good effect, and in Spain's opinion the trip had been a success. Sr. Castiella also noted that in his October 12 speech at Santiago de Compostela to all Latin American Chiefs of Mission in Spain, he pointed out to them, approvingly, that the United States was following very closely social and political changes in Latin America.

The Secretary referred to the Latin American economic setup and stated that many of those countries were dependent on a single crop. The fact that the United States, he continued, had been willing to enter the Coffee Agreement<sup>1</sup> to maintain prices had impressed the Latin American countries, as it meant that American consumers had to pay a higher price for their coffee. With metals, such as copper and tin, it was more difficult to reach a similar agreement.

The Foreign Minister commented that stable prices were necessary for social and political stability, it being better to pay a little more now than to have to pay a great deal more in the future.

<sup>&</sup>lt;sup>1</sup> For text of the Final Act of the negotiations for the conclusion of a Latin American Coffee Agreement, signed at Washington, September 27, 1958, see *American Foreign Policy: Current Documents*, 1958, pp. 413–415.

March 23, 1960, 10 a.m.

SUBJECT

Spanish-European Relations, Including NATO

[Here follows the same list of participants as Document 322.]

During his discussions with the Foreign Minister, the Secretary said he was happy with the manner in which Spain was handling the NATO countries and building up its friendship with each of them. He added that Spain was fully aware of the US position on the matter of Spain and NATO, to which the Foreign Minister assented. The Secretary then requested Sr. Castiella to elaborate on his views on the relations between Spain and the Western European complex, such as the OEEC. He stated Spain appeared to be moving in the right direction.

The Foreign Minister said Spain's relations with all Western European countries were improving and those with Turkey and Greece were excellent. He pointed out that Turkey, Greece, Ireland, Iceland and Spain belonged neither to the Inner Six nor Outer Seven. Representatives of these countries, he said, met in Paris to see who their wise men would be.<sup>1</sup> Relations with Belgium and Holland were also good, he stated, and the Belgian Foreign Minister had visited Madrid during which a broad and sincere exchange of views was held. He noted that there was lack of understanding of Spain in the Scandinavian countries. With reference to NATO, Sr. Castiella stated that Spain was doing nothing as it did not wish to annoy anyone regarding this matter, although he noted a speech by NATO Secretary General Spaak favoring Spain's admission.

The Secretary stated that there were times last December when the United States had been disturbed by the growing friction between the Inner Six and Outer Seven. However, conversations held during the past few months had been helpful and he understood that the "wise men" would present a report to the governments concerned by April 1.<sup>2</sup>

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Valliere and Van Reigersberg and approved in S on April 1. See also Documents 322–323 and 325–326.

<sup>&</sup>lt;sup>1</sup> The five countries selected Xenothan Zolotos, Governor of the Bank of Greece, as their "wise man."

<sup>&</sup>lt;sup>2</sup> A Remodelled Economic Organization: Report of the Study Group of Four [Wise Men], Appointed by the Special Economic Committee, April 7, 1960, was made public on April 20.

March 23, 1960, 10 a.m.

SUBJECT

Summit Meeting

[Here follows the same list of participants as Document 322.]

During his call on the Secretary, Foreign Minister Castiella inquired about the Summit Meeting.<sup>1</sup>

The Secretary stated that there was no fixed agenda for the meeting. He said he expected the Russians to raise the German question in terms of separate peace treaties with the two Germanies. This, he stated, would put everything right back to where it was before the Geneva Conference.<sup>2</sup> The Secretary stated that he did not know how far the Russians would push on the Berlin question, but Chairman Khrushchev would find a solid Adenauer-de Gaulle front on the preservation of the status quo. Chancellor Adenauer, he added, was concerned about the forthcoming elections,<sup>3</sup> as he felt Mayor Brandt would be his opponent, and therefore he was being more of a Berliner than the Berliners. The Secretary pointed out that this led to an inflexible attitude which made it very difficult for President Eisenhower. Noting that the President had made clear to Chancellor Adenauer that they were in full agreement on the principle of the freedom of Berlin, the Secretary stated that whether or not this subject would be discussed at the Summit was not fully agreed upon. He added that at the Camp David talks<sup>4</sup> the President had told Chairman Khrushchev that the United States was willing to continue negotiations but not under any time limit ultimatum.<sup>5</sup> While Khrushchev had withdrawn his ultimatum, the Secretary continued, it was not known whether he would revert to it.

With regard to disarmament, the Secretary stated that he did not know if this would come up at the Summit, as it would depend on the progress of the Geneva talks.

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Valliere and Van Reigersberg and approved in S on April 1. See also Documents 322–324 and 326.

<sup>&</sup>lt;sup>1</sup>Reference is to the preparations for a U.S.–Soviet summit meeting to be held in Geneva in May.

<sup>&</sup>lt;sup>2</sup> Reference is to the Geneva summit conference July 18–23, 1955.

<sup>&</sup>lt;sup>3</sup>West German Bundestag elections were held on September 17, 1961.

<sup>&</sup>lt;sup>4</sup> Reference is to the Camp David conversations between President Eisenhower and Chairman Khrushchev September 25–27, 1959.

<sup>&</sup>lt;sup>5</sup> In a note to the United States, January 10, 1959, the Soviet Union demanded the signing of a peace treaty with Germany or it would sign a separate one with East Germany.

The Secretary then referred to the nuclear testing question and stated that we were now studying what sounded like a good suggestion from the Russians. The Russians recognized that it was not possible to detect small explosions but wanted a moratorium of indefinite duration. The United States, the Secretary emphasized, wanted adequate inspection as a matter of principle. If we were to agree to inadequate inspection, he added, our position in Geneva in the disarmament talks would be prejudiced. He pointed out that the British were anxious to reach quick agreement with the Russians and the latter were counting on this. The Secretary also noted that the Russians were concerned with the spread of information on nuclear arms. He stated that it was not known if the Russians were under pressure from Red China and the satellite countries to provide such information. The Secretary said that the French did not want to discuss this matter.

The Foreign Minister expressed his appreciation for the information which the Secretary had given him.

## 326. Memorandum of Conversation

March 23, 1960, 10 a.m.

### SUBJECT

Spanish-U.K. Relations and Reactions to German-Spanish Talks

[Here follows the same list of participants as Document 322.]

During his call on the Secretary, Foreign Minister Castiella turned to British-Spanish relations and mentioned attacks on Spain in the Labor Party press. He said that Selwyn Lloyd on two occasions in Parliament stated that the British Government wanted to improve relations with Spain. He noted incidentally that the British Government was also interested in the situation of Protestants in Spain.

The Secretary stated that he understood that some people in the British Labor Party held extreme opinions on Spain and inquired if any high Labor Party officials participated in the actual fighting during the

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Valliere and Van Reigersberg and approved in S on April 1. See also Documents 322–325.

Spanish Civil War. Ambassador Areilza referred to a Pascual Tomas, who he said was formerly Spanish and now a British citizen, who was prominent in the administrative setup of the British Labor Party. The Foreign Minister mentioned Clement Attlee and Robert Edwards. He said that the latter had been a captain in the International Brigade and had made recent grotesque accusations that rockets and missiles were being manufactured in Spain. He stated this was preposterous but some people appear to believe it. He said that in a UN meeting in 1945 Spain had been absurdly accused of manufacturing atom bombs, with the help of 6,000 German technicians, at Ocara near Toledo, and this was widely publicized in the world press. He noted that at that time Spain had neither the money nor atomic experts to accomplish such work. The Foreign Minister then stated that a similar uproar had been caused by the recent German-Spanish talks with which the United States was fully familiar.<sup>1</sup>

The Secretary stated at this point that he had been much impressed by the tactful manner in which the Spanish authorities had handled what might have been a difficult situation arising out of the German-Spanish talks.

Sr. Castiella then stated that Spain's relations with the U.K. were improving and noted that Mr. Lloyd had invited him to go to London. He repeated his earlier statement that while there had been a Labor Party attack on Spain in Parliament, Mr. Lloyd had stated that the British Government was trying to improve relations. He added that Mr. Lloyd's remarks were not spontaneous but reflected a Cabinet decision. While there were problems between the U.K. and Spain, Sr. Castiella stated, he expected these would be solved within a few weeks.

<sup>&</sup>lt;sup>1</sup>Castiella visited West Germany and Berlin November 10–13, 1959.

March 23, 1960, 11:15 a.m.

### PRESENT

The President The Secretary of State Ambassador John Lodge Deputy Assistant Secretary of State Ivan White Foreign Minister Castiella Ambassador Areilza, Count of Motrico Mr. Jaime Pinies Lt. Colonel Vernon Walters

After the opening amenities, the Foreign Minister said that the memory of the President's visit to Spain was still vivid and it was not just Madrid that had greeted him but the whole of the country. The visit had been a complete success. The President thanked him and said that he had been very happy to have the opportunity to visit Spain. He had been greatly impressed by Madrid as it was his first visit there and he had not realized how large and modern the city was.

The Foreign Minister then said that in Spain they had followed the President's visit to South America and asked the President how things had gone. The President gave him his impressions briefly. The Foreign Minister said that the Spaniards felt that the Communists were making a great effort to turn the countries of Latin America against the United States and the West and were even using Spanish agents to do this.

The discussion then turned to the economic stabilization effort of the Spanish Government. The Foreign Minister said that the Spanish Government was making a real effort in this area and that results were already beginning to show. From an unfavorable balance of payments they now had over \$200,000,000 of reserves, but that the country was still under "the shock of stabilization." Further efforts were required to pursue the economic development of the country but that these had to be undertaken with great care not to create an inflationary situation. The Spanish Government was determined to pursue a policy of financial orthodoxy. The President expressed his satisfaction on hearing this.

Source: Eisenhower Library, Whitman File, International File. Secret. Drafted by Goodpaster. The meeting was held in the President's office in the White House. White and Lodge also drafted a memorandum of this conversation, which was subsequently divided into four separate memoranda covering Franco's letter, the Spanish stabilization program, Spanish Protestants, and tourism in Spain. Copies of these memoranda are in Department of State, President's Memoranda of Conversation: Lot 66 D 149. A summary of the conversation was transmitted to Madrid in telegram 1343, March 24. (*Ibid.*, Conference Files: Lot 64 D 559, CF 1616)

Minister Castiella said that recently the Austrian Finance Minister, Mr. Kanitz(?)<sup>1</sup> had been in Madrid and had talked to the Spaniards about Austria's experience in financial stabilization. They too had had this period of "shock of stabilization" and it had lasted about eight months. There had been great pressures from both labor and management to take remedial action of an inflationary type but that the Austrian Government had stood firm and had emerged successfully from this period. The Spaniards were determined to do the same. The President smiled and said that these two pressures were also felt here whenever there was a slight recession in business activity.

The Foreign Minister then said in reply to a question from the President that he would go to New York on Friday and then spend a few days in Florida before returning to Spain. He also said that he had had very satisfactory talks with the Secretary of State and that he had had fully informative talks with him.<sup>2</sup> Likewise he had spoken to the Secretary very frankly.

The Foreign Minister then said that the Generalissimo had asked him to deliver a personal letter to the President.<sup>3</sup> He then handed the letter to the President who read it and said that he had read it with some speed but did not see anything with which he disagreed. He said that he agreed with General Franco that peoples must work on their own behalf. He asked whether the Secretary of State had seen the letter and the Secretary replied that he had not.

Mr. Castiella said that he knew that the President was extremely busy and he did not wish to take up his time. He did wish to mention a subject that the President had brought up in Madrid with General Franco and that was the situation of Protestants in Spain. He wished to tell the President that this matter would be satisfactorily solved in the near future. The President said that he was very happy to hear this as it would certainly be helpful to Spanish-American relations. Mr. Castiella said that he had worked on this matter every day since the President had been in Madrid. The Spanish government was working out a solution that would be permanent. One that would have the support of the Spanish hierarchy and would not be brought back into discussion. There were certain fanatical extremists in Spain and they had to be overcome. He had negotiated a Concordat with the Holy See and even though there had been general agreement between the two parties, it had still taken a year and half to reach final agreement. He wished to assure the

<sup>&</sup>lt;sup>1</sup> As on the source text. Austrian Finance Minister Reinhard Kamitz addressed the Madrid Chamber of Commerce on March 16 on "Modern Aspects of Monetary and Fiscal Policy."

<sup>&</sup>lt;sup>2</sup>See Documents 322–326.

<sup>&</sup>lt;sup>3</sup> Document 320.

President that this problem would be solved in a great deal less time than that. He had himself discussed the matter with Selwyn Lloyd when in London.<sup>4</sup> He had also taken steps on becoming Foreign Minister to compensate the Bible Society for the unjust confiscation of some of their property amounting to several thousand pounds. He thanked the President for bringing the matter up during his visit to Spain as this had helped move the matter towards a solution.

The President said that he did not wish to make any premature statement but that if the Spaniards felt at some point that some public statement might be made, he would appreciate it if they would let him know so that he could make appropriate mention of it. The Foreign Minister said that he would do this.

The President then asked about living costs in Spain and the Foreign Minister replied that while there had been a rise, it was still one of the cheapest countries in Europe. There were some 300,000 U.S. tourists visiting the country annually (as against 4500 in 1947 according to Ambassador Lodge). Mr. Macmillan told him in London that there were some 400,000 British tourists visiting Spain every year. In fact Selwyn Lloyd had been to Spain for his vacation every year for the past ten years. He said that there were three great tourist areas. The Costa Brava between Barcelona and the French border, the area between Malaga and Gibraltar and the Balearics. Recently, there had also been a great increase in tourism from the Northern countries to the Canary Islands. He concluded by issuing a warm invitation for the President to visit Spain again upon the conclusion of his term as President.

The photographers then entered the President's office and the conversation concluded.

<sup>&</sup>lt;sup>4</sup> Following his meeting with the President in London (see Document 315), Castiella discussed various questions with British officials until September 3, 1959.

Spanish Membership in NATO

March 23, 1960, 3 p.m.

### SUBJECT

spanish Membership in NATO	
PARTICIPANTS	
U.S.	Spanish
The Under Secretary for Political Affairs Ambassador John Davis Lodge Mr. Robert H. McBride, WE Mr. Francis R. Starrs, WE Mr. Fernando A. Van Reigersberg, LS	Sr. Fernando Maria Castiella, Spanish Foreign Minister Ambassador Jose M. de Areilza, Spanish Embassy Sr. Jaime de Pinies, Spanish Foreign Ministry

Following the exchange of greetings, a general discussion took place on coverage by the press of the Foreign Minister's visit. The Foreign Minister, Mr. Merchant and Ambassador Lodge agreed that it was difficult to satisfy the press with a statement about the talks when no problems exist between the two conferring countries. Ambassador Lodge mentioned that the fact that the Minister had not raised the question of Spanish membership in NATO during the discussions was itself an item of news.

Mr. Merchant said that the United States looked forward with pleasure and anticipation to the day when Spain would be a member of NATO. He added that the Minister could now reply to anyone who asked that the United States, rather than Spain, had raised the NATO question.

Source: Department of State, Conference Files: Lot 64 D 559, CF 1616. Confidential. Drafted by Starrs and approved in M on April 5. Four separate memoranda covering this conversation were prepared; see Documents 329–331.

March 23, 1960, 3 p.m.

SUBJECT

Spain's Position in World Affairs; Treatment of Protestants in Spain

[Here follows the same list of participants as Document 328.]

The Foreign Minister spoke of Spain's enforced isolation following World War II and expressed his country's gratitude to the United States for what it had done since 1951 and especially since 1953 to restore Spain to a position of respect among nations. His country was now able to follow a more relaxed policy than it could before 1951. The Foreign Minister commented that pride and stubbornness were Spanish characteristics; the Spanish jackass was every bit as stubborn as the Missouri mule. When put under duress, the Spaniard refuses to act or does the opposite of what he is being urged to do. With regard to improving the condition of Spanish Protestants, the Minister said that if the new measures were to be adopted, it must be evident that Spain was adopting them voluntarily rather than acting under pressure from any outside source.

Source: Department of State, Conference Files: Lot 64 D 559, CF 1616. Confidential. Drafted by Starrs and approved in M on April 5. See also Documents 328 and 330–331.

March 23, 1960, 3 p.m.

SUBJECT	
Spanish Immigration	
PARTICIPANTS	
U.S.	Spanish
The Under Secretary for Political Affairs Ambassador John Davis Lodge Mr. Robert McCollum, Deputy Administrator, SCA Mr. Robert H. McBride, WE Mr. Francis R. Starrs, WE Mr. Franando A. Van Reigersberg, LS	Sr. Fernando Maria Castiella, Spanish Foreign Minister Ambassador Jose M. de Areilza, Spanish Embassy Sr. Jaime de Pinies, Spanish Foreign Ministry

The Foreign Minister raised the question of Spanish immigration, mentioning that there were 15,000 Spanish registrants for immigration to the United States, whereas Spain's annual quota was 250 persons. The Minister expressed the hope that something could be done to improve the Spanish prospects for immigration to the United States.

Mr. McCollum said the easiest and quickest relief for Spain might be through further amendment to an amendment already passed by the House to Public Law 85–892. The Spanish Embassy had suggested that this further amendment might provide special non-quota numbers for 2,000 heads of Spanish families "displaced" from Morocco or the enclaves of Ceuta and Melilla as a direct or indirect result of Moroccan independence. The Department has discussed this suggestion informally with Chairman Francis E. Walter of the House Subcommittee, and plans to discuss it again with him and with Senator Eastland of the Senate Judiciary Committee at the first available opportunity. Nothing definite could be said at present about the prospects of enacting such an amendment.

On other possible actions, Mr. McCollum mentioned that the President's message to Congress on immigration<sup>1</sup> had mentioned a special category on refugees which was couched in fairly broad terms, and it was possible that some Spaniards could be covered under this proposal.

Source: Department of State, Conference Files: Lot 64 D 559, CF 1616. Confidential. Drafted by Starrs and approved in M on April 5. See also Documents 328–329 and 331.

<sup>&</sup>lt;sup>1</sup> For text of President Eisenhower's request for the liberalization of immigration legislation, March 17, see *American Foreign Policy: Current Documents*, 1960, pp. 938–940.

Hearings on the President's proposed legislation would begin on March 24, but it was too soon to know whether or not concrete results would be expected.

In reply to a comment by Ambassador Lodge, Mr. McCollum mentioned that the President was proposing the pooling of unused quotas and the proportional division of the numbers among countries whose quotas were oversubscribed. If enacted, this proposal would benefit Spanish immigration. Mr. McCollum added that previous mortgages on the Spanish quota to provide visas for Basque sheepherders had been repealed. Ambassador Areilza mentioned favorably the success of the sheepherder programs.

# 331. Memorandum of Conversation

March 23, 1960, 3 p.m.

### SUBJECT

Views on Africa

### PARTICIPANTS

### U.S.

The Under Secretary for Political Affairs Ambassador John Davis Lodge Mr. Joseph C. Satterthwaite, Assistant Secretary of State for African Affairs Mr. Robert H. McBride, WE Mr. Francis R. Starrs, WE Mr. Fernando A. Van Reigersberg, LS

#### Spanish

Sr. Fernando Maria Castiella, Spanish Foreign Minister
Ambassador Jose M. de Areilza, Spanish Embassy
Sr. Jaime de Pinies, Spanish Foreign Ministry

The Foreign Minister repeated during his conversation with Mr. Merchant many of the views on Africa which he had expressed earlier in his talk with the Secretary.<sup>1</sup> On the matter of Spanish troops in Morocco, he referred to the reduction from 60,000 to 5,000 stationed near Ceuta

Source: Department of State, Conference Files: Lot 64 D 559, CF 1616. Confidential. Drafted by Starrs and approved in M on April 5. See also Documents 328–330.

<sup>&</sup>lt;sup>1</sup>See Document 322.

and Melilla. He mentioned that this troop reduction benefited the Spanish economy by saving the cost of these additional soldiers.

The Minister contrasted Spain's position in Africa with France's, pointing out that Spain did not have vast territories as did France. Spain's territories were important because of their strategic location: e.g., the Canary Islands, with their ports, airfields, and now, by agreement with the United States, a missile tracking station, part of "Project Mercury".<sup>2</sup>

Sr. Castiella mentioned that Spain was negotiating with Morocco to permit the provisioning of the Spanish troops and population of Ceuta and Melilla. He said that these negotiations were still secret.

He said that Spain had the best possible relationships with Portugal, which had many cares in Africa. Portugal had been quite surprised by the Belgian decision to give independence to the Congo on July 1, 1960, the Foreign Minister remarked. Belgian Foreign Minister Wigny had told Portuguese Foreign Minister Mathias (who had told Castiella), that Belgium had so decided because no Belgian was ready to die for the Congo. The Spanish and Portuguese felt more strongly about retention of their African territories, the Minister remarked, noting that Belgium had been present in Africa only since the end of the nineteenth century, while Spain's interest in Africa dates from Roman times. Like Turkey, the Iberian countries are "on horseback between two continents", and this accounts for their special ability to understand the mentality of Africans, particularly North Africans.

The Minister turned to the subject of the awakening of "Black Africa". He noted the recent creation of 12 or 13 new states and the problem that the large number of African votes in the United Nations would cause if some formula for dealing with the problem of votes by African states were not devised.

Sr. Castiella characterized Spanish Sahara as an area half the size of Spain inhabited by about 19,000 nomads without culture or civilization. Spain is now trying to develop this territory, he said, and has the collaboration in this task of US oil companies which have been granted 90 percent of the petroleum exploration rights.

Mr. Merchant recalled that when the President visited Morocco on his good will trip in December, he informed the Moroccans of our agreement to evacuate the military bases by the end of 1963. The United States hopes that the balance of its stay in Morocco will be pleasant and that we will have the cooperation of the Moroccans. While the French regard our decision to evacuate as creating difficulties for them, we were, in fact, in continuous communication with them on the problem. The issue

<sup>&</sup>lt;sup>2</sup>See footnote 4, Document 316.

between the French and us on evacuation was basically a difference in judgment of what had to be done to keep our installations there, which we consider important for free world security, and to maintain our investment. Mr. Merchant remarked on the influence, ties and interests which France and Spain have in Morocco, and said he hoped our three countries could cooperate to keep Morocco friendly to us and closely bound to the free world. Mr. Satterthwaite added that the United States, Spain and France must continue to contribute to the economic development of Morocco. The United States will continue to keep its aid to Morocco at a high level, partially as a form of reimbursement for our bases there. We hope it will be possible to use certain military facilities in Morocco even after evacuation is completed.

In reply, Sr. Castiella said that the French are very discouraged over the experiences of their nationals in Morocco. The French Foreign Minister told him recently that 30,000 French nationals are quitting Morocco each year, disillusioned with the instability of the Moroccan Government. Some actually feel that their lives are in danger there. The vacuum left when the French depart is being filled by Soviet citizens and Chinese Communists, the Minister added.

On the question of United Nations membership of the new African states, Mr. Satterthwaite said that as long as the Algerian situation remained unsolved, a real problem exists in United Nations voting, since it is hard to see how any country of Africa south of the Sahara could vote along with France on any question touching Africa or colonialism. Once the Algerian problem is settled, there would be no African voting bloc. Nigeria and the former French territories would be particularly inclined to vote along with the European nations. Mr. Satterthwaite said the United States was encouraging France to try to arrange the formation of large rather than small units out of what was French West Africa. Four states of French Equatorial Africa may form a federation. On the other hand, the present Belgian Congo might break up into as many as six separate states. Mali and the Malagasy Republic might apply for United Nations membership this year, and Sierra Leone in 1961. Togo, Somalia and Nigeria would also request United Nations membership in 1960.

Mr. Satterthwaite referred to the white settler problem in East Africa, pointing out its similarity in many ways to the problem of French residents of Morocco. A solution seems to have been found in Kenya, but we do not know what will develop in Rhodesia and Nyasaland, for example.

In answer to a question from Ambassador Lodge, the Minister spoke of the large number of persons of Spanish descent in Algeria. Oran is still largely Spanish in population, after having been a Spanish city from 1515 to 1791.

March 23, 1960, 4 p.m.

### SUBJECT

Spanish Economic Situation and Bilateral Problems

### PARTICIPANTS 1

Spain

Foreign Minister Castiella Ambassador Jose M. de Areilza Sr. Passier, Commercial Counselor Sr. Rovira, Director of OCON Sr. Pinies, Foreign Office Sr. Elorza, Foreign Office U.S.

The Under Secretary Ambassador John D. Lodge Mr. Robert H. McBride, WE Mr. E. J. Beigel, WE

OEEC Trade Discussions. Sr. Castiella began by outlining the Spanish reply to the Group of Four questionnaire on the reorganization of OEEC, in the course of which he asked the Under Secretary to clarify certain points in the US reply.<sup>1</sup> He asked about our view regarding discussion of trade questions in the new organization. The Under Secretary said that after further consideration we had concluded that there is need for some forum in which to discuss trade problems among the members, since we do not foresee an early resolution of current problems between the Six and Seven. He said that while we do not believe it would be necessary to specify in the new charter very much about committees except perhaps the Executive Committee, we believe that some arrangement should be made for a Preparatory Commission, together with the new Secretary General-designate if he can be selected, to decide what parts and activities of the present organization can be carried forward, so that no gap develops during the coming year when the new charter will be signed and submitted for parliamentary ratifications. He said that our reply was premised on the belief that there should be no special trade regime in Europe, in view of the widespread external convertibility of currencies, and that our response was focused on this point, as we made clear in our appearance before the Group of Four.

*DAG*. Sr. Castiella said he hoped that Spain as a developing country in Europe would not be overlooked by the DAG. The Under Secretary

Source: Department of State, Conference Files: Lot 64 D 559, CF 1616. Official Use Only. Drafted by Beigel and approved in U on March 26. A summary of this conversation was sent to Madrid in telegram 1344, March 24. (*Ibid.*)

<sup>&</sup>lt;sup>1</sup> For documentation on the Group of Four questionnaire concerning the reorganization of the OEEC and the replies from the OEEC countries, see Part 1, Documents 1 ff.

emphasized that during the first DAG meeting<sup>2</sup> the discussion was confined to an explanation of resources and programs carried on by the participants and did not take up any questions of where funds should be spent. He said that we hope to see a more active policy by Germany and Italy in this field. He said that other participants seemed surprised to learn the full scope and variety of our own efforts. He said that if later discussions get into the question of the effect of aid on others, we must take account of the interests of other countries and report to them on our discussions.

OEEC Powers. Sr. Castiella said that Spain would have some misgiving if the new organization loses the executive controls which had heretofore kept the OEEC countries together. The Under Secretary said that we have submitted some suggested charter provisions to the Group of Four, which are quite similar to the present OEEC charter with regard to the powers of the organization. He said that the field of tariffs would be illustrative of the kind of activities in which we could engage only on the basis of advance authority from our own Congress. He said Canada has agreed with us on the handling of powers in the new charter.

Stabilization Program. Sr. Castiella said the Spanish program is developing satisfactorily with regard to its financial aspects. He said the second stage is now beginning, as the economy enters the critical period of the stabilization effort. He said the government must now withstand pressures from the business community which would only lead to a renewal of inflation. He said that a new 10 percent liberalization list will soon be announced, bringing total quota liberalization to 60 percent. He said that imports during the first quarter of 1960 will reach \$300 million, while exports will further increase to a level of \$283 million for the first quarter. He said the over-all balance of payments surplus for the eight months ending March 20 was \$260 million, exclusive of some \$60 million in gold holdings and exclusive of any drawings from the European Fund or the IMF. The Under Secretary expressed his pleasure in hearing of these excellent results, and remarked that the Turkish program had also shown welcome improvements during the past winter after a very slow beginning. Sr. Castiella added that Spain also intends to promulgate a new tariff and prepare to enter into tariff negotiations with the US. Sr. Areilza said that Spanish exports to the US reached a new high of \$78 million in 1959.

*Foreign Investment*. Sr. Castiella said that Spain had adopted a new foreign investment policy, and that 95 percent of recent applications have been given a preferential classification. He said that new and more

 $<sup>^{2}\,\</sup>mathrm{The}$  first meeting of the Development Assistance Group was held at Washington March 11–13.

attractive regulations are also being prepared on this subject. He said that 67 oil exploration permits had been granted for peninsular Spain, the Sahara and Spanish Guinea, involving some 17.5 million acres in all, and that 98 percent of these permits went to companies with US participation. He said that Spain will also welcome the arrival of an IBRD mission to study investment programs in Spain.

Sr. Castiella said that he would like to cover certain financial and economic questions of interest to the Ministers of Finance and Commerce, and he called upon Sr. Rovira, who specialized in these matters, to make the presentation.

Defense support. Sr. Rovira said that Spain felt that the decrease in the level of defense support is too rapid, dropping from \$85 million in FY 1954 to \$45 million in FY 1960, and to \$25 million requested for FY 1961. He asked what the prospects might be for the future. The Under Secretary said that we now have a new provision in the law which requires us to adopt as a policy the eventual elimination of grant defense support programs as soon as economically feasible. He said we have had to find a fair mean between the needs of various countries and the requirements of this policy. He said that because of the excellent position of the Spanish economy, which had just been outlined by Sr. Castiella, it would be much more difficult to justify a large scale grant aid program for Spain. He said that it would be our intention to continue substantial development loans for Spain; he recalled that the Ex-Im Bank had just announced two loans for Spain and has further loans under active consideration. He said that we could not foretell what the eventual appropriation might be this year but that if the request is cut back it is likely that Spain would be one of the last countries to be cut, in view of the reduction already made in the request for Spain in relation to this year. He also observed that the Congress in the past has earmarked defense support for Spain regardless of the amount requested, and that it is possible this will happen again.

*Shift to Loans.* Sr. Rovira said that Mr. Aldrich<sup>3</sup> had recently raised the question in Madrid whether defense support might be put on a loan basis. He said that the silence of the Spanish Government on this question should not be mistaken to signify concurrence. He said that the level of peseta obligations of Spain to the US is already quite high, and that Spain does not wish to see defense support shifted from a grant to a loan basis. The Under Secretary said that we had no intention of seeking such a shift, and that there must have been some misunderstanding in this matter.

<sup>&</sup>lt;sup>3</sup> Richard S. Aldrich, Minister and Director of the U.S. Operations Mission in Spain.

*Buy American.* Sr. Rovira said that a special ICA mission that recently visited Madrid had indicated the interest of ICA in favoring purchases in the US wherever possible. The Under Secretary said that in those cases where we are competitive we are trying to encourage countries to buy in the US, while at the same time maintaining the principle of world competition.

Section 402.<sup>4</sup> Sr. Rovira said that Spain would like to keep the level of Section 402 sales at a reasonable level. He recalled the understanding that only \$10 million of the original \$40 million program would take the form of such sales, and that this level had been increased to \$15 million when the program was earmarked at \$45 million. He said that recently the USOM had submitted a written proposal that the level of Section 402 sales be increased a further \$2.5 million.<sup>5</sup> The Under Secretary said that this would not be in line with our earlier understandings, and that we would look into this. It was suggested to Sr. Rovira that he may have confused this with a recent proposal that of the remaining \$30 million, \$1.5 million be provided in the form of convertible French francs. He said he referred to a written proposal to increase Section 402 sales by \$2.5 million.

