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United States Department of State

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Foreign  
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States



1949

Volume I

NATIONAL  
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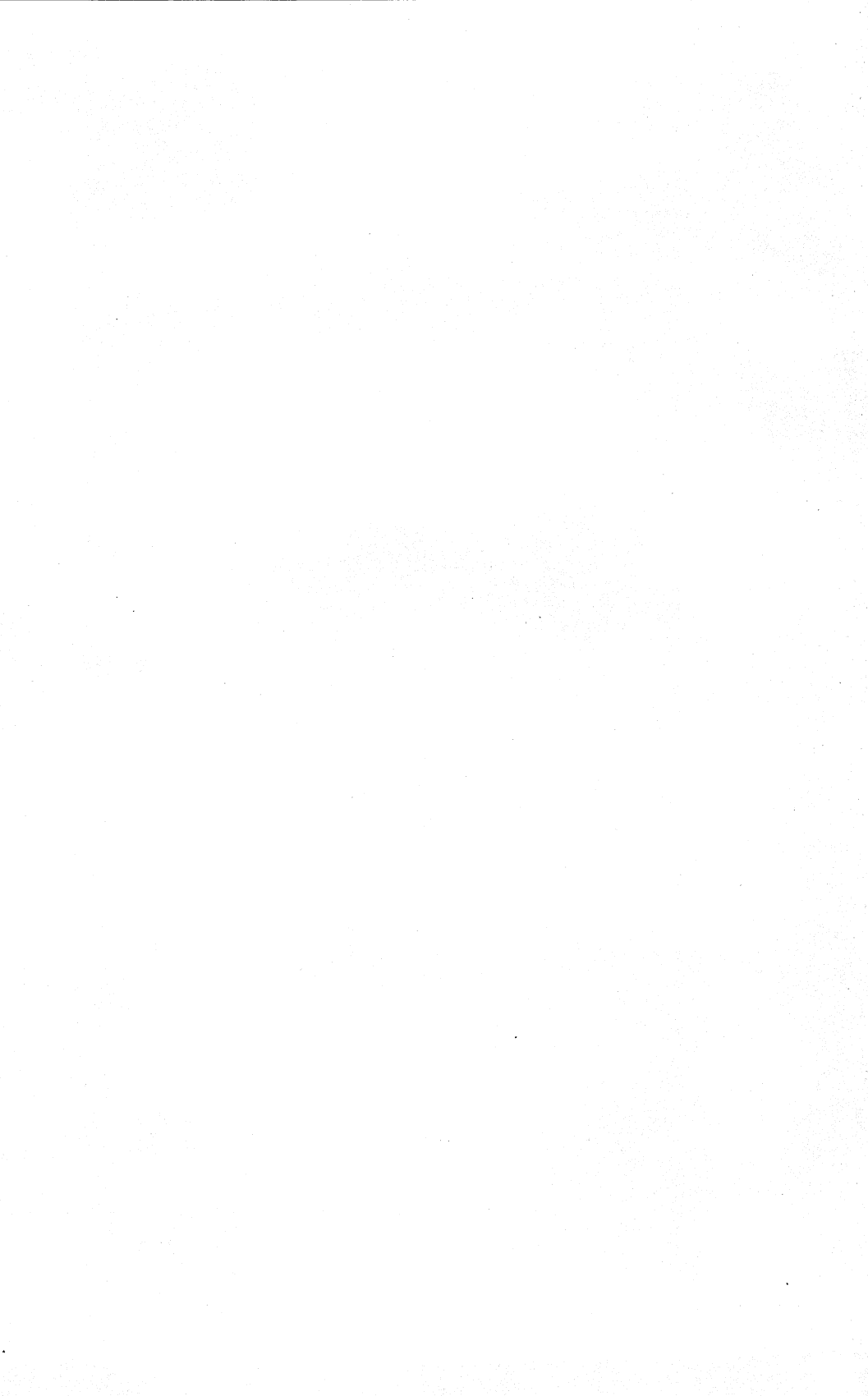
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1949

Volume I

National Security Affairs,  
Foreign Economic Policy



United States  
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**DEPARTMENT OF STATE PUBLICATION 8850**

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## PREFACE

This volume was prepared in the Historical Office under the direct supervision of the late S. Everett Gleason and of Fredrick Aandahl, who succeeded him as Editor of *Foreign Relations* in 1972. Ralph R. Goodwin provided assistance in planning and direction.

Neal H. Petersen prepared the sections on regulation of armaments, atomic energy, and national security policy. Mr. Goodwin compiled and edited the sections on treaties of friendship, commerce, and navigation; the General Agreement on Tariffs and Trade; foreign financial policies; the Point Four Program; and air agreements. William Z. Slany prepared the compilation on the Antarctic. Marvin W. Kranz compiled the section on the Foreign Assistance Program.

The editors acknowledge with appreciation the assistance provided them by the historians of the Department of Defense, including those of the Joint Chiefs of Staff, and by the historians of the Energy Research and Development Administration. They are also grateful for the cooperation of the National Security Council, the Department of Defense, the Central Intelligence Agency, and the Energy Research and Development Administration, which concurred with the declassification of various papers for release in this volume. Thanks are also due to those foreign governments that kindly granted permission for the publication of certain of their documents in this volume.

The technical editing of this volume was done by the Publishing and Reproduction Division, headed by Willard M. McLaughlin. The index was prepared by Francis C. Prescott.

FREDRICK AANDAHL  
*Acting Director, Historical Office  
Bureau of Public Affairs*

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### PRINCIPLES FOR THE COMPILATION AND EDITING OF "FOREIGN RELATIONS"

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 2 FAM 1350 of June 15, 1961, a revision of the order approved on March 26, 1925,



by Mr. Frank B. Kellogg, then Secretary of State. The text of the regulation, as further amended, is printed below :

1350 DOCUMENTARY RECORD OF AMERICAN DIPLOMACY

1351 *Scope of Documentation*

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. These volumes include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts which contributed to the formulation of policies. When further material is needed to supplement the documentation in the Department's files for a proper understanding of the relevant policies of the United States, such papers should be obtained from other Government agencies.

1352 *Editorial Preparation*

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States* is edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons :

- a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
- b. To condense the record and avoid repetition of needless details.
- c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
- d. To avoid giving needless offense to other nationalities or individuals.
- e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternative presented to the Department before the decision was made.

1353 *Clearance*

To obtain appropriate clearances of material to be published in *Foreign Relations of the United States*, the Historical Office :

- a. Refers to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
- b. Refers to the appropriate foreign governments requests for permission to print as part of the diplomatic correspondence of the United States those previously unpublished documents which were originated by the foreign governments.

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## INTRODUCTORY NOTE

### AMERICAN FOREIGN POLICY: SELECTED PUBLIC DOCUMENTS

Beginning with the year 1950, *American Foreign Policy*, a companion series to *Foreign Relations of the United States*, provides systematic coverage of the principal messages, addresses, statements, and reports made in a given period that indicate the scope, goals, and implementation of the foreign policy of the United States. For the immediately preceding years, 1945-1949 inclusive, the present series, *Foreign Relations*, will provide under this heading a brief indication of certain major documents in these categories. The present listing covers the year 1949. It does not purport to be complete, of course, and as a rule items dealing primarily with United States relations with particular countries will be noted in the compilations for those countries. Many of the items cited below are also referred to in appropriate compilations in the various volumes for 1949, which are organized as follows:

- 1949, volume I, National Security Affairs; Foreign Economic Policy
- volume II, The United Nations; The Western Hemisphere
- volume III, Council of Foreign Ministers; Germany and Austria
- volume IV, Western Europe
- volume V, Eastern Europe; The Soviet Union
- volume VI, The Near East, South Asia, and Africa
- volume VII, The Far East and Australasia (in two parts)
- volume VIII, The Far East: China
- volume IX, The Far East: China

#### I. MAJOR PUBLIC STATEMENTS OF AMERICAN FOREIGN POLICY

- White House Statement Announcing Recognition of the Government of Korea. January 1, 1949. *Public Papers of the Presidents of the United States: Harry S. Truman, 1949* (Washington, Government Printing Office, 1964) (hereinafter cited as *Public Papers: Truman, 1949*), p. 1.
- CIO Interest in U.S. Actions in Indonesian Situation. Exchange of letters between the President of the Congress of Industrial Organizations and Acting Secretary of State Lovett. December 23, 1948; January 3, 1949; released to the press on January 6. Department of State *Bulletin* (hereinafter cited as *Bulletin*), January 16, 1949, p. 81.
- Resignation of George C. Marshall as Secretary of State. Exchange of letters between General Marshall and the President, January 3, 1949. *Ibid.*, p. 86.

- Resignation of Robert A. Lovett as Under Secretary of State. Exchange of letters between Mr. Lovett and the President, January 3, 1949. *Ibid.*, p. 86.
- Annual Message of the President to the Congress on the State of the Union. January 5, 1949. (As delivered in person before a joint session.) *Public Papers: Truman, 1949*, pp. 1 ff.
- Announcement by the President of the Resignation of General Marshall and Mr. Lovett, Effective January 20, 1949. With additional comments by the President. January 7, 1949. *Ibid.*, pp. 9 ff.
- Announcement by the President of the Appointment of Dean Acheson as Secretary of State and James E. Webb as Under Secretary of State. With additional comments by the President. January 7, 1949. *Ibid.*
- Special Message of the President to the Congress: The President's Economic Report. January 7, 1949. *Ibid.*, pp. 13 ff.
- Letter From the President to the Chairmen, Senate Finance and House Ways and Means Committees, on Extending the Trade Agreements Act. January 8, 1949. *Ibid.*, p. 27.
- Annual Budget Message of the President to the Congress: Fiscal Year 1950. January 10, 1949. *Ibid.*, pp. 44 ff.
- The Situation in Indonesia. Statement by Philip C. Jessup, Deputy U.S. Representative in the U.N. Security Council. January 11, 1949. *Bulletin*, January 23, 1949, pp. 91 ff.
- Special Message From the President to the Senate Transmitting Charter of the Organization of American States. January 13, 1949. *Public Papers: Truman, 1949*, p. 97.
- Special Message From the President to the Senate Transmitting Inter-American Convention on the Granting of Political Rights to Women. January 13, 1949. *Ibid.*, pp. 97 ff.
- Inaugural Address of the President. January 20, 1949. *Ibid.*, pp. 112 ff.
- Need for Trade Agreements Extension Act. Statement by Willard L. Thorp, Assistant Secretary of State for Economic Affairs, before the House Ways and Means Committee, January 24, 1949. *Bulletin*, February 6, 1949, pp. 168 ff.
- "Point 4" Program for World Economic Progress Through Cooperative Technical Assistance. Extemporaneous remarks by the Secretary of State (Acheson) at a press conference concerning the President's inaugural address. January 26, 1949. *Ibid.*, pp. 155 ff.
- Purpose of Proposed North Atlantic Treaty. Statement issued by the Secretary of State (Acheson). January 26, 1949. *Ibid.*, p. 160.
- "An American Answer to Chinese Communist Propaganda": Address delivered in Shanghai by John M. Cabot, Consul General, American Embassy, Shanghai. January 26, 1949. *Ibid.*, February 13, 1949, pp. 179 ff.
- Special Message of the President to the Congress Concerning Relief to Palestine Refugees. January 27, 1949. *Public Papers: Truman, 1949*, p. 117.
- "The American Course in Foreign Affairs": Address delivered in New York City by Charles E. Bohlen, Counselor of the Department of State. January 28, 1949. *Bulletin*, February 6, 1949, pp. 157 ff.
- White House Statement Announcing Recognition of the Government of Transjordan. January 31, 1949. *Public Papers: Truman, 1949*, p. 121.
- White House Statement Announcing Recognition of the Government of Israel. January 31, 1949. *Ibid.*
- Comments on Premier Stalin's Answers to Questions Submitted by Kingsbury Smith. Remarks at a press conference by the Secretary of State (Acheson). February 2, 1949. *Bulletin*, February 13, 1949, pp. 192 ff.

- Growth of the Organization of American States. Statement by the Secretary of State (Acheson) on the occasion of the referral of the charter of the Organization of American States to the Senate Foreign Relations Committee for the advice and consent of the Senate to ratification. February 2, 1949. *Ibid.*, February 6, 1949, pp. 198 ff.
- European Recovery Program Gives New Faith in Vitality of Democratic System. Statement by the Secretary of State (Acheson) before the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. February 8, 1949. *Ibid.*, February 20, 1949, pp. 232 ff.
- Trial of Jozsef Cardinal Mindszenty by the Hungarian Government. Statement by the Secretary of State (Acheson). Released to the press on February 9, 1949. *Ibid.*, p. 230.
- The Question of Forced Labor in Communist Countries. Statement before the United Nations Economic and Social Council by the U.S. Representative (Thorp). February 14, 1949. *Ibid.*, February 27, 1949, pp. 248 ff.
- "New International Frontiers in Human Rights": Address by Durward V. Sandifer, Acting Director of the Office of United Nations Affairs, Department of State, before the National Citizens Conference on Civil Liberties, in Washington. February 14, 1949. *Ibid.*, pp. 258 ff.
- Extension of the European Recovery Program: 1949. Hearings Held in Executive Session Before the Committee on Foreign Relations, United States Senate, Eighty-First Congress, First Session, on S. 833, To Amend the Economic Cooperation Act of 1948. (Executive Hearings Held on February 16, 18, 24, and 25; March 1, 2, 3, 4, and 7, 1949; made public September 1974.) Historical Series. Committee print.
- Peace Treaty Not Workable With Regard to Free Territory of Trieste. Statement in the United Nations Security Council by the U.S. Representative (Austin). February 17, 1949. *Bulletin*, March 6, 1949, p. 292.
- "The United States Goal in Tomorrow's World": Address by the Ambassador at Large (Jessup) before the 11th Annual National Farm Institute in Des Moines, Iowa. February 18, 1949. *Ibid.*, February 27, 1949, pp. 243 ff.
- The Vandenberg Resolution and the North Atlantic Treaty. Hearings Held in Executive Session Before the Committee on Foreign Relations, United States Senate, Eightieth Congress, Second Session, on S. Res. 239, Reaffirming the Policy of the United States to Achieve International Peace and Security Through the United Nations and Indicating Certain Objectives To Be Pursued; and Eighty-First Congress, First Session, on Executive L, The North Atlantic Treaty. (Executive Hearings Held on May 11, 12, and 19, and June 3, 1948, and February 18, March 8, April 5, 12, 19, and 21, and June 2 and 6, 1949; made public August 1973.) Historical Series. Committee print.
- Special Message of the President to the Congress Transmitting Bill Extending the Institute of Inter-American Affairs. February 21, 1949. *Public Papers: Truman, 1949*, pp. 141 ff.
- "International Security Through the United Nations and the Atlantic Pact": Address by the Ambassador at Large (Jessup) before the *Yale Daily News* annual dinner in New Haven, Connecticut. February 23, 1949. *Bulletin*, March 6, 1949, pp. 281 ff.
- "A More Perfect Union": Address by the U.S. Representative to the United Nations (Austin) before a joint session of the Vermont General Assembly. February 24, 1949. *Ibid.*, pp. 278 ff.
- Armistice Between Egypt and Israel. Statement by the President at a press conference. February 24, 1949. *Public Papers: Truman, 1949*, p. 150.

- Economic Development and Technical Cooperation. Statement in the United Nations Economic and Social Council by the U.S. Representative (Thorp). February 25, 1949. *Bulletin*, March 6, 1949, pp. 283 ff.
- United States Supports Israel's Application for Membership in United Nations. Statement before the Security Council by the U.S. Representative (Austin). March 3, 1949. *Ibid.*, March 13, 1949, p. 311.
- Relation of Strategic Trust Areas to the United Nations Security Council. Statement before the Security Council by the U.S. Representative (Austin). March 3, 1949. *Ibid.*, pp. 309 ff.
- Letter From the President Accepting Resignation of James V. Forrestal as Secretary of Defense. March 3, 1949. *Public Papers: Truman, 1949*, p. 160. Citation Accompanying Distinguished Service Medal Awarded to Mr. Forrestal. March 28, 1949. *Ibid.*, p. 188.
- Memorandum From the President to the Chairman, National Security Resources Board, on Civil Defense Planning. March 3, 1949. *Ibid.*, p. 162.
- Special Message of the President to the Congress on Reorganization of the Department of State. March 4, 1949. *Ibid.*, pp. 160 ff.
- Special Message of the President to the Congress on Reorganization of the National Military Establishment. March 5, 1949. *Ibid.*, pp. 163 ff.
- "Our World Information Program": Address by George V. Allen, Assistant Secretary of State for Public Affairs, before the New York *Herald Tribune* Student Forum, New York City. March 5, 1949. *Bulletin*, March 13, 1949, pp. 322 ff.
- Economic Assistance to China and Korea: 1949-50. Hearings Held in Executive Session Before the Committee on Foreign Relations, United States Senate, Eighty-First Congress, First and Second Sessions, on S. 1063, A Bill To Provide Economic, Financial, and Other Aid to China; S. 2319, A Bill To Promote Peace and the General Welfare, National Interest, and Foreign Policy of the United States by Providing Aid to the Republic of Korea; S. 2845, A Bill To Enable the President to Obligate Funds Heretofore Appropriated for Assistance in Certain Areas of China Until June 30, 1950. (Executive Hearings Held on March 11, 15, 18, 22, 24, and 29; June 28, July 7 and 12, 1949; and January 24 and 31, 1950; made public January 1974.) Historical Series. Committee print.
- "Bases of United States Foreign Policy": Address by the Ambassador at Large (Jessup) before the National Conference on American Foreign Policy, in Washington. March 17, 1949. *Bulletin*, March 27, 1949, pp. 393 ff.
- "The Meaning of the North Atlantic Pact": Radio address by the Secretary of State (Acheson). March 18, 1949. *Ibid.*, pp. 384 ff.
- Fleet Admiral Nimitz Nominated as Kashmir Plebiscite Administrator. Statement by the Secretary of State (Acheson). March 23, 1949. *Ibid.*, April 3, 1949, p. 419.
- "The North Atlantic Pact: A Historic Step in the Development of American Foreign Relations": Address by Charles E. Bohlen, Counselor of the Department of State, before the Philadelphia *Bulletin* Forum. March 23, 1949. *Ibid.*, pp. 428 ff.
- Statement by the President Upon Signing Resolution for the Relief of Palestine Refugees. March 24, 1949. *Public Papers: Truman, 1949*, p. 180.
- "Influence of Inter-American Relations on U.S. Foreign Policy": Address by Paul C. Daniels, Director for American Republic Affairs, Department of State, at the University of Wisconsin. March 30, 1949. *Bulletin*, April 10, 1949, pp. 460 ff.