*Counterpart Releases.* Sr. Rovira said that the Minister of Finance had asked him to advise us that US requirements with regard to the release and utilization of peseta counterpart funds were much too strict, and recalled that this matter had also been raised on an earlier visit to Washington.<sup>6</sup> The Under Secretary said that it was his impression we had agreed to greater flexibility in this regard, and suggested that the subject be reviewed with Ambassador Lodge upon his return to Madrid, so that a report and recommendations could then be submitted by the Embassy/USOM to Washington.

*PL 480 Cooley Provision.* Sr. Rovira said that Spain is about to submit a new PL 480 request a mounting to some \$42 million, and that the Minister of Finance continues to object to any Cooley provision in the agreement. The Under Secretary said that we would be glad to consider a new request for a PL 480 program, but that we would like to know more precisely about the Cooley amendment problem, in view of the increase in foreign investment in Spain and the improved investment climate. He

<sup>&</sup>lt;sup>4</sup> Section 402 of the Mutual Security Act of 1954 (P.L. 665, enacted August 26, 1954; 68 Stat. 832) provided that no less than \$350 million of the authorized funds be used to finance the sale of surplus U.S. agricultural commodities. The definition of "agricultural commodities" was spelled out in Section 402 of the Agricultural Trade and Development Act of 1954. (P.L. 480, enacted July 10, 1954; 68 Stat. 454)

<sup>&</sup>lt;sup>5</sup>Not found in Department of State files.

<sup>&</sup>lt;sup>6</sup> Rovira visited the United States in November and December 1958; see Document 310.

said that a Cooley provision would seem to us to be a further means to attract outside capital to Spain, and emphasized that with the improvement in the Spanish economic situation we had hoped that Spain would change its position, and would henceforth agree to a Cooley provision. Ambassador Lodge commented that the Minister of Commerce had said to him that Spanish opposition stems from the belief that such a provision would "make an American colony out of Spain." The Ambassador said that in his view this was certainly an excessive estimate of the consequences. Sr. Rovira said he thought this must have been a personal view of the Minister of Commerce, since the reason the Minister of Finance continues to oppose a Cooley provision is that a new credit control system is to be instituted, and that although it is not yet working the Minister of Finance fears that he will lose the initiative in this policy if the Ex-Im Bank starts a peseta lending program in Spain. The Under Secretary suggested that the Spanish Government submit a memorandum to us setting forth its reasoning about the Cooley provision.

*Peseta Purchases.* Sr. Rovira raised the question of US purchases of pesetas to meet requirements in Spain. He said that he understood the Secretary of the Treasury could not agree to this out of concern for the US balance of payments. The Under Secretary said that the real reason for our position on this subject is the legal requirement that we use up our own peseta balances accruing from defense support counterpart and PL 480 sales proceeds earmarked for US use. He said that one aspect the Minister of Commerce may not be fully aware of, which we were not fully cognizant of ourselves until recently, is that notwithstanding these large peseta balances our military services have undertaken procurement in Spain involving payments in dollars. He said that we have just completed tally of these dollar payments on procurement contracts in Spain, which were as follows:

1954	41,000
1955	3,548,000
1956	8,356,000
1957	10,342,000
1958	12,420,000
1959	18,482,000

He said that in addition some \$10 million has been spent in Spain in dollars during this period, in connection with the military construction program. He then handed Sr. Castiella a memorandum with these figures,<sup>7</sup> and it was passed on to Srs. Klorsa and Rovira.

Peseta Conversions. Sr. Rovira pointed out that the 10 percent counterpart provision cannot be changed without joint consultation. He said

<sup>&</sup>lt;sup>7</sup>Not found.

that this also applies to PL 480 sales proceeds which are available for US uses in Spain. He said that it is not legal in Spain to make currency conversions except through official channels and that the use of US peseta balances for accommodation expenses is not legal; he contended that such balances can only be used for procurement purposes. Ambassador Lodge commented that the Congress is quite preoccupied about local currency balances around the world, and that we have some 26,000 military personnel and dependents in Spain who make substantial expenditures. He said the effect on Congress would be extremely unfortunate if we did not utilize the peseta balances available to us for all US expenditure purposes. Sr. Rovira repeated that Spanish law calls for conversion requirements to be met from official sources, which would also serve to provide \$18-20 million additional dollar earnings for Spain per year. He indicated that he would be willing to give us a note about this legal situation. The Under Secretary said that if Spain were to take such a position we would undoubtedly stop paying out dollars for procurement, and from the amounts he had indicated above, it seems likely that Spain would have little or no net dollar gain as a result.

Lending Policy. Sr. Rovira then raised the question of US lending policy, remarking that neither the DLF nor the Ex-Im Bank wishes to earmark given amounts for Spain, but prefer to work on a case-by-case basis. He said that in order to establish a sound investment policy, Spain would like to have a better idea of its prospects for further loans from these institutions. The Under Secretary said that we have certain problems in countries where both these institutions are active. He said that by law the DLF must not engage in projects in which the Ex-Im Bank is interested. He said that we will in the next month or so be considering how to resolve this policy problem, and that when this review is completed we would be glad to discuss this subject further. He said that of course the Spanish authorities are always free to discuss their problems with the Ex-Im Bank. Ambassador Lodge suggested that the Ex-Im Bank would prefer to lend to private enterprise, and the Under Secretary agreed with this. Sr. Rovira observed that Spain views possible assistance from the Ex-Im and the DLF as parts of the total available investment resources. The Under Secretary said that we have this problem in many countries, and that frequently other countries project their possible loans from the US for a new year on about the same level as may have been their experience in the previous year. He said that he understood Mr. Waugh is quite pleased about the results to date of the Spanish stabilization program, and that he seems interested in continuing the Bank's operations in Spain. Sr. Rovira said that Spanish relations have been quite fortunate with the Bank so far because the level of Bank expenditure has been high while the repayment burden on Spain has been very limited.

*MAP*. Sr. Castiella handed to the Under Secretary at the conclusion of the meeting several informal memoranda he had brought from Madrid outlining the needs and interests of the three Spanish military services for further military end-items. He said that these informal notes were for the information of the Department, and that their content had been separately communicated to the Pentagon.<sup>8</sup>

<sup>8</sup>None of the notes has been found in Department of State files.

# 333. Telegram From the Embassy in Spain to the Department of State

Madrid, September 28, 1960, 9 a.m.

333. Deptel 263.<sup>1</sup> NSC policy paper alternative proposals seem out of touch with present day realities.

In minds of many Spaniards nowadays, in and out of regime, democracy as we know it is on trial. While Spaniards realize that Western ideas of democracy work well for instance in US, UK and Scandinavia, they see few other places where it is functioning successfully and somewhere it has lately been abandoned (e.g., Pakistan) for authoritarian regimes. Lack of stability in Africa and Latin America, spectacular achievements scientific and otherwise of USSR, trend towards one-man rule in France, further reinforce thinking here, if not in favor of authoritarianism at least in doubt about experimenting with Western democracy in Spain at this critical juncture in world affairs. Moreover, Spaniards, like many other people, have different ideas as to what "democracy" means.

Source: Department of State, Central Files, 611.00/9–2860. Secret; Priority; Limit Distribution.

<sup>&</sup>lt;sup>1</sup> Telegram 263 to Madrid, September 20, transmitted the texts of alternative language for paragraphs 23–c and 24 of NSC 6016. (*Ibid.*, 611.00/9–2060) See footnotes 3 and 6, Document 334. NSC 6016/1 is printed as Document 335.

There are of course many abuses under present regime. These however, it is pointed out, existed long before Franco and are unlikely to disappear suddenly with change of regime. As Woodrow Wilson said: "You cannot in human experience rush into the light". Many Spaniards, including some of Franco's own supporters hope for liberalization of present regime in many ways and disapprove of much that has been going on. Some want more freedom to form public opinion (although few advocate "freedom of press" in our sense or term; majority of Spaniards in and out of regime regard many free press attacks on Franco as irresponsible and unfair); some want more freedom to elect representatives to Cortes (although not so many advocate return to pre-Civil War multiple party system which saw 18 parties in 1936 Cortes); many want higher wages, better living conditions, extension of social security benefits, but through institutions adapted to Spanish not US needs. Many Spaniards are tired of Franco but many, even of these, doubt feasibility of change at present. Many ardent monarchists and liberals though unenthusiastic about regime see no constructive alternative and hope Franco lasts a long time.

Spanish politics are unfortunately still split up among many irreconcilable groups. Basque and Catalan nationalists (themselves divided between leftists and rightists); socialists, some of whom follow Nenni, others British Labor Party (itself badly divided) in addition to socialist exiles still fighting civil war; "Christian democrats", some of whom collaborate with Franco and some who don't; monarchists, some of whom are liberal and others extremely conservative; et cetera. Judging by Spain's bloody experiences of the recent past and by the present Spanish temper, attempts at this time to install democracy in Spain would run grave risks of opening Pandora's Box with chaotic results which would give Communists long sought-for opportunity.

Communism has demonstrated in Cuba within less than two years of Castro's accession ease with which it can inject itself into disordered situation and it could similarly easily exploit present hatreds here and, by judicious use of Communist tactics infiltrate infant Spanish democracy.

In our view alternative (1) is quite unthinkable and if raised with Franco would be fiercely resented. Operative words in alternative (2) appear to be "without prejudice to the attainment of primary US objective in Spain". We have for years been taking and expect to continue to take "discreet advantage of such opportunities as may present themselves to encourage" with influential groups and individuals more representative forms and institutions. On many occasions I have personally pointed out to the Foreign Minister and other top officials that certain moves would be helpful with US opinion. As far as "internal stability" is concerned, GOS quite naturally is alert. Accordingly, it is recommended that best policy for US to follow is:

(1) Continue including Spain more and more in Western family (including NATO), thus exposing the Spaniards increasingly to influences which it is widely conceded are beginning bring about gradual liberalization of regime along Western patterns;

(2) Help to raise living standards and improve economic health and outlook of country and especially continue to press for further economic liberalization, so that in long run extremist elements of both left and right will be weakened and moderates in and out of government can build for orderly transition after Franco toward a stable more representative form of government still friendly to the US;

(3) Encourage certain steps towards other liberalization for example to permit emergence of responsible loyal opposition which would prepare Spanish people better for what follows Franco;

(4) Raise with Foreign Minister if and when appropriate occasion arises question of arrangements for orderly practical and acceptable succession.

It should also be borne in mind, as far as US objectives in Spain are concerned, that our relations with Franco's government are excellent, that there is no guarantee or likelihood that Spanish-US relations would be improved by a successor government no matter how liberal it might be; and finally, that it would seem most unwise to interfere in the manner suggested in alternative (1) in the internal affairs of a country from the government of which we have been obtaining wholehearted cooperation at the UN and in many other places and from which we shall in the near future probably desire further important base concessions.

Lodge

# 334. Memorandum of Discussion at the 461st Meeting of the National Security Council

September 29, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–4.]

 U.S. Policy Toward Spain (NSC 5710/1; NSC 5911/1, paragraph 37; NSC Action No 2215-c; Memo for NSC from Executive Secretary,

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Boggs.

same subject, dated June 17, 1960; NSC 6016; Memo for NSC from Executive Secretary, same subject, dated September 28, 1960)<sup>1</sup>

Mr. Gray presented to the Council the draft statement of U.S. Policy Toward Spain contained in NSC 6016. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another copy is attached to this memorandum.)<sup>2</sup>

In the course of his briefing Mr. Gray referred to the split in Paragraph 23–c.<sup>3</sup> The majority of the Planning Board favors a provision that the U.S. will take discreet advantage of such opportunities as may present themselves to encourage democratic evolution in Spain; while the Defense member of the Planning Board wishes, as feasible and without appearing to interfere in Spanish internal affairs, to encourage the Franco regime to undertake steps toward democratic evolution in Spain.

Secretary Gates said the Department of Defense felt that the U.S. would be in a stronger position for the future in Spain if it had a plan of working for the evolution of democratic processes in the country rather than merely giving lip service to democracy by "taking discreet advantage of opportunities that may present themselves."

The President expressed concern with respect to Paragraph 23–c. He said it appeared to allow U.S. officials in Spain to encourage the Spanish intelligentsia, academic personnel, and so on to work for an evolution of Spanish government in the direction of democracy.

The Defense version reads:

<sup>&</sup>lt;sup>1</sup> NSC 5710/1, May 14, 1957, was not declassified. NSC 5911/1, November 4, 1959, "Tunisia, Morocco, Algeria," is printed in vol. XIII, pp. 615–625. NSC Action No. 2215–c directed that President Eisenhower wanted NSC papers brought up to date for the next administration. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council) The June 17 memorandum, which circulated NSC Action No. 2215–c, has not been found in Department of State files. NSC 6016 is not printed, but NSC 6016/1 is printed as Document 335. The September 28 memorandum transmitted a three-point memorandum from the Joint Chiefs of Staff to the Secretary of Defense supporting the majority position on paragraph 23–c. (Department of State, S/S– NSC Files: Lot 63 D 351, NSC 6016 Series)

<sup>&</sup>lt;sup>2</sup>Not printed. The briefing note reviewed the development of NSC 6016 and explained the difference between the minority and majority positions on paragraph 23–c.

<sup>&</sup>lt;sup>3</sup> The majority version of paragraph 23–c of NSC 6016 reads:

<sup>&</sup>quot;As feasible, and without prejudice to the attainment of the primary U.S. objective in Spain (par. 12), take discreet advantage of such opportunities as may present themselves to encourage democratic evolution in Spain, both in the interest of continued internal stability and Spain's international influence and prestige."

<sup>&</sup>quot;As feasible and in a manner designed to preclude the appearance or interpretation of improper interference in the internal affairs of Spain, encourage the Franco regime to undertake steps toward democratic evolution in Spain, seeking to impress upon the regime that such steps are desirable interest of Spain's international influence and prestige." (Department of State, S/S–NSC Files: Lot 62 D 1, NSC 6016 Series)

However, such efforts might come to take on the character of revolutionary efforts. The President said he of course favored democratic processes but he was rather reluctant to authorize our officials in Spain to work toward this end.

Secretary Dillon said he was skeptical that, in the present situation in Spain, anything worthwhile could be done to advance the cause of democracy. Such democratic forces as exist in Spain are split into many factions. Before Franco's access to power, there were, for example eighteen political parties in the Cortes. Any rapid movement toward democracy in Spain appeared to Secretary Dillon to be out of the question at this time. In fact, such a movement might lead to a Communist takeover of the country. The Department of State would not object to deleting both versions of Paragraph 23-c from the paper. State had accepted the majority version of the paragraph because it was in accordance with our overall policy. However, the majority version had the defect of including the phrase "without prejudice to the attainment of the primary U.S. objectives in Spain." Since the primary U.S. objective was stated in Paragraph 12 to be access to military facilities in Spain, nothing could really be accomplished under Paragraph 23-c. Mr. Dillon also thought that the Defense version of Paragraph 23-c presented certain difficulties. The Defense proposal spoke of encouraging the Franco regime to undertake the steps toward democratic evolution. In Mr. Dillon's view there is no Franco regime in Spain; there is only Franco himself. If we desire to encourage democratic steps in Spain, we will be obliged to talk with Franco personally. Mr. Dillon felt this would be a very counter-productive exercise.

Secretary Gates said that the Department of Defense in suggesting its version of Paragraph 23–c had only been endeavoring to do some advance planning. The situation in Spain might change at any time and it might be desirable for the U.S. to undertake some planning steps in anticipation of changes in the situation.

Secretary Dillon said that Paragraph 24 dealt with the problem to which Secretary Gates was alluding, that is, the succession process in Spain.<sup>4</sup> Our Embassy in Spain, on being asked to comment on Paragraph 23–c, had stated the belief that both versions of the paragraph were unrealistic but that the majority version was the least unrealistic.

Governor Hoegh<sup>5</sup> felt that the U.S. must of necessity deal with the dominant faction among the democratic elements if it wished to encourage democracy in Spain. The U.S. could not deal with intangible ele-

<sup>&</sup>lt;sup>4</sup>See Document 333.

<sup>&</sup>lt;sup>5</sup> Leo A. Hoegh, former Governor of Iowa and Director of the Office of Civil and Defense Mobilization.

ments in Spain. Secretary Dillon said the U.S. had no intention of talking to professors alone in any attempt to encourage democracy in Spain.

Mr. Gray wondered whether the real questions for decision in connection with this sub-paragraph were not (1) whether we should attempt to encourage democracy in Spain by dealing directly with Franco and (2) whether the paper should contain a basis for planning for future contingencies in Spain.

The President suggested that both versions of Paragraph 23–c be deleted and that Paragraph 24 contain an expression of our hope that after the succession process takes place, Spain will have a more democratic government.<sup>6</sup> [2 lines of source text not declassified] However, in a stable country which did not adopt Khrushchev as its god, he thought it was perhaps the course of wisdom to let the situation alone. Paragraph 24 might refer to our hope that the succession process will evolve toward democracy in Spain.

# [1 paragraph (3 lines of source text) not declassified]

The President recalled that during his conversation with Franco on his trip to Spain<sup>7</sup>he had told Franco that a great many Baptists in the U.S. were pressing him to request Franco to allow them to open a church in Spain. The President said he told Franco we had a great many Baptists in the U.S. but Franco replied that 98 per cent of the population in Spain was Catholic and had added, "Let's be reasonable."

Mr. Gray resumed his briefing. After Mr. Gray referred to the military paragraphs and the Financial Appendix to NSC 6016, Secretary Gates commented that we had plans to equip two Spanish infantry divisions and one or two mountain divisions and to effect some modernization of the Spanish army. Secretary Gates thought it would be necessary for us to continue our military program in Spain indefinitely.

In response to a question from Mr. Gray, General Twining said that the Spanish army was a well-disciplined force but had no capability for effective military operations outside Spain.

After Mr. Gray concluded his briefing and had referred to the estimate that discussions would probably start in 1962 for extension of the base rights agreement, Secretary Gates commented that in these discussions, we would probably find that we would have to pay for the bases again.

<sup>&</sup>lt;sup>6</sup> Paragraph 24 of NSC 6016 reads:

<sup>&</sup>quot;Encourage discreetly the establishment of a practical and acceptable succession process in Spain to assist in maintaining internal stability and in avoiding a post-Franco crisis which might jeopardize our access to military facilities and the achievement of related U.S. objectives." (Department of State, S/S–NSC Files: Lot 62 D 1, NSC 6016 Series)

<sup>&</sup>lt;sup>7</sup>See Document 318.

Secretary Dillon reported that the Spanish stabilization program had been an outstanding success. Spain had built up its reserves from practically zero to \$500 million in the course of a year, the greatest reserve Spain had held since the civil war. Spanish economic activity was picking up. Spain needed no grant assistance except the assistance given in connection with the bases. However, each year Congress requires the Administration to provide Spain with more grant assistance than the Administration feels is necessary. This year the Administration asked for \$25 million for assistance to Spain and Congress said that \$35 million should be provided. Next year the Administration will probably suggest \$15 million and Congress will probably increase that amount to \$25 million.

### The National Security Council:8

a. Discussed the draft statement of policy on the subject contained in NSC 6016; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of September 28, 1960. b. Adopted the statement of policy in NSC 6016, subject to the fol-

lowing amendments:

(1) Page 11, subparagraph 23-c: Delete both versions of this subparagraph.

(2) Page 11, paragraph 24: Revise to read as follows:

- "24. Encourage discreetly the establishment of a practical and acceptable succession in Spain which would:
- "a. Assist in maintaining internal stability.
- "b. Avoid a post-Franco crisis which might jeopardize our access to military facilities and the achievement of related U.S. objectives.
- "c. Hopefully evolve toward more democratic processes in Spain."

Note: NSC 6016, as amended by the action in b above, subsequently approved by the president; circulated as NSC 6016/1 for implementation by all appropriate Executive departments and agencies; and referred to the OCB as the coordinating agency.

[Here follow agenda items 6 and 7.]

Marion W. Boggs

<sup>&</sup>lt;sup>8</sup> Paragraphs a and b and the Note that follows constitute NSC Action No. 2312, approved by the President on October 5. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

# 335. National Security Council Report

NSC 6016/1

October 5, 1960.

# STATEMENT OF U.S. POLICY TOWARD SPAIN

## General Considerations

### Importance of Spain

1. Because of Spain's strategic geographic location, Spanish cooperation is valuable for the defense of the NATO area and of the United States, for the following reasons:

a. Spain offers additional and dispersed bases designed for the use of U.S. strategic air and naval forces which are important to U.S. deterrent and operational capabilities.

b. Military forces based on Spain could influence military operations in all the Mediterranean, the Eastern sections of the North and Central Atlantic Ocean routes, Northwest Africa, and all of Western Europe.

c. Spain can also provide depth in the defense of Western Europe against an attack by the USSR.

### The Political Situation

2. More than twenty years after the Civil War, General Franco, who is now 68 years old, is still Chief of the Spanish State and his control has not been seriously contested. His regime is supported by the conservative elements of Spanish society: the officer class of the armed services; the wealthy industrialist, banking and landholding groups; and a majority of the clerical hierarchy. The job-holding bureaucracy of the Flange, Spain's only legal political organization whose careers are dependent in good part on the present system, and the older generations' deeply-rooted desire for peace and stability following the chaos of the Civil War contribute significantly to the continuance of the Franco regime.

3. Concurrently, however, there exists a pervasive political malaise in Spain, especially among the younger generations and including elements of the lower clergy. The fragmented opposition groups from the Communist left to the Monarchist right have been unable thus far to

Source: Department of State, S/P–NSC Files: Lot 62 D 1, NSC 6016 Series. Secret. NSC 6016/1 comprised a cover sheet; a note by Executive Secretary Lay, which stated that it had been approved by the President on October 5 and that it superseded NSC 5710/1; a statement of policy; and a Financial Appendix. Only the statement of policy and part of the Financial Appendix are printed here. NSC 6016, September 19, was discussed by the NSC on September 29 and revised pursuant to that discussion; see Document 334.

provide the catalysts necessary to coalesce this discontent into a coherent and effective opposition. Sporadic outbreaks of active dissatisfaction, which are not expected to lessen, indicate the less than firm basis of Spain's present authoritarian regime, although its efficient internal security forces have swiftly smothered such outbreaks and currently maintained firm control.

4. Prospects for future stability in Spain following the demise or incapacitation of General Franco are also weakened by the lack of provision for a successor government. Spain is officially a monarchy and at the present time a monarchical restoration appears to be the most likely post-Franco development, at least as an interim government which might ensure a measure of stability during a critical period.

5. Spain has successfully emerged from its diplomatic isolation of the post-World War II period. Following the conclusion of the agreements with the United States in 1953, Spain has moved back into international society and become a member of the UN, OEEC, participates in other multilateral organizations and UN specialized agencies, and has applied for adherence to GATT. It is also seeking to improve its relations with other Western European nations by official visits, trade and cultural agreement, etc. Spanish participation in NATO, however, continues to be adamantly opposed by the Scandinavian members in particular, who regard the Franco regime as ideologically incompatible with NATO principles. At least so long as the Franco regime remains in power, Spain is unlikely to be accepted in NATO. U.S. association with the Franco regime has on occasion been detrimental to U.S. prestige among certain groups in other parts of the world.

6. Serious difficulties may develop between Morocco and Spain. Spain retains the Mediterranean port cities of Ceuta and Melilla and the small Ifni areas as enclaves in Morocco. To protect these interests and those of its nationals residing in Morocco, proper, Spain retains forces in the enclaves and also in Moroccan territory. Morocco is pressing for the complete evacuation of Spanish troops and has asserted claims to the enclaves as well as to the Spanish Sahara.

## The Economic Situation

7. A deteriorating balance of payments situation reached a critical point in mid-1959 when heavy inflationary pressures and near exhaustion of hard currency reserves presented the Spanish Government with the alternatives of an immediate deflationary program or economic, probably political, disorder. With uncharacteristic directness the Spanish Government met this problem by consulting with the OEEC and the IMF and, with the assistance and encouragement of these organizations and the United States, developed and energetically instituted an economic stabilization plan. This program has been successful in stabilizing the value of the peseta, halting inflation and the rise of the cost-of-living, improving Spain's gold and dollar reserves position, and eliminating the heavy balance of payments deficits on current and capital accounts. These substantial gains, however, were accompanied by a slow-down in general business activity, increased unemployment and a decrease in the amount of take-home pay. The Spanish Government is now studying corrective measures which might be undertaken to stimulate business activity, as the continuation or worsening of this situation could lead to active unrest and political turmoil. In this connection, it is in the U. S. interest to encourage a stable and growing economy in Spain as a necessary concomitant to the U.S. use of the joint-use Spanish bases and facilities.

# U.S. Aid

8. The agreements signed by the United States and Spain on September 26, 1953, provide for the development and use by the United States of military facilities in Spain, and for U.S. strengthening of Spain's economic and military posture through economic and military aid. SAC bases have been developed at Zaragoza, Torrejon and Moron de la Frontera; a navy base and naval air station at Rota; a 485-mile pipeline from Rota to Zaragoza; naval fuel and ammunition storage depots; AC&W sites, and ancillary supporting facilities. This base complex is fully operational and construction is virtually completed. U.S. capital expenditures on these facilities up to September 1, 1960, amounted to approximately \$352 million, of which approximately \$140 million were covered by counterpart funds generated by U.S. aid programs.

9. To support the policy of military cooperation with Spain, the United States undertook a commitment in 1953 to provide a total aid program in the amount of \$465 million over a period of four years. Programming for this commitment was virtually completed in FY 1957, but the United States has continued to provide both military and economic assistance in order to promote the achievement of U.S. objectives in Spain and, in particular, to retain the over-all U.S.-Spanish cooperation required for U.S. use of Spanish bases and facilities. Through FY 1960, a total of \$420 million in military assistance and \$1,281 million in economic programs (including defense support, loans and P.L. 480 sales) had been approved.

10. The initial ten-year period of the 1953 Defense Agreement will terminate on September 26, 1963. Preliminary Spanish views have been expressed informally by some officials that it would be desirable to initiate discussions at an early date for the strengthening and expansion of this agreement. Spain will undoubtedly endeavor to utilize the 1963 date as a lever to obtain concessions from the United States. It is in the best interest of the United States to provide continuing military and economic assistance on the minimum basis necessary to retain Spanish cooperation. It is considered disadvantageous, however, to enter discussion on this point so far in advance of 1963. U.S. base interests in Spain will probably not be threatened so long as the Franco regime remains in power. It is not believed that Spanish policy toward the United States would be drastically altered after Franco's departure unless the political situation degenerated into prolonged disorder. Any likely successor regime would almost certainly recognize that close cooperation with the United States was essential to economic stability.

11. The Spanish Armed Forces remain firmly under General Franco's control and the regime continues to rely on their support and influence, principally that of the Army, to assure the maintenance of political stability. Basically, these forces have a capability only for maintaining internal security, for conducting a limited delaying action against a modern well-equipped force and for defending Spanish possessions in North Africa against attacks by forces from the neighboring states. All three of Spain's Armed Services have shown marked improvement as a result of U.S. aid, but are still far from having a satisfactory capability for defense. The predominance of obsolete equipment, the limited prospects of obtaining large numbers of modern weapons, the low level of education and lack of technical experience of Spanish manpower, and the extremely limited capability of Spain's present economy to support a modern military force, forecast a continued reliance by Spain on outside assistance to maintain the level of effectiveness which has been achieved since 1953.

## Objectives

12. Access to military facilities in Spain required by the United States, and acceptance by Spain of the concept of collective security.

13. Improvement of the capability of Spanish forces to contribute to the defense of the Iberian Peninsula.

14. Maintenance of Spain's non-Communist orientation and development of close relations with the United States.

15. Improvement of relations between Spain and the NATO nations in order:

a. To tie Spain as closely as practicable to Western plans for regional defense.

b. To obtain Spanish participation in NATO as soon as appropriate, without committing the United States at this time to bring Spanish forces up to NATO standards in case Spain is admitted to NATO.

16. Maintenance of internal stability as needed to accomplish these objectives.

17. Sound economic growth and stability as needed to accomplish these objectives.

18. The evolution of Spain toward more democratic processes.

19. The conduct by Spain of a cooperative and constructive policy in the Mediterranean area.

# Major Policy Guidance

20. a. Provide Spain such minimum military, economic and technical assistance as is necessary to promote achievement of U.S. objectives and, in particular, to retain the over-all U.S.-Spanish cooperation required for U.S. use of Spanish bases and facilities.

b. In providing assistance under subparagraph a above, seek to distribute total assistance in such a way as:

(1) To assist in promoting a reasonable degree of economic stability and growth, recognizing their contribution to internal political stability.

(2) To develop forces to increase Spain's capability to contribute to the defense of the Iberian Peninsula, including defense of U.S.-occupied Spanish bases.

(3) To encourage the reduction or elimination of unnecessary military forces.

c. In discussions with Spain as to future U.S. military assistance, balance Spanish requests for any increases in U.S.-supported forces above the present U.S.-supported force basis against the possibility that some provision for advanced defensive weapons may be required, and against the limited capabilities of the Spanish economy to support modern military forces.

21.a. In both Spain and the NATO countries, encourage closer cooperation between Spain and our NATO allies.

b. Seek to persuade, as appropriate, our NATO allies of the advantages of Spanish membership in NATO.

c. When appropriate, encourage Spain to apply for membership in NATO and support that application when presented.

22. Encourage Spain to follow economic and financial policies designed to promote sound economic growth and stability and to improve the climate for foreign investment in Spain.

23. Recognizing that the United States must cooperate closely with the government of Franco in order to ensure effective implementation of the U.S.-Spanish agreements:

a. Endeavor to avoid any identification with the policies of the Spanish Government not required for this purpose, and avoid steps that could be interpreted as an attempt to interfere in Spanish internal affairs. Maintain broad but selective contacts with all opinion groups including the non-Communist left—consistent with the need for continuous, harmonious working relationships with the Franco Government—in order (1) to encourage their pro-Western orientation and (2) to present American programs and our presence in Spain in terms of their benefits to the Spanish people. b. Continue to use U.S. influence to persuade Spain to adopt policies consonant with U.S. interests.

24. Encourage discreetly the establishment of a practical and acceptable succession in Spain which would:

a. Assist in maintaining internal stability.

b. Avoid a post-Franco crisis which might jeopardize our access to military facilities and the achievement of related U.S. objectives.

c. Hopefully evolve toward more democratic processes in Spain.

25. Encourage broader educational, cultural, military and technical contacts between Americans and Spaniards in the interest of building up influence within Spain favorable to the attainment of U.S. objectives.

26. Encourage the orderly settlement of problems and disputes involving Spain and African states in order to encourage the maintenance of Spanish influence in North Africa.

# [Attachment]<sup>1</sup>

# FINANCIAL APPENDIX

[Here follow six pages of tables on projected U.S. programs or authorizations and lists of military equipment scheduled for delivery to Spain.]

# ICA Comments

I. Cost Implications of Existing Policies: Summary Explanation and Comments

# A. Major economic assistance prior to FY 1959

For the fiscal years 1954 through FY 1958 Spain has been authorized \$335 million in Defense Support aid. Of this amount \$138.3 million has been used to finance surplus agricultural commodities under Section 402 and \$2.9 million for technical exchange programs. The necessity to adjust to existing economic conditions in Spain to meet U.S. objectives dictated the composition of that part of the program which was not Section 402. The start of the economic or "Defense Support" program in September 1953 coincided with Spanish efforts for rapid economic expansion, especially in industry. Thus, in FY 1954 and FY 1955 a relatively high proportion of capital equipment was financed. Beginning with FY 1957, when inflationary pressures had begun to mount, a greater proportion of Defense Support funds was devoted to industrial raw materials in order to help stem spiralling price increases. With the return of price stability in 1959, more emphasis was placed again upon capital equipment. Beginning in FY 1958, funds are provided every year under the Technical Cooperation program which amounted to \$1.1 million in FY 1958.