- Report to the Congress by the United States Advisory Commission on Information. Released to the press on March 30, 1949. *Ibid.*, pp. 464 ff.
- Signing Ceremony of the North Atlantic Treaty, Departmental Auditorium, Washington. April 4, 1949. *Ibid.*, pp. 471 ff.
- Address by the President on the Occasion of the Signing of the North Atlantic Treaty. April 4, 1949. *Public Papers: Truman, 1949*, pp. 196 ff.
- The Problem of Atomic Weapons. Remarks of the President to a Group of New Democratic Senators and Representatives. April 6, 1949. *Ibid.*, pp. 199 ff.
- Report of the Secretary of State (Acheson) to the President on the North Atlantic Treaty. April 7, 1949; released to the press on April 12. *Bulletin*, April 24, 1949, pp. 532 ff.
- "The Atlantic Community and the United Nations": Address by the Ambassador at Large (Jessup) before the Academy of Political Science in New York City. April 7, 1949. *Ibid.*, April 17, 1949, pp. 486 ff.
- Request for Military Assistance From Atlantic Pact Countries. Statement by the Secretary of State (Acheson). April 8, 1949. *Ibid.*, pp. 493 ff.
- United States, United Kingdom, and France Reach Agreement on All Questions Relating to Germany. Communiqué following meeting of the three Foreign Ministers in Washington, with statement by Secretary of State Acheson, message to the Military Governors, and text of the Occupation Statute. Released to the press on April 8, 1949. *Ibid.*, pp. 499 ff.
- Agreement for Tripartite Controls for Western Germany. Text of agreement reached in Washington on April 8, 1949, on a trizonal fusion agreement prior to the entry into effect of the Occupation Statute. Released to the press on April 26, 1949. *Ibid.*, May 8, 1949, pp. 589 ff.
- Special Message of the President to the Senate Transmitting the North Atlantic Treaty. April 12, 1949. *Public Papers: Truman, 1949*, pp. 206 ff.
- United States, United Kingdom, and France Reach Agreement on Revision of the Lists of Capital Equipment To Be Removed From Western Germany as Reparation. Statement released by the Department of State on April 13, 1949. *Bulletin*, April 24, 1949, pp. 524 ff.
- Organization of the International Authority for the Ruhr. Occupation Statute as a Practicable Basis of Cooperation With Future German Government. Statements by the Secretary of State (Acheson). Released to the press on April 13, 1949. *Ibid.*, pp. 525 ff.
- United States, United Kingdom, and France Announce Agreement on Limitations on Certain Industries in Germany. Statement released by the Department of State and the Department of the Army on April 13, 1949. *Ibid.*, pp. 526 ff.
- "The Problem of Voting in the Security Council": Address before the United Nations General Assembly by the U.S. Representative (Austin). April 13, 1949. *Ibid.*, pp. 512 ff.
- United States Answers Soviet Charges Against North Atlantic Treaty. Statement before the plenary session of the United Nations General Assembly by the U.S. Representative (Austin). April 14, 1949. *Ibid.*, May 1, 1949, pp. 552 ff.
- "Pan-American Day: A Symbol of Mutual Trust and Cooperation Among the Americas": Address by the Secretary of State (Acheson) at the Special Session of the Council of the Organization of American States, in Washington. April 14, 1949. *Ibid.*, pp. 564 ff.
- Suppression of Human Rights in Bulgaria and Hungary. Statement made in the *Ad Hoc* Political Committee of the United Nations General Assembly by Benjamin V. Cohen of the U.S. Delegation. April 18, 1949, *Ibid.*, pp. 556 ff.



- Reply to the Soviet Union Regarding the Italian Colonies. Statement in Committee I (Political and Security) of the United Nations General Assembly by John Foster Dulles of the United States Delegation. April 23, 1949. *Ibid.*, May 8, 1949, pp. 581 ff.
- Steps Taken for Safety of Americans in Lower Yangtze Valley. Notice released by the U.S. Consulate General in Shanghai. April 25, 1949. *Ibid.*, p. 607.
- The North Atlantic Treaty and the Role of the Military Assistance Program. Statement by the Secretary of State (Acheson) before the Senate Committee on Foreign Relations. April 27, 1949. *Ibid.*, pp. 594 ff.
- "The Current Situation in Germany": Address by the Secretary of State (Acheson) before the American Society of Newspaper Publishers, in New York City. April 28, 1949. *Ibid.*, pp. 585 ff.
- Special Message of the President to the Congress Transmitting the Charter of the International Trade Organization. April 28, 1949. *Public Papers: Truman, 1949*, pp. 233 ff. Memorandum for the President from the Secretary of State (Acheson) on the Charter. Released to the press on April 28, 1949. *Bulletin*, May 8, 1949, pp. 602 ff. "Economic Policy and the ITO Charter": Address by the Secretary of State (Acheson) before the National Convention of the U.S. Chamber of Commerce, in Washington, May 3, 1949. *Ibid.*, May 15, 1949, pp. 623 ff.
- "International Reclamations and the Peace Settlements": Address by the Acting Legal Adviser of the Department of State (Tate) before the American Society of International Law. April 29, 1949. *Ibid.*, pp. 627 ff.
- "The Atmosphere of Neighborliness Between American States": Address at the Fourth Conference of American States Members of the International Labor Organization, by the U.S. Delegate (Briggs). April 29, 1949. *Ibid.*, June 12, 1949, pp. 752 ff.
- United States Protests Soviet Jamming of Voice of America. Statement released to the press on May 2, 1949. *Ibid.*, May 15, 1949, p. 638.
- Statement by the President Upon Releasing General Lucius D. Clay Following the Agreement To Lift the Berlin Blockade. May 3, 1949. Citation Accompanying Distinguished Service Medal Awarded to General Clay. May 17, 1949. *Public Papers: Truman, 1949*, pp. 240, 253.
- Progress in the Economic Commission for Europe. Statement to the fourth session of the Commission in Geneva by the U.S. Representative (Harriman). May 9, 1949. *Bulletin*, May 22, 1949, p. 651.
- United States Supports Israel's Application for Membership in United Nations. Statement by the U.S. Representative at the United Nations (Austin). May 11, 1949. *Ibid.*, pp. 655 ff.
- United States Policy on Spain. Remarks by the Secretary of State (Acheson) at a press conference. May 11, 1949. *Ibid.*, pp. 660 ff.
- Lifting of the Berlin Blockade. Remarks by the Secretary of State (Acheson) at a press conference. May 11, 1949. *Ibid.*, p. 662.
- United States Continues Support of Security Council's Resolution on Indonesia. Statement before the plenary session of the United Nations General Assembly by the U.S. Representative (Austin). May 11, 1949. *Ibid.*, May 29, 1949, pp. 687 ff.
- Japanese Reparations and Level of Industry. Statement before the Far Eastern Commission by the U.S. Representative (McCoy). May 12, 1949. *Ibid.*, May 22, 1949, pp. 667 ff.
- Message of the President to the Congress Transmitting Third Annual Report on U.S. Participation in the United Nations. May 12, 1949. *Public Papers: Truman, 1949*, p. 251.

- General Assembly Adopts Draft Convention on International Transmission of News and Right of Correction. Statement in plenary session of the United Nations General Assembly by the Alternate U.S. Delegate (Canham). May 13, 1949. *Bulletin*, May 29, 1949, pp. 678 ff.
- Peaceful Utilization of Atomic Energy. Statement broadcast over the Voice of America by Senator Brien McMahon, Chairman of the Joint Atomic Energy Committee of Congress. May 14, 1949. *Ibid.*, June 5, 1949, pp. 726 ff.
- Disposition of the Former Italian Colonies. Statement before the plenary session of the United Nations General Assembly by the U.S. Representative (Austin). May 17, 1949. *Ibid.*, pp. 713 ff.
- "Despite Our Differences, We Are Still the United Nations": Statement by the U.S. Representative (Austin) at close of Third Session of the General Assembly. May 18, 1949. *Ibid.*, May 29, 1949, p. 677.
- Pacific Pact Corresponding to North Atlantic Pact Untimely. Statement by the Secretary of State (Acheson). Released to the press on May 18, 1949. *Ibid.*, p. 696.
- Nomination of John J. McCloy To Be U.S. High Commissioner for Germany and Chief of Mission Sent to Senate. Statement released to the press by the White House on May 18, 1949. *Ibid.*, June 5, 1949, p. 730. See also Executive Orders 10062 and 10063, June 6 and 13, 1949, 14 *Fed. Reg.* 2965, 3221.
- Review of the World Situation: 1949-1950. Hearings Held in Executive Session Before the Committee on Foreign Relations, United States Senate, Eighty-First Congress, First and Second Sessions, on the World Situation by Dean G. Acheson, Charles E. Bohlen, Gen. Omar Bradley, W. Walton Butterworth, Gen. J. Lawton Collins, Paul G. Hoffman, Philip C. Jessup, Louis Johnson, William McChesney Martin, John J. McCloy, Livingston Merchant, Frank Pace, Dean Rusk, John W. Snyder, and others. (Executive Hearings Held on May 19, June 22, September 20, and October 12, 1949, and January 10, 13, 25, and 26, March 29, May 1, July 24, September 11, November 28, December 9 and 22, 1950; made public June 1974.) Historical Series. Committee print.
- "A Perspective on the Problems Facing the Council of Foreign Ministers": Statement by the Secretary of State (Acheson). May 19, 1949. *Bulletin*, May 29, 1949, pp. 675 ff.
- Significance of the International Wheat Agreement. Statement by Willard L. Thorp, Assistant Secretary of State for Economic Affairs, before the Subcommittee of the Senate Foreign Relations Committee. May 19, 1949. *Ibid.*, pp. 699 ff.
- The U.S. Military Assistance Program. Statement issued by the Department of State, and also printed as its publication 3507. May 22, 1949. *Ibid.*, May 22, 1949, pp. 643 ff.
- "Goals and Practical Problems of the Point-4 Program": Address by John R. Steelman, Assistant to the President, before the Joint Luncheon of the Executives Club of Chicago and the Chicago Association of Commerce and Industry, at Chicago. May 27, 1949. *Ibid.*, June 12, 1949, pp. 760 ff.
- U.S. Notes to Bulgaria, Hungary, and Romania Invoke Peace Treaty Clauses To Settle Disputes on Violating Human Freedoms. Statement released to the press on June 1, 1949, with texts of documents. *Ibid.*, pp. 755 ff.
- Address by the President at a Dinner in Honor of General George C. Marshall. June 5, 1949. *Public Papers: Truman, 1949*, pp. 275 ff.
- North Atlantic Treaty. Report of the Senate Committee on Foreign Relations. Excerpts from S. Exec. Rept. No. 8, 81st Cong., 1st Sess., June 6, 1949. *Bulletin*, June 19, 1949, pp. 787 ff.

- Special Message of the President to the Congress Recommending Continuation of Economic Assistance to Korea. June 7, 1949. *Public Papers: Truman, 1949*, pp. 277 ff. Statement by the Acting Secretary of State (Webb) before the House Foreign Affairs Committee. June 8, 1949. *Bulletin*, June 19, 1949, pp. 783 ff.
- United States-United Nations Cooperation in Point-4 Program. Statement by the Acting Secretary of State (Webb). June 8, 1949. *Ibid.*, p. 774.
- Accomplishments of Institute of Inter-American Affairs. Statement by Willard L. Thorp, Assistant Secretary of State for Economic Affairs, before the Senate Foreign Relations Committee. June 10, 1949. *Ibid.*, pp. 795 ff.
- "Iron Curtains": Address by Mr. Thorp at commencement exercises of Amherst College, Amherst, Massachusetts. June 12, 1949. *Ibid.*, pp. 797 ff.
- The Soviet Union Refuses To Cooperate in Settling Disputes Under Bulgarian, Hungarian, and Romanian Peace Treaties. Statement by the Acting Secretary of State (Webb). June 15, 1949. *Ibid.*, June 26, 1949, pp. 824 ff.
- Special Message of the President to the Senate Transmitting Convention on the Prevention and Punishment of the Crime of Genocide. June 16, 1949. *Public Papers: Truman, 1949*, pp. 291 ff. Report of the Acting Secretary of State (Webb). June 16, 1949. *Bulletin*, July 4, 1949, pp. 844 ff.
- "Force and Freedom": Address by Selden Chapin, former Minister to Hungary, before the Catholic War Veterans, in Houston, Texas. June 17, 1949. *Ibid.*, June 26, 1949, pp. 820 ff.
- The Soviet Union Refuses To Fulfill Commitments on German Prisoners of War. Statement released to the press on June 17, 1949. *Ibid.*, p. 824.
- Message of the President to the Congress Transmitting Reorganization Plan 4 of 1949: National Security Council and National Security Resources Board. June 20, 1949. *Public Papers: Truman, 1949*, pp. 316 ff.
- "Europe as a Bulwark of Peace": Address by Lieutenant General Walter Bedell Smith, former Ambassador to the Soviet Union, at the Conference of Governors, in Colorado Springs, Colorado. June 20, 1949. *Bulletin*, July 4, 1949, pp. 872 ff.
- The Paris Conference of the Council of Foreign Ministers. Communiqué released on June 21, 1949. Statement by President Truman, released on June 21. Statements by the Secretary of State (Acheson) on June 22 and 23. *Ibid.*, pp. 857 ff.
- The United States Will Not Support Membership in the United Nations of States Unwilling to Fulfill Charter Obligations. Statements before the Security Council by the U.S. Representative (Austin). June 21 and 24, 1949. *Ibid.*, July 11, 1949, pp. 13 ff.
- "Where Do We Stand on Point Four?" Address by George V. Allen, Assistant Secretary of State for Public Affairs, before the American Society of Engineering Education, at Troy, New York. June 23, 1949. *Ibid.*, July 4, 1949, pp. 865 ff.
- Special Message of the President to the Congress Recommending Point 4 Legislation. June 24, 1949. *Public Papers: Truman, 1949*, pp. 329 ff.
- Change-Over to Civilian Control of Germany. Summary of major developments, released to the press on June 30, 1949. Charter of the Allied High Commission for Germany. *Bulletin*, July 11, 1949, pp. 22 ff.
- The North Atlantic Treaty. Statements made before the Senate of the United States by Senator Tom Connally on July 5 and Senator Arthur H. Vandenberg on July 6, 1949. Excerpts in *ibid.*, July 18, 1949, pp. 53 ff.

- Special Message of the President to the Congress: The President's Midyear Economic Report. July 11, 1949. *Public Papers: Truman, 1949*, pp. 356 ff.
- Publication of First Volume of *Documents on German Foreign Policy, 1918-1945*, under the Joint Sponsorship of the American, British, and French Governments. Statement released by the Department of State on July 16, 1949. *Bulletin*, August 1, 1949, p. 158.
- "American Leadership in a Great Crusade for Peace": Address by the President in Chicago before the Imperial Council Session of the Shrine of North America. July 19, 1949. *Public Papers: Truman, 1949*, pp. 385 ff.
- Basic Issues on Atomic Energy. Statement before a meeting of the United Nations Atomic Energy Commission by the Deputy U.S. Representative (Osborn). July 20, 1949. *Bulletin*, August 22, 1949, pp. 247 ff.
- Economic Development of Underdeveloped Countries. Statement before the United Nations Economic and Social Council, in Geneva, by the U.S. Representative (Thorp). July 21, 1949. *Ibid.*, August 8, 1949, pp. 170 ff.
- "The Inter-American System in the World Scene Today": Excerpts from an address by Willard F. Barber, Deputy Assistant Secretary of State for American Republic Affairs, at Colgate University. July 23, 1949. *Ibid.*, August 1, 1949, pp. 149 ff.
- Statement by the President Upon Ratification of the North Atlantic Treaty. July 25, 1949. *Public Papers: Truman, 1949*, p. 395.
- Special Message of the President to the Congress on the Need for a Military Aid Program. July 25, 1949. *Ibid.* Statement by the Secretary of State (Acheson) before the House Foreign Affairs Committee. July 28, 1949. *Bulletin*, August 8, 1949, pp. 189 ff.
- Statement by the President on Discussions With the United Kingdom and Canada Regarding Long Range Policy on Atomic Energy. July 28, 1949. *Public Papers: Truman, 1949*, pp. 402 ff.
- Military Assistance Program: 1949. Joint Hearings Held in Executive Session Before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, Eighty-First Congress, First Session, on S. 2388, A Bill To Promote the Foreign Policy and Provide for the Defense and General Welfare of the United States by Furnishing Military Assistance To Foreign Nations. (Executive Hearings Held on July 29, August 2, 5, 10, 11, 12, 16, 23, 24, 25, 26, 29, 30, and 31 and September 8, 9, and 12, 1949; Made Public August 1974.) Historical Series. Committee print.
- Statement by the President Reviewing the Nation's Atomic Energy Program. August 1, 1949. *Public Papers: Truman, 1949*, p. 407.
- United States Asks Bulgaria, Hungary, and Romania To Refer Disputes to Peace Treaty Commissions. Statement released to the press on August 1, 1949. *Bulletin*, August 15, 1949, p. 238.
- United States Rejects Soviet Charges on Italy's Adherence to North Atlantic Treaty. Text of United States note to the Soviet Union, released to the press on August 1, 1949. *Ibid.*
- Testimony Before the House Foreign Affairs Committee on Military Assistance. Statement read into the record on August 2, 1949, and released to the press on August 17. Statements on Aid to Italy, France, and Norway, by the Ambassadors to These Countries (Dunn, Bruce, and Bay). August 5, 1949. *Ibid.*, August 29, 1949, pp. 295 ff.
- Testimony on Military Assistance Program. Statement on Union of Western Europe by the Ambassador to the United Kingdom (Douglas). Statement on Military Aid to Greece by the Ambassador to Greece (Grady). August 2, 1949. *Ibid.*, August 15, 1949, pp. 229 ff.

- Publication of *United States Relations With China, With Special Reference to the Period 1944-1949*. Statement by the President at a press conference. August 4, 1949. *Public Papers: Truman, 1949*, pp. 408 ff. Statement by the Secretary of State (Acheson). *Bulletin*, August 15, 1949, pp. 236 ff.
- "Soviet Reaction Shows Value of Voice of America": Article by George V. Allen, Assistant Secretary of State for Public Affairs, in *Washington Sunday Star*, August 7, 1949. *Bulletin*, August 29, 1949, pp. 310 ff.
- Practical Effects of Proposed Military Assistance. Statement by the Secretary of State (Acheson) before the Senate Foreign Relations Committee and the Armed Services Committee. August 8, 1949. *Ibid.*, August 22, 1949, pp. 264 ff.
- "Economic and Political Forces in Germany": Address by the U.S. High Commissioner for Germany (McCloy). Broadcast on August 9, 1949. *Ibid.*, pp. 270 ff.
- Relation of Private Investment to Point 4 Program. Statement by the Under Secretary of State (Webb) before the Senate Banking and Currency Committee. August 9, 1949. *Ibid.*, pp. 274 ff.
- Statement by the President Upon Signing the National Security Act Amendments of 1949. August 10, 1949. *Public Papers: Truman, 1949*, pp. 417 ff.
- Joint Statement by the President of the United States and the President of the Philippines (Quirino) Following Discussions in Washington. August 11, 1949. *Ibid.*, p. 418.
- "Harmony To Save Succeeding Generations From the Scourge of War": Address by the U.S. Representative to the United Nations (Austin) at the Berkshire Music Festival at Lennox, Massachusetts. August 12, 1949. *Bulletin*, August 29, 1949, pp. 283 ff.
- Answers by the Secretary of State (Acheson) to Questions on the Proposed Military Assistance Program by Representative John Davis Lodge. August 15, 1949. *Ibid.*, September 26, 1949, pp. 476 ff.
- The German Elections: A Victory for Moderation and Common Sense. Statement by the Secretary of State (Acheson), released to the press on August 17, 1949. *Ibid.*, August 29, 1949, p. 303.
- Japanese Participation in International Relations Encouraged. Statement issued by the Department of State on August 18, 1949. *Ibid.*, p. 307.
- The Caribbean Situation. United States Memorandum to the Inter-American Peace Committee. August 18, 1949. *Ibid.*, September 26, 1949, pp. 450 ff.
- Investment of American Private Capital Abroad. Statement by the Under Secretary of State (Webb) before the House Banking and Currency Committee. August 19, 1949. *Ibid.*, August 29, 1949, pp. 305 ff.
- "The International Situation": Address by the Counselor of the Department of State (Kennan), broadcast on August 22, 1949. *Ibid.*, September 5, 1949, pp. 323 ff.
- United States Protests Siege of Consulate General at Shanghai. August 22, 1949. *Ibid.*, September 19, 1949, pp. 440 ff.
- "Voluntary Association Among Free Nations for Security and Liberty": Address by the President in Miami at the Golden Jubilee Convention of the Veterans of Foreign Wars. August 22, 1949. *Public Papers: Truman, 1949*, pp. 431 ff.
- "The Foreign Policy of a Free Democracy": Address by the Ambassador at Large (Jessup), in Miami. August 24, 1949. *Bulletin*, September 5, 1949, pp. 345 ff.
- Department of State Answers Criticisms of the Publication *United States Relations With China*. Statement by the Secretary of State (Acheson). Analysis of Sixteen Charges of "Dishonesty" in the White Paper. August 24, 1949. *Bulletin*, September 5, 1949, pp. 350 ff.