# **B.** Economic Commitments

The United States undertook concomitantly with the signing of the Mutual Defense Agreement of 1953 to provide Spain with a total of \$465 million in military, economic and technical assistance over a period of four years. The U.S. has fulfilled its economic commitment, and no further formal commitment exists. The continuation of economic assistance to Spain is expected by the Spanish Government, however, in light of American bases in that country.

# C. Economic and Technical Assistance Programs

*Defense Support.*—Defense support aid in Spain has been designed to assist in maintaining a cooperative Spanish altitude for the operation of the bases which are in use by American forces. In FY 1960 the program was aimed at this purpose by serving a further purpose, that of supporting Spain's program to stabilize and liberalize its economy. Defense Support aid to Spain of \$45 million in FY 1960 was part of a larger "package" of stabilization assistance totalling nearly \$400 million which came from a variety of sources.

Of the total of \$45 million DS aid, \$15 million was used to buy U.S. surplus agricultural commodities under Section 402, mainly corn, barley, soybeans, oilcake and meal, eggs and dried beans, which helped to stabilize the cost of living index. Purchases with the remaining \$30 million included coal, crude oil, chemicals, paper, tractors and a considerable amount of capital equipment which served to sustain the production of goods needed to combat inflation. The increased emphasis on capital equipment in the utilization of D.S. aid reflected the import liberalization measures undertaken with respect to raw materials under Spain's stabilization program. For FY 1961 the Executive Branch has requested \$25 million in D.S. aid, which represents a sharp reduction as compared with the levels of previous years. This reduction was considered appropriate in view of the significant gains in foreign exchange earnings resulting from the economic stabilization program and by the availability of loans from international economic organizations, the Export-Import Bank and the Development Loan Fund. However, the FY 1961 Appropriation Act requires that not less than \$35 million in defense support should be provided to Spain. The FY 1961 D.S. aid will be programmed as far as possible to support the economic stabilization program.

*Technical Cooperation.*—The Technical Cooperation program in Spain is designed to support general economic development. It also promotes closer contacts between Spain and the Western World. Specific emphasis is put on participant training. Each year about 300 Spaniards receive training in the U.S. or European countries in a wide variety of fields, such as agriculture, industry, public administration, transportation and civil aviation. Returning participants have been successfully working on T.C. projects in Spain under the guidance of U.S. technicians. It is expected to continue the T.C. program at approximately the same level as during the past three years. The Mission's efforts will be especially directed toward increasing Spanish interest in modern management, public administration, improved marketing methods and tourism promotion.

D. P.L. 480 Agreements

Under Public Law 480 Title I the first peseta sale of surplus agricultural commodities was negotiated during 1955. Total sales programs to date amount to \$458 million. Through these programs serious shortages and runaway price increases in basic food items were averted. The commodities purchased from the beginning of the program through FY 1959 were mainly cotton, edible oils, feed grains, tobacco, some tallow, cotton linters, potatoes and meat. The sales agreement for \$64 million concluded in June, 1960 provides for the largest part for shipments of cotton-seed and soybean oil, cotton, and for smaller amounts of tobacco, barley and corn.

P.L. 480 sales agreements concluded to date provide for about 50 percent of the peseta proceeds to be loaned to Spain for economic development under Section 104–(g) of P.L. 480 Title I, while the other 50 percent is retained by the U.S. for its own use.

Spain also receives grants under the Title III program of P.L. 480. Voluntary relief agencies are in charge of the distribution of these surplus agricultural commodities to needy persons in Spain. In FY 1959 cotton was shipped to Spain under a Title II program to be used for the manufacture of mattresses which in turn were distributed under the usual Title III procedure.

E. DLF and Ex-Im Bank Loans

Thus far, four DLF agreements have been signed for a total of \$26,850,000 and the Ex-Im Bank has extended loans totaling \$102 million.

No active loan applications are on file at this time.

The Export-Import Bank agreed to lend \$30 million to Spain in support of the economic stabilization program. Actually, loans authorized during FY 1960 amounted to \$51 million. These consisted of two loans totalling \$17.6 million for fertilizer manufacturing, two loans totalling \$17.9 million for expansion of electric power facilities, a loan of \$14.1 million to assist in financing the purchase of three DC-8 jet aircraft, a loan of \$650,000 for facilities to manufacture tires, tubes and rubber products and a loan of \$750,000 for purchases of U.S. machinery, equipment and services needed for the expansion of an engine plant.

## F. Grants and Credits from International Institutions and Other Free World Governments

In July, 1959 the Spanish Government adopted an extensive stabilization program as the result of discussion between the Spanish Government, the International Monetary Fund, the Organization for European Economic Cooperation, the United States Government and private banks in the United States. For the execution of the program the Spanish Government had available foreign aid from the following sources, in addition to U.S. Defense Support, Ex-Import Bank loans and P.L. 480 sales. Only a small portion of this credit was actually used.

OEEC stand-by credit	\$100 million
IMF	\$ 75 million <sup>2</sup>
Private U.S. Banks stand-by credit	\$ 71 million
Consolidation of Bi-lateral debts	\$45 million

## II. Cost Implications of Proposed Policies: Summary Explanation and Comment

Both the improvement of the Spanish economy which has resulted from the adoption of the stabilization program and the prospects from some long-term improvement indicate that Spanish needs for external assistance after FY 1962 could be met by the supply of capital from normal sources—international and national lending institutions and private investors—and by continuation of the P.L. 480 sales program.

However, in connection with the discussions that will probably start in 1962 for extension of the base rights agreement, it may be necessary to provide, on essentially political grounds, continued loan assistance from the DLF and continued grant economic assistance (presently denominated as Defense Support).

<sup>&</sup>lt;sup>2</sup> Drawing rights—\$50 million. Stand-by credit—\$25 million. [Footnote in the source text.]

# UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

U.S. CONCERN WITH POLITICAL, ECONOMIC, AND MILITARY DEVELOPMENTS RELATING TO THE UNITED KINGDOM; U.K. INTEREST IN ACQUIRING THE SKYBOLT MISSILE SYSTEM; MEETINGS OF PRESIDENT EISENHOWER AND PRIME MINISTER MACMILLAN AT WASHINGTON JUNE 9–11, 1958, MARCH 19–23, 1959, AND MARCH 26–29, 1960, AND AT LONDON AUGUST 27–SEPTEMBER 2, 1959

## 336. Message From Prime Minister Macmillan to President Eisenhower

London, January 2, 1958.

As I promised, <sup>1</sup> I have spent the few days of this Christmas holiday in brooding over the problem of how to handle the Russians, and at the same time—what is equally important—how to rally the maximum support we can in the free world as well as in the uncommitted countries.

There are two aspects—procedure and substance. Here are some very general ideas on both, which Selwyn and I have talked over. Up to now we have always proceeded in the disarmament discussions with a feeling in the back of our minds that the Russians would never really agree. In others words, they have unfortunately turned out to be largely propaganda exercises and not genuine negotiations on their part. We must, however, recognize and indeed hope that the Russians, for various reasons, may now or in the future be ready to conclude an agreement. We ought therefore to look again at what we might be willing to accept. If you and I agree on a policy, I think we ought to be able to sell it to the rest of our allies.

One course is to say that we stand on the four Power partial disarmament proposals, as set out by Stassen and Selwyn and the others last

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Top Secret. Transmitted to Secretary of State Dulles by Ambassador Caccia under cover of a message from Foreign Secretary Lloyd dated January 2.

<sup>&</sup>lt;sup>1</sup> Apparent reference to a statement made by the Prime Minister in his Christmas 1957 letter to President Eisenhower. (Eisenhower Library, Whitman File, International File)

summer.<sup>2</sup> The Russians always refuse any advance we make, and then take it as a starting point for their next claim. We might decide to show up this technique and stand firmly on our proposals.

We may, on the other hand, be prepared to go further than the four Power proposals, although using them as a basis. In a sense, that is what we did in the Paris communiqué,<sup>3</sup> when we said that we would consider other proposals, whatever their source. We might indicate our disappointment that the four Power proposals were not accepted, but repeat that we were quite willing to discuss modifications of them or new ideas on the same general theme. But in addition to this we must also have a view about the so-called policy of disengagement, for this is obviously an idea which is being much canvassed in both our countries. Although Foster has kindly told Harold Caccia in confidence what Adenauer said to him, I am still a little uncertain as to where Adenauer really stands.<sup>4</sup> I feel that he would agree that it should be for SACEUR's decision as to where I.R.B.M.s should be placed, but would hope, or at least accept, that in fact they would not be placed on his own territory. To exclude Western Germany as such would raise obvious political difficulties. On the other hand, the acceptance of the Polish proposal to exclude nuclear weapons from Western Germany in return for a similar exclusion in East Germany, Poland and Czechoslovakia offers certain advantages.<sup>5</sup> For example, the three Communist countries concerned are more than twice the size of West Germany, and the introduction of inspection into this large area would be an obvious asset. From the standpoint of rocket attack, the distance to the East of England (where your strategic bomber bases and ours are situated) is about 450 miles from East Germany, whereas the nearest point in Russia is about 900 miles. I know that this

<sup>&</sup>lt;sup>2</sup> On March 18, 1957, the five-member subcommittee of the U.N. Disarmament Commission convened in London. Representatives of Canada, France, the United Kingdom, the Soviet Union, and the United States discussed various aspects of the disarmament question, including nuclear tests, reduction of conventional and nuclear armaments, and international inspection. At subcommittee sessions between June 20 and July 5, 1957, Harold Stassen, the President's Special Assistant, outlined Western four-power proposals for a step-by-step arms reduction procedure. Valerian Zorin, the Soviet representative on the subcommittee, rejected these proposals in July.

<sup>&</sup>lt;sup>3</sup> For text of the communiqué issued at the conclusion of the meeting of the Heads of Government of the NATO countries in Paris December 16–19, 1957, see Department of State *Bulletin*, January 6, 1958, pp. 12–15. For documentation on the meeting, see *Foreign Relations*, 1955–1957, vol. V, pp. 218–259.

<sup>&</sup>lt;sup>4</sup>Secretary Dulles talked with Chancellor Adenauer in Paris on December 14, 1957, prior to the NATO Heads of Government meeting.

<sup>&</sup>lt;sup>5</sup> Reference is to a proposal which was formally presented by Polish Foreign Minister Adam Rapacki to American Ambassador Jacob Beam in Warsaw on February 14, 1958, concerning the establishment of a denuclearized zone in Central Europe. The texts of Rapacki's note and the U.S. response of May 3 are in Department of State *Bulletin*, May 19, 1958, pp. 821–823.

would lead to the problem of tactical atomic weapons. I think it would be difficult to refuse these to forces in West Germany under N.A.T.O. Command. Nevertheless, is there not perhaps a balance of advantage for us in some measure of disengagement, remembering always that if this were agreed, we would have secured a considerable degree of effective inspection? We must, however, remember that we might be drawn into the wider problem of demilitarisation or neutralisation. Of course, Adenauer has already offered that East Germany should be demilitarised if it were reunited with West Germany. We must surely work out an agreed policy for our two countries on all these issues. This is important not only from the point of view of any initiative with the Russians; it is important that we should carry all the N.A.T.O. countries, especially Germany, with us in anything we propose.

Now I come to another question—nuclear tests. The Russians will undoubtedly press their proposal for the abolition of tests as a start. This, of course, attracts world public opinion. The Russians will also agree to inspection for this purpose, because they can do this without any of the disadvantages that would follow a whole system of inspection and control applied either to the manufacture of weapons or of fissile material. The tests inspectors would live in a desert and not range around the factories. What are we to say in reply? I think we shall be forced to a view.

I must be quite frank and say that from my own government's point of view, we could not accept the abolition or suspension of tests in the present state of our knowledge. But if you thought that you had really got as far as you wanted (leaving out the refinements which scientists and military technicians will always want) and if you were prepared, after a revision of the Atomic Energy Act,6 to make your knowledge available to us, our position would be different. If, on this basis, you would accept the abolition or suspension of tests (and at least get some kind of inspection as a result and therefore the thin end of a wedge towards something better) we would accept this. But it would have to be after an amendment to the Atomic Energy Act and knowing that we would get the advantage of your knowledge. Whatever the technical disadvantages of stopping tests, and they may be very great, we would at least improve the chances of stopping the nightmare of all the other countries coming along with their tests, and therefore, in fact, prevent them from becoming nuclear powers.

This leads me to the next point. There are suggestions that we ought to aim at total nuclear disarmament. I think there would be great dangers if this idea were canvassed. It may perhaps be the purpose of the

<sup>&</sup>lt;sup>6</sup> The Atomic Energy Act of 1954, Public Law 83–703; 68 Stat. 919.

Russians to achieve total nuclear disarmament leaving themselves with the immense superiority of numbers and the great advances they have made in conventional weapons. They have built up a fleet of surface ships and submarines and large numbers of bombers which they are still continuing to construct. My feeling is that while we might contemplate agreements about the stationing of these weapons, or their limitation in numbers, or a cut-off of any future production of fissile material for weapons purposes or even perhaps any future production of weapons (all this under proper inspection and control), the total abolition of all stocks of nuclear weapons would be very dangerous unless it was accompanied by a reduction of conventional arms far beyond anything we have so far envisaged—in other words, to levels adequate for internal security purposes only.

After all, we have kept the peace—or rather your great power has done so—for ten years; first, because of your superiority, and now because of the more or less equal balance of forces on both sides. The Russians know this and know they cannot gain from war, and so now pose as a peaceful power. If the deterrent power of nuclear retaliation were abolished, might not the balance be fatally thrown out, leaving the European countries to be absorbed one by one into the Communist orbit, as Hitler did before the war with Austria and Czechoslovakia?

I think we ought to clear our minds about these fundamental problems, because we are now approaching a point when it may not be possible to rely any longer on throwing the blame upon the Russians for the breakdown of negotiations. I find it, for instance, rather embarrassing that they have proposed the abolition of tests with—in theory at least control and inspection; that they have, through the Polish proposals, proposed the nuclear demilitarisation of large areas of Europe with also in theory—control and inspection. There may now at last be some real hope of breaking the deadlock. We cannot as yet tell. But I am sure that we ought to enter the next round of discussions with the intention of reaching agreement if the Russian approach is genuine, or of exposing their insincerity if it is not.

When you and Foster said in Paris that an attack on one is an attack on all, that was a very far-reaching statement.<sup>7</sup> Its implications are hardly yet understood. But I would frankly fear a situation in which the Russians kept great armies and a huge submarine fleet easily mobilized and the West was deprived of our real defense, the nuclear deterrent. You know as well as I do that neither the new world, nor the old, could

<sup>&</sup>lt;sup>7</sup> Reference is to President Eisenhower's December 16, 1957, statement at the opening session of the meeting of Heads of Government of NATO countries. For text of this statement, see Department of State *Bulletin*, January 6, 1958, pp. 6–8.

permanently keep arms of a conventional kind to meet this kind of attack, without the destruction of our way of life and of our economies.

As to procedure, my own feeling is that we should be flexible. The only thing I would very much dislike is a special meeting of the Assembly of the United Nations because they would be sure to carry a lot of foolish separate resolutions, any of which we might be willing to agree to if they were part of a whole, but none of which would, by themselves, be in our interests, e.g. the prohibition of nuclear tests. Nor would we be able in that forum to get any really effective system of inspection and control, since the Assembly would accept the most airy and woolly promises.

But if the Russians will not co-operate in the new disarmament commission of the United Nations, we ought to renew our offer to talk direct.8 We should repeat the offer that the Foreign Ministers will meet the Russian Foreign Minister for general discussions to try to "break the deadlock". We could also add that, if real business is to be done, a preliminary meeting of the Ambassadors of all the countries who were to take part should be held to try to settle the agenda. I think in the circumstances, we might conceivably agree that this meeting should take place in Moscow, for there may be more of us than of them. Now comes the question, which Foreign Ministers? United States certainly; United Kingdom and France, presumably. Canada might well prefer to drop out at this stage though we should of course, have to ask Diefenbaker for confirmation of this. That might also make it easier for Italy not to demand representation. If we had three or four on our side, I am rather attracted by the idea of letting them have any three or four they like. The difficulty is that they would no doubt include China which, I assume, you would not like. A way round this might be to have a tacit understanding with the Soviets that the Ministers would be drawn from N.A.T.O. and Warsaw Pact countries respectively, but would not be regarded as "representing each Pact". If West Germany came with us, the West German's would have to be asked if they would like to come at the risk of a member of the East German Government coming too. If they preferred not to face this, then West Germany would not come in our team, but would be in close touch throughout, behind the scenes.

If our two governments could reach clear and agreed views on all these subjects, I myself would not shrink from what is called a summit meeting, at the right moment. The world seems to expect it. But we must

<sup>&</sup>lt;sup>8</sup> Paragraph 17 of the communiqué issued at the conclusion of the December NATO meeting stated: "Should the Soviet government refuse to participate in the work of the new Disarmament Commission, we would welcome a meeting at Foreign Ministers' level to resolve the deadlock." For text of the communiqué, see *ibid.*, pp. 12–15.

insist on the necessary preparation, both on the diplomatic and Foreign Minister levels.

But I would not like us to enter any of these talks without having a very clear picture of exactly what we want. What this comes to is, are we prepared from a moral and political point of view to say: disarmament, to be fair and honest, must keep the balance? The present balance now at least prevents war. Do not let us have the kind of disarmament that may encourage war. In other words, are we ready to stand firm on partial disarmament, conventional and unconventional? Would we face total nuclear disarmament? Or would the world be safer if there was a certain amount of nuclear arms, although limited and controlled, in the possession of both sides, combined with a thinning out of military positions, together with widespread ground and air inspection?

How it will end up, I do not know, except this: that until we have reached some clear picture we cannot really play our hand confidently. We must, of course, produce an interim reply to Bulganin to keep things quiet.<sup>9</sup> We can play the first round or two on the basis we reached at N.A.T.O., but we cannot play it through unless we know exactly what we want or are prepared to accept. I apologise for this long message. As you will see, I have posed a lot of questions. It is always easy to do this. I do not want you to deduce from the way I have put them that I have formed a view about any of the answers. The only thing I am sure of is that we must keep together.

<sup>&</sup>lt;sup>9</sup> In his reply to Premier Bulganin's letter of December 10, 1957, President Eisenhower wrote on January 12, 1958, that he was prepared to meet with Soviet leaders and other heads of government, providing that groundwork for such a summit meeting was established in a preliminary meeting of Foreign Ministers. For texts of Bulganin's letter and Eisenhower's response, see *ibid.*, January 27, 1958, pp. 122–130.

## 337. Memorandum From President Eisenhower to Secretary of State Dulles

January 3, 1958.

## MEMORANDUM ON LETTER OF PRIME MINISTER MACMILLAN DATED 1/2/58

I have noted certain specific suggestions of possible action that Harold has discussed in his long cable.<sup>1</sup> They are quoted in order:

1. "One course is to say that we stand on the four Power partial disagreement [*disarmament*] proposals."

2. "We may, on the other hand, be prepared to go further than the four Power proposals."

3. "In addition to this, we must also have a view about the socalled policy of disengagement."

4. "We must remember that we might be drawn into the wider problem of demilitarization or neutralization."

5. "We (ourselves) must surely work out an agreed policy for our two countries on all these issues."

6. "The Russians will also agree to inspection for this purpose, because they can do this without any of the disadvantages that would follow a whole system of inspection and control applied either to the manufacture of weapons or of fissile material."

7. "From my own government's point of view, we could not accept the abolition or suspension of tests in the present state of our knowledge. . . . If you were prepared, after a revision of the Atomic Energy Act to make your knowledge available to us, our position would be different. . . We would at least improve the chances of stopping the nightmare of all the other countries coming along with their tests."<sup>2</sup>

8. "There are suggestions that we ought to aim at total nuclear disarmament. I think there would be great dangers if this idea were canvassed."

9. "We ought to clear our minds about these fundamental proposals because we are now approaching a point when it may not be possible

Source: Eisenhower Library, Whitman File, Dulles–Herter Series. Secret. Transmitted to Dulles under cover of a note from Eisenhower, January 3, that reads in part: "The attached memorandum is nothing more than some extracts that I made of Harold's notes and then began making on them some comments to myself. I doubt that it has any slightest value, but I send you a copy anyhow. I suggest you find a nearby wastebasket." (*Ibid.*)

<sup>&</sup>lt;sup>1</sup> Document 336.

<sup>&</sup>lt;sup>2</sup> Ellipses in the source text.

to rely any longer on throwing the blame upon the Russians for the breakdown of negotiations." (This is a suggestion directed toward psychological factors and propaganda efforts.)

10. "The only thing I would very much dislike is a special meeting of the Assembly of the United Nations."

11. "If the Russians will not cooperate in the new disarmament commission of the United Nations, we ought to renew our offer to talk direct." (Harold suggests first a meeting by Ambassadors to discuss an agenda, then a Foreign Ministers meeting, and finally, if necessary, a Summit meeting.) On balance, Harold believes that the "Ministers would be drawn from the NATO and Warsaw Pact countries, but would not be regarded as "representing each Pact."

12. "If our two governments could reach clear and agreed views on all these subjects, I myself would not shrink from what is called a Summit meeting, at the right moment."

13. "What it comes to is, are we prepared from the moral and political point of view to say: disarmament, to be fair and honest, must keep the balance?"

14. "We must, of course, produce an interim reply to Bulganin to keep things quiet."

I have these other general comments:

A. When speaking about "total nuclear disarmament," Harold ignores our conviction that this kind of disarmament cannot be achieved with certainty. In other words, both the Russians and ourselves have publicly stated that bombs already manufactured can be so concealed that no known inspectional system could uncover them.

B. I think he is quite right in his implied conclusion that if our countries—all the Western Nations—should stand irrevocably on the "four Power partial disarmament proposal" we will be weakening our position in the cold war. As Harold points out, we have already indicated, in the NATO meeting, that we are ready to study other proposals.

He is obviously toying with the possibility of a series of meetings, one of which might finally become a "Summit meeting." I think this subject will probably require more study on our part than almost any other. It is easy to get entangled in such a proposition but not so easy to get out of it.

C. These two facts put upon us quite a burden of developing some new ideas—if we are both to become "flexible" in the study of other proposals and at the same time gain a propaganda advantage by being first in the field.

D. In some instances, I am not quite certain what Harold really means—for example, at the bottom of page two when he says "I am still a little uncertain as to where Adenauer really stands." At another point he says "test inspectors would live in a desert." My own feeling is that test inspectors would have to be in a number of places with all of their equipment of every kind, if we are to determine that no tests have in fact taken place.

E. I think that the policy of "disengagement" would lead to some very great difficulties even though I recognize that the idea, in the abstract, appeals to me. In my talk with Chancellor Adenauer he seemed most emphatic in his continued opposition to any thought of general neutralization or demilitarization.<sup>4</sup> However, assuming that we do *not* mean demilitarization of Germany, it would certainly be most difficult for SACEUR to establish an area in which his troops were armed in one fashion and another area employing different weapons. There is of course some sense to what Harold says about a possible "balance of advantage" in some measure of disengagement, if for no other reason than we would have secured a considerable degree of effective inspection.

In any event, my immediate reaction is that the disengagement theory should not be part of any new proposals that we might advance.

F. You and I recently spoke about nuclear tests with the renewed recommendation against their elimination.<sup>5</sup> This one I think we should look at very carefully and for my part I should like to see us get a law that would permit the British to have access to whatever weapons information that was necessary (a possible exception would be to give them certain weapons on the theory that these would substitute for any required information).

G. The subject that we have promptly to study more intensively than any other is that of procedure.

DDE<sup>6</sup>

<sup>&</sup>lt;sup>4</sup> Presumably reference is to a meeting between Eisenhower and Adenauer on December 17, 1957, during the NATO Heads of Government meeting in Paris December 16–19.

<sup>&</sup>lt;sup>5</sup> This conversation is not further identified.

<sup>&</sup>lt;sup>6</sup> Printed from a copy that bears these typed initials.

## 338. Letter From Prime Minister Macmillan to President Eisenhower

London, February 16, 1958.

MY DEAR FRIEND: I was very glad to learn, on returning from my tour of the Commonwealth,<sup>1</sup> that the negotiations which have been going on for a good time between our people for an agreement for stationing intermediate range ballistic missiles in the United Kingdom are about to come to a satisfactory conclusion. We hope that the final details can be settled in time for the agreement to be published in this coming week.

This will be a subject of the most intense interest in this country and every word in the terms of the agreement will be scrutinized both in Parliament and in the country.

I want to secure the greatest possible measure of support for the agreement among our people here, and I am therefore writing to you to explain certain political difficulties which we have about one or two points.

First, it is very important to reassure our people that the actual operation of these weapons will be handled by British forces. It would therefore be a great help if paragraph 4 of the draft memorandum of agreement could read as follows: "4. The missiles will be manned and operated by the United Kingdom personnel, which will be trained by the United States Government for the purposes of this project at the earliest feasible date."

Second, paragraph 7 of the draft memorandum of agreement will, in its present wording, lead some people to think that the missiles will be launched automatically if any of our allies is attacked. I know that this impression is not justified by a careful study of this paragraph, but I feel that we must revise it to make the position absolutely plain. This could be done by wording the paragraph as follows: "7. The decision to launch these missiles will be a matter for joint decision by the two governments. Any such joint decision will be made in the light of the circumstances at the time and having regard to the undertaking the two governments have assumed, in article V of the North Atlantic Treaty." Of course, I would explain if asked to do so in Parliament precisely what our undertaking under article V means, but I do not see any object in provoking unnecessary discussion.

Source: Department of State, Presidential Correspondence: Lot 66 D 204. Top Secret.

<sup>&</sup>lt;sup>1</sup> The Prime Minister visited the Commonwealth countries January 7–14, 1958. For his account of this tour, see *Riding the Storm*, p. 384.

Third, the word "indefinitely" in paragraph 10 of the present draft of the memorandum of agreement has political danger here, since this would give ammunition to our critics. I would like to revise this paragraph as follows: "10. This Agreement shall be subject to revision by agreement between the two governments and shall remain in force for not less than five years from the date of the agreement but may thereafter be terminated by either government upon six months' notice".<sup>2</sup>

I do hope that you and Foster will feel able to agree to revise on these lines. We want to get the best possible reception for this important development in the defence of the free world.

I understand that your people have suggested that if these missiles are installed before the British personnel who are to operate them have completed their training, they should be manned by United States personnel in the interval. This situation may or may not arise. If it does, we can deal with it quietly between ourselves. But when the agreement is published it is important (as I have pointed out above) that we should be able to say that the missiles will be operated by British personnel, and that nothing to the contrary should be said on either side of the Atlantic. The impression that these new bases would be manned and operated by your people instead of our own would unfortunately arouse intense criticism. I realise that this is quite illogical in the light of the present sphere of United States strategic bombers. Nevertheless it is a fact and I trust that it can be ensured that no suggestion of this sort is made. If anything were to be said, either by one of our officials or of yours, in a press conference or elsewhere, about United States personnel operating the missiles to begin with, there would be hell to pay.

When I have caught up with immediate problems I hope to send you a few thoughts from my recent tour. It was arduous but extremely interesting and even exciting.

Yours ever,

## Harold Macmillan<sup>3</sup>

<sup>&</sup>lt;sup>2</sup> The final text of the agreement incorporated all of the language proposed here by Macmillan. For text of the agreement between the United States and the United Kingdom, executed by an exchange of notes and memoranda between Herter and Caccia on February 22, see Department of State *Bulletin*, March 17, 1958, pp. 418–419.

<sup>&</sup>lt;sup>3</sup> Printed from a copy that bears this typed signature.

## 339. Telegram From the Department of State to the Embassy in the United Kingdom

February 22, 1958, 5:09 p.m.

5941. Deliver following message from the President to Prime Minister Macmillan. Advise date time delivery.

"February 22, 1958.

Dear Harold: By now you will have heard through your Embassy here in Washington of our agreement to the proposals in your message of February 16 for modifications of language in the IRBM agreement.

I understand your problem on the question of manning the missiles, and we shall do our best to see to it that no statements from our side refer to the possibility of interim manning of initial IRBMs by United States personnel. There is already press speculation on this point but publication of the agreement may well reduce this, especially in view of the statement in the agreement that missiles will be manned by United Kingdom personnel.

I know we are agreed that it is in our common interest to achieve the earliest possible deployment of IRBMs in the United Kingdom. Because of the time factor in training British personnel, our military believe if we are, in fact, to achieve the earliest possible deployment, it will be necessary for United States personnel to man initially the IRBM squadron scheduled for deployment to the United Kingdom this year. However, I concur with your thought that we can deal with details of this matter later in the year. I would, at the same time, point out that this question of manning is largely a technicality, since your Government and ours would have joint operational control, as they do on SAC bomber bases in the United Kingdom, regardless of whether the equipment is manned by United Kingdom or United States personnel.

With warm regard. As ever, Ike." Observe Presidential Handling.

Dulles

Source: Eisenhower Library, Whitman File, International File. Secret; Presidential Handling. Drafted and approved in S/S and cleared by Goodpaster.

USDel/MC 15

Copenhagen, May 4, 1958, 5:15 p.m.

## UNITED STATES DELEGATION TO THE 21ST MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL<sup>1</sup>

### Copenhagen, Denmark, May 5-7, 1958

#### PARTICIPANTS

**United States** 

The Secretary Ambassador Burgess Mr. Reinhardt Mr. Elbrick Mr. Porter United Kingdom Mr. Selwyn Lloyd Sir Frank Roberts Sir Anthony Rumbold Sir Roderick Barclay Mr. Denis Laskey

#### SUBJECT

Support Costs for UK Forces in Germany

1. Lloyd referred to the recent agreement between the UK and Germany on support costs and to an addendum to that agreement made by the German Defense Minister Strauss.<sup>2</sup> Strauss had inserted a condition in the agreement which stipulated that there would be no reduction in British Forces in Germany without a corresponding increase in combat efficiency. Lloyd said that the British would be able to maintain their forces at the 55,000 man level through the present calendar year. In 1959 these forces would have to be reduced to 45,000 men unless NATO could find the money to finance the difference of 10,000 men. In 1960 the total would have to be reduced to 45,000 men in any case, unless conditions permitted the reduction of forces in other areas where the U.K. had commitments, or unless British forces elsewhere could be counted as part of the NATO force. On the other hand, it would be possible to maintain a level of 45,000 men in Germany indefinitely and by 1960 combat efficiency will have increased to the point where it would more than balance the reduction in actual numbers.

2. Mr. Burgess inquired particularly whether the British planned to delay asking permission from NATO and WEU to reduce their forces

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Elbrick. The meeting was held at the British Embassy residence.

<sup>&</sup>lt;sup>1</sup> For documentation on this meeting, see Part 1, Documents 136 ff.

<sup>&</sup>lt;sup>2</sup> On May 29, the Governments of the United Kingdom and the Federal Republic of Germany reached an agreement on the question of German payments to the United Kingdom to help meet the costs of maintaining British forces in Germany over the next 3 years. For text of a British statement regarding this subject, May 29, see R.I.I.A., *Documents*, 1958, p. 359.

until nearer to the time when the reduction would take place. Lloyd replied that they would delay if they saw that funds were available for the year 1959. Lloyd referred to Secretary McElroy's recent conversation with Sandys in Paris<sup>3</sup> and his suggestion regarding the possible additional financing. The British Government would be interested in knowing whether there was any possibility of working something out along these lines. If there is not, the Government will be obliged to make a statement in July regarding the ultimate reduction of forces to 45,000 men.<sup>4</sup>

## 341. Letter From Prime Minister Macmillan to President Eisenhower

London, May 6, 1958.

[Source: Eisenhower Library, Whitman File, International File. Top Secret. 3 pages of source text not declassified.]

## 342. Letter From Prime Minister Macmillan to President Eisenhower

London, June 1, 1958.

DEAR FRIEND: I have been brooding for some time about the economic and financial position in the free world, and I venture now to

<sup>&</sup>lt;sup>3</sup> Apparent reference to private meetings between the two men at the Conference of Defense Ministers of the NATO countries in Paris April 15–17. Records of talks between McElroy and Sandys have not been found in Department of State files. For documentation on the Defense Ministers Conference, see Part 1, Documents 131 ff.

<sup>&</sup>lt;sup>4</sup> On May 7, Dulles and Lloyd again discussed support costs for British forces stationed in Germany. For text of the memorandum of conversation, see Part 1, Document 147.

Source: Department of State, Presidential Correspondence: Lot 64 D 204. Top Secret. Transmitted to the President under cover of a June 1 note from Ambassador Caccia.

send you some thoughts in the hope that we might have a talk about these problems when we meet.

I think that you and Foster have always consistently felt that our military defences, however strong, against communism would never be sufficient by themselves. Indeed, the more the communists see that they will not get anywhere by military aggression, the more they will turn to other methods—diplomatic pressure, subversion and of course economic infiltration. We cannot altogether complain about the last. Indeed it should be the field in which we would want to meet, and defeat, the communist challenge. Believing in the virtues of the democratic way of life, we ought to be able to show the rest of the world, including in the end the communist countries themselves, that democracy can give the best results.

Conversely, a defeat for the West on the economic front would provide the communists with as valuable and conclusive a victory as any they could win by military means. By this I mean that there are many countries, either actively aligned with the West or "uncommitted" or "neutral", whose will to resist would be fatally weakened if they became subject to great economic distress, with severe unemployment and the like. Then there are others whose choice will be determined, or at least influenced, by the extent to which the West will help them in their development plans to increase their standard of living and prosperity.

Clearly the most favourable economic climate for us to meet the communist threat is that of a steadily expanding level of world trade, in which the underdeveloped countries would feel that the future would hold increasing opportunity for them. It is easy to propound this simple fact. I have been wondering how we could work out some imaginative initiative which would demonstrate our concern for the prosperity of the free world and confirm our recognition of the principle of interdependence in the civil field equally with the military. I recall that in our last talks in Washington<sup>1</sup> and at the N.A.T.O. meeting in Paris, we were worried lest this concept of cooperation in the free world was getting too much emphasis on the military side.

I know that you and your colleagues have been giving much thought to your own economic problems, especially as to the duration and depth of the so-called recession. Curiously, the first effect here of the pause in American business is favourable, since we benefit from the decline in the fall in commodity prices which follows any reduction of United States demand. Some of the primary producing countries are

<sup>&</sup>lt;sup>1</sup> For documentation on Macmillan's visit to Washington October 23–25, 1957, see *Foreign Relations*, 1955–1957, vol. XXVII, pp. 788–839.

already in difficulties and these are likely to increase. And the secondary effects are bound to be adverse for us all—perhaps soon.

Naturally, we are confident that the American economy will go forward again, both in the short and in the long run. Ours may be all the healthier, I believe, for the pause we have imposed in the effort to halt the inflation. But stability at a comparatively low level of activity cannot be the political answer to the economic problems of the free world. We certainly must all go forward again—but steadily, and as far as possible having regard to the economic stability of our friends and of the uncommitted countries.

It would be a great thing, I suggest, when your economy is about to go forward again, and when ours is likely to follow suit, if we could show the rest of the free world that we care for their interests too.

I hope that this does not sound like a suggestion that the United States should again step up its economic help. I really do not mean that. What we should all do is to make a better use of the resources that can be made available—which is what we are trying to do in our military planning.

There are two main questions. One is how to organise and control the economic aid which can be given, especially to the underdeveloped countries; to supervise how this is shared out, so that these countries can plan ahead without extravagance.

The other is how to make sure that enough financial credit is provided for a steady expansion of trade. It would be a tragedy if the productive capacity of the free world was held back simply because we had failed to provide the financial machinery. Work and production are the best defences against communist subversion. Of course, the sterling system is at present an indispensable part of the world credit system and is playing a particularly important part in the maintenance of world trade. With its present surplus, the United Kingdom ought to be able to take a fair share this year in helping with this problem of international liquidity. In other words it will be a buffer for the rest of the sterling area, so that they will be less likely to be drawn into a decline in world business.

I have, as yet, no precise proposals to put before you. But I feel, instinctively, that in the period which lies ahead the struggle against communism will shift more and more into the economic field. So long as we maintain the alliances and do not lower our guard, they cannot launch a hot war. But the cold war in all its forms will grow in intensity.

Anyway, the real purpose of this rather rambling letter is to ask for your thoughts on the possibility of attracting the interest (and therefore the allegiance) of the free world to some positive and helpful demonstration of interdependence in economic matters, to match the military alliances we have already made.<sup>2</sup>

With warm regards, Yours ever,

Harold<sup>3</sup>

For a memorandum of conversation between Eisenhower and Macmillan on this topic, see Document 344.

<sup>3</sup>Printed from a copy that bears this typed signature.

#### 343. Editorial Note

In a letter to President Eisenhower, February 19, Prime Minister Macmillan stated that he wished to explore prospects for a summit meeting with the President. Macmillan stated in part:

"I have two invitations to the United States, one for May 31 at the Citadel in Charleston and the other for June 8 at De Pauw. If I were to accept both of these, and if you thought it a good idea, I might meet quite informally with you and Foster in Washington between the two engagements. This would give us an opportunity of discussing together both tactics and strategy." (Department of State, Presidential Correspondence: Lot 66 D 204)

[*text not declassified*] The Prime Minister [*text not declassified*] delivered the commencement address at De Pauw University in Greencastle, Indiana, and arrived in Washington from Indianapolis on June 9. After a private lunch at the British Embassy, he met with President Eisenhower and Secretary Dulles at the White House that afternoon; see Documents 344–347. Topics discussed included the situations in Iraq, Lebanon, and Jordan, relations with President Nasser and with General de Gaulle, and nuclear weapons. Macmillan hosted a dinner in honor of Dulles at the British Embassy that evening.

The next day, June 10, the Prime Minister, following an introduction by President Eisenhower, delivered the commencement address at Johns Hopkins University in Baltimore, Maryland. Returning to Washington in the afternoon, Macmillan and Dulles discussed the British plan

<sup>&</sup>lt;sup>2</sup> In a memorandum for the record, June 27, John A. Calhoun, Deputy Director of the Executive Secretariat, wrote:

<sup>&</sup>quot;Following consultations with Messrs. Dillon, Reinhardt and Elbrick, it was recommended to the White House that no reply be made by the President to the above letter since the subject was thoroughly covered in his talks with the Prime Minister. General Goodpaster informed me June 26 that the President agreed with this recommendation." (Department of State, Presidential Correspondence: Lot 66 D 204)

for Cyprus, developments in Yemen, and the world economic situation. Macmillan attended a dinner in his honor at the White House that evening. At a news conference on June 10, Secretary Dulles described Macmillan's visit as follows: "The talks so far, I might say, if it does not involve disrespect, have been of a rambling character." (Department of State *Bulletin*, June 30, 1958, page 1086)

On June 11, Prime Minister Macmillan and Secretary of State Dulles discussed the defense of Southeast Asia and Soviet subversion. In the afternoon, Macmillan, Eisenhower, and Dulles were joined by Ambassador Caccia for a discussion of Cyprus, Indonesia, reduction of British forces in Europe, and proposed amendments to the Atomic Energy Act; see Document 348. Macmillan left Washington on June 11 for a 2-day visit to Ottawa.

Briefing papers, chronologies, and memoranda of conversation for Macmillan's visit are in Department of State, Conference Files: Lot 63 D 123, CF 1020–1022. For the Prime Minister's account of his trip, see *Riding the Storm*, pages 490–496.

## 344. Memorandum of Conversation

MCT MC/7

June 9, 1958, 3 p.m.

### MACMILLAN TALKS

#### SUBJECT

Interdependence: US/UK Relationship

#### PARTICIPANTS

United States The President The Secretary Mr. Reinhardt Mr. Elbrick General Goodpaster Mr. Dale United Kingdom

The Prime Minister Ambassador Caccia Sir Norman Brook Sir Patrick Dean Mr. Frederick Bishop

The Prime Minister expressed his hope that we can reaffirm the Declaration of Common Purpose adopted last October and continue to

Source: Department of State, Conference Files: Lot 63 D 123, CF 1022. Top Secret; Eyes Only. Drafted by William N. Dale, Officer in Charge of United Kingdom and Ireland Affairs, and approved by the White House. The meeting was held at the White House. Five separate memoranda of this conversation were prepared; see also Documents 345–347. A memorandum covering procedures for further meetings (MCT MC/11) is in Department of State, Conference Files: Lot 63 D 123, CF 1022.

concert our policies on a confidential basis.<sup>1</sup> He stated that the study groups set up after the October talks (Task Force I) have worked well and did not believe that new machinery is needed. He thought that these working groups should be continued and strengthened if necessary.

Referring to the Lebanon situation the Prime Minister said that on the military side our cooperation has gone well and he hoped that the liaison between our two staffs in London and with Admiral Holloway (CINCNELM) may be continued so that we may take action on short notice as required.

With respect to Southeast Asia, the Prime Minister said that four countries (Australia and New Zealand in addition to the US and UK) could make contributions. He believed that we should find out now how all four can operate as a joint force if something should break out in that area, who would command, and how operations would be conducted.

The President suggested that the Philippines might be disposed to contribute and the Secretary said that the ROK and Nationalist Chinese would also. The Secretary noted that both have been anxious to get into the Indonesian affair but imagined that the kind of coordination which the Prime Minister mentioned should be among only the Anglo-Saxon countries.

The President stated his belief that Anglo-American cooperation should be as nearly complete as it can be made even though it cannot always be publicly admitted and the US must sometimes appear somewhat disinterested. He commended the working groups saying that they are "doing beautiful work and I want to keep them healthy and strong".

The Secretary returning to the subject of defense of Southeast Asia, said that we should do some political thinking before we get too far along with the military work and suggested that this subject be discussed in more detail tomorrow.<sup>2</sup> The President pointed out that the main question is how to get Australia and New Zealand included in our defense planning there. The Prime Minister said that both countries are happy to have the UK open discussions on this subject on their behalf.

<sup>&</sup>lt;sup>1</sup> For text of the declaration of interdependence, October 25, 1957, and a statement dated October 24 concerning the establishment of two study groups to make recommendations in the fields of nuclear cooperation and military defense, see Department of State *Bulletin*, November 11, 1957, pp. 739–741.

<sup>&</sup>lt;sup>2</sup> A memorandum of a conversation on the defense of Southeast Asia between Macmillan and Dulles on June 11 is scheduled for publication in volume XVII. No record of a conversation on this subject between Eisenhower and Macmillan has been found in Department of State files.

MCT MC/8

June 9, 1958, 3 p.m.

## MACMILLAN TALKS

#### SUBJECT

Exchange of Views on the Limitation of Nuclear Testing

#### PARTICIPANTS

<i>U.S.</i>	И.К.
The President	The Prime Minister
The Secretary	Sir Harold Caccia
Admiral Strauss	Sir Norman Brook
Mr. Allen Dulles	Sir Patrick Dean
Mr. Reinhardt	Lord Hood
Mr. Elbrick	Mr. Frederick Bishop
Mr. Farley	-
General Goodpaster	
Mr. Dale	

The Secretary stated that we shall deliver tomorrow morning a note to the Soviets which he believed would conclude, except for minor details, negotiation on the meeting of technical experts to discuss inspection and detection requirements for any suspension of nuclear testing.<sup>1</sup> He surmised that the Soviets would not accept what our experts would regard as the minimum necessary in the way of controls and inspection. Nevertheless, he believed that we would obtain valuable insight into Soviet thinking on such matters as control posts from these talks. If it looks as though the Soviets would agree to the necessary minimum, the disposition of the U.S. is to go ahead with a test suspension, probably in the form of a one to two year suspension of nuclear testing, the prolongation of which would be contingent on progress on other aspects of disarmament. If such progress is not made, he said that we should reserve the right to resume testing. He cited certain ancillary problems such as whether underground testing should be permitted and whether the suspension of testing should proceed in stages, starting with large weapons. [3-1/2 lines of source text not declassified]

The Secretary suggested that we should concert our views more closely with the British on this matter once amendments to the McMahon Act<sup>2</sup> make it possible.

Source: Department of State, Conference Files: Lot 63 D 123, CF 1022. Top Secret; Eyes Only. Drafted by Dale and approved by the White House. See also Documents 344 and 346–347.

<sup>&</sup>lt;sup>1</sup> For text of this note, see Department of State *Bulletin*, June 30, 1958, p. 1083.

<sup>&</sup>lt;sup>2</sup> The Atomic Energy Act of 1946, Public Law 585; 60 Stat. 755–775.

The Prime Minister said that this problem has three aspects. The first is whether we can continue indefinitely nuclear tests from the point of view of the widespread opposition and the fears arising from the danger which people think they are creating. He explained that the forthcoming U.N. scientific report,<sup>3</sup> although not alarming if read as a whole, contains inexact estimates of the consequences of the tests and some speculation which could be used to our disadvantage in propaganda. In his opinion it would be very difficult to resume tests if we once agreed to a two-year suspension. The second aspect, according to the Prime Minister, is what we will obtain in return for agreement to suspend tests. He considered that the beginning of an inspection system in which the Russians would participate would be a practical return to expect. He warned against asking for so much that it might disrupt the negotiations. The third aspect is to decide what the timing should be. He believed that it should be coordinated with the proposed meeting of Foreign Ministers and with the Summit meeting in order to give us a sustained public relations benefit, not one which would dissipate after a day or two.

The President pointed out that we can't agree to an inspection system with just two or three inspectors. It must be a real installation. As far as the U.S. is concerned, he thought 20 stations would be required. Admiral Strauss intervened by saying that as many as 40 would be needed in the U.S. and 70 for the Asiatic land mass, including Communist China. The Prime Minister speculated that the Soviet inspectors as far as the U.K. were concerned would have to be located on Christmas Island and not in England.

[Here follows further discussion of this subject.]

<sup>&</sup>lt;sup>3</sup> Reference is to the Report of the U.N. Scientific Committee on the Effects of Atomic Radiation, June 13, 1958 (U.N. doc. A/3838).

MCT MC/9

June 9, 1958, 4 p.m.

## MACMILLAN TALKS

#### SUBJECT

Anglo-American Relations with General de Gaulle's Government

[Here follows the same list of participants as Document 344.]

The Secretary raised the question of what general policy the US and UK should adopt vis-à-vis General de Gaulle and his Government. [3-1/2 *lines of source text not declassified*] The President believed that we should specify subjects where we want General de Gaulle's participation and perhaps take the initiative in asking him in. [2 *lines of source text not declassified*] He cited the Summit preparations and NATO problems as examples of questions in which General de Gaulle should be brought in.

[Here follows further discussion of this subject.]

[1-1/2 *lines of source text not declassified*] 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 exist 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. [2 lines of source text not declassified]

Source: Department of State, Conference Files: Lot 63 D 123, CF 1022. Top Secret; Eyes Only. Drafted by Dale and approved by the White House. See also Documents 344–345 and 347.

MCT MC/10

June 9, 1958, 3 p.m.

### MACMILLAN TALKS

#### SUBJECT

US-UK Agreement on Nuclear Weapons

#### PARTICIPANTS

US	UK
The President	The Prime Minister
The Secretary	Ambassador Caccia
Admiral Strauss	Sir Edwin Plowden
Mr. Allen Dulles	Sir Norman Brook
Mr. Reinhardt	Sir Patrick Dean
Mr. Elbrick	Lord Hood
General Goodpaster	Mr. Frederick Bishop
Mr. Dale	

The Secretary stressed that Anglo-American cooperation in the nuclear weapons field is very important and described the amendments to the Atomic Energy Act reported out by the Joint Congressional Committee as satisfactory though not quite what we had wanted. He outlined the legislative procedure necessary before the amendments to the Act could become law and said that in view of the time shortage we had thought it best to have talks between British and American experts in advance of final approval of the amendment.

The Prime Minister commented that it was a relief, after considering our joint frustrations in other areas, to come to a field in which we are making progress and he expressed his great appreciation for Admiral Strauss' cooperation in this matter.

[Here follows further discussion of this subject.]

Source: Department of State, Conference Files: Lot 63 D 123, CF 1022. Top Secret; Eyes Only. Drafted by Dale and approved by the White House. See also Documents 344–346.

MCT MC/22

June 11, 1958, 2:30 p.m.

PARTICIPANTS1

President Eisenhower Prime Minister Macmillan British Ambassador, Sir Harold Caccia Secretary Dulles

The President raised the question of possible further reduction of UK forces on the continent assigned to NATO. The Prime Minister said that he could easily enough evade their commitments [*less than 1 line of source text not declassified*] that he could have a crisis on Cyprus and take troops away [*less than 1 line of source text not declassified*]. However, they did not want to be devious. He would have a full talk with Norstad before reaching any final decision.

The Prime Minister inquired as to whether there was any change in the prospective date for the supply of operational IRBMs. The President asked General Goodpaster to check and the General reported that there was no change; that the first group was expected to be ready by the end of '58 and the second by the middle of '59.

I reported that it seemed likely that the amendments to the Atomic Energy Act would be enacted by the Senate by the latter part of next week and by the House during the following week, so that probably they would be in force before the first of July. The President and the Prime Minister expressed their gratification.<sup>2</sup>

The Prime Minister and the Ambassador reinforced their expressed hope of yesterday that we would help to get the Greeks and the Turks to consider sympathetically the latest proposals.<sup>3</sup>

I mentioned the "turn-down" by Nehru of the President's package plan.

<sup>3</sup> Reference is to the British proposal for a partnership between the Greek and Turkish communities of Cyprus and also between the Governments of the United Kingdom, Greece, and Turkey to promote peace on the island.

Source: Department of State, Conference Files: Lot 63 D 123, CF 1020. Secret. Drafted by Dulles. The meeting was held at the White House.

<sup>&</sup>lt;sup>1</sup>Goodpaster also attended although he is not listed among the participants.

<sup>&</sup>lt;sup>2</sup> An amendment to the Atomic Energy Act of 1954 to provide for greater exchange of military information and material with allies, was approved by Congress on June 30, 1958, and signed into law by the President on July 2. (Public Law 85–479; 72 Stat. 276) On July 3, Dulles and Lord Hood signed an agreement permitting greater exchange of nuclear information between the two countries. For text of this agreement, see Department of State *Bulletin*, July 28, 1958, pp. 161–164.

#### [1 paragraph (5 lines of source text) not declassified]

We talked about the possibility of organizing the free world nations opposed to Communism into an association which would have their own assembly and police force and do some of the things which it had been hoped would be done by the United Nations but where adequate organization strictly of a police force had been prevented by Soviet opposition and veto. Prime Minister Macmillan indicated a great deal of sympathy for this idea and suggested that it might be a useful topic for consultation at some subsequent meeting. He thought that it might be a good idea to have two or three knowledgeable people from our two sides try to work out a paper indicating the advantages and disadvantages of attempting such a move. The Prime Minister thought that we would have the Communist menace with us probably for several generations and that we ought to organize against it in a more permanent and adequate way.

### 349. Editorial Note

Foreign Secretary Selwyn Lloyd arrived in Washington July 17 for 4 days of meetings with U.S. officials. At 11:30 a.m. on July 17, Lloyd and Secretary Dulles, joined by Secretary of Defense McElroy, Director of Central Intelligence Allen Dulles, and Chairman of the Joint Chiefs of Staff General Nathan F. Twining, discussed the British response to a request for troops from the Jordanian Government. The participants in this session also discussed a U.S. statement in support of the deployment of British troops to Jordan and the coordination of U.S.–U.K. military activities in the Eastern Mediterranean. Following a luncheon at the Department of State, Lloyd and Dulles met with President Eisenhower at the White House for further consideration of the situation in the Middle East; see Document 350. See also volume XI, pages 317–321.

The following day, Secretary Dulles, Lloyd, McElroy, and Allen Dulles resumed their discussion of the situation in Lebanon and Jordan; see telegram 600 to London, *ibid.*, pages 325–326. Other topics considered at this session included Sudan and possible Turkish military intervention in Iraq. On July 19, Secretary Dulles and Lloyd met at the British Embassy for further discussion of the various developments in the Middle East, as well as a new Soviet proposal for a summit meeting contained in a July 19 message to President Eisenhower from Premier Khrushchev; see *ibid.*, pages 340–343. For text of Khrushchev's message, see Department of State *Bulletin*, August 11, 1958, pages 231–233.

On July 20, Vice President Nixon joined Lloyd and Dulles at the Secretary's residence to continue consideration of the Khrushchev letter and of deliberations at the United Nations on the Middle East situation. Briefing papers and memoranda of conversation for Foreign Secretary Lloyd's visit are in Department of State, Conference Files: Lot 63 D 123, CF 1050–1051.

## 350. Memorandum of Conversation

July 17, 1958, 3:30 p.m.

SUBJECT

Foreign Secretary Lloyd's Visit

PARTICIPANTS

United States	United Kingdom
The President	Foreign Secretary Lloyd
Secretary of State Dulles	Lord Hood, British Minister
G. Frederick Reinhardt	

The Secretary reported on the progress of his conversations with Mr. Lloyd.

United Nations—The Secretary said he and Mr. Lloyd had agreed that the United Kingdom and Jordan should make a statement in the Security Council with respect to the British response to King Hussein's request for military assistance but they hoped that it would not be necessary to table a resolution and thus avoid a debate with Egypt.

Propaganda to Arab Countries—There was a discussion of the problem of Arab mass opinion which had so obviously been captured by Nasser. The President observed that we had failed to develop good information and propaganda operations in the Arab countries and had not responded to all their requests for assistance to this end. It was, he said, essential that we be more skillful in identifying the interest of Arab

Source: Department of State, Central Files, 033.4111/7–2358. Top Secret. Drafted by Reinhardt. The meeting was held at the White House.

nationalism with the free countries of the world and the western point of view. The Communists had taken over this concept of nationalism and we must do a better job in winning the minds of the Arab peoples.

The Secretary referred to our efforts to set up a large radio station in Cyprus but after two years this project was still far from complete. The President recalled that Ambassador Heath had told him there was a radio station all ready to go in Saudi Arabia if only King Saud's agreement could be obtained. Mr. Lloyd said that there was a small British station at Skant which they were closing down for lack of funds and would be glad to have the U.S. take over. The Secretary said he would have Mr. Allen Dulles look into it.

Jordan-Mr. Lloyd said he had been asked by Mr. Macmillan to say how very grateful they were for U.S. support with respect to Jordan. The Secretary had given something to the press, we were to make a statement in the Security Council, and our experts were looking into the problem of logistical support. This was all to the good but the British Government would be particularly happy if the Jordanian exercise could be a truly joint operation. This would in effect make it a kind of deterrent. The President pointed out that we did not have the advantages of a parliamentary form of government and that our operation in the Mediterranean had been presented as being limited to Lebanon. We would surely stand shoulder to shoulder with the British but as in the Torch Operation there were occasions when it was well to have a division of effort. There was a brief discussion of the progress of the British troop movement into Amman, concerning which information was very meager, as well as regarding the plot against King Hussein. The Secretary reported that he had been called at 2 a.m. because the Israelis insisted that we support the British request for overflight commission. He had agreed to this but the timing has been very late.

Mr. Lloyd said the British were putting 2200 paratroopers into Amman and the Guards Brigade would be behind. They did not want to put in too many forces because of the supply problem which had to be carried out by air.

*Persian Gulf*—The Secretary reported that he had discussed with Mr. Lloyd the problems of the Persian Gulf and the western oil installations there. This matter would be studied by U.S.–U.K. experts, military and civil. It was Mr. Lloyd's and his belief that subject to the report of the experts, these were positions that we should hold. The British had troops in Bahrein and an agreement with the Sheik of Kuwait for the defense of that area. We of course had no rights in Dhahran where the American installations were located. The Secretary reported that Ambassador Heath thought King Saud might welcome some military presence at the Dhahran airfield which he could use if necessary.

*Iran and Turkey*—The President believed that both the U.K. and the U.S. should be thinking how to increase the strength of Iran and Turkey. There was more morale in those countries than elsewhere in the Middle East. With respect to Iran, the President believed they should first get 12 divisions in good shape and then if possible perhaps add two more. These people, he said, tried to build up their military forces too fast and if they were permitted to do so, there was the danger that they would tear the heart out of their military establishment.

*Jordan*—At the end of the meeting Mr. Lloyd again raised with the President British hopes that there might be a U.S. participation in Jordan. The President gave him no encouragement but said that we would of course not permit the British to get into a jam there.

## 351. Memorandum by the Counselor of the Department of State (Reinhardt)

September 11, 1958.

Secretary McElroy had three matters he wished to discuss with the Secretary:

1. *Implications of British defense policy*. The Joint Chiefs had just completed an estimate of the near term over-all military capabilities of the United Kingdom which revealed that the British were reducing their forces to the point where they could no longer be considered a major reliance in dealing with problems around the world.<sup>1</sup>

There was a discussion of the consequences of the White Paper<sup>2</sup> and the demonstrations of dwindling British capability in the Suez and Jordanian affairs.

Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Top Secret; Personal and Private. Drafted by Reinhardt.

<sup>&</sup>lt;sup>1</sup> A copy of this study, "Estimate of the current and near term over-all military capabilities of the United Kingdom," was transmitted to Eisenhower under cover of a note from McElroy, September 11. (*Ibid.*, Staff Secretary Records, Defense Department III)

<sup>&</sup>lt;sup>2</sup> Reference is to a White Paper, "Outline of Future Policy," April 4, 1957, prepared by Defense Minister Sandys, which proposed to reduce British forces in Europe and to end compulsory service in the armed forces by the early 1960s. A copy of this paper is in Department of State, Central Files, 741.5/4–557. It was also published in *The New York Times*, April 5, 1957. For Macmillan's discussion of the White Paper and its public reception, see *Riding the Storm*, pp. 263–268.

The Secretary expressed the conviction that we faced a difficult period and that although he was confident we would get over the present crisis in the Far East, there would be others. The Soviets appeared to believe they had intimidated our allies. In the past the British had been our most dependable ally. Now there was the danger of our becoming isolated not through our own desires. The Secretary thought we needed a new stock-taking to determine which of our allies was willing and able to do what.

Secretary McElroy said he was not circulating the Chiefs' paper, it was so bad, but he wanted the Secretary to have a copy and with the latter's concurrence proposed to give one to the President.

Mr. Sprague referred to the British proposal to give up development of their Bluestreak missile and purchase 60 Thors,<sup>3</sup> in addition to the present agreement. Defense had requested and was awaiting the Department's political views on the proposal.

[Here follows discussion of unrelated matters.]

#### 352. Editorial Note

In telegram 8020 to London, May 13, the Departments of State and Defense requested the Embassy to extend an invitation from Secretary of Defense McElroy to Minister of Defense Duncan Sandys to visit the United States. (Department of State, Central Files, 033.4111/6–1758) Ambassador Whitney replied, in telegram 6736 from London, May 21, that he had conveyed the invitation to Sandys, who accepted it. (*Ibid.*) In a letter to Sandys, June 17, McElroy stated that the discussions between Prime Minister Macmillan and President Eisenhower would provide a basis for selecting topics for the talks between the two Ministers of Defense. (Telegram 9016 to London, June 17; *ibid.* (Regarding the Macmillan–Eisenhower talks, see Documents 343–348.) On June 19, however, Sandys sent the following message to McElroy:

"In view of the present critical situation in Cyprus and in the Middle East, the Prime Minister does not wish me to leave England at this

<sup>&</sup>lt;sup>3</sup> Blue Streak was the name for a British intermediate-range ballistic missile on which development was begun in 1954. This project was canceled in 1960. At that time, the British agreed to purchase from the United States the Skybolt missile, an airborne and airlaunched ballistic missile system then under development. The Thor project was a system of intermediate-range ballistic missiles developed by the U.S. Air Force which became operational in the fall of 1958.

moment. He has therefore asked me to put off my visit to the States for the time being. I am much disappointed since I was greatly looking forward to our meeting. However, in present circumstances it is, I think, unavoidable and I am sure you will understand and will excuse any inconvenience this may have caused. If convenient to you, I suggest that perhaps I might come and see you in the autumn by which time one must hope the international situation will be clearer." (Telegram 7348 from London, June 19; Department of State, Central Files, 033.4111/6– 1958)

The visit was rescheduled for the fall when Sandys, accompanied by Sir Richard Powell, Permanent Under Secretary for Defense, visited Washington September 22–24, for talks with Secretaries Dulles and McElroy. Sandys met with Dulles on September 22, at which time they discussed the Taiwan Straits situation as well as bilateral defense questions, including reduction of British troop levels in Germany. According to a memorandum of a conversation, September 22, prepared by Benson E. L. Timmons, Director of the Office of European Regional Affairs, Sandys raised the possibility of purchasing Thor IRBM missiles from the United States. [*text not declassified*] (*Ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199)

Sandys met with Department of Defense officials at the Pentagon on the afternoon of September 22 and again September 23–24. According to telegram 3110 to London, September 25, Sandys and McElroy discussed several topics, including the progress of bilateral cooperation on nuclear weapons, the future production of IRBMs, the Taiwan Straits situation, nuclear test suspension negotiations, and a proposal to study methods of advancing interdependence in military production in the two countries. (*Ibid.*, Central Files, 033.4111/6–2558) Memoranda of these conversations have not been found in Department of State files.

## 353. Memorandum of Conversation Between Secretary of State Dulles and the British Ambassador (Caccia)

January 21, 1959.