- Statement by the President on the Coming Into Effect of the North Atlantic Treaty. August 24, 1949. *Public Papers: Truman, 1949*, p. 438.
- Statement by the President on the Appointment of Gordon R. Clapp as Chairman of an Economy Survey Mission to the Near East. August 26, 1949. *Ibid.*, pp. 444 ff.
- "International Economic Policy": Address by the President in Philadelphia at the American Legion Convention. August 29, 1949. *Ibid.*, pp. 446 ff.
- Remarks of the President on a "War of Nerves" During the Past Three or Four Years. Press Conference on September 1, 1949. *Ibid.*, p. 457.
- "The Conquering March of an Idea: The Universal Declaration of Human Rights": Address by the Ambassador at Large (Jessup) before the 72d Annual Meeting of the American Bar Association, in St. Louis, Missouri. September 6, 1949. *Bulletin*, September 19, 1949, pp. 432 ff.
- "The Place of UNESCO in American Foreign Policy": Article based on the remarks of George V. Allen, Assistant Secretary of State for Public Affairs, before the first plenary session of the U.S. National Commission for UNESCO, in Washington. September 9, 1949. *Ibid.*, October 3, 1949, pp. 497 ff.
- Tripartite Economic Conference Ends: United States, United Kingdom, and Canada Agree on Measures to Expand Dollar Earnings of Sterling Area. Communiqué issued at Washington on September 12, 1949, with statement issued by the Department of State. *Ibid.*, September 26, 1949, pp. 473 ff.
- Remarks by the President at the Joint Meeting of the International Monetary Fund and the International Bank for Reconstruction and Development. September 13, 1949. *Public Papers: Truman, 1949*, pp. 478 ff.
- Joint Statements on Developments and Problems Facing the United States, the United Kingdom, Canada, France, and Italy. Statements issued on September 13, 14, and 15, following a series of meetings of Foreign Ministers in Washington. *Bulletin*, September 26, 1949, pp. 467 ff.
- "Fourth Anniversary of the United Nations": Address by the Secretary of State (Acheson) before the National Citizens' Committee for United Nations Day. September 15, 1949. *Ibid.*, pp. 455 ff.
- First Meeting of the North Atlantic Council, in Washington. Communiqué issued on September 17, 1949. *Ibid.*, pp. 469 ff.
- "Waging Peace in the Americas": Address by the Secretary of State (Acheson) before the Pan American Society of the United States, in New York City. September 19, 1949. *Ibid.*, pp. 462 ff.
- Bulgaria, Hungary, and Rumania Accused of New Breach of Treaty Obligations. Statement by the Department of State. Released to the press on September 19, 1949. *Ibid.*, October 3, 1949, pp. 514 ff.
- Amendments to Immigration Act Opposed. The Secretary of State (Acheson) to Senator Patrick A. McCarran, Chairman of the Senate Judiciary Committee, on Senate Bill S. 1832, July 15, 1949. Released on September 19, 1949. *Ibid.*, pp. 516 ff.
- "Clarity of UNESCO's Central Purpose Needed in Peacemaking of United Nations": Address by Assistant Secretary of State for Public Affairs George V. Allen, Chairman of the United States Delegation at the Fourth Session of the General Conference of UNESCO, at Paris. September 20, 1949. *Ibid.*, October 10, 1949, pp. 536 ff.
- "U.S. Position on Problems Confronting the Fourth General Assembly": Address by the Secretary of State (Acheson) Before the First Plenary Meeting of the Fourth Session of the U.N. General Assembly. September 21, 1949. *Ibid.*, October 3, 1949, pp. 489 ff.

- Western Germany Begins New Phase of Self-Government. Statement by the Acting Secretary of State (Webb). Released to the press on September 21, 1949. *Ibid.*, p. 512.
- Statement by the President on Announcing the First Atomic Explosion in the Soviet Union. September 23, 1949. *Public Papers: Truman, 1949*, p. 485. Statement by the Secretary of State (Acheson). Released to the press on September 23. *Bulletin*, October 3, 1949, p. 487.
- United States Policy in Indonesia. September 26, 1949. *Ibid.*, September 26, 1949, pp. 447 ff.
- Statement by the President Upon Signing the Trade Agreements Extension Act. September 26, 1949. *Public Papers: Truman, 1949*, pp. 486 ff.
- The Position of Korea in International Affairs Today. Statement by Charles Fahy, U.S. Alternate Representative to the U.N. General Assembly, before the *Ad Hoc* Political Committee. September 29, 1949. *Bulletin*, October 24, 1949, pp. 625 ff.
- U.S. Views on Question of Disposition of Former Italian Colonies. Statement by Ambassador Philip C. Jessup in Committee I of the U.N. General Assembly. September 30, 1949. *Ibid.*, October 17, 1949, pp. 585 ff.
- "Debate on Human Rights—Freedom Can Unite Us": Statement by Benjamin V. Cohen, U.S. Alternate Representative to the General Assembly, before the *Ad Hoc* Political Committee. October 4, 1949, *Ibid.*, October 24, 1949, pp. 617 ff.
- Administration of Trade Agreements Program. Executive Order 10082. October 5, 1949. *Ibid.*, October 17, 1949, pp. 593 ff.
- Statement by the President Upon Signing the Mutual Defense Assistance Act. October 6, 1949. *Public Papers: Truman, 1949*, pp. 500 ff.
- "Care and Resettlement of World's Refugees": Report on Meetings of the International Refugee Organization at Geneva, October 6–20, 1949. *Bulletin*, November 21, 1949, pp. 784 ff.
- Democratic Advance of Western Germany; U.S. Rejects Soviet Interpretation of Events. Statement by the Acting Secretary of State (Webb). Released to the press on October 6, 1949. *Ibid.*, October 17, 1949, pp. 590 ff.
- The Protection of Foreign Interests in Germany. Memorandum by the United States on the Report prepared by the Inter-Governmental Group for the Safeguarding of Foreign Interests in Germany. October 7, 1949. *Ibid.*, pp. 573 ff.
- "The Stake of Business in American Foreign Policy": Remarks by Dean Rusk, Deputy Under Secretary of State, before the Boston Conference on Distribution. October 10, 1949. *Ibid.*, October 24, 1949, pp. 630 ff.
- East German Government Established Through Soviet Fiat. Statement released by the Department of State to the press on October 12, 1949. *Ibid.*, pp. 634 ff.
- Remarks by the President at a Meeting With the Ambassadors to the Council of the Organization of American States. October 12, 1949. *Public Papers: Truman, 1949*, pp. 507 ff.
- U.S. Urges System of Verification in Control of International Agreements. Statement by the U.S. Representative to the United Nations (Austin) before the Security Council. October 14, 1949. *Bulletin*, October 31, 1949, pp. 649 ff.
- "Problems in American Foreign Policy": Address delivered before the Alfred E. Smith Memorial Foundation in New York City, by the Secretary of State (Acheson). October 20, 1949. *Ibid.*, pp. 668 ff.
- The Problem of the Independence of Korea. Statement by Charles Fahy, U.S. Alternate Representative to the General Assembly, in the plenary session on Korea. October 20, 1949. *Ibid.*, November 7, 1949, pp. 694 ff.

- "The United Nations and American Security": Address by Dean Rusk, Deputy Under Secretary of State, before the Commonwealth Club of California in San Francisco, California. October 21, 1949. *Ibid.*, October 31, 1949, pp. 652 ff.
- Address by the President at the Cornerstone Laying of the United Nations Building, New York City. October 24, 1949. *Public Papers: Truman, 1949*, pp. 526 ff.
- "The Department of State: A Reflection of U.S. Leadership": Address by John Peurifoy, Deputy Under Secretary of State, before the Colleton County Press Association in Walterboro, South Carolina. October 24, 1949. *Bulletin*, October 31, 1949, pp. 671 ff.
- International Control of Atomic Energy. Statement by the Representatives of Canada, China, France, the United Kingdom, and the United States of America to the Secretary-General of the United Nations, for transmission to the General Assembly. October 24, 1949. *Ibid.*, November 7, 1949, pp. 686 ff.
- Discussion of the Greek Situation. Statement by Benjamin V. Cohen, U.S. Alternate Representative to the General Assembly, before Committee I. October 27, 1949. *Ibid.*, November 21, 1949, pp. 779 ff.
- Statement by the President Upon Signing the National Military Establishment Appropriation Act. October 29, 1949. *Public Papers: Truman, 1949*, pp. 538 ff.
- The Technical Assistance Program: A Task for Generations. Summary of Remarks by the Secretary of State (Acheson) before the Eleventh Constitutional Convention of the Congress of Industrial Organizations in Cleveland, Ohio. October 29, 1949. *Bulletin*, November 14, 1949, pp. 719 ff.
- "The United States as an Importer in World Economy": Address by the Secretary of State (Acheson) before the convention of the National Foreign Trade Council in New York City. November 2, 1949. *Ibid.*, pp. 747 ff.
- Indonesians Accorded Full Independence. Statement by the Secretary of State (Acheson). Released to the press on November 3, 1949. *Ibid.*, pp. 752 ff.
- No Response From Chinese on Release of Consul General Angus Ward and Staff; text of letter from Consul General O. Edmund Clubb in Peiping to General Chou En-lai. November 3, 1949. *Ibid.*, November 21, 1949, pp. 759 ff.
- "United States-United Kingdom 'Essentials of Peace'; A Challenge to Soviet Sincerity": Statement by the U.S. Representative at the United Nations (Austin) before Committee I. November 14, 1949. *Ibid.*, November 28, 1949, pp. 801 ff.
- "Freedom of the Press—An International Issue": Article by Samuel DePalma. *Ibid.*, November 14, 1949, pp. 724 ff.
- Disposition of Former Italian Colonies: Statement by Ambassador Philip C. Jessup before the plenary session of the United Nations General Assembly. November 18, 1949. *Ibid.*, December 5, 1949, pp. 842a ff.
- Angus Ward Released by Communists; text of a personal message from the Secretary of State (Acheson) to the Foreign Ministers of all countries which have diplomatic or consular representatives in China. November 18, 1949; released by the Department of State on November 23, 1949. *Bulletin*, November 28, 1949, pp. 799 ff.
- "'Stop Communism' is Not Enough; the Problems in the Near East, South Asia, and Africa": Summary of Address by George C. McGhee, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, before the National Convention of the Young Democratic Clubs of America at Chattanooga, Tennessee. November 19, 1949. *Ibid.*, pp. 825 ff.
- "Establishment of Soviet-Sponsored East German Republic": Article by Henry B. Cox. *Ibid.*, November 21, 1949, pp. 761 ff.



- "ECOSOC Action on Social Issues": Article by Savilla M. Simons. *Ibid.*, pp. 765 ff.
- "The Anneycy Conference on Tariffs and Trade": Article by Woodbury Wiloughby. *Ibid.*, pp. 774 ff.
- Remarks by the President to the Delegates at the Food and Agriculture Organization of the United Nations. November 22, 1949. *Public Papers: Truman, 1949*, pp. 573 ff.
- The Chinese Situation in the United Nations. Statement by Ambassador Philip C. Jessup before Committee I of the U.N. General Assembly. November 28, 1949. *Bulletin*, December 12, 1949, pp. 897 ff.
- North Atlantic Defense Communiqué. Released to the press in Paris on December 1, 1949. *Ibid.*, December 19, 1949, p. 948.
- "Propaganda: A Conscious Weapon of Diplomacy": Address by George V. Allen, Assistant Secretary of State for Public Affairs, at Duke University, Durham, N.C. December 10, 1949. *Ibid.*, pp. 941 ff.
- Economic Cooperation Agreement signed with the Federal Republic of Germany. December 15, 1949. Statement released by the Department of State, December 15, 1949. *Ibid.*, December 26, 1949, pp. 982 ff.
- Angus Ward Summarizes Mukden Experiences; telegram received from Consul General Angus Ward aboard the S.S. *Lakeland Victory*. Released to the press on December 15, 1949. *Ibid.*, pp. 955 ff.
- Letter from the President to Pope Pius XII, December 17, 1949; letter from Pius XII to the President, December 20, 1949. Both released on December 23, 1949. *Public Papers: Truman, 1949*, pp. 587 ff.
- "The Office of High Commissioner for Refugees": Article by George L. Warren. *Bulletin*, December 19, 1949, pp. 938 ff.
- Status of Mutual Defense Assistance Program. Statement by the Secretary of State (Acheson). Released to the press on December 21, 1949. *Bulletin*, January 2, 1950, pp. 16 ff.
- "Present Relations with India": Address by Loy W. Henderson, U.S. Ambassador to India, before the Foreign Relations Society at New Delhi. December 23, 1949. *Ibid.*, January 9, 1950, pp. 43 ff.
- Statement by the President on the Occasion of the Independence of Indonesia. December 28, 1949. *Public Papers: Truman, 1949*, pp. 589 ff.
- Joint Statement Following Discussions Between the President and the Shah of Iran. December 30, 1949. *Ibid.*, pp. 590 ff.
- Statement by the President on the United Nations Economic Survey Mission to the Middle East. December 30, 1949. *Ibid.*, pp. 592 ff.

## II. APPOINTMENTS AND TERMINATION OF APPOINTMENTS OF MAJOR OFFICERS OF THE DEPARTMENT OF STATE DURING 1949

The following persons entered on duty on the dates indicated:

- Dean G. Acheson, Secretary of State, January 21, 1949
- James E. Webb, Under Secretary of State, January 28, 1949
- Philip C. Jessup, Ambassador at Large, March 2, 1949
- Dean Rusk, Assistant Secretary of State for United Nations Affairs, February 9, 1949; Deputy Under Secretary of State, May 26, 1949
- John E. Peurifoy, Deputy Under Secretary of State for Administration, May 26, 1949
- Ernest A. Gross, Assistant Secretary of State for Congressional Relations, March 4, 1949
- John D. Hickerson, Assistant Secretary of State for United Nations Affairs, August 8, 1949

- George C. McGhee, Assistant Secretary of State for Near Eastern and African Affairs, June 28, 1949; for Near Eastern, South Asian, and African Affairs, October 3, 1949
- Edward G. Miller, Jr., Assistant Secretary of State for American Republic Affairs, June 28, 1949; for Inter-American Affairs, October 3, 1949
- George W. Perkins, Assistant Secretary of State for European Affairs, August 1, 1949
- W. Walton Butterworth, Assistant Secretary of State for Far Eastern Affairs, September 29, 1949
- Jack K. McFall, Assistant Secretary of State for Congressional Relations, October 15, 1949
- George F. Kennan, Counselor of the Department of State, August 4, 1949
- Adrian S. Fisher, Legal Adviser of the Department of State, June 28, 1949

Appointments of the following persons terminated on the dates indicated:

- George C. Marshall, Secretary of State, January 20, 1949
- Robert A. Lovett, Under Secretary of State, January 20, 1949
- Garrison Norton, Assistant Secretary of State for Transportation and Communications, February 15, 1949
- Charles E. Saltzman, Assistant Secretary of State for Occupied Areas, May 26, 1949
- George V. Allen, Assistant Secretary of State for Public Affairs, November 28, 1949
- Ernest A. Gross, as Legal Adviser, March 3, 1949; as Assistant Secretary of State for Congressional Relations, October 13, 1949
- Charles E. Bohlen, Counselor of the Department of State, August 3, 1949

### III. THE ORGANIZATION, PERSONNEL, AND ACTIVITIES OF THE DEPARTMENT OF STATE AND THE FOREIGN SERVICE

For detailed information on the organization, personnel, and activities of the Department and the Foreign Service, see the *Bulletin* (issued weekly) and the following serial publications of the Department of State:

*The Biographic Register.*

*Documents & State Papers* (published monthly from April 1948 through June 1949 only).

*Foreign Service List.*

*International Information and Education Exchange Program.*

*Report to the Congress on the Lend-Lease Operations, Transmitted by the President.*

For documentation relating to the reorganization of the Department of State, effective October 3, 1949, see *post*, pp. 1 ff.

The names of the principal officers of the Department are also listed in the appropriate editions of the *Congressional Directory* and

the *United States Government Manual*. Information about principal diplomatic agents and Presidential appointees is given in *United States Chiefs of Mission, 1778-1973*, by Richardson Dougall and Mary Patricia Chapman (Washington, Government Printing Office, 1973), with supplement, 1973-1974.

For information on treaties and agreements, see

*Treaties and Other International Agreements of the United States of America, 1776-1949*. By Charles I. Bevans.

*Treaties and Other International Acts Series* (TIAS), published since 1946 as a sequel to the Department of State *Treaty Series* and *Treaties in Force*.

For information on developments in international law, see

*Digest of International Law*. By Marjorie M. Whiteman.

For detailed information on these publications as well as on numerous others of a more specialized character, see *Publications of the Department of State, October 1, 1929 to January 1, 1953* (Washington, D.C., 1954), and *Major Publications of the Department of State: An Annotated Bibliography* (Washington, D.C., 1973).

#### IV. PARTICIPATION OF THE UNITED STATES IN INTERNATIONAL CONFERENCES AND ORGANIZATIONS

In addition to the extensive documentation provided in this volume and in other volumes of *Foreign Relations*, there is systematic coverage of American participation in international conferences and organizations in the *Bulletin, Documents & State Papers*, and in the following other publications of the Department of State:

*United States Participation in the United Nations*. Annual reports by the President to the Congress.

*List of International Conferences and Meetings, With Annotations*.

*Participation of the United States Government in International Conferences, Including the Composition of U.S. Delegations and Summaries of the Proceedings*.

*International Organizations in Which the United States Participates*.

For detailed information on these publications, see the guides listed in the final paragraph of section III, above.

## LIST OF ABBREVIATIONS, SYMBOLS, AND CODE NAMES

EDITOR'S NOTE.—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

- A-, airgram  
ACTA, (Interdepartmental) Advisory Committee on Technical Assistance  
AEC, Atomic Energy Commission  
Amb, Ambassador  
AP, Associated Press  
ARA, Office of American Republic Affairs (after October 3, 1949, Bureau of Inter-American Affairs), Department of State  
ASYG, Assistant Secretary-General of the United Nations  
BC, Division of British Commonwealth Affairs, Department of State  
BNA, Office of British Commonwealth and Northern European Affairs, Department of State  
BOAC, British Overseas Airways Corporation  
BOT, Board of Trade (British)  
BW, Biological Warfare  
C, Office of the Counselor, Department of State  
CCA, United Nations Commission for Conventional Armaments  
CDA, Combined Development Agency  
CDT, Combined Development Trust  
CFM, Council of Foreign Ministers  
CIA, Central Intelligence Agency  
CP, Communist Party  
CP, Division of Commercial Policy (after October 3, 1949, Commercial Policy Staff), Department of State  
CPC, Combined Policy Committee  
CP's, Contracting Parties  
Deltel, Delegation telegram  
DELWU, United States Delegation to the Western Union  
Depcirtel, Department of State circular telegram  
Depinst, Department of State instruction  
Deptel, Department of State telegram  
E, Office of the Assistant Secretary of State for Economic Affairs, Department of State  
ECA, Economic Cooperation Administration  
ECC, European Coordinating Committee  
ECE, Economic Commission for Europe  
ECEFP, Executive Committee on Economic Foreign Policy  
ECOSOC, Economic and Social Council of the United Nations  
EE, Division (after October 3, 1949, Office) of Eastern European Affairs, Department of State  
Emb, Embassy  
ERP, European Recovery Program  
EUR, Office (after October 3, 1949, Bureau) of European Affairs, Department of State  
Eximbank, Export-Import Bank of Washington  
FACC, Foreign Assistance Correlation Committee  
FAO, Food and Agriculture Organization  
FASC, Foreign Assistance Steering Committee  
FBI, Federal Bureau of Investigation, Department of Justice  
FCN, Friendship, Commerce, and Navigation (treaty)  
FE, Office (after October 3, 1949, Bureau) of Far Eastern Affairs, Department of State