I referred to the "eyes only" to the President and me memorandum from Mr. Macmillan<sup>1</sup> regarding his possible trip to Russia and then a stopover at Washington, as well as Bonn and Paris on the way back. I said that naturally on a matter of this sort which had domestic, as well as international significance, we would not attempt to do other than merely put forward certain suggestions and thoughts for Mr. Macmillan's consideration. The President and I did feel that a trip to Moscow by the Prime Minister would be apt to set in motion other direct approaches by the French, the Germans and perhaps others. This would be particularly dangerous at a point when there was as yet no firm agreed position as to how to react in Berlin if the Soviets persisted.<sup>2</sup>

I said that we ourselves had abstained very carefully from anything which could possibly be deemed a negotiation about the Berlin situation in our talks with Mikoyan, although no doubt Mikoyan would have been quite glad to be the medium for direct bilateral talks between the Soviet Union and the United States.<sup>3</sup>

I said that we had the impression that one of the reasons for Macmillan's proposed trip was that it would provide an understandable basis for a visit to Washington. I said that the President felt that this roundabout approach was unnecessary and that if Mr. Macmillan wanted to come to Washington and talk with the President about the situation, we saw no reason why he should not do so. We had invited, and there was a standing invitation to, General de Gaulle so he could

<sup>2</sup> In a note dated November 27, 1958, to the Governments of the United Kingdom, France, and the United States, Khrushchev proposed that the Western portion of Berlin be disarmed and established as a separate free city within the German Democratic Republic. For text of this note, see Department of State *Bulletin*, January 19, 1959, pp. 81–89.

Source: Eisenhower Library, Dulles Papers, Macmillan and Lloyd Correspondence, 1958. Top Secret; Eyes Only; Personal and Private. Drafted by Dulles.

<sup>&</sup>lt;sup>1</sup>Not found in Department of State files. According to a memorandum of a telephone conversation, January 20, Secretary Dulles contacted the President to inform him that Ambassador Caccia had just delivered a letter which stated that Prime Minister Macmillan wished to visit Russia. The memorandum stated in part: "The Sec wanted to put the thought in the Pres' mind and maybe after dinner they could speak of it. It is hard to say no. The Pres does not give much of a —, does the Sec? The Pres' shotgun reaction is let him go if he is that good. The Sec would have preferred to see us work at the problem, and we may have to do it in the end." (*Ibid.*, White House Telephone Conversations) Dulles and Eisenhower talked along the same lines on January 21, immediately prior to Caccia's arrival.

<sup>&</sup>lt;sup>3</sup> Anastas Mikoyan made an unofficial visit to the United States January 4–20, 1959, during which time he talked with Dulles on January 5 and with President Eisenhower on January 17.

hardly complain. I added that I myself had been turning over in my mind the possibility of a short trip to Europe to confer with Mr. Macmillan, General de Gaulle and Chancellor Adenauer with a view to helping to align our policies.

Sir Harold expressed himself as very gratified with the statement that we saw no obstacle to Mr. Macmillan coming to Washington. He asked whether, in our opinion, it could be done in the early future. I said we saw no reason why it could not be done almost any time subject, of course, to the President's engagements, but that he had no other official state visit coming up before March.

Sir Harold said that he would immediately communicate our views to the Prime Minister and thanked me for both the promptness and the substance of my comments.

JFD

## 354. Letter From the Minister of the British Embassy (Hood) to Secretary of State Dulles

January 23, 1959.

DEAR MR. SECRETARY: I have just received the Prime Minister's reply to the report of your conversation with the Ambassador on January 21.

The Prime Minister is very grateful for the way in which you and the President have considered his proposal about a visit to Moscow and subsequently to Washington. He was particularly gratified by the willingness of the President and yourself to put yourselves out to arrange for him to come at short notice to Washington. On balance, however, and taking into careful account all the considerations that were put forward, he has decided to go ahead with his plan to go to Moscow first if an invitation can be arranged.

The Prime Minister was very touched by the confidence which the President and you have shown in him and his judgment.

Source: Eisenhower Library, Dulles Papers, Macmillan and Lloyd Correspondence, 1958. Top Secret and Strictly Personal.

Nothing will be said to the French and the Germans until we know that the Soviet Government will issue their invitation. If the plan proceeds we shall immediately inform these two Governments and N.A.T.O. Meanwhile M. Spaak will be informed very privately as soon as our Ambassador has acted in Moscow.

I also have a message for you from the Foreign Secretary. He warmly appreciates the tone of your reply to the Prime Minister's message and was very much interested by your impressions of the Mikoyan visit. He would now like to do some thinking aloud and give you his thoughts as though you were having a conversation in the strictest confidence. As these thoughts are quite lengthy I am sending you them in writing. But you will appreciate that they are not for official record nor for circulation in the Department.<sup>1</sup>

When you have had time to read them perhaps I may come to hear your comments.<sup>2</sup>

Yours ever,

#### Hood

#### 355. Editorial Note

Prime Minister Macmillan, accompanied by Foreign Minister Lloyd, visited the Soviet Union February 21–March 3 at the invitation of the Soviet Government. The Prime Minister and President Eisenhower exchanged a series of letters before, during, and after this visit in which the two discussed the possibility of an agreement with the Russians to limit nuclear testing, the Berlin question, and Macmillan's impressions of the Soviet leaders. These letters are in the Eisenhower Library, Whitman File, International File, and the Herter Papers. For the Prime Minister's account of his visit to the Soviet Union, see *Riding the Storm*, pages 591–634.

Following this trip, Macmillan and Lloyd visited Paris March 9–10; Bonn March 12–13; Ottawa March 18; and Washington March 19–23 to report on their discussions with Soviet leaders.

<sup>&</sup>lt;sup>1</sup> In this document, which was attached to the source text, Lloyd discussed Western public opinion on Berlin and the use of military force in Germany, among other topics.

<sup>&</sup>lt;sup>2</sup>No record of a conversation between Dulles and Hood on this subject has been found in Department of State files.

After arriving in Washington on March 19, Macmillan and Lloyd called on President Eisenhower at the White House the following morning; see Document 356. The three men then visited Secretary Dulles in Walter Reed Hospital where they discussed the possibility of a summit meeting and other topics; see Document 357. Eisenhower, Macmillan, and Lloyd helicoptered to Camp David, Maryland, to begin 4 days of discussion. After lunch, the Prime Minister reported on his visits to Moscow and Paris and considered with the President the formulation of a reply to the Soviet note of March 2; see Document 358. After dinner, Acting Secretary of State Herter and Foreign Minister Lloyd discussed Berlin.

On Saturday, March 21, the President and the Prime Minister resumed their consideration of the reply to the Soviet note and of the German reunification question. Other topics discussed included European security and Anglo-American tactics at a possible foreign ministers meeting. The following day, the two men discussed a variety of topics including: general economic matters, the global Communist threat, the Middle East, and nuclear tests. The British and U.S. parties returned to Washington that evening.

On Monday, March 23, Macmillan and Lloyd discussed various economic matters with Secretary of the Treasury Robert B. Anderson, Secretary of Commerce Lewis L. Strauss, and C. Douglas Dillon, Under Secretary of State for Economic Affairs. That afternoon, the Prime Minister again called on the President at the White House, after which Macmillan and Lloyd were guests of Vice President Richard M. Nixon at his residence. No communiqué was issued upon Macmillan's departure from Washington on March 23. Documentation on this visit is in Department of State, Central File 033.4111; *ibid.*, Conference Files: Lot 64 D 560, CF 1214–1219, Macmillan Talks, March 19–23, 1959; *ibid.*, President's Memoranda of Conversation: Lot 66 D 149; and the Eisenhower Library, Whitman File, International File, and the Herter Papers. For Macmillan's account of his trip to Washington, see *Riding the Storm*, pages 642–650.

# 356. Memorandum of Conference With President Eisenhower

March 19, 1959, 9 a.m.

OTHERS PRESENT

Secretary Herter<sup>1</sup> Deputy Under Secretary Murphy Assistant Secretary Merchant Mr. Reinhardt Ambassador Whitney General Goodpaster Mr. Hagerty Major Eisenhower

This was the second meeting involving informal briefings for the Macmillan talks.<sup>2</sup>Secretary Herter mentioned that his primary objective in requesting this meeting was to discuss procedural matters. In answer to the President's question, he said there has been no change in the position paper. He visualizes that the main areas of disagreement between the U.S. and the U.K. will be:

(1) The broadness of our position with regard to the agenda for a foreign ministers conference, and

(2) Whether or not a date should be specified for a summit meeting.

On the summit issue, the U.S., Germany and France are pretty much together. The U.K. position, differing from the others, is that the date for a summit meeting should be set forth in our reply.

[10-1/2 lines of source text not declassified] Ambassador Whitney estimates that the British will expect nothing from a foreign ministers meeting, on the basis that Khrushchev is the only man in the Soviet Union with whom we can talk real business. Here Mr. Herter expressed the opinion that the British would accept the wording that the President had used in his speech of March 16th: "Assuming developments justify a similar meeting at the summit, the U.S. would be ready to participate in that further effort."<sup>3</sup>The President stressed that that wording represents the greatest concession he is willing to make at this time.

Some discussion relative to schedules and administrative matters followed. The President approved the list of the permanent U.S. group

Source: Eisenhower Library, Whitman File, Miscellaneous Material. Top Secret. Drafted by John Eisenhower.

<sup>&</sup>lt;sup>1</sup> On February 9, Secretary Dulles began a period of medical leave. Under Secretary of State Herter became Acting Secretary of State at that time.

<sup>&</sup>lt;sup>2</sup> An extract from the first briefing meeting on March 17, which dealt mainly with the Berlin question, is printed in volume VIII, Document 228.

<sup>&</sup>lt;sup>3</sup> For text of Eisenhower's March 16 address, see Department of State *Bulletin*, April 6, 1959, pp. 467–472.

for the meetings with Macmillan. They are Secretary Herter, Mr. Murphy, Mr. Merchant and General Goodpaster. (The President's secretary, Mrs. Whitman, will accompany General Goodpaster.) On the British side, the permanent group will consist of five people, Mr. Macmillan, Mr. Lloyd, Ambassador Caccia, Mr. Brook and Mr. Milton.

Turning to another item, the President questioned the meaning which we currently attach to the term "European security." On learning from Mr. Murphy that it pertained to proposals for a neutral zone, the President expressed astonishment at the favor which that proposal seems to be gaining in this country.

The President then turned to the subject of nuclear inspection. Here he repeated the thoughts which he had expressed in the meeting of March 17th on the subject of development of a practical inspection system. The President is of the opinion that we should desert the scientists, and to some extent the Department of Defense in their insistence on obtaining a perfect system. What the President desires is a workable system which will give a true picture to the extent desired. He holds no brief for the number of inspection stations which must be set up in the USSR, be it 2, 15 or 40; he holds no brief for any one particular degree of tolerance so long as the system is adequate to ensure the criterion agreed upon. Here Secretary Herter pointed out the difficulties which might be anticipated from the Senate in securing ratification of any agreement which allows for a threshold. He expressed the view that an agreement which could be restricted to atmospheric tests might be satisfactory. The President agreed emphatically with respect to atmospheric tests. He expressed the opinion that this would, in large measure, reduce the total number of tests, conducted by virtue of the costly nature of conducing underground tests. He cited some technical data on the gigantic dimensions of a tunnel which must be created in order to scale down seismic reaction to a nuclear test. Although it is possible to reduce the seismic effect of an exploded bomb by a factor of 1000, such would be highly expensive.

Secretary Herter briefly mentioned the fact that the high altitude tests of 1958 had been made public yesterday without approval of the government. This brought a strong reaction from the President, who is of the opinion that some scientist had released the information. General Goodpaster explained the efforts to keep the release in perspective which had been made the day before. Mr. Sullivan, of the *New York Times*, apparently had notified Karl Harr that they were about to release the information which they had been holding back for some time at the remonstrance of Defense. In General Goodpaster's view, the *Times* felt it was about to lose a scoop, since the discussion of this test series was becoming prevalent. The President referred to the publication of this matter in strong terms, and deplored any plans for releasing more information on the basis that some had already leaked. General Goodpaster assured him that we have never authorized further disclosure of information. To set the record straight, General Goodpaster advised the President that part of the information which had been released was already available to the scientists through the IGY, due to the radiation readings which had been transmitted from the satellites. The scientists who had made these readings were not under governmental control.

The President then turned away from this subject to continue with his thoughts on a nuclear test ban. For our first step, we should restrict our agreements to refraining from conducing tests in the atmosphere. We should not initially strive for perfection of detection of all shots, including those detonated underground. He recognized that there may be difficulty in securing agreement from the Soviets for any sort of test ban short of complete abolition. He recognized the Soviet position on the veto and their fear of espionage. He stated that he wanted Dr. Killian, Mr. McCone<sup>4</sup> and somebody from Defense available to come to Camp David for these discussions. In view of the fact that only the West will adhere to the agreements, and in view also of the fact that very high altitude shots (he mentioned 300-mile altitude) will send almost negligible radiation to the earth, he desired to follow this approach and discuss the matter with the British.

Turning to the economic questions set forth in the briefing book, the President expressed the opinion that the British desire primarily only to complain in this area. He inquired if there had been any movement since the wool import law of 1954. Secretary Herter and Mr. Hagerty informed the President that there is an opinion pending. Secretary Herter recommended a "sympathetic listening" approach. The President expressed the understanding that our code visualizes an import tax on the 36 million pounds of wool which come in. The revenues thus obtained are used to compensate the sheep growers. He directed that Dr. Paarlberg be alerted to brief him on the details and status of this 1954 wool act. (See memo of Dr. Paarlberg's conference with the President, this date.)<sup>5</sup> Ambassador Whitney offered the recommendation that these economic matters be discussed to some extent, since Macmillan is more sympathetic to our viewpoint than is Lloyd, who normally deals with our economic relationships with Britain.

With regard to recognition of the GDR, the President expressed the view that Adenauer will never come near it. He mentioned the conflicting reports which had come from Paris and Bonn on the subject of the

<sup>&</sup>lt;sup>4</sup> James R. Killian, Jr., Special Assistant to the President, and John A. McCone, Chairman of the Atomic Energy Commission.

<sup>&</sup>lt;sup>5</sup> Not found in Department of State files. Don Paarlberg was the President's Special Assistant.

high level talks in those places. Secretary Herter and Ambassador Whitney agreed that we have not as yet found out what really did happen in those conferences.

The President then requested the State Department to begin work on writing up a draft communiqué. He approved Mr. Merchant's recommendation, which would:

(1) indicate in the communiqué that the U.S. and Britain had agreed on their position with respect to the Soviet note of March 2nd,<sup>6</sup> and

(2) ensure that the results of the conference would be positions sent to the NATO working group.

The President then made an estimate as to the decision facing the British. The question is whether they are willing to break with Adenauer. This is an extremely difficult question. Six months after the war, when the Western allies were in the position of victors over Germany, we could dictate our position. Now it is essential that our position vs. the Soviets be satisfactory to the West Germans. He feels that the British should face up to the issue of what they are willing to do in the face of German objections. He feels that we have been wasting much effort on such vague procedures as "informing each other of our thinking."

The President then mentioned once more the nuclear testing item, in an attempt to place it in the perspective of our overall position in the world. Anything we and the Soviets can do to build confidence in each other's word is a step forward. We of the West are at present in the position of refusing everything brought up. This presents a poor image to the world, regardless of how spurious the Soviet proposals may be.

In passing, the President mentioned Khrushchev's statement to Macmillan, to the effect that the Soviets have no interest in testing small weapons, and that their thinking is based on weapons of large megaton yield. Secretary Herter said this statement is being evaluated at the State Department. [*less than 1 line of source text not declassified*]

Mr. Merchant then took the opportunity to summarize the differences between the British position and that of the U.S. on the question of maintenance of access routes. [3-1/2 lines of source text not declassified] The U.S. position is that the Berlin crisis must be solved in the context of a reunification of Germany. [7-1/2 lines of source text not declassified] The President pointed out the fact that Soviets have stated their determina-

<sup>&</sup>lt;sup>6</sup> In this note, the Soviet Government proposed that the Heads of Government of the four powers responsible for Germany, plus those of Poland and Czechoslovakia, meet to examine the German situation. Alternatively, the Soviet note suggested that the Foreign Ministers of these nations be convened to discuss the same subject. In a note dated March 26, the U.S. Government responded with a proposal that the Foreign Ministers of France, the Soviet Union, Great Britain, and the United States meet in Geneva on May 11, 1959, to consider questions relating to Germany. For texts of these notes, see Department of State *Bulletin*, April 13, 1959, pp. 507–511.

tion to throw us out of Berlin; therefore, any compromise means only a move in that direction. [2-1/2 *lines of source text not declassified*]

The President then addressed the problem of how to handle the visit to Secretary Dulles in the hospital before leaving for Camp David. After a phone call to the Secretary, the President asked Secretary Herter to inform Macmillan of the President's desire to take him (Macmillan) on a *friendly* visit to see Secretary Dulles. If Macmillan himself desires also to take Selwyn Lloyd, this would be satisfactory.

After discussion of administrative matters, such as press photography and the schedule at Camp David, the meeting came to an end.

John S. D. Eisenhower<sup>7</sup>

<sup>7</sup> Printed from a copy that bears this typed signature.

# 357. Memorandum of Conversation

March 20, 1959, 11:20 a.m.

#### PARTICIPANTS

Prime Minister Macmillan Foreign Secretary Selwyn Lloyd President Eisenhower Secretary Dulles

At the President's invitation to me to comment on some of the subjects that he would be discussing with the Prime Minister and Foreign Secretary, I said that I would first like to speak of the broad aspects of the situation now confronting us, as I saw them. I said that I thought the free world allies should not give the people of the world the impression that we are frightened of the Soviets or that the Soviets are in the driver's seat. In some parts of the world, notably in Asia, Africa and parts of Latin America, people are watching closely to see whether they think the Soviet Union or the Western Allies are the more powerful. We cannot, of course, prevent Khrushchev from strutting across the stage and making his grandiloquent speeches. But we can avoid the impression

Source: Eisenhower Library, Whitman File, Miscellaneous Material. Secret; Personal and Private. Drafted by Dulles and Joseph N. Greene, Jr., Dulles' Special Assistant. The meeting was held in Dulles' room at Walter Reed Hospital.

that whenever he sounds conciliatory we rejoice and whenever he sounds threatening we are fearful as though he were the Lord of Creation.

As to Berlin, I said that I thought that we should make no concessions nor agree to any changes in the present arrangements except as part of a larger agreement out of which we would get something. I said that I thought our position in Berlin legally and morally impeccable and our sovereignty there sound; the Soviets cannot by their own act deprive us of sovereignty in Berlin nor put the GDR in a position to control our exercise of it. I noted that in such matters we can, as we did in the contractual agreements with the Federal Republic, voluntarily renounce some or all of our sovereign rights when it is expedient to do so; but I thought the assumption that, simply because the Soviets challenge our rights and position, we have to seek a compromise, is all wrong.

As to the possibility of an early Summit meeting, I said that I had not found persuasive the agreements favoring such a meeting, and that I did not think we should now agree to go to one unless we can exact a reasonable price in Soviet "deeds not words". I recalled that in 1955, the Soviets had paid such a price by agreeing to the Austrian Treaty. Also they accepted the composition we proposed. I said that I had seen no evidence that Khrushchev now seems prepared to pay a price, but rather to drive us to the Summit by threats. Nor had I been able to think of any acceptable agreement that Khrushchev might now be willing dependably to make with us. I said that I was opposed to the idea of a Summit meeting premised simply on the hope that it might produce something positive, without having any evidence that there is a real prospect of this. I said that at such a meeting there would be almost irresistible pressure upon the leaders of the democracies to reach an agreement. The Soviet leaders would be under no such pressure and we would be at a distinct disadvantage. I asked the Prime Minister whether in his visit to Moscow he had discovered any element in the Soviet thinking which might give hopes of useful negotiation at the Summit.

The Prime Minister did not indicate that he had any basis for believing that a worthwhile, acceptable agreement could be reached with Khrushchev. He did, however, go on to discuss generally the question of German reunification.

The Prime Minister said that he had the general impression that zeal for German reunification has somewhat abated. He had discussed this with Chancellor Adenauer, and also had tried to elicit the Chancellor's views on dealing with the GDR.<sup>1</sup> The Prime Minister said that

 $<sup>^1</sup>$  Apparently a reference to discussions held during Macmillan's trip to Bonn March 12–13, 1959.

somewhat to his surprise Adenauer had indicated that he is prepared to accept the status quo. Mr. Macmillan said that he had commented to the Chancellor that this seemed to be close to what Khrushchev says he wants and Adenauer had replied that the ultimate goal of German reunification could not, of course, be explicitly abandoned and indeed it should be held out as a light at the end of what might be a very long tunnel. In the time that would elapse before this light were reached, ways could, as Mr. Macmillan understood Adenauer's view, be found to lighten some of the human burdens borne by the people of East Germany.

I recalled that I had discussed with Adenauer the possibility of arranging for a long-term negotiation by Foreign Ministers and their Deputies, similar to the negotiations that had eventually led to the Austrian Treaty. I said that I thought this a possibility which ought not to be wholly discarded in the present situation and I cited too the talks that we have been having with the Chinese Communists.<sup>2</sup> Such talks can provide a context for avoiding hostilities, even if the substantive content of the talks is relatively inconsequential.

I repeated that to agree now to go to a Summit meeting at a fixed date in the future would be a grave error and would suggest to the world that we had completely given in to the Soviets, in reversing the attitude we have taken for the past two years, namely that there must be some prospect of fruitful results at a Summit meeting before we could agree to go to one. I thought that it would be most dangerous to ourselves to give such an impression.

I said that if we shall have to face the issue of whether to make prospect of a positive outcome a condition of going to the Summit, I felt that we might as well face it now, while there is still time to find out, free of public pressures. Through a meeting of Foreign Ministers, or privately through diplomatic channels—or, I said, not necessarily through private channels; after all Mr. Macmillan had talked directly with Mr. Khrushchev—we could try to ascertain whether Khrushchev is prepared to make an acceptable deal. I said in this connection I agree with the thought that there will probably not be agreement with the Soviets except with Khrushchev; and that in many respects the prospect of talking with Gromyko was a bleak and barren one. But I did believe that ways existed for finding out whether or not there was anything that Khrushchev wanted that we could give and get a quid pro quo; and that the possibility of Deputy talks should not be discouraged.

<sup>&</sup>lt;sup>2</sup> Reference is to talks between U.S. Ambassador to Poland Jacob Beam and Wang Ping-nan, Ambassador of the People's Republic of China to Poland, which began in September 1958 in Warsaw.

Mr. Macmillan said that as the British people see the present situation, the Soviets, far from adopting an aggressive posture of advancing on the West, have simply said that all they want to do is go away from where they are. The Prime Minister said that if the Soviets carry out their threat to hand over to the GDR control of our access to Berlin, we shall be faced with very difficult practical problems, not the least of these avoiding appearing to blockade ourselves out of Berlin. Mr. Macmillan said that he saw four possibilities:

1) That the Soviets give in; 2) that we give in; 3) that there be negotiations leading to an agreed solution for Berlin and the broader problems of central Europe, and 4) that there be war. The Prime Minister said that his Government would be quite prepared to mobilize more armed forces if necessary. [3 *lines of source text not declassified*]

Mr. Macmillan said his Government would not have the necessary public support unless they had a publicly comprehensible issue. He thought that negotiations would have to be attempted and would have to fail, before the British public could be convinced of the need for preparations of force.

The President, on Mr. Macmillan's point that the Soviets are not "advancing", observed that they are in fact trying to get us out of Berlin and he wondered whether that were not a sufficiently aggressive issue to be persuasive. I said that I quite disagreed with the Prime Minister's theory that if we are threatened, we must negotiate, lest the public not support our being firm. I said that our present considerable strength is conceived as a deterrent to Communist imperialist aggression. It is a deterrent, and there is not going to be the war of which the Prime Minister spoke. In being firm we have sometimes to take added risks, such as our sending troops to Lebanon and Jordan and holding Quemoy. But in that instance, I felt sure, our show of firmness and determination, coupled with our deterrent power, had avoided war. On Mr. Macmillan's point that the issues now posed in Berlin are so difficult that we should negotiate a new arrangement for the city, I said that I could not agree that there is anything wrong in our present position there. It is the Soviets who are trying to make it wrong, but that does not mean that we have to negotiate with them about it. I asked what is the use of our spending \$40 billion a year or more to create deterrent power if whenever the Soviets threaten us and want to take something from our present positions we feel that we have to buy peace by compromise. If that is going to be our attitude, we had better save our money.

The Prime Minister argued that the premises of our position in Berlin, and particularly the premise of our presence by right of conquest, are fast fading away, and that with their control of the GDR, the Soviets have the upper hand. Hence, he said, we should try to salvage something by negotiation.

The President intervened to suggest that time was growing short and that this discussion could be continued at Camp David. He asked whether I had any thoughts to express on other matters.

I referred to the Geneva negotiations on nuclear test suspension and said that it now seems evident that there would not emerge from that conference an agreement including control provisions acceptable to us. I said I saw no prospect that the Soviets will abandon their concept of the veto, which has been borne out in the operations of the United Nations Security Council: that is, unless the Great Powers act in accord, they should not act at all.

I said that I thought that since atmospheric tests are increasingly shown to be injurious to life, we should extend indefinitely our suspension of them and hope that the Soviets would reciprocate. But, I said, I was sure that opinion in the United States would have no confidence in the possibility of a reliable control agreement being reached at Geneva. I recalled that Mr. Macmillan had himself suggested to me during my last visit to London<sup>3</sup> the possibility that he and the President might address letters to Khrushchev setting out the proposition on atmospheric testing and the impossibility of an agreement to control specifically underground and high altitude tests unless the Soviets alter their position on the veto in the control system.

Mr. Macmillan said he understood the scientists had changed their view of the dependability of the conclusions on a control system, reached in Geneva in 1958. The President said that it is his understanding that the scientists now find that the originally proposed 180 worldwide stations would be inadequate to detect underground testing of moderate proportions. The President thought, however, that there might be present now elements of an agreement with the Soviets that there would be no atmospheric tests and no underground tests exceeding, say, 100 kilotons. He understood that underground tests larger than this could in any event be detectable. The President emphasized that he would not be willing to enter into an agreement with the Soviets suspending underground tests unless he could be sure that we could detect violations.

I remarked that I did not believe that we could, under any circumstances, get a veto-less control system with Russia.

Mr. Macmillan said that he attaches great importance to reaching some kind of an agreement in the Geneva talks.

<sup>&</sup>lt;sup>3</sup>Reference is to Dulles' visit to London February 3–4.

I said that I thought it is perhaps now time to put Soviet intentions in this matter to the stern test by reacting firmly to their extreme position on the veto and showing some sense of outrage at the Soviet proposals. I thought that unless we reacted vigorously against this now, but went on to discuss other matters, we would have missed the psychological moment. Unless our reaction evoked better evidence than we now have of honorable intentions, we should not go on with the present conference or set up a successor to it but could exchange views diplomatically.

## 358. Memorandum of Conversation

USDel MC/9

Camp David, March 20, 1959, 3-4:40 p.m.

#### SUBJECT

Prime Minister Macmillan's Visit to Moscow

#### PARTICIPANTS

The President	The Prime Minister
Mr. Herter	Mr. Selwyn Lloyd
Ambassador Whitney	Sir Norman Brook
General Goodpaster	Sir Frederick Hoyer-Millar
Mr. Merchant	Sir Harold Caccia
	Mr. Bishop

The meeting opened with the President's invitation to the Prime Minister to report his impressions of his journey to Moscow and his visits to Paris and Bonn. Mr. Macmillan said the Moscow visit fell into three distinct divisions: the honeymoon, the cold spell produced by the Khrushchev speech<sup>1</sup> and his firm response, and the final resurrection of

Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 149. Secret. Drafted by Merchant. The meeting was held in the Aspen Lodge. Separate memoranda of this conversation were prepared; see Documents 359–360. Other memoranda covering Macmillan's visits to Moscow, Paris, and Bonn and the reply to the Soviet note are in Eisenhower Library, Whitman File, International File. Another record of this conversation prepared by Andrew J. Goodpaster, March 23, is *ibid.*, Staff Secretary Rec-ords.

<sup>&</sup>lt;sup>1</sup> On February 24, while Macmillan toured other areas of the Soviet Union, Khrushchev made a speech in Moscow in which he reiterated his call for a Summit conference and proposed that the United Kingdom and the Soviet Union sign a 20-year nonaggression pact.

courtesy on the part of the Russians after the Prime Minister's return to Moscow from Kiev and Leningrad. He said that he felt the great advance was in Khrushchev's acknowledgment of the need to negotiate and settle disputes peacefully. Khrushchev he described as a mixture of Napoleon and Lord Beaverbrook. He is anxious to please, sensitive of his lower-class origin, and seeking equality in all things. He clearly wants to maintain the status quo and is a surprising admirer of Russia's past and the achievements and policies of the great czars. Mr. Macmillan is satisfied that Khrushchev is the undisputed boss. All others watch even his expression to take the proper line. There is no doubt in the Prime Minister's mind that no business can be done with the Russians except with Khrushchev.

Fundamentally he believes they want to maintain and consolidate the status quo. He thinks they are prepared to negotiate but from what they conceive to be a position of strength.

The Prime Minister found pride on the part of the Soviets in their economic achievements which are indeed great. However the West should not overrate these achievements for once one gets away from Moscow and Leningrad one is impressed with the backwardness of the economy, particularly in the agricultural field. For example, Mr. Macmillan visited one collective farm of 5000 acres on which 800 people were employed. In the UK the number of workers would be between 20 or 30 on a comparable farm. He saw few signs of police or guards. Khrushchev seems to move freely and mingle with crowds with no fear of his safety. In fact, Mr. Macmillan said that they seemed to be slipping into a "dictatorship by propaganda" rather than terror (at a later point the Prime Minister described Russia today as a "popular dictatorship").

The problem therefore, said the Prime Minister, is to decide how to deal with the Russians. It is a psychological problem among other things and we should bear in mind their anxiety for respectability and general acceptance. Above all he is convinced that they desire to maintain the status quo.

The Prime Minister then called on Mr. Lloyd to describe their visit in greater detail.

Mr. Lloyd spoke of their arrival and the first dinner and evening meeting. Khrushchev apparently held forth at length on the necessity of facing facts and the necessity of both sides making the best of the present situation. He stated that there could be no thought of any "roll back." He went on to say that Berlin, which he referred to as a "cancer", must be solved. It was behind Soviet lines and harbored more than two hundred Western espionage organizations. He said that the West Berliners could keep their form of life and that a free city status could be reinforced by token military forces of the four powers or by the UN or by a small neutral garrison.

Gromyko during the course of the evening discussed the nuclear test negotiations at some length. He took an extremely hard line on the issue of inspection which he characterized as in fact an intelligence operation. Macmillan told him that we would never accept a veto on the right of inspection. It was at this point apparently that the Prime Minister tossed out his suggestion of spot checks based on a ceiling for the number of such inspections which either party could make. Khrushchev expressed some interest in this which seemed to the Prime Minister more than polite although according to the Prime Minister's and Lloyd's account there was no later reversion by Khrushchev to the suggestion. There was then apparently some discussion of the "fourth country" problem to which the Soviets seemed sensitive and the Prime Minister emphasized the desirability of achieving a cut-off of production of weapons material. Khrushchev agreed to reconsider the Soviet position on this point.

On the question of the surprise attack conversations Khrushchev said that there was an extremely wide gap between the two sides and did not seem to give any indication of interest in narrowing it.

Lloyd said that he told the Russians that the West could not accept the denuclearization of Germany or the prohibition of the presence of foreign forces by invitation in Germany or any other discrimination against Germany. Apparently the Soviets did not press to any degree on the denuclearization of Germany.