XXIV LIST OF ABBREVIATIONS, SYMBOLS, AND CODE NAMES

- FEC**, Far Eastern Commission  
**FMACC**, Foreign Military Assistance Coordinating Committee  
**FonOff**, Foreign Office  
**FSA**, Federal Security Agency  
**FY**, fiscal year  
**G**, Office of the Deputy Under Secretary of State, Department of State  
**GA**, General Assembly of the United Nations  
**GARIOA**, Government and Relief in Occupied Areas  
**GATT**, General Agreement on Tariffs and Trade  
**GOI**, Government of India  
**GSC**, General Staff Corps, United States Army  
**High Jump II**, proposed United States Navy expedition to Antarctica, 1949-1950  
**IADB**, Inter-American Defense Board  
**ICAO**, International Civil Aviation Organization  
**ICITO**, Interim Commission, International Trade Organization  
**IIAA**, Institute of Inter-American Affairs  
**ILC**, International Law Commission of the United Nations  
**ILO**, International Labor Organization  
**IMF**, International Monetary Fund  
**I & NS**, Immigration and Naturalization Service, Department of Justice  
**instr**, instruction  
**ITO**, International Trade Organization  
**ITP**, Office of International Trade Policy, Department of State  
**JCCAE**, Joint Congressional Committee on Atomic Energy  
**JCS**, Joint Chiefs of Staff  
**JIC**, Joint Intelligence Committee  
**KLM**, Royal Dutch Airlines  
**L**, Office of the Legal Adviser, Department of State  
**L/P**, Assistant Legal Adviser for Political Affairs in the Office of the Legal Adviser, Department of State  
**Legtel**, Legation telegram  
**LOC**, line of communication  
**LSD**, low separation diffusion  
**MAP**, Military Assistance Program  
**MB**, Munitions Board  
**MDAP**, Mutual Defense Assistance Program  
**MIC**, Subcommittee on Military Information Control, State-Army-Navy-Air Force Coordinating Committee  
**MFN**, most favored nation  
**MLC**, Military Liaison Committee  
**MSC**, Military Staff Committee of the United Nations Security Council  
**NAC**, National Advisory Council on International Monetary and Financial Problems  
**NAP**, North Atlantic Pact  
**NAT**, North Atlantic Treaty  
**NEA**, Office of Near Eastern and African Affairs (after October 3, 1949, Bureau of Near Eastern, South Asian, and African Affairs), Department of State  
**NEI**, Netherlands East Indies  
**NME**, National Military Establishment  
**NOE**, Division of Northern European Affairs, Department of State  
**NSC**, National Security Council  
**NSRB**, National Security Resources Board  
**NWC**, Division (after October 3, 1949, Office) of North and West Coast Affairs, Department of State  
**OAS**, Organization of American States  
**OEEC**, Organization for European Economic Cooperation  
**OEX**, Office of Educational Exchange, Department of State  
**OFD**, Office of Financial and Development Policy, Department of State  
**OIR**, Office of Intelligence Research, Department of State  
**OIR/GE**, Special Adviser on Geography, Office of Intelligence Research, Department of State  
**OSR**, Office of the United States Special Representative in Europe under the Foreign Assistance Act of 1948  
**P**, Assistant Secretary of State for Public Affairs, Department of State

LIST OF ABBREVIATIONS, SYMBOLS, AND CODE NAMES XXV

- P**, series indicator for telegrams from the Commander in Chief of the United States Forces in Austria
- PA**, Office of Public Affairs, Department of State
- PCA**, Policy Committee on Arms and Armaments, Department of State
- PL**, Public Law
- PPS**, designation for documents by the Policy Planning Staff, Department of State
- R**, Office of the Special Assistant for Intelligence, Department of State
- RAC**, Executive Committee on Regulation of Armaments
- RAF**, Royal Air Force (British)
- R & DB**, Research and Development Board
- RFC**, Reconstruction Finance Corporation
- RPA**, Division of River Plate Affairs, Department of State
- S**, Office of the Secretary of State
- S/CFA**, Coordinator for Foreign Military Assistance Programs, in the Office of the Secretary of State
- S/MDA**, Office of the Mutual Defense Assistance Program, Department of State
- S/P**, Policy Planning Staff, Department of State
- S/S**, Executive Secretariat, Department of State
- SA/M**, Special Assistant to the Secretary of State (Press Relations)
- SANACC**, State-Navy-Air Force Coordinating Committee
- SC**, Security Council of the United Nations
- SCAP**, Supreme Commander for the Allied Powers in Japan
- SCC**, Interdepartmental Committee on Scientific and Cultural Cooperation
- Super**, the thermonuclear weapon; the H-Bomb
- SWNCC**, State-War-Navy Coordinating Committee
- SYG**, Secretary-General
- TA**, trade agreement
- TAG**, Technical Assistance Working Group, Department of State
- TCA**, Technical Cooperation Administration, Department of State
- tel**, telegram
- TIAS**, Treaties and Other International Acts Series
- Torep**, series indicator for messages to the United States Special Representative in Europe under the Foreign Assistance Act of 1948
- TRC**, Office of Transport and Communications (after October 3, 1949, Office of Transport and Communications Policy), Department of State
- U**, Office of the Under Secretary of State
- UM**, designation for documentation circulated in the Under Secretary of State's Meetings
- UMT**, Universal Military Training
- UN**, United Nations
- UNA**, Office (after October 3, 1949, Bureau) of United Nations Affairs, Department of State
- UNAEC**, United Nations Atomic Energy Commission
- UNRRA**, United Nations Relief and Rehabilitation Administration
- UNS**, Division of International Security Affairs, Department of State
- urtel**, your telegram
- USA**, United States Army
- USAEC**, United States Atomic Energy Commission
- USAF**, United States Air Force
- USDel**, United States Delegation
- USJCS**, United States Joint Chiefs of Staff
- USN**, United States Navy
- USPoIAd**, United States Political Adviser
- UST**, *United States Treaties and Other International Agreements*
- USUN**, United States Mission at the United Nations; also Usun, series indicator for telegrams from the United States Mission
- WHO**, World Health Organization
- WP**, Working Party



## REORGANIZATION OF THE DEPARTMENT OF STATE, 1949 <sup>1</sup>

Department of State Administrative Files <sup>2</sup>

*Statement by the Secretary of State Before the House Committee on  
Foreign Affairs* <sup>3</sup>

[WASHINGTON, March 11, 1949.]

The President in a Message to the Congress has called attention to the increased functions and responsibilities which have been assigned to the Department of State since the war and has outlined the general changes he has approved in the organization of the Department.<sup>4</sup>

The members of this Committee and of the Committee on Foreign Relations of the Senate know first-hand the problems to which the President has referred. The Legislative Committees and the Appropriations Committees of the House and Senate on several occasions have expressed their concern with the need for revision in the general organization of the United States Government for the conduct of foreign relations.

A number of improvements in the organization of the Department were made by Secretary Marshall <sup>5</sup> and Mr. Lovett.<sup>6</sup> These changes were made to deal with urgent requirements. In addition, a year ago a comprehensive plan for the reorganization of the Department was developed under their direction by Mr. Peurifoy.<sup>7</sup>

This plan, after being generally approved by the President, was made available to the Commission on the Organization of the Executive Branch of the Government. A Task Force of the Hoover Commission, headed by Mr. Harvey H. Bundy and Mr. James Grafton Rogers, both former Assistant Secretaries of State, with the advice of Mr. Henry L. Stimson,<sup>8</sup> reviewed and generally endorsed this plan in

<sup>1</sup> For information on the reorganization of the Department of State which occurred in 1944, see *Foreign Relations*, 1944, vol. 1, p. 1525 (editorial note).

<sup>2</sup> Lot 54D291, consolidated administrative files of the Department of State, 1949-1960.

<sup>3</sup> Secretary Acheson presented this testimony in executive session.

<sup>4</sup> For the text of President Truman's message to Congress, March 4, 1949, transmitting suggestions on foreign relations policy and the transfer of certain powers to the Secretary of State, see Department of State *Bulletin*, March 13, 1949, p. 333.

<sup>5</sup> George C. Marshall, Secretary of State, January 1947-January 1949.

<sup>6</sup> Robert A. Lovett, Under Secretary of State, July 1947-January 1949.

<sup>7</sup> John E. Peurifoy, Assistant Secretary of State for Administration.

<sup>8</sup> Secretary of War, May 1911-March 1913 and January 1940-September 1945; Secretary of State, March 1929-March 1933.



their report to the Commission.<sup>9</sup> As a member of the Commission, I participated in the consideration of the Task Force Report. The Commission adopted a report accepting the basic plan with a few modifications.<sup>10</sup>

Both Mr. Webb<sup>11</sup> and I have now had an opportunity to review the Department's reorganization plan and the Hoover Commission Report in the light of actual operating experience in the Department. With some slight modifications in these plans which Mr. Peurifoy will explain, we have directed that the reorganization of the Department be undertaken.

I would like to say just a word about some of the things we hope to accomplish through the proposed reorganization of the Department. Our primary objective is, of course, to improve the work of the Department. That work includes an extraordinary number of complex functions and relationships.

The Department of State is the principal staff arm of the President in the conduct of foreign affairs. One of the principal tasks of the Department is to advise and make recommendations to the President. In this connection the Department is not the only agency of the Government that is concerned with the formulation of our foreign policy. The Department must consult with and advise other departments and agencies of the Government, both with respect to the formulation of policy and in administering foreign policy.

To perform these functions the Department must be organized internally in a manner that will produce the best results with the least expenditure of time and effort. The report of the Hoover Commission calls attention to certain existing organizational defects now present in the Department. These defects include obscure lines of authority, the lack of an adequate number of top level assistants with a consequent burden thrown upon the Secretary and Under Secretary, the resultant absence of good staff work, and the slowness with which decisions are reached. We propose to correct these faults.

In any reorganization of the Department it is a fundamental that the Secretary of State should be in full command of the Department and the Foreign Service so that the line of authority from the Secretary to the Under and Assistant Secretaries to subordinate officials in the Department and overseas is clear and unmistakable. The bill before you will remove the ambiguous language in the Foreign Service Act

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<sup>9</sup> *Task Force Report on Foreign Affairs Prepared for the Commission on Organization of the Executive Branch of the Government, January, 1949* (Washington: Government Printing Office, 1949).

<sup>10</sup> *Foreign Affairs: A Report to Congress by the Commission on Organization of the Executive Branch of the Government, February, 1949* (Washington: Government Printing Office, 1949).

<sup>11</sup> James E. Webb, the Under Secretary of State.

of 1946<sup>12</sup> to which attention was called by the Hoover Commission, and clearly establish the authority of the Secretary.

In order to fix responsibility clearly we propose to simplify the structure of the Department. We intend to establish four bureaus organized on a regional basis, each headed by an Assistant Secretary. These Assistant Secretaries, together with the Assistant Secretary for International Organization Affairs, will be the officers to whom the bulk of action responsibility will be assigned.

The proposed legislation would give us an adequate number of Assistant Secretaries, in addition to the Counselor and the Legal Adviser, to make it possible to reduce the burden now carried by the Under Secretary and the Secretary. Those top level officers would also give the Department the personnel necessary to perform the staff work which the Commission has stated is inadequate. In order to provide the advisory and staff services which are needed, the reorganization plan calls for three Assistant Secretaries—for Economic and Social Affairs, Congressional Relations, and Public Affairs. It also calls for a Legal Adviser, a Counselor who will also be Planning Adviser, and a Special Assistant for Intelligence. I will look to these officers for long-range planning and recommendations. In this way, I hope to stay on top of our foreign policy responsibilities, and not be forced to improvise on a piece-meal basis.

I believe the proposed basic organization will handle our work more expeditiously. For example, the proposed organization will eliminate the necessity of trying to determine whether an action matter is political or economic. Under the present organization, action matters may find their way to two different types of unit, one political and one economic, each reporting to a different head. As the Hoover Commission has pointed out, the present arrangement often results in prolonged and time consuming efforts at getting clearances and concurrences between various offices, with the result that there is some duplication of work, and responsibility is not clearly fixed.

With reference to the administrative side of the Department, we hope to bring about certain improvements by integrating management of personnel and budgetary matters, to cite but two illustrations, thereby eliminating a certain duplication of effort and confusion.

We do not know as yet how much, if any, will be saved in the way of personnel or money as the result of the reorganization. As I have already said our immediate objective is to create a better operating mechanism. As the Hoover Commission indicated in its report, it will be difficult to calculate the immediate savings, but I hope substantial savings may come from having a more efficient Department that is better suited to meet its responsibilities in the conduct of our foreign relations.

<sup>12</sup> 60 Stat. 999.

Certain changes have already been made in the Department's organization which are consistent with the recommendations of the Hoover Commission. We have designated an Assistant Secretary for Congressional Relations; we have created an Assistant Secretary for United Nations Affairs; we have abolished the posts of Assistant Secretaries for Political Affairs, Occupied Areas Affairs, and Transportation and Communications; and we have established an Office of German and Austrian Affairs by merging the staffs in the economic, political, and information offices concerned with Germany and Austria. In addition, we are preparing detailed staff plans for putting the other recommended changes into effect. To accomplish this, we must have the legislation before you today.<sup>13</sup>

The reorganization of the Department along the lines I have described will complete what we consider to be phase one of our total job. The Hoover Commission has stated that, in their opinion, the personnel in the permanent State Department establishment in Washington and the personnel of the Foreign Service above certain levels should be amalgamated over a short period of years into a single Foreign Affairs Service obligated to serve at home or overseas and constituting a safeguarded career group administered separately from the general Civil Service. Although the Department of State in general agrees with the views expressed by the Hoover Commission and supports the recommendation, it is recognized that the reorganization of the Department and the amalgamation of the two services are separate problems. The amalgamation of the two services will require further study before final recommendations can be made. Until these studies are completed, it will not be possible to present carefully developed proposals for achieving amalgamation. We have begun such studies and I expect to complete them before the next session of Congress.

<sup>13</sup> Pursuant to the Secretary's request, Congress approved Public Law 73, 81st Congress, May 26, 1949; for text, see 63 Stat. 111, or Department of State *Bulletin*, June 26, 1949, p. 835.

Department of State Administrative Files

*Study Prepared by Mr. Marshall P. Jones of the Office of Operating Facilities*

[Extract]

[WASHINGTON, August 19, 1953.]

## ORGANIZATION OF THE DEPARTMENT OF STATE

### A SUMMARY OF POST-WAR REORGANIZATION PROPOSALS AND MAJOR ORGANIZATIONAL CHANGES

*The 1949 reorganization of the Department.* The appointment of Dean Acheson, a member of the Commission and former Under Secre-

tary of State, to succeed General Marshall as Secretary of State, together with the appointment of James E. Webb, former Director of the Bureau of the Budget, as the new Under Secretary, gave impetus to the Department's own plans for reorganization.

It appointed three task forces: Task Force No. 1 was charged with the making of detailed recommendations affecting the reorganization of the central administrative and consular offices of the Department, in accordance with the principles laid down in the Peurifoy Plan. Five working groups were established to study and make recommendations concerning the Office of the Director General of the Foreign Service, the budget and management functions, the personnel functions, the general services functions and the consular services functions.

The reorganization took effect as of May 15, 1949. It accomplished the objectives which had been proposed in the Bureau of the Budget report, the Peurifoy Plan and the Hoover Report in that it unified the Department of State activities relating to the administration of the Department and the Foreign Service. The Office of the Foreign Service as a separate entity was dissolved and its functions distributed largely among the Offices of Management and Budget, Office of Operating Facilities and the Office of Personnel. These three offices, together with the Office of Consular Affairs, comprised the main operating structure of the administrative areas of the Department. At the same time a significant proportion of the work of the administrative area which could be decentralized was assigned, together with staff, to the new regional bureaus which had evolved as a result of the work of the Department's reorganization Task Force No. 2.

Reorganization Task Force No. 2 was commissioned to prepare recommendations concerning the functions of the substantive areas of the Department. The procedure followed by Task Force No. 2 was to assure that the principles laid down in the report of the Hoover Commission were to have the strongest presumption of validity in that they should hold good except where in tests of practical application to concrete situations a departure from those principles was clearly warranted.

The Task Force thereupon established working groups to develop a test pattern for a hypothetical Latin-American regional bureau to which maximum action responsibilities would be given, including economic and public affairs as well as political matters and which would have its relationships to the over-all functional units spelled out. When this test pattern had been developed and reviewed by the steering committee of the task force it was submitted to three working groups, for the other three regional bureaus, for examination and recommendation from the point of view of their areas. As a result of these activities the steering committee came forth with its recommendations on the functions and relationships of a typical regional

bureau. The same process was used in developing a pattern of recommendations for the location of action responsibility for economic, public affairs, international organization and intelligence matters.

The recommendations of Reorganization Task Force No. 2 were accepted on the whole and put into effect on October 3, 1949.

In the meantime, Public Law 73, 81st Congress, 1st Session, had been enacted (May 26, 1949). This vested in the Secretary of State full authority over both the Department and the Foreign Service and authorized the appointment of ten Assistant Secretaries. This Act of Congress provided the legal basis for implementing the reorganization of the Department except insofar as any amalgamation of the personnel services of the Department and the Foreign Service was concerned.

The reorganization of the Department, therefore, was substantially as originally recommended in the Peurifoy Plan and modified by the Hoover Commission with two exceptions: The Special Assistant for Press Relations was not transferred to the P area, and the amalgamation of the personnel services has not yet been accomplished. A chart showing the organization of the Department as of October 3, 1949 is appended hereto.<sup>1</sup>

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<sup>1</sup> Not reproduced.

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#### *Editorial Note*

Additional information regarding the organization of the Department of State appears in the appropriate volumes of Department of State *Bulletin*, the *United States Government Organization Manual*, and the *Official Register of the United States*. For a description of the reorganization of the Department of State during 1949, see James L. McCamy, *The Administration of American Foreign Affairs* (New York: Alfred A. Knopf, 1950), Chapter III.

UNITED STATES POLICY AT THE UNITED NATIONS WITH RESPECT TO THE REGULATION OF ARMAMENTS AND COLLECTIVE SECURITY: THE INTERNATIONAL CONTROL OF ATOMIC ENERGY; REGULATION OF CONVENTIONAL ARMAMENTS; EFFORTS TOWARD AGREEMENTS PLACING ARMED FORCES AT THE DISPOSAL OF THE SECURITY COUNCIL <sup>1</sup>

Department of State Disarmament Files <sup>2</sup>

*Memorandum by Mr. John C. Ross, Deputy to the United States Representative at the United Nations (Austin), to the Deputy United States Representative to the Security Council (Jessup)*

[NEW YORK,] January 4, 1949.

STAFF MEETING,<sup>3</sup> TUESDAY, JANUARY 4, 1949

The entire staff of the Mission present in New York met this morning for a general round-up in anticipation of your return.

1) Mr. Noyes <sup>4</sup> gave a general status report on the active cases pending on the Security Council agenda. I shall not report more fully on these items since they will be discussed in greater detail with you.

2) General Osborn <sup>5</sup> gave a status report on the work of the Atomic Energy Commission and the Commission on Conventional Armaments. With regard to the former, Mr. Osborn summarized the Assem-

<sup>1</sup> Continued from *Foreign Relations*, 1948, vol. I, Part 1, pp. 311-505. For documentation on aspects of United States policy with respect to atomic energy other than international control, see pp. 419 ff. For documentation on United States national security policy, see pp. 249 ff. Regarding the international control of atomic energy, see Richard G. Hewlett and Francis Duncan, *Atomic Shield, 1947-1952*, volume II of *A History of the United States Atomic Energy Commission* (University Park, Pennsylvania: Pennsylvania State University Press, 1969).

<sup>2</sup> Lot 58D133, a consolidated lot file in the Department of State containing documentation on regulation of armaments and disarmament, 1942-1962.

<sup>3</sup> Information regarding personnel at the United States Mission at the United Nations is contained in documentation on organization and arrangements for the conduct of United States relations with the United Nations, vol. II, pp. 1 ff.

<sup>4</sup> Charles P. Noyes, Adviser, United States Mission at the United Nations.

<sup>5</sup> Frederick H. Osborn, Deputy United States Representative to the United Nations Atomic Energy Commission and Commission for Conventional Armaments. Warren R. Austin, United States Representative at the United Nations, was formally U.S. Representative to both the UNAEC and the CCA. Osborn, however, usually represented the U.S. on those commissions and was the ranking official at the United States Mission concerned with their work on a day-by-day basis.

bly action and indicated the views of General McNaughton<sup>6</sup> which he said he felt we should support. These views may be described very briefly as follows:

a) The plan for the effective international control of atomic energy developed after nearly three years of work and approved by the Assembly<sup>7</sup> should not be changed although there may be some pressure for example, from the French or British to change this plan. On the contrary, this plan as approved by the Assembly, should be maintained intact; the remaining objective being to get Russian acceptance of the plan, if it is possible.

b) The plan referred to above is perhaps not as clear to as many people as it ought to be. General McNaughton feels, therefore, that the work of the Atomic Energy Commission for the next two or three months should be devoted to drawing together in a single UN document "The Plan" of UN for the control of atomic energy, which plan would then be public and used as a basis for the discussions with the Russians contemplated by the GA Resolution.

3) Mr. Osborn outlined the objective of the Commission for Conventional Armaments as the development of a plan for providing information on armaments and the verification of such information as contemplated by the GA Resolution.<sup>8</sup> The objective of the United

<sup>6</sup> Gen. Andrew G. L. McNaughton, Permanent Canadian Representative at the United Nations; Representative to the Atomic Energy Commission and the Commission for Conventional Armaments.

<sup>7</sup> On November 4, 1948, the General Assembly adopted Resolution 191(III), which approved the General Findings (part II C) and Recommendations (part III) of the First Report of the United Nations Atomic Energy Commission and the Specific Proposals of part II of the Second Report of the Commission "as constituting the necessary basis for establishing an effective system of international control of atomic energy. . . ." The resolution also requested the six sponsors of General Assembly Resolution 1(I) of January 24, 1946, establishing the United Nations Atomic Energy Commission (United States, United Kingdom, Soviet Union, France, China, and Canada), to consult in order to determine if, in view of their prevailing lack of unanimity, there existed a basis for agreement on international control of atomic energy. Resolution 191(III) also called upon the Atomic Energy Commission to resume its sessions and proceed with further study.

For the full text of Resolution 191(III), November 4, 1948, see *Foreign Relations, 1948*, vol. I, Part 1, p. 495. For the text of the First Report, see United Nations, *Official Records of the Atomic Energy Commission, First Year, Special Supplement, Report to the Security Council (1946)* (hereafter cited as AEC, 1st yr., Special Suppl.). For text of the Second Report, see United Nations, *Official Records of the Atomic Energy Commission, Second Year, Special Supplement, The Second Report of the Atomic Energy Commission to the Security Council, September 11, 1947* (hereafter cited as AEC, 2nd yr., Special Suppl.). For the text of Resolution 1(I), January 24, 1946, see *Foreign Relations, 1945*, vol. II, pp. 822-824, or United Nations, *Official Records of the General Assembly, First Session, First Part, Resolutions Adopted by the General Assembly during the First Part of the First Session*, p. 9 (hereafter cited as GA (I/1), Resolutions).

<sup>8</sup> On November 19, 1948, the General Assembly adopted Resolution 192(III), which recommended that the Security Council continue to study the regulation of conventional armaments through the agency of the Commission for Conventional Armaments, with first attention to be devoted to the formulation of proposals for the receipt, checking, and publication of information to be supplied by members of the United Nations with regard to their effectives and their conventional armaments. The Security Council was invited to report to the Assembly no later than its next regular session (fall, 1949) on the effect given to the above recommendation. For the text of Resolution 192(III), see *Foreign Relations, 1948*,

States should be the development of a plan which the United States could comply with. This did not mean that we would be obliged to give information on all aspects of our armaments. Mr. Osborn stressed that the assistance of the military was essential in this regard. Admiral Hewitt<sup>9</sup> indicated that the Military Staff Committee representatives and their staff were available to give whatever assistance might be required. General Crittenberger<sup>10</sup> indicated that he has assigned Col. Townsley (who was in Paris)<sup>11</sup> to this work. Mr. Osborn stressed that while the assistance of the Military Staff Committee people attached to the Mission, was very important, the problem was essentially one of organizing the work in Washington, who for example, would be responsible for getting the agreement of the three services to any plan which the United States might support. It was pointed out that the reduction of armaments committee<sup>12</sup> on which the three services as well as the State Department are represented, would normally have this responsibility. Gen. Harmon<sup>13</sup> observed that decision by the Joint Chiefs would be required. It was agreed that General Osborn and the representatives on the Military Staff Committee would work closely together to get this organizational and procedural problem ironed out.

4) Admiral Hewitt gave a summary of the work of the Military Staff Committee, emphasizing the stalemate that exists in this area of our work.<sup>14</sup> This stalemate is perhaps best exemplified by the fact that

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vol. I, Part 1, p. 503. For information on the establishment and terms of reference of the Commission for Conventional Armaments, see *ibid.*, 1947, vol. I, pp. 327 ff.

<sup>9</sup> Adm. H. K. Hewitt, United States Naval Representative to the Military Staff Committee of the United Nations Security Council.

<sup>10</sup> Lt. Gen. W. D. Crittenberger, United States Army Representative to the Military Staff Committee.

<sup>11</sup> Col. C. P. Townsley, Staff Member, United States Delegation to the Military Staff Committee; Adviser, United States Delegation to the Third Regular Session of the General Assembly, Paris, September–December 1948.

<sup>12</sup> Reference is to the Executive Committee on Regulation of Armaments (RAC). This interdepartmental committee was responsible for the formulation, development, and coordination of United States policy with respect to the international control of atomic energy and the regulation of armaments. For information on the establishment and terms of reference of the Executive Committee, see *ibid.*, pp. 327 ff. The records of this committee are contained in the Department of State Disarmament Files.

<sup>13</sup> Lt. Gen. H. R. Harmon, United States Air Force Representative to the Military Staff Committee.

<sup>14</sup> Under Article 43 of the United Nations Charter, all members undertake to make available to the Security Council, in accordance with agreements to be negotiated, armed forces and facilities necessary for the maintenance of international peace and security. On February 16, 1946, the Security Council directed the Military Staff Committee to "examine from a military point of view the provisions of Article 43 and to submit the results of the study and any recommendations to the Council in due course". For documentation on the unsuccessful efforts of the Military Staff Committee to implement Article 43, see *ibid.*, 1948, vol. I, Part 1, pp. 311 ff.



the Committee meets every two weeks, approves the minutes of the previous meeting and adjourns.

Commenting on Gen. McNaughton's query, concerning the desirability of SC discussion of the General Principles applicable to the Article 43 forces (see memo of conversation with Harry Lewis),<sup>15</sup> Admiral Hewitt noted confidentially and personally that he was not sure how pleased we would be if the Russians should suddenly turn around and accept the general principles agreed upon by the majority as the basis for further work by the Military Staff Committee.

Gen. Osborn made the observation as a "kibitzer" that in his opinion the UN was not yet ready for the contingent forces contemplated in Article 43. On the other hand, the idea of the need for these armed forces in order to enforce UN decisions, was firmly rooted in the public mind, particularly in this country. Mr. Osborn doubted the possibility of making any substantial progress toward the provision of these forces under present circumstances, but if there were any possibility of such progress this would be far preferable to the idea of a UN "police force" which might start with 500 or 1000 men and then grow.

I observed that the concept of providing the organized world community with the armed forces necessary to carry out its decisions was firmly established; the question, therefore, was not whether we would have such force, but the question of timing and tactics. I intended to share the opinion that in the present stage of the development of the UN, with particular reference for example, to the current phases of the Indonesian and Palestinian cases, it was doubtful whether the UN would employ such armed forces, if they were available. It also seemed doubtful whether in the present state of world affairs, we could hope to make very much progress in the direction of establishing forces contemplated in Article 43. On the other hand, we should not lose any opportunity to make whatever progress might be possible. It was particularly important in my opinion, that the public understand as fully as possible just what is going on. For this reason, I was somewhat inclined to favor the idea raised by Gen. McNaughton.

Gen. Harmon observed that he felt that while the forces contemplated by Article 43 were desirable, if somewhat utopian, there was no likelihood of getting these forces set up in the present state of the world and in the UN.

Gen. Crittenberger referring to Gen. McNaughton's idea, expressed the view that the SC action to break the deadlock in the MSC, with particular reference to the Committee's procedures, would be useful.

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<sup>15</sup> General McNaughton was President of the Security Council during January. The memorandum of conversation with J. H. C. Lewis of the Permanent Canadian Delegation at the United Nations is not printed.

He thought it would be useful to bring out in public what actually has been going on in the MSC. Not only are the Committee proceedings conducted in secret, but none of the representatives on the Committee are free to discuss the subject.

Our representatives on MSC had been discussing this matter among themselves with a view to preparing a paper on this subject. I asked Admiral Hewitt if we could have this prepared by next Tuesday as a basis for a meeting with you. If we could agree on a Mission paper, this could then be sent to Washington as recommended course of action.

Mr. Noyes pointed out that before raising this question in the SC, we should be sure that we were in agreement with the British, French and Chinese in order to get out on top in the SC propaganda-wise.

[Here follows discussion of other subjects.]

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501.BC/1-649 : Telegram

*The Acting Secretary of State to the United States Representative  
at the United Nations (Austin)*

SECRET

WASHINGTON, January 6, 1949—7 p. m.

5. Dept does not favor SC consideration at this time of Article 43 agreements or Statute and Rules of Procedure of MSC.

The Security Council consideration of this was stalled in the summer of 1947 by the Soviet position that acceptance of its views on principles was a prerequisite to starting negotiation of agreements. Under present circumstances there does not appear to be any likelihood that this position of the Soviet Union can be changed. It is believed, therefore, that consideration of the question at this time would result in exacerbation of world conditions without any corresponding gain towards the ultimate objective, and would divert SC from more constructive work.

Dept doubts wisdom or necessity of diverting SC attention from more important matters to consideration MSC Statute and Rules at this time. Such diversion might have the undesirable effect of focusing attention on Article 43 question.

For your information only, there is serious reservation as to whether it would be advantageous to the US to press for the implementation of Article 43 at this time, and whether the US could in fact make available armed forces at this time. Under these circumstances, SC discussions now definitely undesirable.

LOVETT

USUN Files<sup>1</sup>

*Memorandum by the Deputy United States Representative to the  
Commission for Conventional Armaments (Osborn)*<sup>2</sup>

[NEW YORK,] January 7, 1949.

To: Admiral H. K. Hewitt, USN  
General W. D. Crittenger, U. S. Army  
General H. R. Harmon, U. S. Air Force  
United States Mission to the United Nations

Subject: CCA

With your intimate knowledge of the situation here, I believe I should inform you of the urgency of the work in the CCA.

I am Chairman of the Commission this month and it will be meeting not later than the week beginning January 17th.

The Commission has a new mandate from the General Assembly under which it will formulate plans for an international agency whose sole function at first will be to receive information on arms and armaments verified on the spot and publish it. Before we start on this work the question will arise as to whether we should first complete the unfinished business of the Commission. This unfinished business consists of sending to the Security Council an interim report which includes the Commission's resolution on item 2 of the plan of work.<sup>3</sup> This resolu-

<sup>1</sup> Files of the United States Mission at the United Nations.

<sup>2</sup> The file copy bears the initial of Warren R. Austin, United States Representative at the United Nations.

<sup>3</sup> For the text of the Plan of Work adopted by the Commission for Conventional Armaments on June 18, 1947, and approved by the Security Council on July 8, 1947, see United Nations, *Official Record of the Security Council, Second Year, Supplement No. 14*, p. 142 (hereafter cited as SC, *2nd yr., Suppl. No. 14*). The plan consisted of six points: 1) terms of reference, 2) general principles, 3) safeguards, 4) practical proposals for regulation and reduction of armed forces, 5) extension of the system to non-United Nations members, 6) submission of a report or reports to the Security Council.

At the time that it approved its Second Report, S/C.3/32/Rev. 1, August 18, 1948, not printed, the Commission for Conventional Armaments decided that the document would become final in the absence of requests for reconsideration prior to September 15. On September 14, Yakov Alexandrovich Malik, Soviet Representative to the CCA, informed the Chairman of the Commission that his Delegation could not accept the report. The CCA was unable to meet to consider possible revision due to the fact that the General Assembly was to convene in Paris on September 21. The Second Report of the CCA was therefore not transmitted to the Security Council in 1948. For information on the work of the CCA in 1948, see documentation on regulation of armaments in *Foreign Relations, 1948*, vol. 1, Part 1, pp. 311 ff. The records of the Commission for Conventional Armaments are not published as a body in the Official Records of the United Nations. The mimeographed records of United Nations organs, including those of the CCA, are available in United Nations Depository Libraries.

tion has already been approved by the Commission by a vote of 9 to 2. It provides, among other things, that the regulation and reduction of armaments can only be effected in an atmosphere of international confidence, of which one of the essential conditions is the international control of atomic energy.

We have already voted this resolution, but we have not sent it to the Security Council and until we do we can always change our minds and reverse our vote, though this might be difficult. I myself have very serious doubts as to whether we want to advise the Security Council that a reduction in the Russian arms can only take place after we have destroyed all of our atomic weapons and the means of producing them. It seems to me that the decision to take this position arose out of conditions existing two or more years ago and which no longer apply. I feel so strongly about this that I hesitate to carry out my previous instructions unless I am specifically advised that they apply equally to the present situation.

I have asked Mr. Elliott <sup>4</sup> to take this matter up in the RAC and get a reply from the Services before the 17th of January. Anything you can do towards expediting this matter will be greatly appreciated.

The next matter to come up will be of the same nature. After the first two or three meetings, the CCA will undoubtedly start actual work to carry out the mandate of the General Assembly. If before that time I am clearly informed as to the position of the United States, which of course will be determined almost wholly by the decision of the Services, I will be in a position to conduct an intelligent negotiation with some hopes of obtaining U.S. objectives. If, however, I am without instructions during the period when this work begins to take form, we can give much less assurance that the form the work takes will be in the long run acceptable. This matter is also being put before the RAC by Mr. Elliott, and I would greatly appreciate anything you can do to speed up the decision.

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<sup>4</sup> John C. Elliott of the Division of International Security Affairs, Department of State; Acting Chairman of the Executive Committee on Regulation of Armaments.

Department of State Disarmament Files

*Memorandum of Conversation, by Messrs. Frederick H. Osborn and Charles H. Russell of the United States Mission at the United Nations*

CONFIDENTIAL

[NEW YORK,] January 19, 1949.

US/S/C.3/9<sup>1</sup>

Subject: Commission for Conventional Armaments and Atomic Energy Commission

Participants: General McNaughton, Mr. Ignatieff,<sup>2</sup> Mr. Starnes, Canadian Delegation  
 Baron de la Tournelle,<sup>3</sup> M. de Rose,<sup>4</sup> French Delegation  
 Sir Terence Shone,<sup>5</sup> Mr. Cole,<sup>6</sup> United Kingdom Delegation  
 Mr. Frederick Osborn, United States Mission  
 Mr. Donald Leith, Division of International Security Affairs, Department of State  
 Mr. Charles Russell, United States Mission

1. *Commission for Conventional Armaments*

A meeting was held at the office of General McNaughton on January 18 to discuss the work of the Commission for Conventional Armaments and the Atomic Energy Commission.

General McNaughton said that he had just received a letter from the Secretary-General transmitting the text of the resolution adopted by the General Assembly on disarmament<sup>7</sup> and requesting him, as President of the Security Council, to bring it to the attention of the Security Council. General McNaughton said that he would arrange

<sup>1</sup> Document numbers on memoranda of conversation and records of meetings at the United Nations which appear in this compilation often bear document numbers supplied by the United States Mission. The date on each document bearing a USUN designation indicates the date on which the conversation or meeting was held, rather than the date on which the memorandum was circulated at USUN (often a subsequent date). The source texts for such documents frequently are located in the Department of State Disarmament Files or the Department of State Atomic Energy Files (Lot 57D688). However, copies of papers bearing USUN designations also exist in the master files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State (IO Files).

<sup>2</sup> George Ignatieff, Alternate Canadian Representative to the Atomic Energy Commission and the Commission for Conventional Armaments.

<sup>3</sup> Guy de la Tournelle, Alternate French Representative at the United Nations; Alternate Representative to the Commission for Conventional Armaments.

<sup>4</sup> François de Rose, Alternate French Representative to the Atomic Energy Commission.

<sup>5</sup> Deputy to the Permanent British Representative at the United Nations; Alternate British Representative to the Atomic Energy Commission and the Commission for Conventional Armaments.

<sup>6</sup> David L. Cole, Adviser, Permanent British Delegation to the United Nations.

<sup>7</sup> Reference is to Resolution 192 (III) ; see footnote 8, p. 8.

to have this item placed on the agenda at the first opportunity; he would, as soon as authorized, transmit it to the President of the Commission for Conventional Armaments.

The question of when the first meeting of the Commission should be held was then discussed. Mr. Osborn thought that it would be desirable for him to call a meeting while he was President this month. Sir Terence Shone said that his Government was not yet prepared to submit concrete proposals and had suggested that the calling of a meeting be deferred. He said that there was no particular urgency. Mr. Osborn dissented from this view, in so far as the matter of urgency was concerned, and emphasized the fact that the first meeting would be largely procedural and that what he wanted to do was to ask the various delegations to obtain the views of their governments and then notify the President when they were ready to proceed. It was agreed that Mr. Osborn would arrange for a meeting late this month or early next month. In the latter event, the calling of a meeting would be binding upon his successor in the Presidency.

The question of the agenda was then discussed with particular reference to the proposed 1948 interim report of the Commission for Conventional Armaments to the Security Council, which failed to go forward because of Mr. Malik's letter of September 14, 1948.<sup>8</sup> Representatives of all the delegations present expressed the view that the question of adopting the progress report at this time was relatively unimportant. The resolutions on items 1 and 2<sup>9</sup> had already been adopted and it was only a question of when it would be most useful to send them to the Security Council. General McNaughton felt that they could be used appropriately when the Commission for Conventional Armaments reports on its work of this winter. Representatives of all the delegations present emphasized the fact that while they were speaking only for themselves and had no instructions from their governments, they would all prefer to take no action upon the report at this time, and to proceed without undue delay to the implementation of the resolution of the General Assembly.

It was felt that it was essential for the delegations represented at the meeting to exchange information before submitting concrete proposals to the Commission. It was suggested that possibly joint pro-

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<sup>8</sup> See footnote 3, p. 12.

<sup>9</sup> For text of the resolution approved by the CCA on item 1 of its Plan of Work (terms of reference), see *Foreign Relations*, 1948, vol. 1, Part 1, p. 311, footnote 3. For the text of the resolution adopted on item 2 (general principles), see United Nations, *Official Records of the General Assembly, Fourth Session, Supplement No. 2, Report of the Security Council to the General Assembly*, p. 7 (hereafter cited as GA (IV), *Suppl. No. 2*), or Department of State *Bulletin*, August 29, 1948, p. 267.

posals might be submitted at such time as the views of the governments represented at the meeting had been ascertained. It was agreed that the delegations represented at the meeting should meet from time to time in New York and keep in close touch with each other.

## 2. Atomic Energy Commission

It was the consensus of opinion that it would be inadvisable to ask for a meeting until the Canadian, Chinese [*French,*] United Kingdom and United States Delegations were given ample opportunity to exchange views among themselves as to the most useful course to be followed in the Commission. Regret was expressed that there would be no Belgian Representative this year.

Mr. Osborn suggested that the Secretariat prepare a working paper setting out the Plan of the United Nations Atomic Energy Commission as adopted by the General Assembly, putting it in sequent form, and with an appendix consisting of the General Considerations of the Second Report, and of the Third Report.<sup>10</sup> He showed a draft of what he had in mind.<sup>11</sup> This idea was well received. It was pointed out that the Secretariat could be requested to do this work only by the Commission, and that Norway might suggest it.

The consensus of opinion was that the Commission would have thoroughly to explore the possibility of further work on the uncompleted parts. Mr. Osborn suggested the possibility of beginning the work with Organization and Staffing. M. de Rose referred to the Six Power consultations. It was the consensus of opinion that the work of the Commission should be brought to a definite stage before the Six Power consultations should be called. It was agreed by all those present that it was important for the representatives of the delegations mentioned above to meet frequently in New York. A meeting of the same groups is to be held at the United States Mission on next Monday morning, January 24, at 10:30 o'clock, to consider how to handle the Atomic Energy debate, and what subjects to take up when the Commission meets.

FREDERICK OSBORN  
CHARLES RUSSELL

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<sup>10</sup> The Third Report is published as United Nations, *Official Records of the Atomic Energy Commission, Third Year, Special Supplement, The Third Report of the Atomic Energy Commission to the Security Council, May 17, 1948* (hereafter cited as AEC, 3rd yr., *Special Suppl.*), and as Department of State Publication 3179 (July 1948).

<sup>11</sup> Not identified.