Lloyd said that on Monday the talks continued and were largely devoted to questions of trade, past claims and related matters. Mikoyan, who was present, at one point asked for a 250 million pound credit for Soviet purchases. Khrushchev promptly interjected that they were not asking for a loan and that in fact to accept one would be doing a favor to British manufacturers.

The talk apparently then swung around again to the status quo and Khrushchev said that the Soviets would accept the two Germanys, one remaining in NATO and the other in the Warsaw Pact for a number of years. The emphasis again was on the maintenance of the status quo.

Mr. Lloyd said that on Tuesday the Prime Minister and party visited the atomic reactor station outside of Moscow and on their return found that Khrushchev had made his violent speech. Gromyko apparently accompanied the British party, and Lloyd reported that in private conversation with him the Soviet Foreign Minister had expressed an interest in the suggestion thrown out by the Prime Minister concerning a numerical limit on the number of spot checks which could be made under the nuclear testing suspension agreement. He asked Lloyd how many spot checks did he have in mind. Lloyd said that he replied "X" and refused to cite any figure. In the same conversation Gromyko also expressed curiosity as to the extent of the area which the British had in mind for a zone of reduced or limited forces and armaments. It was not clear to me what, if any, answer Lloyd had given Gromyko on this point. Gromyko also told Lloyd that the Soviets wanted a summit meeting followed by a foreign ministers meeting. Lloyd said that he recalled to Gromyko that this sequence had not proved successful in 1955. Summing up, Lloyd said it was the best talk he had ever had with Gromyko.

On the return of the British delegation to Moscow after Khrushchev's speech, the Prime Minister spoke very plainly to Khrushchev (he was not clear as to whether this was at dinner or at the British Embassy reception that evening). In any event, the PM told Khrushchev that this was not the sort of behavior which was to be expected, that the British were not to be bullied on Berlin where the West had rights and obligations which it would maintain, and under no circumstances would the UK be divided from its allies. Khrushchev's mood apparently was truculent, but the British had a feeling that he was conscious of possibly having gone too far. Nevertheless, the British were told, among other signs of Oriental displeasure, that Khrushchev had contracted a toothache which made it impossible for him to accompany Macmillan to Kiev as had been planned.

On the following day, Wednesday, the PM and his party got out of the elk hunt which had been planned. After luncheon the PM saw Khrushchev alone and had what the PM described as "a hard talk." He warned Khrushchev that the Soviets and the West were apparently headed for a "collision." Khrushchev was curt and cold.

On the following day there was another disagreeable interview with Khrushchev at the Kremlin. He referred to the British action in Suez in 1956 in thoroughly objectionable terms and went back to 1939 and accused the British of having collaborated with the Germans to egg the latter on to destroy Russia. Macmillan told him, among other things, that he had a curious conception of history. Khrushchev at this meeting confirmed that he and Mikoyan as well would not leave Moscow with the British party on their trip. Later that day the PM and his party left for Kiev and had no communication whatsoever with Khrushchev or Gromyko for 36 hours. During the trip Lloyd asked Kuznetsov, who was the highest ranking Soviet official accompanying them, "What are you trying to do?" and otherwise made plain to him the British displeasure of the treatment which Khrushchev had handed out to them in Moscow.

A day or so later there was a very civil message from Khrushchev reporting that his tooth was better and that Mikoyan would travel to Leningrad to meet the British party there. Gromyko, who also met them in Leningrad (as I understood it) gave to Lloyd (apparently on the Sunday) an advance copy of the Soviet note of March 2 and also a draft bilateral anti-aggression pact. My impression is that it contained only two substantive articles, the first being a mutual pledge not to resort to force, and the second requiring the closing down of all foreign bases on British soil. At Leningrad the PM also received a message from Khrushchev saying that he wanted to have a talk with the PM on Monday and that on reflection he considered that his speech earlier in the week had been "illtimed." The same message, however, went on to say that in his view the Western rights in Berlin had lapsed.

On Monday in Moscow there were lengthy talks with Khrushchev who conducted himself in a civil and reasonable manner. During the course of these talks he assured the Prime Minister that May 27 meant nothing, that it had not been intended as an ultimatum and would not be adhered to as a deadline if talks were getting under way. He said that the Soviets did not expect the UK to accord the GDR de jure recognition but rather de facto recognition which he said rather vaguely might be achieved through a third party. Khrushchev showed a definite desire for negotiation. That evening the Prime Minister gave his TV speech which the British estimated reached about five million people all in the general area of Moscow since it was not relayed nationally.

On Tuesday the Prime Minister again saw Khrushchev but briefly and alone. Lloyd did not report what was discussed. Gromyko and Lloyd then agreed without difficulty on the communiqué with the Soviets showing considerable accommodation, and the whole process requiring only 50 minutes. The British party left Moscow that afternoon.

In summarizing his impressions, Lloyd said that he found the Soviets a curious mixture of sensitivity and conceit. He feels that they have very big internal problems; that they want to reduce their defense budget which is so large as to be a burden on their economic effort; and that they do not want war.

The President inquired whether they had been allowed to go wherever they wanted to on their trip. Macmillan replied that the British had laid out their own itinerary and that no difficulty was made over their choice.

## 359. Memorandum of Conversation

USDel MC/10

Camp David, March 20, 1959, 3-4:40 p.m.

SUBJECT

Prime Minister Macmillan's Visits to Paris and Bonn

[Here follows the same list of participants as Document 358.]

The Prime Minister gave a brief report on his visit to Paris. He said in general he found the French relaxed, but firm on Berlin. Debre he thought very nice. General de Gaulle talked a great deal and left on Mr. Macmillan a firm impression that he is the boss. De Gaulle seemed obsessed with the atom bomb in terms of its constituting the ultimate weapon which left nations not possessing it in a secondary role. According to Macmillan, de Gaulle felt there was no use preparing for possible difficulty by mobilization or other preparedness measures. Macmillan indicated that this attitude was incomprehensible to him. De Gaulle also was reported as considering the main issue or crucial point that at which there was actual blockage of the Allied access to Berlin. In conclusion Macmillan said that the French "agreed with them on everything."

With respect to his visit to Bonn, the Prime Minister said that he and the Chancellor agreed well. He mentioned that in his private talk with Adenauer the latter had suggested securing a commitment from the Russians as a condition precedent to holding a summit meeting an undertaking that the status quo would be preserved for five years. Macmillan said he did not agree to this and that in the subsequent plenary session the idea was explicitly abandoned.

The Prime Minister believed that the Chancellor had moved into a fundamentally different position from the past. He thinks that he can now live with the status quo though it would be wrong to abandon public lip service to this objective. He said that the Germans agreed with the British in believing that a fixed date for the summit meeting should be offered in the Western replies to the Soviet note. It was also agreed between them to make as a condition for a summit meeting either through diplomatic channels or by incorporation in the note the understanding that there would be no unilateral alteration of the status quo prior to and during the process of negotiation.

Mr. Macmillan said that the Chancellor then inquired about the British ideas for an area or zone of inspection. Macmillan felt that his explanation satisfied the Chancellor and relieved his fears. He said that

Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 149. Secret. Drafted by Merchant. See also Documents 358 and 360.

he told the Germans what he had in mind was an inspected zone within which there would be ceilings on both sides of the lines on force levels and limitations on armaments. Its establishment, however, would be subject to the following three principles: First, there should be no alteration of the present balance of forces to the disadvantage of the West; secondly, its terms should be such that NATO would not be broken up; nor, thirdly, the United States be forced out of Europe. On the latter point he expressed his view that if United States forces were removed from Germany they would in fact have no place to go except home.

Mr. Macmillan said he went on to emphasize to the Chancellor that he was not thinking of disengagement nor of the creation of a great neutral no man's land which would constitute a dangerous vacuum under modern conditions of war. What he was trying to do was to quell the appeal of the Rapacki plan<sup>1</sup> which had caught the imagination of many unsophisticated people.

The President interjected that he was still confused concerning Adenauer's understanding on the question of prior conditions for a summit meeting because he had been very explicit in telling Bruce after the Macmillan visit that Macmillan had agreed to a five-year standstill as a condition precedent.

Mr. Macmillan replied that when they had heard of this apparent misunderstanding they had sent their Ambassador back to von Brentano who assured him that there was no misunderstanding on the Chancellor's part nor on his own.

The President then said jokingly that if we could get a commitment from the Russians to make no change in the status quo for five years then we could postpone going to the summit until the end of that period. He then went on to say with utmost seriousness that he would not go to a meeting under circumstances which made it appear that he had his hat in his hand. To him there was an elemental requirement which must be met and that was the Soviets negotiate at a foreign ministers' meeting in good faith and progress be revealed. He said with finality that he would not agree at this time to go to a summit meeting on a fixed date.

There then followed some conversation on the report which had been received of a statement by Adenauer before his party members to the effect that the Federal Republic might or should extend de facto recognition to the GDR. It was noted that if this report was confirmed it represented a very substantial shift in Adenauer's position on relations with the GDR.

<sup>&</sup>lt;sup>1</sup>See footnote 5, Document 336.

## 360. Memorandum of Conversation

USDel MC/11

Camp David, March 20, 1959, 3-4:40 p.m.

SUBJECT

Berlin, Summitry, and Reply to Soviet March 2 Note

[Here follows the same list of participants as Document 358.]

The conversation then turned to Berlin. The President said that we would absolutely refuse "to throw the West Berliners to the wolves."

The Prime Minister said that as he saw it there were two acceptable solutions for Berlin. First was to deal with the GDR on our access rights on the basis of an acknowledged agency relationship between them and the Soviets. The second was to negotiate a treaty that would be registered with the United Nations which would guarantee our position in Berlin and the rights of access. This he would regard as an improvement over our present situation. There was some brief discussion as to what effect this would have on our fundamental rights acquired by conquest.

Reverting to the question of the relationship between a foreign ministers and a summit conference with the Soviets, the President suggested that Mr. Herter and Mr. Lloyd review the present language of our draft reply<sup>1</sup> and see if there could not be inserted useful quotations from Khrushchev's press release the day before to tie the Soviets to a commitment to genuinely attempt to achieve some progress at the Foreign Ministers level. It was agreed that this would be done though the danger was pointed out of relying on ticker reports of a press conference.

The President then said that a prolonged summit conference or a series of conferences would be impossible for him by reason of the requirements of our Constitution. It might be possible, however, he said, for him to go for two or three days at the opening and leave Vice President Nixon as his personal representative, returning himself at the conclusion of the conference if the results warranted it.

Mr. Macmillan then said, with general agreement, that we can't afford to have another show of the character of the last Geneva Summit Conference which was little more than an exchange of propaganda speeches. This is no way to approach serious negotiation. He felt that the foreign ministers should sharpen the issues and outline available

Source: Department of State, Presidential Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Merchant. See also Documents 358–359.

<sup>&</sup>lt;sup>1</sup> For text of the Soviet proposal of March 2 and the Western reply of March 26, see Department of State *Bulletin*, April 13, 1959, pp. 507–511.

choices. The Heads of Government could then negotiate in private with very few plenary sessions.

Mr. Herter pointed out that there were really two points at issue in our draft reply. One was the agenda and the other was the matter of a fixed date for the summit.

The President suggested that we stipulate that one of the duties of the Foreign Ministers was to explore opportunities for agreement and that dependent on their progress they could then agree on a date for the summit. He reiterated that he would not agree at this time to a fixed date and said that he thought "justify" was a good word to describe what was required of the Foreign Ministers' meeting.

Mr. Macmillan raised the question as to whether it would be possible to hold the summit conference in the United States presumably as a means of avoiding the constitutional difficulties of a prolonged absence of the President from the country. Specifically, he wondered if Newport wouldn't be a pleasant site.

The President indicated skepticism as to holding such a conference in the United States though he did mention San Francisco might be a possible location in light of its background as the scene of the foundation of the United Nations.

Mr. Herter raised the question of Czechoslovakian and Polish participation in the foreign ministers conference, and the Prime Minister replied that he liked our formula. The meeting thereupon ended at 4:40 p.m.

## 361. Memorandum of Conversation

USDel MC/12

Camp David, March 20, 1959, 6:30-7:30 p.m.

#### SUBJECT

Reply to Soviet Note of March 2

PARTICIPANTS

The President The Acting Secretary Ambassador Whitney Mr. Merchant The Prime Minister Mr. Selwyn Lloyd Sir Norman Brook Sir Derick Hoyer-Millar

Source: Department of State, Presidential Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Merchant.

At the conclusion of a prolonged discussion between the Prime Minister and the President (with advisers present) on the form of our reply to the Soviet note, the meeting broke up at 4:40 p.m., with the President and the Prime Minister leaving for a drive. They agreed to return at 6:30 to consider the matter further and suggested that Mr. Lloyd and Mr. Herter continue the discussion.

After a short recess Mr. Herter, Ambassador Whitney and myself met with Mr. Lloyd, Sir Norman Brook and Sir Derick Hoyer-Millar. Each side had in the interval prepared a redraft of the Summit language. We were unable to reach agreement.

Upon the return of the President and the Prime Minister from their drive the lack of progress was reported and the Prime Minister retired to draft personally the passage dealing with a Summit conference and agenda. When this draft was ready the meeting between the President and the Prime Minister (with advisers) resumed. The Prime Minister became exceedingly emotional. He said that we were dealing with a matter which in his judgment affected the whole future of mankind. He said that: "World War I—the war which nobody wanted—came because of the failure of the leaders at that time to meet at the Summit. Grey<sup>1</sup> instead had gone fishing and the war came in which the UK lost two million young men."

The President interjected that there had been meetings at the Summit before the outbreak of World War II and that those meetings had not prevented that war.

The Prime Minister rejoined that at that time "we were dealing with a mad man—Hitler."

The Prime Minister continued that he could not take his people into war without trying the Summit first. If war was to result there was much that he must do. They had no civil defense worthy of the name and this must be rectified. They must mobilize and disperse a substantial part of their people to Australia and Canada. Eight bombs, the Prime Minister said, would mean 20 or 30 million Englishmen dead. Throughout the discussion he kept repeating this reference to eight bombs.

The President said in effect that we cannot consider these problems exclusively in these terms. What we must consider is the alternative of surrendering to blackmail. He reminded the Prime Minister that we would not be immune to punishment. In fact he said that the lowest level of casualties he had seen estimated in event of an all-out thermonuclear attack on this country was 67 million. He emphasized that we don't escape war by surrendering on the installment plan, that the way

<sup>&</sup>lt;sup>1</sup>Sir Edward Grey, British Foreign Secretary 1906–1916.

to prevent war is by willingness to take the risk of standing on ground which is firm and right.

The President then went on to say that he would not "be dragooned to a Summit meeting." He said that if there was even slight progress at the Foreign Ministers meeting then he would go but that he would not commit himself now to go under any and all circumstances.

Mr. Herter pointed out at this juncture that in the event the Foreign Ministers broke up in total failure we would obviously consider all remaining possibilities for further negotiation including a Summit meeting which might be held in the Security Council.

The Prime Minister reverted to his highly emotional mood saying that he was an old man and that he owed a duty to his people; that this question of agreement now to a Summit meeting was probably the most fateful decision he would ever have to take; that he must sleep on the matter and that he was not prepared to discuss it further that night.

The group then at 7:30 went to table for dinner and there was no further substantive discussion that evening.

## 362. Editorial Note

President Eisenhower, Prime Minister Macmillan, and their advisers resumed discussion of the reply to the Soviet note at 9:30 a.m. on March 21. According to a memorandum of this conversation, prepared by Merchant:

"The President said that he would repeat to the Prime Minister his past expression of a willingness to look hard for any progress at all at the Foreign Ministers meeting which would justify thereafter holding a Summit conference but that he absolutely refused to promise unconditionally at this point to go to a Summit meeting 'come hell or high water.' The Prime Minister then put forward new compromise language for this passage in the note. The President also gave the language which we had considered overnight. Agreement was finally reached on the form of words which was later in the morning telegraphed to our working group representatives in Paris. The British accepted our formulation of the agenda item. They also confirmed their acceptance of our phraseology for handling participation by the Czechs and the Poles." (Eisenhower Library, Whitman File, International File)

The text of the reply was sent to the Embassy in Paris in telegram 3511, March 21. (Department of State, Central Files, 033.4111/3–2159) For texts of the Soviet note of March 2 and the U.S. reply of March 26, see Department of State *Bulletin*, April 13, 1959, pages 507–511.

# 363. Notes on the Legislative Leadership Meeting

March 24, 1959.

[Here follows discussion of unrelated matters.]

*Macmillan Meeting*—The President commented briefly on his discussions with Mr. Macmillan, characterizing them as a very fine meeting, particularly since it was a matter of old friends getting together and all of the group were very good people.

The President suggested that it might be a good idea to begin to try to get Britain and Canada, Australia and New Zealand all together with us in one great government. If that could be done there could be an end to worrying about a number of little things that can cause divisions among independent nations. In view of the fact that the United States has now gone beyond its own shores, an idea like this—given time might not be too difficult to sell to either side.

The President thought this had been a very productive meeting, but of course the trade business had been difficult especially when he didn't have firm answers to these problems clear even in his own head. The President also noted the discrepancies in newspaper reports of the meeting, particularly two which Foster<sup>1</sup> showed him which were diametrically opposed.

Messrs. Halleck and Arends<sup>2</sup> described the effectiveness of some of Mr. Macmillan's comments when he met with certain Congressional leaders. Also, the British Foreign Minister had suggested that internal pressures in Russia were forcing Khrushchev to do some of the things he did. The President recounted some of the events of Mr. Macmillan's visit to Russia, particularly the Prime Minister's firmness and perseverance in the face of Russian rudeness—and the way in which the Russians eventually came around.

The President recounted a theory held by some that Khrushchev, the only man in Russia who can make a decision, is at the point of actually wanting to make some decisions. Otherwise, the theory goes, there would be no explanation for Khrushchev's great interest in a summit meeting, since such a meeting is not so good a propaganda weapon as to justify all the emphasis. The President added that his present guess was that a summit conference would occur. However, it could be confusing

Source: Eisenhower Library, Whitman File, Legislative Meetings. Confidential. Drafted by L. Arthur Minnich, Jr., White House Assistant Staff Secretary.

<sup>&</sup>lt;sup>1</sup>Secretary Dulles.

<sup>&</sup>lt;sup>2</sup> Charles Halleck and Leslie Arends. The other congressional leaders present were Senators Dirksen, Kuchel, Bridges, Saltsonstall, and Williams, and Representatives Byrnes, Hoeven, Leo Allen, Taber, and Richard Simpson.

if too many countries became involved, and perhaps impossible should Chancellor Adenauer change his approach to the problems.

[Here follows a note regarding future meetings.]

LAM

# 364. Memorandum of Conversation

April 24, 1959.

[Source: Department of State, Central Files, 611.61/4–2459. Secret. 5 pages (including 3-page attachment) of source text not declassified.]

# 365. Editorial Note

President Eisenhower visited Europe August 26–September 7 to consult with the Western allies prior to Premier Khrushchev's trip to the United States in September. After meeting with Chancellor Adenauer in Bonn August 26–27, the President, accompanied by Secretary of State Herter and Deputy Secretary of Defense Thomas S. Gates, Jr., arrived in London for a 6-day visit. On September 2, Eisenhower flew to Paris for talks with President de Gaulle; Joseph M.A.H. Luns, President of the North Atlantic Council; Paul-Henri Spaak, Secretary General of NATO; and Prime Minister Antonio Segni and Foreign Minister Guiseppe Pella of Italy. President Eisenhower returned to Washington on September 7.

In the United Kingdom, the President spent the first evening of his visit at the residence of Ambassador Whitney in London. The next day, August 28, he flew to Scotland where he was the guest of Queen Elizabeth and Prince Philip at Balmoral Castle. In London that day, Secretary Herter and Foreign Secretary Lloyd met at the Foreign Office to discuss the situation in the Middle East and disarmament questions. Copies of the memoranda of these conversations are in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199.

On August 29, Eisenhower joined Macmillan at the Prime Minister's home, Chequers, for a 2-day visit. The two men, with their advisers, discussed disarmament, nuclear testing, NATO, and forthcoming exchange of visits between Eisenhower and Khrushchev, among other topics; see Documents 366–367. Eisenhower returned to London on August 31 where he met with Spanish Foreign Minister Fernando Castiella to discuss U.S. economic and military assistance to Spain; see Document 315. That evening, Eisenhower and Macmillan appeared in a television broadcast from the Prime Minister's residence at 10 Downing Street. During their 20-minute informal talk, the two leaders discussed a number of topics, including U.S.–U.K. relations, the prospects for a summit conference, and NATO.

The President spent September 1 at the residence of Ambassador Whitney. The chronologies of the President's trip to the United Kingdom and briefing papers prepared for him in the Department of State on the subjects to be covered in his talks with British leaders are in Department of State, Conference Files: Lot 64 D 560, CF 1440, 1449, 1452, 1453, and 1455. John S. D. Eisenhower's account of the President's visit to the United Kingdom is in *Strictly Personal*, pages 237–238 and 243–248.

## 366. Memorandum of Conversation

US/MC/20a

Chequers, England, August 29, 1959, 3:30 p.m.

## PRESIDENT'S TRIP TO EUROPE

August-September 1959

#### PARTICIPANTS

**United States** 

President Eisenhower Secretary of State Herter Deputy Secretary Gates Mr. Merchant Mr. Irwin Mr. Berding Mr. Hagerty General Goodpaster Major Eisenhower Mr. White

#### United Kingdom

Prime Minister Macmillan Foreign Secretary Lloyd Sir Norman Brook Ambassador Caccia Sir Anthony Rumbold Sir Frederick Hoyer Millar Mr. Blye Mr. de Zulueta Mr. Evans Mr. Wilding

#### SUBJECT

Conversation at Chequers, August 29, 1959

Source: Eisenhower Library, Whitman File, International Meetings. Secret; Limit Distribution. Drafted by Ivan B. White and approved by Goodpaster.

Mr. Macmillan began the conversation by saying that the two Foreign Ministers had had a discussion the previous day about events in the Far East and Middle East, and it would be helpful to have a brief report from them.

# West Indies

Mr. Lloyd said that the first subject discussed was that of Trinidad. The United Kingdom understood the importance of the West Indies and of the bases located therein to the United States and is anxious to be helpful. It is largely a question of tactics, i.e., whether to wait or to start dealing with the problem immediately. In the discussion it was agreed that there were three aspects of importance which should be mutually examined: 1) the question of the legal position of United States base rights once the West Indies obtain their independence; 2) those subjects which the present Federation Government would like to submit for possible revision of the base agreements of 1941;<sup>1</sup>3) a review of the foregoing and a decision as to tactics to be followed in pursuance of that review.

In reply President Eisenhower said that the United States security position in the South Atlantic requires a base; that the United States Government had poured millions into these bases; and now suddenly doesn't want to pull stakes and get out. Secretary Herter pointed out that under Article 28 of the Base Agreements of 1941, either party can request revision. The question was whether these discussions should take place now or later. We shall be able to tell better after taking a look at the changes proposed to the United Kingdom Government by the West Indies Federation. The United States certainly reaffirmed its promise made under Article 28. Mr. Lloyd, in closing the conversation on this subject, confirmed that the United Kingdom and United States Governments were as one in dealing with this problem but that there was the question of tactics to be decided.

### Laos

With regard to Laos, the next subject raised, Mr. Lloyd reported that the UK Government was very worried about this situation. He had received a communication from Soviet Ambassador Malik suggesting the possibility that the three chairmen of the delegations previously making up the ICC might return. The UK Government was now exploring the possibility of the three chairmen of the delegations going back. This formula possibly was intended by the Soviets as a face-saving

<sup>&</sup>lt;sup>1</sup> For text of an agreement between the United States and the United Kingdom regarding leased naval and air bases in the West Indies, signed at London March 27, 1941, see 55 Stat. 1560.

device to the Laotian Government, but to make this workable it would be necessary to get a new Indian chairman. This would be easier if the Canadian were also changed. The President inquired whether there was anything new on Laos, and Secretary Herter reported that there had been a new raid. Mr. Lloyd reported that the evidence indicates that the dissident influence is getting beyond the two northern provinces and pointed out that we were dealing with a jungle area. In view of British experience in Malaya, it was doubtful whether the Laotian Government through military measures would be able to bring the dissidents under control.

Mr. Macmillan added that it was very important to try to prevent the area from being won over by the Communists. It was even more important at this juncture, when an effort was being made for a détente in the West, to hold the Communists in the Far East in check. The United States was familiar with the record of the British Government; that when Taiwan was threatened last year, the U.K. had stood by the U.S. The problem in Laos was technical; "you can't get at it". President Eisenhower inquired whether the British had any proposals. Secretary Herter added that the U.S. was now providing equipment for Laos, but it was a very tricky situation to avoid being in violation of Article 9 of the Geneva Agreements on Laos.<sup>2</sup>

Mr. Lloyd added that the previous day he and Secretary Herter had discussed the long-term problem; that the Laos situation was quite different from that of Korea where the U.S. had been in a position to and had in fact provided massive support. Mr. Gates mentioned parenthetically that the U.S. had no intention of sending five divisions to Laos.

President Eisenhower said that the United Kingdom, as well as the United States, should endeavor to control the Communists in Laos and to take action if necessary. We must give the Laotian people some hope against the Communists. We must together get into the problems and not merely talk procedures. We couldn't just talk about getting someone to carry the job but should get into it ourselves. The President said that it must be an indigenous effort. That we should get the Philippines or some other Asian group to do something. The White peoples couldn't do much alone. The Secretary added that it would be a mistake to attempt to get someone to mediate, which would suggest two sides to the issue within Laos, and that we had to recognize that both Hammarskjöld and the Laotians had handled the situation there rather badly. Instead of mediators, the presence of observers would serve as a

<sup>&</sup>lt;sup>2</sup> Article 9 of the Agreement on Cessation of Hostilities in Laos of July 1954 prohibited the introduction into Laos of armaments and military equipment, except as specified for the defense of Laos. For text of this agreement, see *Foreign Relations*, 1952–1954, vol. XVI, pp. 1505–1539.

psychological deterrent to the Communists from the North. Mr. Macmillan concluded by saying that we are agreed on that.

# **Contingency Planning**

With reference to Contingency Planning for the Middle East, Mr. Lloyd reported that Lord Mountbatten would be meeting with the Joint Chiefs of Staff in Washington on August 31. Mr. Gates confirmed that the discussion between the Foreign Secretaries yesterday on this subject had been satisfactory to both parties in London and that messages had been sent to Mountbatten and the Joint Chiefs of Staff.

# IBRD Loan for Canal Development

Turning to the question of an IBRD loan for the improvement of the Suez Canal, Mr. Lloyd said that the coincidence of such a loan with the discussion in the United Nations General Assembly of Egyptian restrictions on the use of Suez would be an embarrassment both for the United States and the United Kingdom. This indicated the desirability of a delay in any decision or announcement regarding a loan. Mr. Herter pointed out that Mr. Black, President of the International Bank for Reconstruction and Development, was now in the Dolomites and this was a matter which should be discussed with him orally. Mr. Lloyd added that the Egyptian Finance Minister would soon be visiting London and Washington and that therefore they believed that timing was very important.

Mr. Macmillan said he had been informed that with the development of Mediterranean oil in Libya and Algeria, Suez would be less important and that the large shipping companies were no longer anxious to obtain improvements in the Suez Canal which would permit larger tonnage to pass through it. Mr. Herter confirmed that the development of oil in the Mediterranean would permit this product to pass directly across the Mediterranean without the use of Suez. He added that it was his understanding that Mr. Black was desirous of having any loan for the development of Suez secured by tolls but that the Bank would desire that any loan be made without political conditions. He added that the Israelis were vulnerable on this issue because of their violations of the 1948 Armistice Agreements.

Mr. Macmillan summarized the UK view by saying that this issue was a question of timing. The UK Government would be most pleased if it were possible to postpone the decision by the IBRD for a month or two.

# Currency Reform in Indonesia

Secretary Herter confirmed that the question of the currency and banking reform in Indonesia had been discussed; that further informa-

tion was being obtained, but that it looked like wholesale confiscation of currency and bank accounts.

## Communiqué

Mr. Lloyd and Secretary Herter confirmed their view that no joint communiqué at the conclusion of the talks would be necessary. President Eisenhower and Prime Minister Macmillan confirmed that this was a sensible solution.

## President's Discussions in Bonn

With the conclusion of the discussion of the subjects of the previous day, it was suggested that the British participants would be very interested in the President's appraisal of the discussions with Chancellor Adenauer in Bonn. The President replied that his record was not complete because the afternoon session, which he had assumed would be with the Chancellor on a private basis for only five minutes, had continued for one and a half hours without the presence of his U.S. interpreter. Mr. Herter added that it might be some time before we had an approved record because the German interpreter would have to clear his notes with the Chancellor who was returning to Italy. Mr. Herter said that the Bonn discussions were of interest because they had introduced a new element of possible acceptance by the Germans of a "Free City of Berlin". (It was later made clear that the Soviet proposal for a Free City was of course unacceptable.) Brentano had spontaneously referred to the long run possibility of the Berlin problem being settled by the adoption of some sort of free city solution. He also mentioned a UN guarantee.

The President said that the Chancellor had regarded the German question as one susceptible only to a long-term solution, requiring lots of patience with the possibility of a gradually growing interchange of persons and communications. The President in reply said that this was fine but what do you do tomorrow? At the moment we are standing on the status quo. The United States was prepared to help but over time our rights in Berlin would become less clear. The Germans therefore should propose a plan. He had suggested to Adenauer that the latter should suggest how West Germany could work out with East Germany a better exchange back and forth of persons. Adenauer had responded that experience had indicated this was dangerous, with East Germans being punished for contacts with West Germany. The President continued that he then suggested a cultural exchange, six persons for six, recognizing that initially West Germany would receive determined Communists but that if this process was maintained over time, it would gradually have an influence among the people in East Germany.

The President said that he had told Adenauer that he was getting tired of standing pat and that Adenauer had agreed to have his experts study the possibilities of a larger interchange of persons. The President had pointed out to Adenauer that we had been firm in saying "no" to the Soviets but that it was important to know what the West German Government was going to say in the future.

Secretary Herter said that he had talked the same day with Foreign Minister Brentano, indicating that the United States was tired of a negative attitude and inquiring what the Germans proposed. Brentano replied that it was important to have a breather to get over the next national elections. The Secretary had then told Brentano that it was important the latter have a talk with Adenauer about the adoption of a more positive approach. The President suggested that it would be most helpful if we could think up a program to suggest to Adenauer because if the Germans themselves didn't move, this thing could become progressively more difficult. Prime Minister Macmillan interposed the observation that up to now the Germans had assumed that we would pull their chestnuts out of the fire and that we should be searching for a modus vivendi, a term which he much preferred to that of a moratorium.

The President said that Adenauer had stressed that the thing he was interested in was the humanitarian aspects of the twenty million people in the East Zone.

The President questioned whether the United States could be expected to keep troops in Europe forever. Adenauer's attitude was that if you're going to establish a neutral zone, don't make it Germany. When the President raised the question of a corridor to West Berlin, Adenauer said that the other side would never agree. He then mentioned, however, that Khruschchev had proposed a Free City for Berlin arrangement which could be considered as a last resort. Foreign Minister Lloyd interjected to say that if the Germans were contemplating a Free City their emphasis had changed. Prime Minister Macmillan said that this discussion leads on to the question of getting a moratorium; that it had looked to him at one time as if the Soviets would accept this but that the question had then arisen about the status of Berlin at the end of the period. There seemed to have been a change in the Soviet position on our rights after the moratorium.