Department of State Disarmament Files

*Memorandum of Conversation, by Messrs. Donald M. Leith and  
Charles H. Russell*

CONFIDENTIAL  
US/AEC/26

[NEW YORK,] January 24, 1949.

Subject: Work of the Atomic Energy Commission

Participants: General McNaughton and Mr. Starnes, Canadian  
Delegation  
Dr. Wei,<sup>1</sup> Chinese Delegation  
M. de Rose, French Delegation  
Sir Terence Shone, Mr. Lawford<sup>2</sup> and Mr. Cole,  
United Kingdom Delegation  
Mr. Osborn and Mr. Russell, United States Mission  
Dr. Donald Leith, Division of International Security  
Affairs, Department of State

At a meeting held today at the United States Mission, M. de Rose said that the Six Power consultations might or might not accomplish useful results. He did not regard it as improbable that they might not. He thought that if we could not expect useful results, we must at least achieve tactical results. He advocated submitting to the Six Power consultations a set of simple principles which would cover all the essentials required for a control plan, but which would simplify the discussion. The Commission in the past had worked upwards from technical details to principles; he suggested working from principles downwards in the hope of reaching agreement within the framework of the principles. If, for example, the Soviets agreed to adequate forms of inspection, then when the project for aerial surveys was raised the Soviet would be either bound to agree to such surveys or in rejecting them suffer a tactical defeat. Summarizing his viewpoint on the consultations, M. de Rose gave the following examples of what he called principles: (a) a control system must apply to all phases of production and new research, (b) even the peaceful applications of atomic energy cannot be freely developed by nations, but must be under the control of the agency.

He suggested asking the Soviet representatives whether they would cooperate in this approach; he thought that we would achieve substantial advantage if they would. If the Soviets refused to accept these principles we would so report and improve our tactical position.

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<sup>1</sup> Dr. H. R. Wei, Chinese Representative to the Atomic Energy Commission.

<sup>2</sup> V. G. Lawford, Alternate British Representative to the Commission for Conventional Armaments.



M. de Rose stated his belief that this new approach would in no way weaken the plan, or the agreement of the majority on the plan. He added that if this suggestion did not coincide with the views of the majority, the French Government might in any event make proposals along these lines in the Six Power consultations.

M. de Rose stated that he had expressed these views in a private capacity but under his own name in an article in the January issue of the "Bulletin of the Atomic Scientists".<sup>3</sup>

On the question of the work of the Commission, M. de Rose felt that the Commission was more or less committed to the Third Report. The Third Report had stated that considerations of such matters as the topics listed as A.3(a) through A.3(e) in the Second Report should not be taken up until agreement had been reached on the previous topics on the list which dealt with the functions of the agency. However vague the mandate of the General Assembly was, the work of the Commission must go on. The General Assembly had taken note of the impasse which existed in the Commission, but had told the Commission to continue its work.

In view of this M. de Rose suggested that the Commission take up political matters: first quotas and then stages. Quotas was the only subject to which the U.S.S.R. had referred sympathetically. He asked why the Commission should not take up these two subjects, although he realized that to discuss stages raised a delicate question for the United States and led to the question of when the United States would give up its secrets and when the U.S.S.R. would permit inspection. We must be able to show the fourth General Assembly that the Soviet proposals for two simultaneous treaties or conventions, and by the same token their proposals on stages, were not in line with reality or did not make sense.

M. de Rose emphasized that the problem of stages was primarily one of security which would involve sacrifices, be a matter of give and take. It was clear that the Soviet proposals were over-simplified. He felt that the Commission should study this question and that the United States should see how far it could go. The study might reveal that the United States could not go very far. He stated, in conclusion, that it was important to take up quotas and stages if for no other reason than to be able to demonstrate clearly to the fourth General Assembly the real impossibility of going further in the negotiations at the Commission level. He felt that we had not demonstrated this clearly enough so far and that if we did not do so during the coming year, we faced the danger of having a new mandate from the Assembly to go back and again explore the problem, and this might be repeated year after year.

<sup>3</sup> François de Rose, "The Atomic Energy Debate at Paris: A French Appraisal," *Bulletin of the Atomic Scientists*, January 1949, p. 9.

In connection with M. de Rose's final remarks, Mr. Osborn said that if a discussion of stages were necessary or desirable it would still be possible to discuss the matter in general terms without involving ourselves in security questions. He pointed out, for example, that the Soviet statement on stages, namely that there could be prohibition before control, and their later statement that there might be two simultaneous conventions, made no sense in terms of the realities of the situation. The only reasonable interpretation on stages would be that "no prohibition would be effective until a corresponding control had come into force". In other words, every step of control was a step toward prohibition.

When M. de Rose raised the question of whether a schedule of stages could be set up, Mr. Osborn replied that he considered this highly unlikely. He stated that he doubted very much if such information would be obtainable under present political conditions.

M. de Rose again raised the question of what the other delegations thought the Commission should do. He repeated, what he had said before, that he thought no useful purpose would be served in dealing with such matters as organization, staffing and financing, whereas quotas and stages would be "practical and useful". The other subjects would not.

Sir Terence Shone stated that the United Kingdom Government considered that organization would be the best thing to discuss, even if nothing came of it.

Mr. Leith expressed the view that the tactics suggested by M. de Rose in one sense appeared to run counter to the Resolution of November 4 regarding the consultations and the meetings of the Commission. He added that whereas M. de Rose appeared to believe that the highly political questions of quotas and stages should be discussed in the Commission and only the simplified versions of principles discussed in the consultations (such discussions of the principles being bound to lead back once more to technical matters), the Resolution might more directly be interpreted as implying that the consultations should deal with the political aspects of the impasse, whereas the meetings of the Commission should deal with the program of work. The latter interpretation also gained strength from the fact that if any real agreement with the Soviets on the political level were at all possible, the best forum for bringing about such agreement would be in the closed meetings of the consultations rather than in the open meetings of the Commission.

Dr. Wei said that the General Assembly in approving the reports had altered the situation existing last summer and had left the Commission free to take up what seemed best. He thought that it was desirable to explore the subject of quotas but that stages was dangerous and presented particular difficulties for the United States. He

suggested that it might be desirable to begin by preparing for the Six Power consultations; he felt that legally the Commission was in a position to do anything it wished.

General McNaughton agreed that quotas was the best subject to begin with and that the first step should be to ask the U.S.S.R. to give their views. The General Assembly clearly wanted the United Nations Atomic Energy Commission kept together and in being. General McNaughton had felt in Paris that the Commission was in duty bound to do the best it could. The work would be partly technical but would provide the background for the Six Power consultations later.

Mr. Osborn agreed with General McNaughton as to the obligation to continue the work of the Commission. He spoke of the Soviet attitude on all world questions and the fact that it was dividing the world. He felt that the time would come when the Soviet Union would have to reassess its whole situation and that we should keep in a good negotiating position for that time without at the same time placing the Soviets in such an unfavorable position that [we] would be unable to negotiate when the more favorable time arrived. He added that he personally thought well of the suggestion to ask the Soviet representatives what they meant and thought about quotas; he was not in favor of taking up stages.

M. de Rose again referred to his original statement and suggested taking up principles. If this was unsuccessful it was then immaterial what the Commission took up, but if the principles were accepted, the Commission could then try to "work down" in search of agreement.

After further discussion, Mr. Osborn proposed the following procedure:

(a) to call a meeting of the UNAEC to discuss the question of the work which the Commission could do which would be both "practical and useful" before calling the Six Power consultations, and

(b) to discuss in the UNAEC the misinterpretations of the plan expressed by the U.S.S.R. in the debates in the General Assembly.

He made the point that the Commission could thus attempt to clarify the situation and that such clarification might be expected to take as much as six weeks of the Commission's time. Such a program would have the advantage, first of postponing the period when quotas would have to be discussed, and second of freeing the sponsoring powers of any charges that they were adopting delaying tactics.

General McNaughton agreed with Mr. Osborn that the Commission should meet soon. He felt that the first thing that the Commission should do would be to review the situation in the Commission as of the time of its last meeting and to clarify points of apparent misunderstanding in regard to the plan which not only the Soviets, but

other delegations in the General Assembly, had evidenced. He thought that the simplified general principles proposed by M. de Rose might be most useful, and he suggested that M. de Rose prepare a paper on these general principles.

General McNaughton's program might be summed up in the following terms:

- (a) the Commission must meet soon;
- (b) it must clarify such parts of the plan as are still generally misunderstood; and
- (c) it must set forth in simple terms the principles basic to the plan.

General McNaughton added that the question of the consultations should not be raised in the discussions in the Commission, that steps were being taken by the Secretary-General which would lead to a program for the consultations. Mr. Osborn agreed, and withdrew his earlier reference to the work of the Commission in relation to the Six Power consultations.

With reference to the consultations, the suggestion was made that the representatives of the various governments in the UNAEC have preliminary talks and advise their governments as to the general views expressed and, if possible, of any consensus of opinion arrived at. Some of those present felt that this was not a matter which the representatives at the UNAEC level could properly discuss in any detail, but rather that it was a matter on which high level decisions must be reached by the respective governments. The French delegate however reemphasized his view that whether or not the individual governments should attempt to arrive at a decision on this matter at a high political level, it would be useful to have an exchange of views between the representatives on the Commission. He again expressed doubt as to whether meetings of the Commission should precede the Six Power consultations.

On the question of calling an early meeting of the Commission, General McNaughton and Mr. Osborn were in favor. Sir Terence Shone stated that the United Kingdom Delegation were not ready, and M. de Rose stated that the French Delegation were opposed until the views of their own and other governments were clarified. General McNaughton stated that the Commission could not face world public opinion without calling a meeting soon and doing something. He felt it important that the Commission should proceed. M. de Rose agreed that the clarifying process previously suggested by General McNaughton could proceed in the Commission while the governments were determining their positions. There was no dissent from this view.

DONALD LEITH

CHARLES H. RUSSELL

## Department of State Disarmament Files

*Minutes of the Ninety-fifth Meeting of the Executive Committee on Regulation of Armaments, at the Department of State, January 26, 1949, 10:30 a. m.*

SECRET

RAC M-95, Rev. 1

PRESENT

## Members:

*Department of State*Dean Rusk,<sup>1</sup> Chairman, succeeded by John C. ElliottHenry L. Abbott,<sup>2</sup> Acting Executive Secretary

John L. Kuhn, Acting Secretary

*Department of the Army*

Lt. Col. H. A. Gerhardt

*Department of the Navy*

Capt. Robert H. Wilkinson

*Department of the Air Force*

Brig. Gen. P. M. Hamilton

## USUN

Mr. Frederick Osborn, Deputy U.S. Representative on the  
UNAEC

## Consultants:

*Department of State*R. Gordon Arneson<sup>3</sup>

Joseph Chase

Howard C. Johnson

Donald M. Leith

James M. Ludlow

Trevor W. Swett

*Department of the Navy*

Lt. Comdr. Elmore P. Higgins

*Department of the Air Force*

Major J. M. Wilson

*Minutes of Meeting Held January 12, 1949<sup>4</sup>*

Action was deferred on the minutes of the meeting held January 12, 1949.

*Discussion of International Control of Atomic Energy*

Mr. Osborn stated that during recent informal meetings of representatives of friendly delegations of the AEC divergent views have

<sup>1</sup> Director of the Office of United Nations Affairs.

<sup>2</sup> Staff Member, Division of International Security Affairs.

<sup>3</sup> Special Assistant to the Under Secretary of State for atomic energy policy. James E. Webb succeeded Robert A. Lovett as Under Secretary on January 27, 1949.

<sup>4</sup> Not printed.

been expressed with respect to the future work of the Commission. On the one hand there appears to be a desire on the part of some of the delegations to proceed with the discussion of some of the remaining items in the Plan of Work, such as "organization", "quotas", and "stages", while on the other hand some of the delegates, notably General McNaughton, feel strongly that the Commission should devote its first efforts to the preparation of a "layman's" edition of the two Commission reports approved by the General Assembly on November 4, 1948. Such an edition would present by subject matter and in consolidated form the GA approved portions of the First and Second Reports of the AEC utilizing only the exact language of the AEC reports with titles provided for the text. Mr. Osborn was of the opinion that the need for such a rewrite could be established by having one of the new members of the Commission, notably Mr. Moe<sup>5</sup> of Norway, make the suggestion that such a presentation be prepared by the UN Secretariat.

Mr. Osborn stated that it would be desirable, in anticipation of general debate of the broad political and technical considerations remaining to be discussed in the work plan, for this Government to be prepared to discuss some of the topics remaining before the Commission. He suggested that if it should prove necessary to give further direction to the discussions in the Commission, a suitable basis for the Government's position might be provided by the views expressed by Mr. Leith in the meeting in New York on January 24, 1949<sup>6</sup> to the effect that organization and staffing would be the one of the remaining topics which could best be discussed.

Mr. Arneson held that there were dangers involved in further development of the plan as now approved so long as there were no likelihood of Soviet cooperation. He felt that the differences of opinion that might arise in further elaboration of the approved plan, while healthy as indicators of honest differences and sincerity of purpose on the part of the majority delegations, might serve to compromise the strength of the position now held by the majority.

Mr. Rusk felt that it would not be desirable to enter into a discussion of a subject which might make a break in the majority in support of the plan.

General Hamilton supported Mr. Arneson's position. He considered it a dangerous course to undertake further development of the majority plan at this time as it would probably be interpreted as a method of breaking the impasse on the fundamental issues of control. He felt that such a course could only lead to a weakening of the majority position; and that our position is clear that nothing constructive can be achieved in the field of atomic energy control until there is a change

<sup>5</sup> Finn Moe, Norwegian Representative to the Atomic Energy Commission and Alternate Representative to the Commission for Conventional Armaments.

<sup>6</sup> Memorandum of conversation, *supra*.

in Soviet attitude. Our support of the General Assembly Resolution should not be taken as evidence of a change in our position, since our decision to accord such support was based only on tactical grounds.

Mr. Osborn expressed the opinion that it would be better to concentrate on the work at the Commission level prior to the commencement of consultations by the Sponsoring Powers.

Mr. Rusk emphasized the importance of not scheduling the consultations in relation to the next session of the General Assembly in April,<sup>7</sup> lest, as a result of the consultations, the problem of atomic energy might be raised again at that session. There was general agreement that the consultations should take place after the April General Assembly session, or at any rate at a late enough date to prevent the problem from arising in the GA before its next regular session.

#### *Future Work of the Commission for Conventional Armaments*

Mr. Osborn expressed the opinion that the General Assembly Resolution of November 19, 1948, calling for a census of armed forces and conventional armaments and verification of the information collected, provided the United States with an extremely favorable opportunity, resulting entirely from action independently initiated by other nations, to test the willingness of the Soviet Union to cooperate in any steps leading towards disarmament, and if the Soviet Union would not cooperate, to demonstrate clearly to the world the insincerity of the Soviet disarmament proposals. Mr. Osborn felt that in order to take full advantage of this opportunity, this Government should formulate and transmit to him within the next ten days its position concerning the information to be called for by the census. Mr. Osborn hoped that by discussing the U.S. position with representatives of other friendly nations before their governments had formulated positions of their own, he would be able to get the support of those governments for our plan or something very close to it. Mr. Osborn said that he need not be informed initially of the full scope of the information for which the census should call but that he considered it most important that he receive initial instructions before the governments of friendly CCA Delegations had independently formulated and adopted divergent positions.

The Committee then proceeded to consider RAC D-34a<sup>8</sup> and RAC D-9/8.<sup>9</sup> After discussing the manner in which these papers should be

<sup>7</sup> The second part of the Third Regular Session of the General Assembly was scheduled to meet in New York in April to complete action on those agenda items not disposed of during the first part of the Third Session held in Paris, September-December 1948.

<sup>8</sup> Document RAC D-34a is not printed; for text of a revised version, RAC D-34e, March 2, see p. 33.

<sup>9</sup> RAC D-9/8, January 14, "U.S. Position on Reporting and Verification of Conventional Armaments and Armed Forces", a draft submitted by the Alternate Navy Member for the consideration of the Committee, is not printed.

revised, and after agreeing to meet the following day to continue its discussion, the Committee adjourned.

501.BC Atomic/1-3149

*Memorandum of Conversation, by Messrs. G. Hayden Raynor<sup>1</sup> and Donald M. Leith<sup>2</sup>*

SECRET

[WASHINGTON,] January 31, 1949.

Subject: Nature of Forthcoming Atomic Energy Consultations

Mr. Denis Allen<sup>3</sup> called this afternoon at his request.

1. Mr. Allen said that he had just received a dispatch from the Foreign Office which indicated that the Foreign Office was somewhat concerned over the reports it had received of the conversation among the Delegates of the United States, the United Kingdom, Canada, and France, held on Monday, January 24, 1949, in New York. The British Representative had reported to his Government that the United States was apparently proposing that the consultations required by paragraph 3 of the GA atomic energy resolution of November 4 be turned into a broad discussion of the major problems involved in the East-West split, and held on a high level. Concern was also expressed about some reference to a "heart-to-heart" talk with Malik, the Soviet Representative; the British feel this would not be the way to handle the Russians. On the other hand, it was the U.K. view (concurred in by Mr. Bevin<sup>4</sup>) that the consultations should be restricted to atomic energy.

2. Mr. Allen was told that the conversation in New York had been entirely exploratory. The views exchanged were personal views of the representatives of the different Governments describing various alternate courses of procedure in an endeavor to arrive at some consensus as to what should be done next, such views to be relayed to the respective Governments to assist them in making up their minds as to a program for the atomic energy discussions.

4. Mr. Allen was further assured that even the informal views of the U.S. Representative as to the nature of the consultations apparently had been rather exaggerated as they were reported to London. The general line taken by the U.S. Representative had simply been that, while the problems discussed must all be closely related to atomic

<sup>1</sup> Special Assistant to the Director of the Office of European Affairs, John D. Hickerson.

<sup>2</sup> Staff Member, Division of International Security Affairs.

<sup>3</sup> Counselor, British Embassy.

<sup>4</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.



energy, it might be impossible to "determine whether a basis for agreement exists" unless there were some further exploration of the security problem, at least to the extent of asking the Soviets what were the *real* reasons they could not accept the majority plan. In other words, we should give them a chance, as perhaps we had never done fully, to state what measures they believed would give them adequate security. At the same time we could make a similar statement as to our general security needs. Such an approach would not involve an across-the-board discussion of all the problems dividing the East and West, nor would it be more than exploratory in nature in preparation for some such high-level consultations as the CFM. Mr. Allen was assured that these thoughts also had been expressed personally and informally in an exploratory way and should not be considered as expressions of U.S. Government positions.

5. With reference to Paragraphs 2 and 4, to underline the point that the views expressed in the New York conversations should not be interpreted as U.S. Government positions, Mr. Allen was informed that no top-level review of U.S. policy in this field had taken place since the passage of the U.N. resolution.

6. Mr. Allen was told that there was considerable support in this Government for the view that the Commission should resume its activities within the next few weeks, and that its initial work should be a survey of its program of work, including an attempt to dispel misconceptions concerning details of the UN control plan remaining in the minds of the Soviets and some other Delegations, as suggested by General McNaughton, the Canadian Representative. Mr. Allen was informed, however, that such a consensus did not yet represent an official Government position.

7. Mr. Allen was assured that we had no intention of taking any action on so important a subject as atomic energy without keeping the British informed and without a full exchange of views as to the desirability of any particular course of action.

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Department of State Disarmament Files

*The Deputy United States Representative at the United Nations Atomic Energy Commission (Osborn) to the Director of the Office of United Nations Affairs (Rusk)*

CONFIDENTIAL

NEW YORK, February 1, 1949.

DEAR MR. RUSK: On my first reading of Mr. de Rose's memorandum, "Principles Relative to Control of Atomic Energy which Might Serve

as a Base for the Six-Power Consultations",<sup>1</sup> copy of which is enclosed herewith, I have the following comments:

1. Analyzing his statement of principles, they seem on this reading pretty sound as statements of principle, except for principle No. IV. It seems to me that the way this principle is stated would take us clear back to some of the various debates in the first meetings of the Commission. It could easily be interpreted to mean that a system of national ownership, development and operation would be acceptable for most dangerous operations (de Rose says: "in some cases this (control) can only be arrived at through management"). If we ever appear willing to reopen the question of national ownership and operation versus international ownership, it seems to me we would indefinitely delay the negotiations. Personally, I cannot believe that if governments own and operate any of the steps from the time ore is taken out of the ground until it is actually sold in the form of electrical power, we would ever escape from continuing international rivalries. Any form of agency which had the job of telling governments what to do would, it seems to me, be a constant source of friction and suspicion.