The President pointed out that our policy had been that changes in the Berlin situation could only be made by mutual consent and that we should not go back on this. Secretary Herter added that an interim arrangement involves the danger that we have undermined or given up our position. The Prime Minister said that his interpretation was that at the end of a moratorium our position on rights would be the same as it had been at the beginning; but he recognized that in a sense the mere passage of time would make some change in the situation and that it might have been for this intellectual or theoretical reason that the Russians had declined to commit themselves as to the position at the end of the agreement. The President said that we have a genius for getting in a hole but to protect ourselves we are always having to defend Matsu or some other out of the way place. Prime Minister commented that our cards on the table in the case of Berlin are not good ones. The President replied that any place around the Soviet perimeter, Khrushchev is in a position to move. He recalled that the previous day he had talked with the Queen Mother who had emphasized that "we must be firm". She said this was her own conviction. Foreign Minister Lloyd added, certainly, we have to be firm on essentials. The President pointed out that in his last message from Khrushchev, the latter had said that "we must clear up the residue of war". He, the President, wanted to point out that the division of Germany was one of the residues of war, which should be cleared up.

Prime Minister Macmillan then inquired as to what the United States thought would happen in the next stage of the Berlin problem. Secretary Herter replied that we don't want rights in perpetuity in Berlin, but want them admitted until such time as the situation could be changed by mutual agreement. The Secretary pointed out that Gromyko in the discussions in Geneva had given away his hand regarding the Soviet expectation of an East German takeover of Berlin after any moratorium.

Prime Minister Macmillan then inquired as to our appraisal of the coming visit with Khrushchev. The President replied that he would expect with the visit, and with Khrushchev's family accompanying him, there was the potential to make an impression on the Soviet leader. The President, therefore, was anxious that they be received well. When the Prime Minister inquired whether there was something in this visit which he would interpret as leading to a Summit, the President replied that without progress, he, the President, would not go to a Summit. After a brief general discussion as to what would constitute "progress," the President said that if Khrushchev suggested the U.S. and USSR agree between themselves on some form of progress, the President would decline to make such an agreement but would hope that when Khrushchev returned to his own country and thought it over, he might issue a public statement which would make a Summit possible. In this manner the allies could react as they had a right to do. Macmillan inguired as to what Adenauer had to say about a Summit. The President replied that Adenauer had concurred in his belief that progress was necessary before a Summit meeting should be held. The President expressed the belief that Khrushchev would avoid embarrassing either the President or the United States while in the latter country and made the observation that "if we stall long enough, maybe this will constitute a moratorium".

# Talks with de Gaulle<sup>3</sup>

When Mr. Macmillan referred to the President's impending visit to Paris, the President summarized his discussion with Adenauer-on the Algerian situation. The Chancellor had said that de Gaulle was in an impossible situation because, if he announced a policy sufficiently liberal to satisfy the Algerians, he would lose the support of the colons and the French Army. Adenauer had urged the President to support the French on Algeria which would greatly strengthen de Gaulle's hand. If de Gaulle failed there would be revolution in France. The President pointed out that Adenauer had suggested unqualified support but that U.S. policy which had been set forth in public statements by Messrs. Dillon and Allen, was that we would support any reasonable solution. The President did not believe that a solution could be found merely by the use of force. Furthermore there was a strong tradition in the United States against colonialism and no United States Government would support the French in a policy which held out no early hope of a liberal settlement. The President had no intention of giving de Gaulle a blank check on Algerian policy and if de Gaulle set forth a plan in their forthcoming talks, the President would reserve his position until its contents could be studied.

The President emphasized that, additionally to the need for a liberal program, it was most important that the French take the lead in fighting their battle in the United Nations. If a resolution of censure was proposed in the United Nations and the French Delegation walked out, it would be impossible for the United States to support their attitude.

Mr. Macmillan said that the United Kingdom had a great sympathy for the French in their Algerian difficulties. The French had a great record of colonial achievements there. They had developed the country and given its inhabitants the benefit of education and freedom from disease. The President would recall from their wartime experience the work in reforestation and in other things. The result was that in the past hundred years the Arab population had risen from 3 millions to 17 millions. The French now had the difficult problem of transition from dependence to self-government and a way had to be found for a constitutional development suited to a multi-racial community. The development of a multi-racial state was not peculiar to Algeria; it confronted the United Kingdom also in Africa.

Mr. Macmillan agreed that the French should be willing to set forth publicly a liberal policy for Algeria and said that once this had been done they could hope to command the sympathy and support of their Allies. The United Kingdom might be placed in a similar position in the

<sup>&</sup>lt;sup>3</sup>Regarding Eisenhower's discussions with de Gaulle, see Documents 129 ff.

United Nations over the Nyasaland issue. If the subject were raised the United Kingdom would be obliged to claim it was not a matter over which the UN had jurisdiction, but the UK was prepared to explain its position and to defend its policy.

The President repeated that he was not prepared to give de Gaulle a blank check over Algeria but if the French produced a liberal policy they could count on U.S. support. He thought it most important that a definite time period, say six, eight or ten years, be established for the exercise of self-determination.

President Eisenhower said that it was most difficult to understand de Gaulle's attitude toward the North Atlantic Pact. He was being asked to support the French in their political difficulties; at the same time they were showing little readiness to cooperate in the Alliance. If General de Gaulle in their forthcoming talks was unwilling to recognize NATO as the bastion of defense for Western Europe, the President would be unable to find any common ground with de Gaulle. The President said that he would not agree to any tripartite domination of NATO. He did not want formalized machinery for tripartite consultation. He would, however, be willing to offer to de Gaulle the same facilities for informal consultation on matters of common concern as already existed between Mr. Macmillan and the President.

[1 paragraph (6 lines of source text) not declassified]

## 367. Memorandum of Conversation

**US/MC/10** 

Chequers, England, August 29, 1959, 7 p.m.

[Source: Eisenhower Library, Whitman File, International Meetings. Secret; Limit Distribution. 2 pages of source text not declassified.]

## 368. Editorial Note

In a telephone call to Prime Minister Macmillan on March 21, 1960, President Eisenhower discussed developments at the Geneva talks on disarmament, including a new Soviet proposal for a treaty banning nuclear tests. According to a memorandum of that conversation, March 21, Macmillan suggested that he fly to Washington for a visit that weekend. The President replied that he wished to talk to Secretary Herter about the subject before agreeing to the idea. At 2:30 p.m. that afternoon, Eisenhower again called Macmillan. According to the memorandum of conversation, the President stated, "He had talked to Herter about this business-that we have not got the official translation of the Russian document and we have a number of questions-things were a little fuzzy. We have sent off asking for clarification, and reply should be in by tomorrow or Wednesday. The President thinks that it would not be wise to make announcement that Prime Minister was coming over here 'sort of clawing in air' until answers have been received. The President promised to call him again Wednesday. He said needless to say he would like to see the Prime Minister. The President asked if he would bring Selwyn Lloyd, the Prime Minister said No-he would like to keep it quiet. Could say they were talking Summitry. The Prime Minister seemed to lean toward Camp David as a place." (Eisenhower Library, Whitman File, International File) No record of a subsequent telephone conversation between the two leaders has been found in Department of State files.

Macmillan arrived at Andrews Air Force Base on Saturday, March 26, accompanied by Secretary of the Cabinet Sir Norman Brook; Sir William Penney, a member of the U.K. Atomic Energy Authority; and other advisers. Macmillan and Eisenhower helicoptered to Camp David, Maryland, on Monday, March 28, at noon. Following an afternoon meeting at which they discussed South Africa, nuclear test negotiations, and the summit, the two men drove to the President's farm at Gettysburg, Pennsylvania, returning to Camp David for the evening. On Tuesday, March 29, the President and the Prime Minister again met with their advisers. For the text of a declaration on nuclear testing issued by the two leaders at the conclusion of their talks on March 29, see Department of State Bulletin, April 18, 1960, pages 587-588. Copies of the memoranda of conversation for the 2-day conference at Camp David are in Department of State, Presidential Memoranda of Conversation: Lot 66 D 149, and in the Eisenhower Library, Whitman File, Miscellaneous Series. Briefing papers, memoranda of conversation, and public statements prepared for Macmillan's visit are in Department of State, Conference Files: Lot 64 D 559, CF 1617, 1619, and 1620. For the Prime Minister's account of this trip, see Pointing the Way, pages 188-193 and 252-258.

# 369. Memorandum From Secretary of State Herter to President Eisenhower

March 27, 1960.

SUBJECT

Macmillan Talks: U.K. Interest in Skybolt and Polaris

As you know, we have been discussing with the British their interest in procuring Skybolt missiles for U.K. V-bombers, and Polaris missiles for U.K. submarine deployment, on an unconditional basis so far as their use is concerned. We have thus far been reserving our position on these questions in order better to assess their relation to a NATO program for second-generation Mid-Range Ballistic Missiles (MRBM's probably Polaris) for which Secretary Gates plans to offer U.S. assistance on March 31 at the NATO Defense Ministers Meeting.<sup>1</sup>

A bilateral understanding with the British on Polaris would clearly be inappropriate so long as a NATO MRBM program is under consideration. We hope the U.K. will participate fully in a NATO MRBM program and regard this as important particularly as a means of obtaining French acceptance of the NATO Command arrangements, and of thus minimizing the prospect of independent nuclear and strategic weapons programs which could be so politically disruptive to the Alliance. I plan to discuss this general question with the Prime Minister during our Monday morning meeting at the British Embassy.<sup>2</sup>

The British appear to recognize a relationship between their interest in Polaris and a NATO MRBM program, but have been urging an early U.S. assurance on Skybolt to enable a U.K. decision to discontinue Blue Streak as a military program. I believe, and Secretary Douglas agrees, that Skybolt should be treated as a separate matter since the British want this missile to prolong the effective life of their existing Vbomber force. It would seem more appropriate, however, for you to handle the Skybolt question with the Prime Minister.

I recommend, therefore, that you inform the Prime Minister that, if and when Skybolt is produced, we would be prepared to sell these missiles to the U.K. in accordance with the usual procedures under our

Source: Eisenhower Library, Staff Secretary Records, International Series. Top Secret. The source text bears President Eisenhower's initials.

<sup>&</sup>lt;sup>1</sup> For documentation on the NATO Defense Ministers Conference March 31–April 1, 1960, in Paris, see Part 1, Documents 252 ff.

<sup>&</sup>lt;sup>2</sup>Memoranda of the conversation between Secretary Herter and Prime Minister Macmillan at the British Embassy on March 28 do not mention this subject. These memoranda are in Department of State, Conference Files: Lot 64 D 559, CF 1619.

MDAP bilateral agreement<sup>3</sup> and without any political conditions as to their use. However, in view of the possible effect of this assurance on NATO MRBM arrangements, I believe you should ask the Prime Minister to agree that this assurance will not be made public, or conveyed to other NATO governments, except after consultation with the U.S. on the substance and timing of any statements.

As you are aware, we have also been discussing with the British the possible availability of facilities in Scottish ports for U.S. Polaris submarine tenders. We have the impression that the British may have in mind reserving their agreement to provision of these facilities until they have obtained satisfaction on Skybolt, or on Polaris in relation to the NATO MRBM question, or on both. It would seem desirable to relate British assurances on U.S. Polaris tender facilities to our assurance of Skybolt. I recommend therefore that, in the context of your discussion of Skybolt with the Prime Minister, you tell him that we assume the U.K. is agreeable in principle to arrangements in Scottish ports for U.S. Polaris submarine tenders, and that we would appreciate confirmation of this by the U.K. Government.

# Christian A. Herter

## 370. Memorandum for the Files

March 29, 1960.

SUBJECT

Exchanges with the British on Polaris and Skybolt

At the end of the meeting at the British Embassy on the morning of Monday, March 28, Secretary Herter informed Prime Minister

<sup>&</sup>lt;sup>3</sup> For text of the Mutual Defense Assistance Agreement between the United States and the United Kingdom, signed at Washington on January 27, 1950, and entered into force on that day, see 1 UST 126.

Source: Eisenhower Library, Staff Secretary Records, International Series. Top Secret. Drafted by Kohler.

Macmillan that the President would be prepared to discuss with him at Camp David the question of the British desire for assurances with respect to British procurement of Polaris and Skybolt (see Secretary's memorandum to the President of March 26).<sup>1</sup> Apparently the Prime Minister interpreted this as an indication that he should talk very privately on this matter with the President. In any event he did so. The subject was discussed between the two without accompanying aides, following the discussion session on the afternoon of March 28, while the President and the Prime Minister were visiting the President's farm at Gettysburg.

No record was kept of this conversation. However at about 10 p.m. on the evening of the 28th the British delegation handed us the attached "Draft Memorandum from the Prime Minister to the President" (Attachment No. 1)<sup>2</sup> which purported to summarize the agreement reached between the two Heads of Government. This did not represent our understanding of the statements the President intended to make to the Prime Minister. Consequently on the morning of March 29 Under Secretary Dillon drafted a memorandum on the subject which could be presented to the British as representing the President's version of his understanding with the Prime Minister. After this memorandum had been reviewed and confirmed by the President and altered slightly to conform with the President's suggestions, it was initialed by Mr. Dillon. The original and two copies (Attachment No. 2) were handed to the British Ambassador, Sir Harold Caccia, by Mr. Kohler at 10:15 a.m. with the observation that this was purely a substantive statement which would require alteration of the draft statement which the Prime Minister proposed to make in Parliament on the subject before April 13. Later in the morning Ambassador Caccia handed us a new draft memorandum which represented only a slight revision of the first draft and did not seem to meet the careful distinctions made in the President's memorandum for the Prime Minister (Attachment No. 3). Consequently the second British draft was carefully reviewed with Ambassador Caccia by Messrs. Dillon and Kohler and the shortcomings from the US point of view were carefully pointed out. Finally about 1:30 p.m. on March 29 Ambassador Caccia produced a new memorandum initialed by the Prime Minister which seemed after review by the President, the Secretary of State (who had then arrived at Camp David), Mr. Dillon and myself to conform satisfactorily with the US memorandum. The original is

<sup>&</sup>lt;sup>1</sup> Presumably Document 369.

<sup>&</sup>lt;sup>2</sup>None of the attachments was found with the source text. A copy of this draft memorandum from the Prime Minister to the President, bearing Macmillan's initials, is in the Eisenhower Library, Whitman File, International File. A handwritten notation by General Goodpaster on the draft reads: "29 Mar 60. President has seen. G."

attached (Attachment 4) and the exchange was regarded as satisfactorily accomplished.

It was understood with the British that at the time of the Prime Minister's announcement in London a suitable confirmatory public statement would have to be made in Washington.

Final versions of US and British statements contained in Department's telegram to Paris Topol 1950, March 29.<sup>3</sup>

Attachments listed above are in single copy and attached only to original of this memorandum.

<sup>3</sup> For the final versions of the U.S. and British statements, see Document 371.

# 371. Memorandum From President Eisenhower to Prime Minister Macmillan

Camp David, March 29, 1960.

A. *Skybolt*—In a desire to be of assistance in improving and extending the effective life of the V–Bomber force, the US, subject only to US priorities, is prepared to provide Skybolt missiles—minus warheads to the UK on a reimbursable basis in 1965 or thereafter. Since Skybolt is still in the early stages of development, this offer is necessarily dependent on the successful and timely completion of its development program. Sales will be without any conditions as to use other than those contained in the usual Mutual Security military sales agreements.

B. *Polaris*—As the UK is aware, the US is offering at the current NATO Defense Ministers meeting to make mobile Polaris missiles—minus warheads—available from US production to NATO countries in order to meet SACEUR's requirements for MRBM's. The US is also offering to assist joint European production of Polaris if our preference for US production proves unacceptable. It does not appear appropriate to consider a bilateral understanding on Polaris until the problem of SACEUR's MRBM requirements has been satisfactorily disposed of in NATO.

C. *Scottish Ports*—We welcome the assurance that, in the same spirit of cooperation, the UK would be agreeable in principle to making the necessary arrangements for US Polaris tenders in Scottish ports.

Source: Eisenhower Library, Staff Secretary Records, International Series. Top Secret.

### Annex A<sup>1</sup>

### SKYBOLT

### Memorandum of Understanding

The United States Secretary of Defense and the Minister of Defense of Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland express their determination that the two countries shall cooperate in the development of the Skybolt missile to permit it to be adopted both by the United States Air Force and the Royal Air Force.

Mr. Gates affirms the intention of the United States Government to make every reasonable effort to ensure the successful and timely completion of Skybolt development and the compatibility of the missile with Royal Air Force Mark II V-bombers; and agrees that Her Majesty's Government should have full access to all the necessary information on the project. Mr. Watkinson states that if the missile is successfully developed and is compatible with Mark II V-bombers Her Majesty's Government intends to place an order with the United States Government for about one hundred missiles and their associated equipment. The warheads would be provided by Her Majesty's Government.

Mr. Gates reaffirms on behalf of the Government of the United States the sale of the Skybolt missile, minus warhead, to Her Majesty's Government shall be as outlined by President Eisenhower in his memorandum to Prime Minister Macmillan on 29 March 1960, as amended.

Mr. Gates welcomes Mr. Watkinson's offer to provide the services of selected scientific staff to maintain liaison with the U.S. development agency and to cooperate in the development program.

Mr. Gates and Mr. Watkinson authorize their staffs to proceed with the negotiation of a technical and financial agreement in accordance with the foregoing.

<sup>&</sup>lt;sup>1</sup> Top Secret.

## 372. Memorandum From Prime Minister Macmillan to President Eisenhower

Camp David, March 29, 1960.

I was so grateful for what you told me today about our decision against a fixed-site rocket and in favor of mobility. I am sure this was the right decision, but I was very heartened to hear you with all your experience confirm my view.

I was also grateful to you for expressing your willingness to help us when the time comes by enabling us to purchase supplies of Skybolt without warheads or to acquire in addition or substitution a mobile MRBM system in the light of such decisions as may be reached in the discussions under way in NATO. As you know either I or the Minister of Defense must make an announcement about Blue Streak before April 13<sup>1</sup> and I was glad to have your confirmation that the following form of words would cause you no difficulties:

"The effectiveness of the V–Bomber force will remain unimpaired for several years to come. The need for a replacement for Blue Streak is not, therefore, immediately urgent, nor is it possible at the moment to say with certainty which of several possible alternatives or combinations of alternatives would be technically the most suitable. The Prime Minister, after discussion with the President, understands that the U.S. Government will in any case be favorably disposed to the purchase by the U.K. at the appropriate time of supplies of a suitable air-borne vehicle for the delivery of a British warhead. We shall also be considering the acquisition of a mobile MRBM system. Discussions are at present under way in NATO on this question and our decision will be taken in the light of the outcome of these discussions."

Source: Eisenhower Library, Staff Secretary Records, International Series. Top Secret.

<sup>&</sup>lt;sup>1</sup> On this date, the Prime Minister informed the House of Commons of the decision to cancel the Blue Streak missile program.

### 373. Letter From Prime Minister Macmillan to President Eisenhower

London, May 20, 1960.

DEAR FRIEND: Thank you so much for your letter<sup>1</sup> which cheered me up a great deal. It was typically generous of you to send it.

Of course all this is very depressing, but I am now pretty sure, looking back on the course of the Paris meeting, that Khrushchev had determined before he arrived to break it up.<sup>2</sup>

I cannot tell you how much I admired the magnanimity and restraint with which you acted throughout those trying few days. I shall have an opportunity of saying something of what I feel in the House of Commons today.

As to the future, no one can tell which way it will go. But certainly our experiences in Paris make it all the more important to strengthen our Western alliance. I am sure that what you said at our last tri-partite meeting will have a lasting effect.

Yours ever,

### Harold Macmillan<sup>3</sup>

Source: Eisenhower Library, Whitman File, International File. Confidential; Personal.

<sup>&</sup>lt;sup>1</sup>Not printed.

<sup>&</sup>lt;sup>2</sup> On May 15, President Eisenhower and Prime Minister Macmillan arrived in Paris to attend private meetings preliminary to the opening session of the summit meeting with President de Gaulle and Premier Khrushchev. The four Heads of Government met at the Elysée Palace on May 16. During the meeting, Khrushchev read a statement in which he declared that the Soviet Union could not participate in the conference unless the U.S. Government immediately stopped flights of U-2 reconnaissance aircraft over Soviet territory and apologized for past flights, including that of an airplane shot down over the Soviet Union on May 1. At this session, Eisenhower stated that the reconnaissance flights had been suspended and that the U-2 incident should not be an issue before the summit conference. Subsequent private meetings between the four leaders and their advisers May 17–18 did not resolve the situation, and Eisenhower, Khrushchev, and Macmillan left Paris on May 19. Documentation on the summit conference is in volume IX. For Macmillan's account of these events, see *Pointing the Way*, pp. 195–216.

<sup>&</sup>lt;sup>3</sup> Printed from a copy that bears this typed signature.

## 374. Telegram From the Department of State to the Embassy in the United Kingdom

May 24, 1960, 1:45 p.m.

8853. Following for immediate delivery is text of personal letter from President to Prime Minister. Advise date and time delivery.

"May 24, 1960. Personal.

Dear Harold: I have just received your cable of May twentieth. I enthusiastically endorse your observation that you and I should remain as closely together as is humanly possible.

When your message reached me, I was just dictating one to you concerning two newspaper stories, disturbing to me, that came out of London, one written by a man named Cook, the other by Middleton, both Americans.<sup>1</sup> While the stories do not deal with the same phases of post-Paris events, both do refer to some fancied rift between you and me or between our respective associates and assistants.

As you know, there is no slightest foundation for any such stories so far as Chris Herter and I are concerned. Moreover, in spite of the fact that one of the stories reports that some of the Americans who were left in Paris after the departure of Chris and myself voiced criticism of you and your efforts to bring about a Summit meeting, I cannot believe there is any foundation of fact for the story. All the people working around me and with me heard me time and again refer to the ideal association between you and myself and, indeed, between the both of us with General de Gaulle. Moreover, you and I agreed long ago that a Summit meeting was advisable, particularly after Mr. K. removed his alleged ultimatum on Berlin.

Another item refers to a conclusion that your reception of Mr. K. on Sunday afternoon was ill-advised because by doing so you indicated or created a rift between our two delegations. Of course nothing could be more ridiculous. I was anxious for you to receive the man to see whether his afternoon story would be the same as the one he gave to General de Gaulle in the morning.

Of course I know that you do not take such stories as these too seriously. I have respected your judgment and valued your friendship for more than seventeen years, and I want to assure you that my confidence in you is higher, if possible, then ever before.

Source: Eisenhower Library, Whitman File, International File. Confidential; Niact; Presidential Handling. Drafted in the White House and approved by Calhoun.

<sup>&</sup>lt;sup>1</sup> An article by Drew Middleton, "Macmillan's Summit Role," appeared in *The New York Times*, May 24, 1960. Donald Cook's article on the same subject appeared in the *New York Herald Tribune* on May 23, 1960.

After leaving Paris I spoke publicly both in Lisbon and in Washington<sup>2</sup> and in both instances took occasion to point out that one good result of the failure of the conference was to bring the allies closer together. I referred especially to the splendid spirit that animated the three of us at all our meetings.<sup>3</sup>

With warm personal regard, As ever, Ike." Observe Presidential Handling.

Herter

## 375. Telegram From the Department of State to the Embassy in the United Kingdom

May 24, 1960, 3 p.m.

8858. Eyes only Ambassador from the Secretary. Please deliver following to Selwyn Lloyd:

"Dear Selwyn:

"Was distressed to see article in *New York Herald Tribune* yesterday by Don Cook referring to Macmillan. Actually, every reference made by

<sup>&</sup>lt;sup>2</sup> Regarding the President's visit to Portugal May 19–20, see Documents 288 and 289. When he returned to the United States, Eisenhower delivered a radio and television address to the nation on May 25, in which he stated in part: "The conduct of our allies was magnificent. My colleagues and friends—President de Gaulle and Prime Minister Macmillan—stood sturdily with the American delegation in spite of persistent Soviet attempts to split the Western group." For text of the President's address, see Department of State *Bulletin*, June 6, 1960, pp. 899–903.

<sup>&</sup>lt;sup>3</sup> In a June 2 letter to Eisenhower, Macmillan wrote in part: "Of course I did not take the Cook–Middleton story seriously. Poor Jock Whitney was worried about it, but I wrote to him at once to say that I quite understood that it was just a journalist's statement. But it was very good of you to send me such a generous letter and to speak so warmly. You know how much I value your friendship and I think that our sort of close feeling for each other is the kind of thing which grows stronger with the years." (Eisenhower Library, Whitman File, International File)

Source: Eisenhower Library, Staff Secretary Records, International Series. Confidential; Eyes Only; Priority. Drafted by Herter.

President or myself or members of the Delegation with reference to Paris meetings underlined fine attitude Prime Minister and the strengthening of ties between us. Cannot possibly figure motives behind story but wanted you to know personally how deeply I deplore it.

"Looking forward to seeing you next week.

"As ever, Signed: Chris."

Herter

### 376. Memorandum for the Record

June 2, 1960.

I attended yesterday afternoon at Secretary Gates' invitation his meeting in his Office with British Defense Minister Watkinson.<sup>1</sup> Among those on the British side were Lord Mountbatten and Lord Hood. On the American side were included Jim Douglas,<sup>2</sup> General Twining, and Jack Irwin.

The greater part of the time was devoted to a wide-range discussion of world strategy, the possible use of nuclear weapons, both strategic and tactical in various parts of the world, and informal methods whereby there could be a freer exchange between the two Defense departments on long-term requirements and strategic planning. In the latter connection, it was agreed that General Twining would talk informally to Air Marshal Mills, with particular reference to giving the British informal guidance as to the relative importance in our planning of the continued availability of British bases around the world and the continued deployment of British forces outside of the U.K.

Source: Department of State, G/PM Files: Lot 64 D 354. Secret. Drafted by Merchant.

<sup>&</sup>lt;sup>1</sup> Minister of Defense Watkinson visited the United States May 31–June 6 for meetings with officials of the Departments of State and Defense. He also toured the headquarters of the Strategic Air Command in Nebraska and the NATO Supreme Atlantic Command in Virginia. According to a memorandum of conversation, May 31, Watkinson and Herter discussed the Skybolt missile and establishment of a U.S. nuclear submarine facility in Scotland, among other topics. (*Ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199)

<sup>&</sup>lt;sup>2</sup>Secretary of the Air Force James H. Douglas.

There was some discussion of a memorandum of agreement on Skybolt, confirming our arrangements. Watkinson wanted to take such a paper home with him for reasons which were not entirely clear to me, but which he stated had to do with regularizing matters within the British establishment. I gathered that he had submitted one to Mr. Gates, which Defense undertook to review and submit any suggested changes.

[2 paragraphs (28 lines of source text) not declassified]

At one point in the conversation, Mr. Irwin referred to the Camp David commitment on the provision of the Scottish facilities, but Mr. Watkinson did not answer directly, and the matter was let drop.

There was also a long discussion of MRBMs in relation to NATO. Watkinson said they felt strongly any production program should be multinational, under NATO, and not bilateral. The U.K. strongly favors alternative (1), which Mr. Gates pointed out coincided with our view. There was discussion as to whether any NATO production consortium could work in the absence of any French participation. The U.K. offered to use its influence to persuade the French to come into any such consortium, possibly along the lines of an acceptance of token Polaris missiles deployed in Germany by the French forces.

In discussion of RMEWs the British agreed to cooperate fully in any construction speedup at their end.

It was noted that the Thor [source text illegible] problem has been settled.

Watkinson said that he would leave a piece of paper with Mr. Gates regarding the civilian damage case of Mr. Wheatley, but that he did not wish to discuss it further.<sup>3</sup>

There was considerable talk on how the U.K. and the U.S. and NATO as a whole could get together early in the R&D stage on the development of weapon systems, aircraft and the like.

[1 paragraph (18 lines of source text) not declassified]

Mr. Irwin had an assistant present taking notes, who has promised to send us a copy of the record as soon as it has been completed.<sup>3</sup>

### Livingston T. Merchant<sup>4</sup>

<sup>&</sup>lt;sup>3</sup>Not found in Department of State files.

<sup>&</sup>lt;sup>4</sup> Printed from a copy that bears this typed signature.

### 377. Letter From Prime Minister Macmillan to President Eisenhower

London, June 15, 1960.

DEAR FRIEND: I have now had a full report from the Minister of Defence about the discussions which he and Gates have had about Skybolt, and the general understanding they have reached.<sup>1</sup> I am very glad to know that this has worked out so well. I think we ought now to embody their general understanding in a more precise agreement, including detailed arrangements for the development of this weapon. You know how important it is that it should be compatible with the requirements both of your Strategic Air Command and of our own Bomber Command. I am asking our Ambassador to take this up with your people as soon as possible and am sending out suitable experts to advise him.

As regards Polaris, as I told you at Camp David, I shall do my best about a suitable arrangement for the use of Scottish ports. You will realize that this is a pretty big decision for us to take. It will raise political difficulties for us in view of all the pressures and cross-currents of public opinion here. I must, therefore, put it to my Cabinet colleagues which I propose to do early next week when Parliament reassembles. I hope it will be possible for us to make a mutually satisfactory arrangement. I will send you a further message<sup>2</sup> as soon as I have the authority of the Cabinet.

Source: Eisenhower Library, Whitman File, International File. Top Secret. Transmitted to Eisenhower under cover of a note from Lord Hood, June 15.

<sup>&</sup>lt;sup>1</sup> The text of agreed minutes of a meeting on June 6 between Gates and Watkinson was transmitted to U.S. officials in London in OASD/ISA telegram 978358, June 6. According to the telegram, Gates and Watkinson agreed on a program of cooperation in the construction of a Polaris submarine system which would facilitate implementation of the earlier proposal for a nuclear submarine base in Scotland. The telegram further stated that the two men affirmed U.S.-U.K. cooperation in the development of the Skybolt missile. (Department of State, G/PM Files: Lot 64 D 354) An agreement between the U.S. Department of the Air Force and the British Ministry of Aviation incorporating the understandings reached between the President and the Prime Minister and between the two Defense Ministers was signed September 27, 1960, by representatives of the two nations. (Eisenhower Library, Staff Secretary Records, International Series)

<sup>&</sup>lt;sup>2</sup> In a June 24 letter to Eisenhower, Macmillan stated that the British Cabinet had accepted the plan to establish Polaris submarine facilities in Scotland. He further stated, however, "I am convinced that it would be a serious mistake, from your point of view as well as ours, to use the Clyde for this purpose. It is true that it has, readymade, some of the shore facilities and amenities you need; but its proximity to Glasgow is from every point of view a very serious disadvantage." He suggested that a site on Loch Linnhe would be preferable. (*Ibid.*) [*text not declassified*]

All best wishes for your visit to the Far East.<sup>3</sup> With warm regards, As ever,

### Harold Macmillan<sup>4</sup>

<sup>3</sup> President Eisenhower visited the Far East June 12–26. <sup>4</sup> Printed from a copy that bears this typed signature.

## 378. Telegram From the Department of State to the Embassy in Korea

June 18, 1960, 4 p.m.

Todel 17. For the President. The White House has passed to Department a copy of Prime Minister Macmillan's letter to you of June 15 regarding Skybolt and Polaris.<sup>1</sup> [10-1/2 lines of source text not declassified]

[3 lines of source text not declassified] I recommend, therefore, that you send the following telegram directly to our Embassy in London for delivery to Prime Minister Macmillan so that it will reach him prior to June 21. Defense concurs in desirability this action:

"Thank you for your letter of June 15. I, too, am pleased that the talks between your Minister of Defense and Secretary Gates results in general understanding of the program and mutual cooperation in Skybolt. I feel confident that the details can be worked out to meet the requirements of both Bomber Command and our own Strategic Air Command.

"I fully appreciate the political difficulties confronting you and your colleagues regarding provision of facilities for our Polaris submarines in the Clyde. Nevertheless, I do hope that you will find it possible to proceed this year with the arrangement upon which we reached agreement in principle at Camp David, and I will look forward to hearing from you on the outcome of your Cabinet consideration."

Dillon

Source: Eisenhower Library, Staff Secretary Record, International Series. Top Secret. A handwritten note on the source text by Goodpaster reads: "President has seen & OK'd—Notified State. G."

<sup>&</sup>lt;sup>1</sup> Document 377.

# 379. Telegram 9975 From the Department of State to the Embassy in the United Kingdom

June 30, 1960, 5:45 p.m.

[Source: Department of State, Central Files, 741.5631/6–3060. Top Secret; Priority; Presidential Handling. 2 pages of source text not declassified.]

# 380. Telegram 349 From the Department of State to the Embassy in the United Kingdom

July 15, 1960, 10:21 a.m.

[Source: Eisenhower Library, Whitman File, International File. Top Secret; Presidential Handling. 3 pages of source text not declassified.]

### 381. Letter From Prime Minister Macmillan to President Eisenhower

London, July 30, 1960.

[Source: Eisenhower Library, Whitman File, International File. Top Secret. 3 pages of source text not declassified.]

### 382. Memorandum of Conference With President Eisenhower

New York, September 27, 1960, 9 a.m.

OTHERS PRESENT

Prime Minister Macmillan<sup>1</sup>

Secretary Herter, Lord Home, Mr. de Zulueta,<sup>2</sup> General Goodpaster

At 9 AM, after the President and Prime Minister Macmillan had had breakfast alone, the others joined for an hour's discussion. As we came in, the President was telling the Prime Minister that he has had in his mind the possibility of making a quick visit late in November to Great Britain for three or four days. He would plan to pay his respects to the Queen but would hope to have no social program. He would like for Mrs. Eisenhower to accompany him, although the state of health of her mother may prevent this. [3 lines of source text not declassified] This would be two or three weeks after the election, and the President thought he could usefully consult with the others on the prospects for continued collaboration under the new administration.

Regarding our questions with the French, Mr. Herter said that his tripartite talks with Lord Home and Couve de Murville<sup>3</sup> had gone quite well. [1 *line of source text not declassified*] Particularly on specific matters such as Laos, Berlin and similar problems their discussions had been useful.

The Prime Minister told the President that the British and ourselves have now reached agreement on the text of a public statement the Prime Minister might make concerning the basing of Polaris submarines in the United Kingdom. The President agreed with the statement, but suggested that it be modified to say that this is a continuation and extension of existing procedures for consultation.<sup>4</sup>

The Prime Minister next raised the question of reconnaissance flights [*less than 1 line of source text not declassified*] of the periphery of the Soviet Union [*31 lines of source text not declassified*] (The President commented that the only regret he had regarding the U–2 is that the cover statement which was used did not fit the facts as they developed—on

Source: Eisenhower Library, Staff Secretary Records, International Series. Secret. Drafted by Goodpaster on September 28.

<sup>&</sup>lt;sup>1</sup> Macmillan was in the United States September 25–October 5 to attend the U.N. General Assembly session. For his account of this visit, see *Pointing the Way*, pp. 269–281.

<sup>&</sup>lt;sup>2</sup> Philip de Zulueta, Private Secretary to the Prime Minister.

<sup>&</sup>lt;sup>3</sup>See Document 199.

<sup>&</sup>lt;sup>4</sup> In a statement to the House of Commons on November 1, Prime Minister Macmillan announced that the United Kingdom would provide facilities for U.S. Polaris submarines at Holy Loch on the Clyde River in Scotland. For text of a White House press release on this subject, November 1, see Department of State *Bulletin*, November 21, 1960, p. 778.

the assumption that the plane would be destroyed and the pilot probably lost.)<sup>5</sup> The Prime Minister said he does not plan to make a public statement regarding the reconnaissance flights. If he is asked a question in Parliament—and he hopes he will be asked a question, preferably by some Communist-leaning member—he will simply say that he talked to the President about this matter, as he told the House he would, and what has been agreed upon has been satisfactory from a British standpoint.

[Here follows discussion of other topics. For a portion of the text, see Document 200.]

**G.** Brigadier General, USA

### 383. Letter From Prime Minister Macmillan to President Eisenhower

London, December 9, 1960.

DEAR FRIEND: I was very shocked to hear this morning that Chris Herter has told Harold Caccia that you have decided to vote in favour of the Afro-Asian resolution on Colonialism now before the United Nations Assembly.<sup>1</sup> I really must ask you to think about this again. In speaking to the Ambassador, Chris himself described the declaration as a nauseating document.<sup>2</sup> It is quite true that he added that your Representative proposed to comment adversely on each paragraph on very much the same lines as we propose to do. I therefore do not see how you get credit in voting for a resolution as a whole, each part of which you have condemned. We are making a tremendous effort by our colo-

<sup>&</sup>lt;sup>5</sup> In a statement to journalists on May 5, Department of State spokesman Lincoln White indicated that the U–2 airplane shot down over the Soviet Union was a weather research craft piloted by a civilian. White stated in part: "It is entirely possible that having failure in the oxygen equipment, which could result in the pilot losing consciousness, the plane continued on automatic pilot for a considerable distance and accidentally violated Soviet airspace." For texts of a series of official statements on this subject, see *ibid.*, May 23, 1960, pp. 816–819.

Source: Eisenhower Library, Staff Secretary Records, International Series. Secret.

<sup>&</sup>lt;sup>1</sup>On November 28, 43 Asian and African countries sponsored a draft resolution which stated the "necessity of bringing to a speedy and unconditional end colonialism in all its forms and manifestations."

<sup>&</sup>lt;sup>2</sup>No record of this conversation has been found in Department of State files.

nial policy to get peaceful development in Africa and to keep communism out. This vote on behalf of the American people, if it is given, will have a most discouraging effect upon all our people here and overseas who are working so hard for progress. Do let us stand together, at least on a decision to abstain, and thus dissociate ourselves from a resolution which has no connection with reality.

With warm regard,

As ever,

Harold Macmillan<sup>3</sup>

<sup>3</sup> Printed from a copy that bears this typed signature.

### 384. Letter From President Eisenhower to Prime Minister Macmillan

December 10, 1960.

DEAR HAROLD: As a result of the review which I mentioned in my message yesterday,<sup>1</sup> you will be glad to know that our final decision, though a most difficult one, is to abstain on the Afro-Asian resolution on colonialism. We are instructing our representative to make a statement explaining our vote, which will make clear that while the wording of certain paragraphs makes it impossible for us to vote in favor of the resolution, we do support the general principles the sponsors had in mind.<sup>2</sup>

With warm regard,

As ever,

Ike<sup>3</sup>

Source: Eisenhower Library, Staff Secretary Records, International Series. No classification marking.

<sup>&</sup>lt;sup>1</sup>Not further identified.

<sup>&</sup>lt;sup>2</sup> In a December 12 letter to Eisenhower, Macmillan expressed his gratitude for the U.S. decision to abstain. (Eisenhower Library, Staff Secretary's Records, International Series) The draft resolution on colonialism was adopted by the General Assembly on December 14 as Resolution 1514 (XV) by a vote of 89 to 0, with 9 abstentions including those of the United Kingdom and the United States. For text of this resolution, see *Yearbook of the United Nations*, 1960, pp. 49–50.

<sup>&</sup>lt;sup>3</sup>Printed from a copy that bears this typed signature.

## VATICAN

### **U.S. POLICY TOWARD THE VATICAN**

## 385. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Under Secretary of State (Herter)

September 16, 1958.

SUBJECT

Diplomatic relations with the Vatican

Agreeably to our conversation,<sup>1</sup> I contacted Monsignor Paul Tanner, Chairman of the National Catholic Welfare Council. He expressed some surprise that there should be a suggestion at this time for the establishment of diplomatic relations with the Vatican. He said the situation remains unchanged since we last discussed it about two years ago.<sup>1</sup> He also believes that this state of affairs will continue for three or four years. He does not believe that any representative element in the hierarchy in Illinois is agitating in favor of establishment of diplomatic relations. He said, for example, that the Vicar General acting in place of the late Cardinal Stritch<sup>2</sup> is Monsignor Casey. He could state positively that Monsignor Casey would not be advocating establishment of diplomatic relations. He added that the attitude of the Bishops in the United States remains what it was at the time of our last discussion, namely, that they would prefer to see matters remain as they are in that respect.

Source: Department of State, Italian Desk Files: Lot 68 D 436, Vatican Foreign Relations. Confidential. Drafted by Murphy.

<sup>&</sup>lt;sup>1</sup>No record of this conversation has been found.

<sup>&</sup>lt;sup>2</sup> Samuel Cardinal Stritch, Pro-Prefect of the Sacred Congregation for the Propagation of Faith, died on May 27, shortly after assuming office. He was Archbishop of Chicago 1939–1958.

### 386. Memorandum of Conversation

Rome, September 23, 1958.

### PARTICIPANTS

Msgr. Igino Cardinale, Vatican Secretariat of State August Velletri, Second Secretary of Embassy

On the morning of September 23, 1958 the reporting officer had a meeting with Msgr. Igino Cardinale, personal assistant to Msgr. Angelo Dell'Acqua, Substitute Secretary of State for the Holy See. While commenting on the clerical aspects of the notorious financial scandal of the Giuffré case, <sup>1</sup>Msgr. Cardinale interrupted himself to say that he wished to discuss in strict confidence a telephone call he had received the night before from Chicago.

Msgr. Cardinale went on to explain that a Mr. John Keeshin, a prominent businessman from that city who is also well known to the Secretariat and the Holy Father, had telephoned to ascertain the attitude of the Holy See regarding the possibility of re-establishing in Rome a U.S. mission similar to that once headed by Mr. Myron Taylor.<sup>2</sup>

According to the information provided by Mr. Keeshin, the question had been privately posed by Mr. Sherman Adams, Assistant to President Eisenhower. Mr. Keeshin and Mr. Adams are very good friends and presumably the White House wished to make use of private channels to avoid official contacts. This is the reason why Mr. Adams approached Mr. Keeshin rather than Msgr. Cicognani, Apostolic Delegate in Washington.

Msgr. Cardinale informed the reporting officer that Mr. Keeshin got in touch with Msgr. Paul Tanner, Executive Secretary of the American Episcopal Commission,<sup>3</sup> to sound out ecclesiastical opinion. The reply of Msgr. Tanner was that in his considered judgment the Holy See would not accept a personal representative of the President but would

Source: Department of State, Italian Desk Files: Lot 68 D 436, Vatican Foreign Relations. Secret; Limit Distribution. Drafted by Velletri. Transmitted to the Department as an enclosure to Document 387.

<sup>&</sup>lt;sup>1</sup> Giovanni Battista Guiffré, a Romagnole financier, headed an investment firm which promised small investors high interest on deposits used to finance the repair or construction of hospitals, churches, and other religiously affiliated buildings. A large portion of Guiffré's investors were members of Roman Catholic religious orders. An investigation of Guiffré's operations was begun by Luigi Preti, Finance Minister in the Fanfani government.

<sup>&</sup>lt;sup>2</sup> Myron Taylor served as the personal representative of Presidents Roosevelt and Truman to Pope Pius XII, 1939–1950.

<sup>&</sup>lt;sup>3</sup> The National Catholic Welfare Conference.

insist on a full diplomatic exchange in the event the U.S. should actually consider recognition of the Holy See. In view of this answer, Mr. Keeshin took it upon himself to telephone the Vatican in order to be sure that Msgr. Tanner's views were supported by Vatican officials.

Msgr. Cardinale said that he told Mr. Keeshin he could not give a categorical answer to such a delicate question during the course of a telephone conversation. He expressed the personal view, however, that even if a personal representative were to be accepted as a de facto solution to the problem of U.S.–Vatican relations, he (Msgr. Cardinale) was positive that the Holy Father would demand a quid pro quo, although this would not necessarily require the stationing of a papal diplomatic agent in Washington. Msgr. Cardinale also told Mr. Keeshin that he should contact the Apostolic Delegate in Washington, who should be apprised of Mr. Adams' initiative, so that it could reach Rome in a semi-official form and be studied appropriately.

Msgr. Cardinale said that immediately following the call he consulted with his chief, Msgr. Dell'Acqua, and both agreed not to mention the incident to the Holy Father. In reply to a question Msgr. Cardinale said that neither he nor Dell'Acqua were sure that Mr. Adams' approaches were serious (the Monsignor swears by the reliability of Mr. Keeshin) and that they could not risk having the Holy Father think the Secretariat had been involved in any way in raising the subject of U.S.–Vatican relations. Msgr. Cardinale further added that he already had sent a message to Washington alerting Msgr. Cicognani on a probable visit by Mr. Keeshin.

Msgr. Cardinale confided to the reporting officer that he was at a loss to understand this move from the White House. Have American officials decided to re-establish official contact with the Holy See because the international situation was becoming serious and the U.S. needed the moral support of the Church in maintaining the unity of the West? Why then was Mr. Murphy, who in the past has discussed the same problem with Msgr. Cicognani, not consulted?<sup>4</sup> The Monsignor tried to answer his own question but found no ready answer. He assured the reporting officer that Mr. Keeshin was a most reliable and trustworthy individual. He said Mr. Keeshin had been introduced to Msgr. Dell'Acqua by Msgr. Bernard James Sheil, Auxiliary Bishop of the Chicago Archdiocese, and for the past several years has enjoyed the confidence of the Substitute Secretary of State as well as his own. Therefore, there was no reason to doubt that Mr. Adams did make the inquiry. Msgr. Cardinale asked the reporting officer if he could find out in a very discreet manner whether Mr. Adams' proposal was purely wishful

<sup>&</sup>lt;sup>4</sup>No record of these conversations has been found.

thinking to test Vatican reaction or whether it was prompted by a sincere desire to arrive at some sort of mutually satisfactory agreement. He repeatedly reminded the reporting officer that there must be no indication the Holy See is either pressing or even showing a direct interest in the whole matter. <sup>5</sup>

### 387. Letter From the Counselor for Political Affairs of the Embassy in Italy (Torbert) to the Director of the Office of Western European Affairs (McBride)

Rome, September 29, 1958.

DEAR BOB: I enclose a couple of copies of a memorandum of a conversation<sup>1</sup> which Gus Velletri had last week with his principal Vatican contact regarding a somewhat mysterious approach. As far as we can find out, the personalities mentioned make it at least entirely possible that such a course of events took place. I realize that it could very well be that we may never be able to find this out for a fact. It would be exceedingly useful to us in the maintenance of our contacts to be able to give our people the best possible interpretation of this maneuver and of our intentions, if any.

In this connection, I made an abortive effort in the spring of 1957 to put up another trial balloon on the subject mentioned in this memorandum.<sup>2</sup> I am a strong believer that we should whenever possible re-open the question of representation as I am convinced we would be the gainers by a regularized establishment here. From brief conversations I believe this view is shared by the Ambassador and others in the Embassy. If at any time you determine that we could be helpful by originating any reports or recommendations in this sense I should be glad to see what could be done.

<sup>&</sup>lt;sup>5</sup> No further documentation on a possible resumption of diplomatic relations has been found. Sherman Adams resigned as Assistant to the President on September 22 and Pope Pius XII died on October 9.

Source: Department of State, Italian Desk Files: Lot 68 D 436, Vatican Foreign Relations. Secret; Official-Informal.

<sup>&</sup>lt;sup>1</sup> Document 386.

<sup>&</sup>lt;sup>2</sup>No documentation on this effort has been found.

You may wish to discuss the attached with Burke and Bob Murphy, and we would of course be glad of any comment as promptly as possible since we have already received one follow-up inquiry.

Sincerely,

H.G. Torbert, Jr.<sup>3</sup>

<sup>3</sup> Printed from a copy that bears this typed signature.

### 388. Editorial Note

Pope Pius XII died at Castel Gandolfo, Italy, on October 9. Cardinal Benedetto Aliosi Masella was appointed Camerlengo of the Holy See to serve as caretaker administrator of the Roman Catholic Church until the election of a new Pope. All appointments made by Pope Pius XII lapsed and all decisions of the interim administration were subject to the approval of the next Pope. During the interregnum, Vatican diplomatic activities were circumscribed. A Department of State background paper noted: "As head of the papal 'caretaker government,' Cardinal Aliosi Masella may administer, but he may not innovate." (Biographic Paper on Cardinal Aliosi Masella prepared by the Division of Biographic Information, October 1958; Department of State, Central Files, 110.11– DU/10–1758)

The U.S. delegation to the funeral ceremonies for Pope Pius XII was headed by Secretary of State Dulles and included former Ambassador to Italy Clare Boothe Luce and Chairman of the U.S. Atomic Energy Commission John McCone, both prominent American Catholics. The delegation left Washington on October 17 and arrived in Rome at 7:30 a.m. on October 18. The delegation attended a mass at St. Peter's Basilica at 10 a.m. Dulles' subsequent meetings with Italian, French, and German officials are described in Document 226. At 10 a.m. on October 19, the delegation attended the funeral service at St. Peter's Basilica and at 12:30 p.m. were guests at a reception given by the College of Cardinals in the Vatican. At 2:30, Dulles and his party lunched with Cardinals Spellman of New York and McIntyre of Los Angeles at the North American College building in Rome. Secretary Dulles left Rome for London that afternoon. No record of his conversations with Church leaders has been found.

On October 28, Angelo Giuseppi Roncalli was elected Pope and took the name John XXIII. Ambassador Zellerbach reported that the new Pope held liberal social and political views and was likely to grant greater autonomy for Catholics in politics and social reform movements. (Telegram 1360 from Rome, October 28; Department of State, Central Files, 765A.11/10-2858) Coronation ceremonies for the new Pope were set for November 4. The U.S. delegation to these ceremonies consisted of Secretary of Labor James P. Mitchell, Deputy Under Secretary of State Robert Murphy, and former Ambassador Luce. The delegation left Washington on the morning of November 3 and arrived in Rome in the late afternoon. On the morning of November 4, they attended the Papal coronation, after which they met with the American members of the College of Cardinals at a reception at Ambassador Zellerbach's residence. At 9:30 a.m. on November 5, they attended a reception with Pope John. That evening, they were guests of Pro-Secretary of State Tardini at another Vatican reception. No records of conversations with Roman Catholic leaders have been found.

The decision to send high-level delegations to both the funeral of Pope Pius XII and the coronation of Pope John XXIII was a departure from previous U.S. diplomatic practices. At the death of Pope Pius XI in 1939, the United States did not send a special emissary or delegation to the funeral; instead Ambassador to Italy William Phillips represented the U.S. Government at a funeral mass. Ambassador to the United Kingdom Joseph P. Kennedy was subsequently sent as President Roosevelt's personal representative to the coronation of Pope Pius XII. (Memorandum for the files by Robert Corrigan, Deputy Chief of Protocol, November 12; *ibid.*, Italian Desk Files: Lot 68 D 436, Italy—Pope's Death and Succession) Documentation relating to the death of Pope Pius XII and the election and coronation of Pope John XXIII is *ibid.*, Central File 765A.11; *ibid.*, Italian Desk Files: Lot 68 D 436; and in the Eisenhower Library, Dulles Papers, White House Telephone Conversations.

### 389. Background Paper Prepared in the Bureau of European Affairs

October 31, 1958.

[Here follows background information on unrelated topics.]

### **U.S. RELATIONS WITH THE VATICAN**

### Discussion of Possible Future Diplomatic Relations with the Vatican

There are many arguments in favor of recognition of the Vatican and the sending of a diplomatic representative. Valuable sources of information would be made available to us, as well as the opportunity of utilizing through persuasion the considerable political resource and influence of the Vatican in support of American foreign policy objectives. However, it is uniformly agreed that recognition of the Vatican is not entirely a foreign policy question, but one which involves internal American politics. The public reaction to General Clark's appointment indicates the nature of the problem.<sup>1</sup> The Department has not been informed of any authoritative assessment by domestic political sources which would indicate the time is now propitious to raise such a question either publicly in the U.S. or privately with the Vatican as a serious proposal.

In any consideration of the establishment of American diplomatic relations with the Vatican contemplated, it should be borne in mind that so far as the late Pope Pius XII was concerned, a further personal representative as a substitute for formal diplomatic recognition was unacceptable. It has likewise been unacceptable to the Vatican to use the American Ambassador to the Italian Republic as official channel to the Vatican. The official Vatican attitude regarding the reception of an American representative must naturally await definition by the new Pope. According to information received by Mr. Murphy in September 1958 from Monsignor Tanner, Chairman of the National Catholic Welfare Council, the American Roman Catholic Bishops prefer to see matters remain as they now stand.<sup>2</sup>

Source: Department of State, Italian Desk Files: Lot 68 D 436, Vatican–POL 7 Visits. Secret. Drafted for Murphy's use during his visit to Italy to attend the Papal coronation.

<sup>&</sup>lt;sup>1</sup> Regarding President Truman's nomination of Clark as Ambassador to the Vatican, see *Foreign Relations*, 1951, vol. IV, Part 1, pp. 1002–1004.

<sup>&</sup>lt;sup>2</sup>See Document 385.

### 390. Memorandum of Conference With President Eisenhower

Rome, December 6, 1959.

OTHER PRESENT

The Pope Cardinal Tardini Msgr. Samore Lt. Col. Vernon Walters

The President said how pleased and honored he was to have this opportunity to meet the Pope during his visit. He had undertaken this trip to a part of the free world which was extremely important.

He did not expect any new treaties or agreements to result from his trip but if anything could be done to advance the cause of peace, he would feel that it had been worthwhile. As he approached the end of his term as President, he felt that his efforts, which earlier might have been thought by some to be politically inspired, might now perhaps be more effective.

He was also visiting a number of countries in the Middle East which needed "shoring up."<sup>1</sup> The only desire of the American people was for peace and friendship in liberty. He felt that freedom could exist only where there was respect for the spiritual values and a belief in Almighty God. This had always been the basis of our government. In fact in our Declaration of Independence it was stated that "All men are created equal and endowed by their creator. . . ."<sup>2</sup> If this is not accepted, then all that is left are material things. If a man is only an intelligent mule and can be dominated by force, then why not do it. This has never been the belief of the American people.

The Pope then said that he was very happy to see the President again. He quite agreed with what the President had said about peace and justice. This was the teaching of the gospel and this was what the Church sought to do. The American people had always shown their great respect for spiritual values.

The President said that free government must be based on belief in an Almighty Creator. Several of the countries he was about to visit were

Source: Department of State, Central Files, 711.11–EI/12–659. Secret. Drafted by Walters. The meeting was held at the Vatican. President Eisenhower visited Italy December 4–6 during his 11-nation good will tour. Regarding his meetings with Italian leaders, see Documents 260 ff. A meeting with Pope John XXIII was arranged at the President's initiative. Documentation on the Eisenhower visit to the Vatican is in Department of State, Central File 711.11–EI, and *ibid.*, Italian Desk Files: Lot 68 D 436.

<sup>&</sup>lt;sup>1</sup> During his December 3–23 trip, Eisenhower also visited Iran, Afghanistan, Pakistan, Turkey, Greece, India, Morocco, France, and Spain.

<sup>&</sup>lt;sup>2</sup> Ellipsis in the source text.

Moslem countries and, consequently, shared with us a common belief in God. He hoped this would help him in the message he was carrying. Peace was essential. We just could not afford to have a war with the tremendous weapons of destruction which now exist.

Peoples all over the world know that they do not have to live in poverty, hunger, and disease and their urgent desire for a better lot was one of the great problems of our time. We wanted to do everything that we could to assist them towards this better life. He was convinced that the Pope himself and the Papacy were two of the greatest spiritual forces in the world.

The Pope smilingly upheld that he could not do much in the way of a military contribution but that there were some spiritual forces and energies that he could mobilize around the world to support these noble aims. He said that he had always had great respect for the President before but that now that he knew what was in the President's heart and what his purposes were, his respect was even greater than before. He only regretted his inability to speak English and he was endeavoring to correct this by taking English lessons. Recently, there had been celebrated the 100th anniversary of the foundation of the North American College and more than 70 American bishops had attended together with large numbers of priests and laity and he had been deeply impressed by them. He prayed that God would bless the great American people. He knew that Americans not only had a high standard of living and great technical skills but were also a people of deep faith and high spiritual values.

The President said that several of the American cardinals were close friends. Cardinal Mooney was also a golfer and he had often wanted to play with him but never had been able to do so. The Pope said that Cardinal Mooney had died recently in Rome.<sup>3</sup> The President said that Cardinals Spellman and McIntyre were also friends of his. He had also met Cardinal Cushing<sup>4</sup> a few times but did not know some of the newer cardinals but he could assure the Pope that they were greatly beloved and respected in the United States. The Pope said he was most happy to hear this.

The Pope said that it was curious that the President had started out as a soldier and had become President and that he had started out as a sergeant and had become Pope. The President laughed and said that he felt that his having been a soldier might perhaps be helpful to him in driving home how important it was to preserve peace. The fact that he knew the horrors of war gave added force to his words. The Pope

<sup>&</sup>lt;sup>3</sup> Edward Cardinal Mooney, Archbishop of Detroit, died on October 25.

<sup>&</sup>lt;sup>4</sup> Archbishop of Boston.

agreed and said that he did indeed feel that this was so. The President then said that this was also true in the case of the Pope who had come from the field of Diplomacy to the Papacy.

The Pope recalled that he had seen the President at the funeral of Marshal De Lattre de Tassigny.<sup>5</sup> He stated that the President had followed the bier on a long walk across Paris on a bitterly cold day. He himself had been in the comfort of the Diplomatic stand but he had noticed that at the end of the ceremony, of the four great soldiers around the bier, only the American was still straight and upright. Now that he had talked to the President and knew the noble purpose of his trip, he realized that this uprightness in the physical sense reflected an inner and spiritual uprightness in the President.

The Pope then said that the story of how he became a sergeant was quite amusing. He was in the Army and he came up for an examination for sergeant. In the oral and written part of the test he had no difficulty and, in fact, was praised by the examining board. However, when he came to the practical part of the test he had some difficulty. He was asked to prepare his platoon for an assault. He called them to attention and gave the order to "fix bayonets" and then as was the custom in the Italian Army during the days of monarchy cried, "Avanti Savoia" (Forward Savoy). However, instead of leading his platoon, he just stood still and watched. Had it been a real attack instead of a test, he would have been a sitting duck and would undoubtedly been killed before he could have done anything with his platoon. However, the board was in a good mood that day so they made him a sergeant anyway.

The President said that this recalled another amusing story. His brother, Milton, was the President of Johns Hopkins University. One of his predecessors had been a great friend of Cardinal Gibbons.<sup>6</sup> This president of Johns Hopkins had a very precocious little daughter who used to listen to her father and Cardinal Gibbons talking. One day she received the Cardinal alone in the absence of her father and she asked him whether he believed in the infallibility of the Pope. The Cardinal thought for a minute and then said that he had been received by the Pope who had addressed him as Cardinal "Jibbons" so that perhaps papal infallibility did not extend to pronunciation. The Pope laughed heartily and said that it definitely did not extend to pronunciation and his efforts to learn English were proof thereof.

The Pope said that he understood that the President was accompanied by his son and daughter-in-law. He had a bond in common with the President's son because his name was also John. He said that he

<sup>&</sup>lt;sup>5</sup> January 16, 1952.

<sup>&</sup>lt;sup>6</sup> James Cardinal Gibbons, Archbishop of Baltimore.

intended to refer to this in the little talk he would give when the remainder of the President's party were introduced. The President said that he himself had been legally named David Dwight Eisenhower but his mother had always called him Dwight and when he had gone to West Point, he had listed himself as Dwight David Eisenhower and had always been known that way since. Now John's son was called Dwight David II.

The President then asked the Pope who John XXII was and when he had reigned. The Pope said that John was the name used by the largest number of Popes. John XXII had lived in the 14th century. He had been one of the early Popes at Avignon. He had been a very intelligent and energetic man and had done much to revise the juridical system of the church. However, he had been a little "loose" in the handling of money where his relatives were concerned and so had not left such as good memory as a Pope.

Pope John then thanked the President for calling on him and wished him success on his mission. He said that now that he had an opportunity to talk with the President and of knowing the noble purposes of his mind, he would pray for the success of his trip and added, "I will always remember you in my prayers."

The President thanked the Pope again for the opportunity of calling on him and the private talk then concluded as other members of the President's party were introduced in to the Pope's study.

> Vernon A. Walters<sup>7</sup> Lt. Colonel, U.S. Army

<sup>&</sup>lt;sup>7</sup> Printed from a copy that bears this typed signature.

### 391. Memorandum of Conversation

May 11, 1960.

### SUBJECT

Call of Cardinal Agagianian<sup>1</sup>

### PARTICIPANTS

Cardinal Agagianian
Monsignor Paul Tanner, Secretary
General of the National Catholic
Welfare Conference
Mr. Herman Burns, Legal
Department, National Catholic
Welfare Conference
Father Manning, the Cardinal's
Secretary

Department of State The Secretary WE—Mr. Wells Stabler

The Cardinal expressed his appreciation for being received by the Secretary, particularly on the eve of the Summit Conference. He wanted the Secretary to know that the prayers and best wishes of the Pope and of the Catholic Church were with the President and the Secretary during the Summit Meeting. While the Vatican could be sure of the loyalty and steadfastness of the United States at the Summit, it was regrettable that no such view could be had of the Soviet Union. The Cardinal said that it was his opinion that the moral and theoretical force of Communism had declined in the world. However, the materialistic force of the Soviet Union through the Red Armed Forces still remained an important element in influencing world opinion.

The Secretary said that the Summit Meeting contained a great many uncertainties. We could not be sure what the outcome would be, but we hoped that the expectations of the world would not be too high.

Turning to the Near East the Cardinal said that the greatest importance would be attached to the continued freedom and independence of Lebanon. This country was of great value to the western position in the Middle East. He paid high tribute to the action taken by the United States in 1958.

Finally the Cardinal said that when he talked with the Pope in Rome on May 10 the Pope had recalled with greatest pleasure and

Source: Department of State, Central Files, 396.1–PA/5–1160. Confidential. Drafted by Stabler and approved in S on May 17.

<sup>&</sup>lt;sup>1</sup>Agagianian was the Cardinal Prefect in charge of relations with the Eastern Church.

satisfaction the visit which had been paid to him last December by the President.<sup>2</sup> The Secretary said he would convey this to the President.

<sup>2</sup> See Document 390.

## 392. Memorandum of Conversation

June 9, 1960.

[Source: Department of State, Italian Desk Files: Lot 68 D 436, Italy: Vatican: General. Official Use Only. 1 page of source text not declassified.]

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