2. While principles I, II, III, V and VI are more clearly and strongly stated, the same general criticism applies to them as well. It took the Commission two years to explain in the clearest form it could just what was meant by the principles laid down in the First Report. To try and state all this over again now in six paragraphs of a few lines each, seems to me to throw away all the clarity which was gained by the Commission in two years of work.

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<sup>1</sup> The memorandum, received from de Rose on January 27, is not printed. An English translation of the six principles contained therein, prepared in the Department of State and transmitted to the United States Mission, read as follows:

I—Control of atomic energy and prohibition of manufacture, stockpiling and use of atomic weapons are inseparable whether they are established through one or several international instrument[s].

II—Decisions concerning production and use of atomic energy can not be left to the individual will of nations. Participating countries must agree to a world wide policy and plan of cooperative development and write it down in a treaty. (The plan would include quotas for the allocations of dangerous materials and facilities.)

III—Control must apply to the entire nuclear industry. It must also apply to raw materials prospectons and scientific research.

IV—Control must be of such nature that it allows at all time to keep track and as accurate accounting as technical developments permits of materials in dangerous quantities or qualities. In some cases this can only be arrived at through management. Control must be exercised by international personnel responsible to an international body.

V—No security can be achieved if nations can permanently seal off some portion of their territories from international control.

VI—Each disposition of the treaty which will prohibit a particular activity to nations and persons will come into force as soon as the International organ is discharging the functions which, according to the treaty, are designed to protect the signatory powers against the dangers of violation and evasion in this particular respect. (USUN Files)

3. Our experience with the Soviet negotiations is that in every case they seem to reach agreement with other nations on principles, and then when the details are left to subordinates to work out, the other nations find that the Soviet interpretation of principles is entirely different from the interpretation of the other nations. The negotiations then break down and the Soviet point to the fact that it was they who made the original agreement and then accuse the other nations of having gone back on it. It seems to me that experience indicates this is what would happen if these "principles" were used as the basis for the consultations. It would be impossible to keep material of this sort from the press in the long run, even if the consultations were held on a closed basis.

4. My own feeling would be that if the consultations are to be based on a discussion of the proposed international agreement for the control of atomic energy, it would be much better to start with the actual plan as approved by the General Assembly and argue out the meaning of the various sections and why they were necessary, and then to clarify the uncompleted portions of the plan in a way which might satisfy the Soviet of the honesty of intent of the others. However, I do not think the Soviet wants to be satisfied of the good intent of other nations.

5. My own feeling has always been that work and discussions on an international treaty should stay in the hands of the Atomic Energy Commission, and that the discussion in the consultation should, as suggested in the Third Report, attempt to "find through prior consultation that there exists a basis for agreement on the international control of atomic energy." I have always connected this up in my mind with the words in the preceding paragraph of the Third Report, "let alone their acceptance of the nature and extent of participation in the world community required of all nations in this field." I think that the consultations should be on the question of Soviet participation in the world community and what that would require of them in this field. If the Soviet Union could give some concrete evidence of their desire for such participation, then the Commission could proceed with its discussion in a more realistic way.

6. Mr. de Rose recommends that the consultations be held before the meetings of the Commission. My view agrees with that of General McNaughton that it would be better to hold the Commission meetings first and see how far we can go. It is evident that the question of whether the Commission should hold its meetings first or the consultations should be held first depends a good deal on the decision as to the field which would be covered in the consultations. If the sponsoring powers were to adopt the method proposed by Mr. de Rose it would be reasonable to hold the meetings of the sponsoring powers first. But if the method adopted is to be more along the lines I have suggested,

it would be more reasonable to have the meetings of the Commission held first and see how far they can get before calling the consultations.

7. We beg to request the views of the State Department in this matter at the earliest possible date, so that the thinking of the others will not get too far out of line.

Yours sincerely,

FREDERICK OSBORN

501.BC/2-349: Telegram

*The Secretary of State to the United States Representative at the United Nations (Austin)*

SECRET

WASHINGTON, February 3, 1949—8 p. m.

56. For Austin. Re revival Sov demands for disarmament possibly impending in forthcoming SC consideration of GA resolution Nov 19, 1948, following confirms understanding reached conversation Osborn with Leith on Feb 2<sup>1</sup> and unless you have other views which you wish to discuss with Dept US position in SC on GA resolution should be based thereon:

(a) GA has already considered question and has called upon SC through CCA to take specific measures in this field; what is now required is detailed study.

(b) It is now up to Sov Union to cooperate with other members of CCA to give effect to GA resolution and not continue obstruct armaments work by repeating demands already considered and rejected by overwhelming majority UN membership.

(c) Any "new" Sov proposals on disarmament should likewise be submitted CCA for consideration under appropriate item of its plan of work.

(d) US will give its active support toward speedy implementation of GA resolution by CCA.

Dept believes reply to Soviets should be made if possible same meeting as Sov statement in order to counter propaganda impact caused by delay in answering.

ACHESON

<sup>1</sup>No record of this conversation has been found in the files of the Department of State.

501.BC Atomic/2-849: Telegram

*The Secretary of State to the United States Representative at the United Nations (Austin)*

SECRET

WASHINGTON, February 8, 1949—12 noon.

64. 1. Only concern of Dept re early meeting AEC is that prior to formulation of formal US position on work of Commission, this Govt might become committed to a position later found to be out of harmony with US position.

2. If in your judgment interim program proposed by Osborn and McNaughton, namely, publication of new booklet on plan, followed by clarification of misunderstandings of plan expressed in GA, can be carried through without prejudice to future program of Commission or consultations you may in your discretion ask for early meeting of Commission.

ACHESON

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*Editorial Note*

At its 407th Meeting, February 8, the Security Council considered General Assembly Resolution 192(III) (for text, see *Foreign Relations*, 1948, volume I, Part 1, page 503) which had been transmitted by the Secretary-General. Malik, the Soviet Representative, opened discussion by introducing a resolution, S/1246/Rev. 1, which called for the Commission for Conventional Armaments to prepare a plan for the reduction by one-third of the armaments and armed forces of the five permanent members of the Security Council; called for the Atomic Energy Commission to submit to the Security Council draft conventions on prohibition of atomic weapons and on international control of atomic energy; and required all permanent members of the Council to submit full data on their armed forces and armaments, including atomic weapons. For the text of the Soviet draft resolution, see United Nations, *Official Records of the Security Council, Fourth Year, No. 10*, pages 2-4 (hereafter cited as SC, *4th yr., No. 10*), or Department of State, *Documents on Disarmament 1945-1959* (Washington: Government Printing Office, 1960), volume I, pages 191-193.

Ambassador Austin immediately expressed the opposition of the United States to the Soviet resolution. He characterized the proposal as an attempt to revive a variety of proposals which had already been rejected by the General Assembly, and as largely irrelevant to General Assembly Resolution 192(III) which was the object of the Council's consideration. He urged that Resolution 192(III) be transmitted to the Commission for Conventional Armaments for implementation. For the text of Austin's remarks, see SC, *4th yr., No. 10*, pages 5-9.

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501.BB/2-949: Telegram

*The Secretary of State to the United States Representative at the United Nations (Austin)*

CONFIDENTIAL

WASHINGTON, February 9, 1949—7 p. m.

67. For Austin. Dept is of opinion that your remarks in SC re the Soviet proposal constitutes an excellent and thorough reply to the

Soviet resolution, which appears to include nothing new of substance.<sup>1</sup> Prompt referral of the General Assembly resolution, therefore, is in order.

You might wish to consider the advisability of a further short statement especially in the event of further Slav statements. The following points might be helpful in the preparation of such a statement:

(a) The US has fully considered the resolution.

(b) It was clearly understood in the GA that it is useless to have members report their armed forces and conventional armaments as long as it is clear that the Soviet Union is unwilling to open up its country to the extent necessary for verification of this information.

(c) It is for this reason that the GA called upon the CCA to devote its first attention to formulating proposals for the receipt, checking and publication of information to be supplied by member states of their effectives and their conventional armaments. If the Soviet Union desires to move forward in this respect, it must present an earnest of such desire through cooperation with the other members of the CCA in the development of proposals in respect to the Mandate of the GA.

(d) The Soviet position on the prohibition of atomic weapons has been debated at great length at the recent session of the GA. In adopting the plan of the AEC for the international control of atomic energy and elimination from national armaments of atomic weapons the GA expressed deep concern that unanimous agreement had not been reached. Only the Soviet Union and 5 other states within its orbit prevented such unanimity. If the Soviet Union desires control of atomic energy and elimination of atomic weapons from national armaments the GA has clearly pointed the way—acceptance of the UN plan of control.

Subject of course to the situation, you might wish to consider advisability of working with other friendly delegations in an effort to obtain prompt SC reference of the GA resolution to CCA thus obviating the necessity for extended discussion of substance of question in SC.

SC should take no action which could be interpreted as any degree of support for the Soviet resolution. It should not of course, be referred by SC to CCA, in whole or in part.<sup>2</sup>

<sup>1</sup> See editorial note, *supra*.

<sup>2</sup> At its 408th Meeting, February 10, the Security Council adopted a United States proposal that General Assembly Resolution 192(III) be transmitted to the Commission for Conventional Armaments. The vote was nine to zero with two abstentions (the Soviet Union and the Ukraine). At the same meeting, the Soviet Union proposed that its draft resolution, S/1246/Rev. 1, be transmitted to the CCA. In support of this proposition, the Soviet Representative presented a lengthy exposition with a view to establishing that the United States had embarked on a policy of warmongering and aggression. The motion for transmittal was rejected by a vote of three in favor (the Soviet Union, the Ukraine, and Egypt), none against, with eight abstentions. The substantive Soviet resolution itself was also rejected, two votes (the Soviet Union and the Ukraine) to none, with nine abstentions. For the record of the 408th Meeting, see SC, *4th yr.*, No. 11.

The CCA considered Resolution 192(III) at its 16th and 17th Meetings, February 15 and 23. At the 17th Meeting, the Commission approved a United States

Footnote continued on following page.

Further statement re North Atlantic Pact should await further advice.<sup>3</sup>

ACHESON

Footnote continued from preceding page.  
proposal (S/C.3/37—adopted as S/C.3/39) transmitting Resolution 192(III) to the Working Committee of the CCA for implementation of that resolution's sixth paragraph in which the General Assembly expressed confidence that the CCA would devote its first attention to formulating proposals for the receipt, verification, and publication of information to be supplied by member states with regard to their effectives and conventional armaments. The United States proposal was adopted nine votes to two (the Soviet Union and the Ukraine); for text, see GA (IV), *Suppl. No. 2*, p. 76. The Working Committee did not begin its consideration of the matter until May 26.

<sup>3</sup> For documentation on Soviet attacks on the North Atlantic Treaty at the United Nations, see vol. II, pp. 72 ff. For documentation on the negotiation and implementation of the North Atlantic Treaty, see vol. IV, pp. 1 ff.

Department of State Atomic Energy Files<sup>1</sup>

*Memorandum of Conversation, by the Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn)*

CONFIDENTIAL

[NEW YORK,] February 16, 1949.

Reported to Senator Austin the action planned for the meeting on Thursday<sup>2</sup> with the proposed Canadian resolution for the preparation of a working paper.

I advised Senator Austin that Sir Terence Shone had shown me a cable from the Foreign Office suggesting that the British Delegation propose that the idea of ownership by the international agency should be given up in the hope that by offering this compromise to the Soviet Union, the Soviet Union would be inclined to offer a compromise on their part.

I told Senator Austin that General McNaughton of Canada was anxious to discuss quotas in the Commission, and that the British went along with him on this, feeling that Vishinsky<sup>3</sup> had shown that this was a matter of particular interest to the Soviet. I told him that McNaughton was against any discussion of stages as being too dangerous to get into, but that some of the members of the Commission would still like to discuss stages. I then expressed the feeling that the important thing for us to have in mind was to keep the plan now approved by all nations except the Soviet group in such shape that if at any time the Soviet Union were seriously interested in negotiations we could start such negotiations on a proper basis. That I was very

<sup>1</sup> Lot 57D688, a consolidated lot file in the Department of State containing documentation on atomic energy policy, 1944-1962.

<sup>2</sup> February 17.

<sup>3</sup> Andrey Yanuaryevich Vyshinsky, Permanent Soviet Representative at the United Nations; Representative to the Security Council; Foreign Minister of the Soviet Union from March 4.

afraid that the discussion of such proposals as those of the U.K., and even the quota suggestion of Canada, would indicate to the Soviet a split between the majority nations which the Soviet could exploit propagandawise. Further, that if the Soviet were willing to enter into serious negotiations, such a split would diminish our bargaining power to a dangerous point.

I therefore proposed that I should try to talk at least the U.K. delegates out of their proposal, to prevent its going before the Commission.

The Senator said that the matter was in my hands, and I must make my decisions, but that he himself would rather be inclined to allow the fullest possible discussion of all such proposals in the Commission itself.<sup>4</sup>

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<sup>4</sup>The following marginal notation by Osborn appears at the top of the source text: "Showed this to Don Leith today (16th) and he stated specifically that State Dept position was that such dangerous matters should not be discussed in the Commission itself."

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501.BC Armaments/3-349

*Position Paper Prepared by the Executive Committee on Regulation of Armaments*<sup>1</sup>

SECRET

[WASHINGTON,] March 2, 1949.

RAC D-34e

IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION OF NOVEMBER 19, 1948, RELATING TO THE FUTURE WORK OF THE COMMISSION FOR CONVENTIONAL ARMAMENTS

1. *The Problem*

To determine the position of the United States with respect to the future work of the Commission for Conventional Armaments in light of the General Assembly Resolution of November 19, 1948 (Appendix A).<sup>2</sup>

2. *Facts Bearing on the Problem*

Appendix B.<sup>3</sup>

3. *Discussion*

Appendix C.<sup>3</sup>

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<sup>1</sup> In telegram 155, March 11, the Department of State authorized Ambassador Austin to proceed in accordance with this paper, in view of the fact that it had been approved by the Secretaries of State and Defense (501.BC Armaments/3-1149).

<sup>2</sup> Not reproduced; see footnote 8, p. 8.

<sup>3</sup> Not printed.



#### 4. *Conclusions*

a. The United States is politically committed to participation in the work of the Commission for Conventional Armaments (CCA) in carrying out the recommendations of the General Assembly Resolution of November 19, 1948 (Appendix A). The United States should continue to adhere to its position that the CCA should proceed with its Plan of Work taking into account that first priority shall be given to the development of proposals for census and verification.

b. In developing such proposals the United States objective should be to gain acceptance of a plan for "receipt, checking and publication" which, consistent with the purposes of the resolution, would involve, among other things, a relaxation of the Soviet restrictions on the free movement of persons and information with its resultant effect on Soviet foreign and domestic policies. A concurrent objective should be to avoid acceptance of any plan lacking adequate provision for verification of information regarding conventional armaments and effectives.

c. Should the Soviet acceptance of such a plan not be obtained, the record of the CCA should show clearly that it is Soviet unwillingness to cooperate to the extent required which makes it impossible at the present time to take even this preliminary step toward establishing a system for the regulation and reduction of conventional armaments and armed forces.

d. The United States should prepare, as soon as possible, detailed proposals for the receipt, checking and publication by an international organ of control within the framework of the Security Council of full information to be supplied by member states with regard to their effectives and conventional armaments. These proposals should cover the following matters:

- (1) The nature and extent of the information on conventional armaments and armed forces required and the methods of reporting.
- (2) The methods of checking and verification to be employed to ensure that the information reported is accurate and complete.
- (3) The organization, administration, financing, staffing, and the like, of the international organ of control.
- (4) The rights and duties of the control organ.
- (5) The relation of the control organ to other organs of the UN.
- (6) The rights and obligations of UN Member States.
- (7) The rights and obligations of other states.

e. The scope of disclosure of information on armaments and armed forces should not exceed that necessary to give a reasonable degree of assurance as to the existing levels of armaments and armed forces and should be limited as necessary to avoid unduly jeopardizing the security of individual states.

*f.* The categories of personnel which should be required in the report are regular armed forces of the military services; military and paramilitary forces subject to national control, such as border guards, internal security forces, militia, and gendarmerie; and reserve components of these forces in organized groups, or undergoing periodic training, refresher, or schooling duties. These categories and the information to be reported are tabulated in Annex I.<sup>4</sup>

*g.* The categories of materiel, in service and in reserve, subject to reporting should be limited generally to those armaments information on which would provide adequate knowledge of the existing levels of conventional armaments. Specifically exempted should be materiel in the research or development stage. Items of armaments subject to reporting are tabulated in Annex II.<sup>4</sup>

*h.* The system of verification is critical to the attainment of the United States objectives. The system should include the verification by audit of records pertaining to the items to be reported and should provide for a maximum of unrestricted movement for the inspectorate to permit auditing of the records and spot checks of organizations and installations. The scope of the verification phase, and activities to which access should be granted, are tabulated in Annex III.<sup>4</sup>

*i.* The system should be supervised by a control agency deriving its powers from the instrument establishing it. National representation should be the same as that of the Security Council, and the control agency should be responsible to that body. Within the scope of its defined authority, the control agency should be empowered to make decisions, recommendations, and reports with no requirement of unanimity.

*j.* As a pre-requisite to implementation, the proposals should be accepted by all states possessing substantial military resources and embodied in a suitable international agreement or agreements.

##### *5. Views of the Joint Chiefs of Staff*

The comments of the Joint Chiefs of Staff are attached as Appendix D.<sup>7</sup> The changes in conclusions suggested in these comments (paragraphs *a*, *c*, and *d* on pages 2 and 3 of Appendix D) have been incorporated in the conclusions of this paper. This paper is identical with the paper (RAC D-3d)<sup>4</sup> forwarded to the Joint Chiefs of Staff for comment except for: (1) the changes noted above in the conclusions; (2) the addition of Appendix D; and (3) the insertion of this statement concerning the views of the Joint Chiefs of Staff.

##### *6. Recommendations*

*a.* That the Secretaries of State and Defense approve the conclusions of this paper.

<sup>4</sup> Not printed.

b. That after such approval the paper be forwarded to the United States Representative at the Seat of the United Nations for his guidance.

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. Charles H. Russell, Adviser,  
United States Mission at the United Nations*

CONFIDENTIAL  
US/AEC/28

[NEW YORK,] March 4, 1949.

Participants: General McNaughton, Mr. Ignatieff, Mr. Starnes—  
Canadian Delegation  
Dr. Wei—Chinese Delegation  
M. de Rose—French Delegation  
Mr. Sunde,<sup>1</sup> Mr. Lunde,<sup>2</sup> Mr. Nord—Norwegian Delegation  
Sir Terence Shone, Mr. Falla, Mr. Cole—United Kingdom Delegation  
Mr. Osborn, Mr. Russell—United States Mission

A meeting was held this morning at the United Kingdom Delegation. Sir Terence Shone is Chairman of the UNAEC this month.

- I. (a) *Draft Secretariat Paper (I)*<sup>3</sup> } Question of whether these  
(b) *Draft Secretariat Paper (II)*<sup>3</sup> } papers need to be amended.
- II. *Procedure for dealing with Draft Secretariat Papers.*

The meeting discussed the implementation of the resolution adopted by the commission on February 18 (AEC/35).<sup>4</sup> The outline of the working papers prepared by the Secretariat and a paper submitted by Mr. Osborn, entitled "Recommendations of the United Nations

<sup>1</sup> Arne Sunde, Norwegian Representative to the Atomic Energy Commission and the Commission for Conventional Armaments.

<sup>2</sup> Ivar Lunde, Alternate Norwegian Representative to the Atomic Energy Commission and the Commission for Conventional Armaments.

<sup>3</sup> Not printed.

<sup>4</sup> On February 18, the United Nations Atomic Energy Commission convened (for its 17th Meeting) in accordance with General Assembly Resolution 191(III) (for text, see *Foreign Relations*, 1948, vol. I, Part 1, p. 495). At that meeting, the Commission approved a Canadian resolution (adopted as AEC/35) which requested the Secretariat to prepare the following documents: 1) a working paper setting out the recommendations on atomic energy control approved by the Third Session of the General Assembly, 2) a comparative table showing the positions of the majority and the minority in the Commission on the topics discussed, 3) an index to the reports and proceedings of the UNAEC and its committees and the General Assembly and its committees on the subject of atomic energy. The resolution was adopted unanimously with the exception that the Soviet Union and the Ukraine abstained on the preamble and paragraph 1. For the text of the resolution, see United Nations, *Official Records of the Atomic Energy Commission, Fourth Year, No. 1*, pp. 4-5 (hereafter cited as AEC, *4th yr.*, No. 1).

At its 20th Meeting, March 22, the UNAEC adopted a United States proposal that the preliminary drafts prepared by the Secretariat pursuant to resolution AEC/35 be transmitted to the Working Committee for consideration. The vote was nine to two, the Soviet and Ukrainian Representatives voting against the proposal. For the record of the 20th Meeting, see AEC, *4th yr.*, No. 4.

Atomic Energy Commission Approved by the General Assembly as Constituting the Necessary Basis for Establishing an Effective System of International Control of Atomic Energy to Ensure its Use Only for Peaceful Purposes and for the Elimination from National Armaments of Atomic Weapons",<sup>5</sup> were discussed at length. It was agreed that the material described in paragraphs 2 and 3 of the resolution could safely be assembled by the Secretariat.

In regard to paragraph 1, General McNaughton was not in favor either of appointing an editorial committee, as had been suggested by Sir Terence Shone, or of having the U.S.S.R. represented. He thought that in regard to paragraph 1, the Secretariat should have a clear directive from the majority.

Mr. Osborn thought that his paper conformed completely to the requirements of paragraph 1 of the resolution and that the draft of the Secretariat was inadequate in omitting such headings as "Prohibition" and "Stages".

Dr. Wei thought that Mr. Osborn's paper was to be preferred to that of the Secretariat. M. de Rose had certain comments on Mr. Osborn's paper which he and Mr. Osborn agreed to discuss further together.

It was decided that in view of the fact that the Secretariat had asked for comments and suggestions on their draft before March 3 and had been informed that further time would be required, General McNaughton, as the sponsor of the resolution, would prepare a letter to the Secretariat, on behalf of the majority delegations, which would request the Secretariat to proceed with the preparation of paragraphs 2 and 3 and which would contain the views of the majority on the preparation of paragraph 1; that this letter would not be handed to the Secretariat until after the meeting of the Commission on March 8; and that all the majority delegations would have an opportunity to examine and discuss the text before the letter was signed.

### III. *Procedure for dealing with Draft Soviet Resolution.*<sup>6</sup>

Mr. Osborn pointed out that the U.S.S.R. was attacking not what was proposed under the majority plan, but the methods of the plan. They were attacking those provisions of the proposed treaty which would make a treaty effective. He felt that the United States could not weaken in considering other methods of making the treaty effective

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<sup>5</sup> Not printed.

<sup>6</sup> At the 18th Meeting of the Atomic Energy Commission, February 25, the Soviet Union introduced a resolution (AEC/37) which read in operative part as follows: [The Atomic Energy Commission resolves] "1. To begin immediately the preparation of a draft convention for the prohibition of atomic weapons and a draft convention for the control of atomic energy, proceeding from the principle that both conventions must be concluded and put into effect simultaneously;

"2. To submit the draft conventions mentioned in the preceding paragraph to the Security Council not later than 1 June 1949."

For full text, see AEC, *4th yr.*, No. 2, p. 8.

and he was unwilling to compromise. The U.S.S.R. resolution was basically an attack on such methods as "stages". He was not interested in weakening the methods, which were none too strong, and would abstain if a motion were offered to refer the Soviet resolution (AEC/37) to a committee.

M. de Rose agreed that there could be no weakening of the methods of control which the majority had insisted upon, but he felt that it was essential that the Commission should be in a position to make a strong case in the Fourth General Assembly. He urged that the Commission submit sufficient material to the Fourth General Assembly to show:

- (a) that the Commission had proceeded as far as it could, and,
- (b) that the U.S.S.R. would not "play ball".

M. de Rose suggested that the majority ask the U.S.S.R. how the latter proposed to go forward. He thought that a very few meetings would be required to dispose of their proposals, and that while such a procedure would be on a negative basis, it would nevertheless take some of the wind out of Mr. Vyshinsky's sails next autumn. He expressed the view that if the United States did not participate in these discussions, the U.S.S.R. would make the most of it, and he concluded by saying that if the United States would not take part he would be obliged to reconsider his recommendation, made at the meeting of the Commission on February 25, that the Soviet resolution be referred to a committee.

Mr. Osborn said that he had been impressed by M. de Rose's statement and would be prepared to reconsider his earlier remarks in so far as they related to the transmission of the U.S.S.R. resolution to the Working Committee.

Sir Terence Shone said that it would be better to deal with the Soviet resolution in the Working Committee than in the Commission.

General McNaughton quoted from a telegram<sup>7</sup> which he had sent to his government in which he expressed the view that the discussions in the Commission should:

- (a) clarify the majority position, and
- (b) show the defects in the minority proposals.

He regarded it as important, to carry public opinion, that these proposals should be discussed, and he agreed that such discussion should take place in a committee and not in the Commission. Mr. Osborn agreed.

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<sup>7</sup> Not found in the files of the Department of State.

General McNaughton again emphasized the importance of examining the Soviet proposals to make the position of the majority clear to the world.

M. de Rose raised the question of U.S.S.R. prestige and suggested that the Soviet proposals be considered in the Working Committee rather than in Committee 2,<sup>8</sup> and that, in due course, the discussion of the implementation of the Canadian resolution (AEC/35), be referred to Committee 2.

It was agreed that if the Soviet representative should ask for a vote on his resolution, the majority would abstain.

IV. *Procedure for dealing with General Assembly Resolution and question of implementing paragraph 4 of that Resolution.\**

Little time was left for the discussion of the last item of the agenda. It was pointed out that the completion of the working papers would be of value to the delegates in considering the implementation of paragraph 4 of the General Assembly resolution of November 4, 1948.

It was hoped that representatives of the majority would meet again next week.

C. H. RUSSELL

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<sup>8</sup> At its Third Meeting, June 25, 1946, the UNAEC established a Working Committee of the whole to consider all proposals which had been made to the Commission and to appoint such other committees as seemed necessary. Committee 2, created by the Working Committee on July 12, 1946, functioned essentially as a sub-committee possessing broad terms of reference.

\*"Calls upon the A.E.C. to resume its sessions, to survey its programme of work, and to proceed to the further study of such of the subjects remaining in the programme of work as it considers to be practicable and useful." [Footnote in the source text.]

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Department of State Atomic Energy Files

*Memorandum of Conversation, by the Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn)*

SECRET

[NEW YORK,] March 10, 1949.

A meeting of consultants to the U.S. Representative on the United Nations Atomic Energy Commission was held in New York at 3:30 p. m. March 8, 1949, in the offices of the U.S. Mission.<sup>1</sup>

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<sup>1</sup> This meeting was discussed by Dr. J. Robert Oppenheimer, a participant, and the Secretary of State on March 17 in Washington; for information regarding the Acheson-Oppenheimer discussion, see the memorandum by R. Gordon Arneson, March 17, p. 461.

The following were present :

President Conant <sup>2</sup>  
 Dr. Oppenheimer <sup>3</sup>  
 General Groves <sup>4</sup>  
 Dr. Bacher <sup>5</sup>  
 General Nichols <sup>6</sup>  
 General Farrell <sup>7</sup>  
 Mr. Chester Barnard <sup>8</sup>  
 Dr. Vance <sup>9</sup>

Also, Mr. Osborn, Mr. Russell, Mr. Chase and Mr. Arneson.

Five questions were put on the agenda, and for almost two hours there was an active discussion in which Messrs. Osborn, Arneson, Russell and Chase took no part. Mr. Osborn then read aloud the summary he had made of the answers to each of the questions on the agenda. The consultants, without exception, stated that the summary read to them represented their unanimous views in answer to the questions asked.

The questions asked in the agenda and the answers of the consultants were as follows :

*Question 1:* In the past three years has new information of a technical or scientific nature developed which indicates a change in the technical basis of the recommendations of the Commission ?

*Answer:* Scientific base not changed. Technical basis, such as stocks of materials, greatly changed. Political situation altogether changed.

*Question 2:* Under the terms of the General Assembly Resolution of November 4, 1948, (see page 35 of the Appendix <sup>10</sup>) calling upon the Atomic Energy Commission "to survey its program of work and to proceed with the further study of such of its subjects remaining in

<sup>2</sup> Dr. James B. Conant, President of Harvard University; Member of the General Advisory Committee of the United States Atomic Energy Commission.

<sup>3</sup> Dr. J. Robert Oppenheimer, Chairman of the Institute for Advanced Study, Princeton, New Jersey; Chairman of the General Advisory Committee of the United States Atomic Energy Commission; Director of Los Alamos Laboratories of Manhattan Engineer District (the atomic weapons development program), 1943-1945.

<sup>4</sup> Lt. Gen. (ret.) Leslie R. Groves, Vice President in charge of advanced scientific research, Remington Rand Inc.; Commanding General, Manhattan Engineer District, 1943-1945.

<sup>5</sup> Dr. Robert F. Bacher, Member of the United States Atomic Energy Commission.

<sup>6</sup> Maj. Gen. Kenneth D. Nichols, Member of the Military Liaison Committee to the United States Atomic Energy Commission.

<sup>7</sup> Maj. Gen. (ret.) Thomas F. Farrell, Deputy Commander of Manhattan Engineer District, 1943-1945; Member of the United States Delegation to the United Nations Atomic Energy Commission, 1946.

<sup>8</sup> Chester I. Barnard, President of the Rockefeller Foundation; Member of the Board of Consultants of the Secretary of State's Committee on Atomic Energy, 1946.

<sup>9</sup> Dr. John E. Vance, Chairman of the Department of Chemistry, Yale University.

<sup>10</sup> Appendix not printed.

the program of work as it considers to be practicable and useful," what, if any, further work is considered practicable and useful?

*Answer:* None. The less we say, the better. The more we appear to stop discussions, the worse, but we may have to. End up on same conclusions as those of the Third Report, but stronger and better documented, and more sharply focused on questions of access and openness.

*Question 3:* What should be discussed when the sponsoring powers meet, and at what level should the consultations take place?

*Answer:* Level not determined. Content, same as Fourth Report of AEC, plus recognition of added stocks, of power development being more in the future, and political situation being much worse. A definite declaration along these lines should be made at least by the U.K., Canada and the U.S. There should possibly be a supplemental declaration by the United States going further, and indicating that negotiations when reopened will have to be taken up on a basis which takes into account changes due to the passage of time.

*Question 4:* Should the survey of the program of work by the Atomic Energy Commission and the consultation of the sponsoring powers called for in the General Assembly resolution take place concurrently, or should one follow the other, and if the latter, which should take first place?

*Answer:* AEC first, to completion of Report. Sponsoring powers should consult in time to report to the General Assembly.

*Question 5:* What should be the purpose of the reports to be made by the Commission and by the sponsoring powers to the next regular session of the General Assembly?

*Answer:* Get us completely out of an impossible situation.

*Remarks (unanimous):* Dangerous to move so slowly on this.

FREDERICK OSBORN

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Department of State Atomic Energy Files

*Memorandum by the Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn)*

TOP SECRET

[NEW YORK,] March 10, 1949.

Summary of statements by Consultants at meeting of March 8th:

OPPENHEIMER:

Speaking with respect to the first question, whether in the past three years there have been changes affecting the basis of the Commission's work: "Things that have not happened give us a longer time scale. This is reflected in the Second Report."



Speaking after a remark by Conant: "Horried at the thought of what we would be called on to do if these proposals should now be accepted. The public and the Senate would never ratify them."

Further remarks on the same subject: "We now have stockpiles which, if distributed, would result in a formidable threat to security, which cannot be solved until there are plants to put the stuff in."

"Initiative (on withdrawal) should be taken by the U.S. after consultations."

"We should extract ourselves in an honest, candid way that will not antagonize others."

"Preposterous position of being forced to advocate something we know the U.S. cannot go through with. Should make public statement that we would be willing to negotiate when political position is different. Cannot face problem now. The world situation required isn't there. We can no longer wholeheartedly advocate it."

"Pre-conditions for the plan have not been fulfilled. They extend far beyond the technical and scientific conditions."

BACHER:

"One of the big changes is the accumulation of stock, but if that were the only stumbling block it could be fixed. But other things couldn't be fixed."

"Climate altogether different now."

"Conditions not changed in a way to alter fundamentals of the plan."

FARRELL:

"Don't put yourself in a spot where you can't pull out."

"Plan as now written completely unrealistic in the world of today."

BARNARD:

"Should get this plan out of the way. Let others try their hands at it and start constructively. We started this whole negotiation in the wrong way (we were forced to do so)."

NICHOLS:

"We can't offer benefits as fast as we thought we could."

"Still have need to do away with weapon, but the international situation prevents it. But there is now no need to hurry on power."

CONANT:

"Acheson-Lillienthal report now out of date for political reasons, delay in producing power, etc."

"Scientific position has not changed. Technical position has changed, also political position."

"Power not in sight."

"Original solution no longer applicable. We ought to break negotiations off."

"President should make announcement that conditions have deteriorated. We are playing with dynamite now since the Soviet might accept."

"When and if the Soviet is a friendly government we will have to make a new plan."

GROVES:

"We ought to start moving out. We ought to have done this at Paris."

"We should announce we will not use bombs for aggression. U.S. should be trustee. Some other nation should ask us to be trustee." (Oppenheimer: "No, U.S. should say why change is necessary, larger stockpiles now, etc.")

Summary of entire meeting given in secret paper of this date<sup>1</sup> and in confidential paper also this date,<sup>2</sup> both on the same subject.

FREDERICK OSBORN

<sup>1</sup> *Supra.*

<sup>2</sup> Not printed.

Department of State Disarmament Files

*The Deputy United States Representative to the Commission for Conventional Armaments (Osborn) to the Assistant Secretary of State for United Nations Affairs (Rusk)*

RESTRICTED

NEW YORK, March 25, 1949.

DEAR DEAN: I am drawing this to your attention with this personal line because it is a very tight schedule and will take unremitting pressure to get it done.

Personally, I think it is quite important that such a plan be presented to the General Assembly, because it would take the heat off our failure to get agreement from the Soviet on atomic energy, and help show up the Soviet refusal to agree on anything.

Of course, my judgment on this must be affected by its being my particular job. You may want to give some consideration as to whether the State Department considers it important that such a plan should be developed by the CCA and presented to the next session of the General Assembly.

The resolution was, as you know, not initiated by the United States. On the other hand, it is quite clear that Belgium and France, who initiated it, will not be able to implement it without a great deal of help from us.

Yours sincerely,

FRED OSBORN

[Enclosure]

*Memorandum by the Deputy United States Representative to the Commission for Conventional Armaments (Osborn) to the United States Representative at the United Nations (Austin)*

RESTRICTED

[NEW YORK,] March 25, 1949.

Subject: Schedule for the CCA in its assigned task of implementing the General Assembly resolution of November 19, 1948, for setting up an international control agency for receiving, verifying, and publishing information on arms and armed forces, for submission to the General Assembly at its next Regular Session in September 1949.

1. Preparatory work in developing the United States position went forward rapidly in the last week of December and the first two weeks of January, largely under the direction of Captain Paige Smith and Lt. Commander Higgins of the RAC in Washington. A RAC position paper was prepared by the 15th of January, and after some delay in the State Department was sent forward for approval and was finally returned March 9th, approved by the Joint Chiefs of Staff and by the Secretary of State and the Secretary of Defense.<sup>1</sup>

On the same date a brief summary<sup>2</sup> along similar lines and wholly within the United States position paper was agreed upon by the representatives of Canada, the United Kingdom, France and the United States, and sent to their respective governments for their consideration. The agreed paper contained a tentative United States listing and a tentative United Kingdom listing.

2. After consultation with the representatives of the Military Staff Committee in New York, it is considered that the following program should be undertaken in the order named:

a. The representatives of the Mission, including those of the Military Staff Committee, will determine with the RAC the approximate form which we should strive for in the final report to be made to the General Assembly. Evidently it will not be possible for the CCA to prepare a complete treaty ready for signature. There is not enough time between now and September, it is not necessary, and it would be inadvisable in any event. It is, however, necessary to prepare a proposal which could be a basis for a treaty and which would be sufficiently clear and extensive to stand up under a General Assembly debate and to make clear the intent of the parties as to what they were willing to agree to.

b. The Defense members of the RAC should then commence drafting their idea of such a plan.

c. When the work outlined in b. is well under way, arrangements should be made with Canada, the United Kingdom and France to designate qualified technical personnel to confer with qualified technical United States personnel, and attempt to reach Four-Power agreement on the form and content of the plan.

<sup>1</sup> RAC D-34e, March 2, p. 33.

<sup>2</sup> Not printed.

d. When tentative agreement has been reached by the technically qualified personnel of the four powers, but not before, then the CCA and its sub-committees should be activated and the general negotiations carried on as rapidly as possible by the appointed delegates of the United States and other nations, with the advice and assistance of the qualified technical personnel who have done the preliminary work and are thoroughly acquainted with it.

3. There remain only five months before the final meetings of the Security Council preceding the next Regular Session of the General Assembly. It will require constant pressure to put through any sort of a plan in this time. Unless the delegates to the CCA can activate the Commission and start work early in May, there is very little chance of the plan being completed in time for the General Assembly.

So tight a schedule would require that the preliminary step of preparing tentative United States proposals for a plan as outlined above should be well under way by the middle of April. The technically qualified personnel of the four powers should be at work together, not later than the end of April, and the CCA should be activated early in May, as soon as agreement on the Four-Power discussions seems assured.

4. Copy of this memorandum is being sent to Mr. Dean Rusk.

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Department of State Atomic Energy Files

*Memorandum of Conversation, by Messrs. Frederick H. Osborn and Charles H. Russell of the United States Mission at the United Nations*

CONFIDENTIAL  
US/AEC/30

[NEW YORK,] April 1, 1949.

Subject: Work of the Atomic Energy Commission, and the Six-Power Consultations.

Participants: General McNaughton, Mr. Ignatieff, Mr. Starnes;  
Canadian Delegation  
Dr. Wei; Chinese Delegation  
M. de Rose; French Delegation  
Sir Terence Shone, Mr. Cole; United Kingdom  
Delegation  
Mr. Osborn, Mr. Russell; United States Mission

Immediately after the short meeting of the Working Committee of the Atomic Energy Commission on April 1,<sup>1</sup> the delegates of the five

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<sup>1</sup> At its 44th Meeting, April 1, the Working Committee examined a skeleton document prepared by the Secretariat (AEC/C.1/77, not printed), setting out the recommendations on atomic energy approved by the General Assembly at its Third Session (1948). The Committee adopted various modifications which were to be incorporated into a new draft. The Working Committee did not meet again until June 1. The Proceedings of the Working Committee are not published as part of the Official Record of the United Nations, but exist in mimeographed form in United Nations Depository Libraries.

sponsoring powers named above met informally to discuss plans for their work.

It was felt that the course of the debates in the five meetings of the Atomic Energy Commission which had been held in February and March had made it abundantly clear that the Soviet was using the Commission solely for propaganda purposes with no intention of taking part in negotiations.

On the question of the six-power consultations, M. de Rose urged that there should be a new approach: he called attention to the fact that in the Second Report the majority had presented detailed proposals and that the Soviet had refused to accept any of them; he now recommended that the majority present a few broad principles<sup>2</sup> which would be easily understood by the public and the General Assembly. If the Soviet refused to agree to them, the other sponsoring powers would have a clear record and sound reasons for not going further.

It was agreed that Mr. Osborn and M. de Rose would meet together in the near future to do the preparatory work, as the other delegates would be very busy with the work of the General Assembly, but would bring in the other delegates as much as possible. It was important that the preparatory work should be completed and agreed upon before the consultations of the sponsoring powers were called. It was felt that the consultations should take place after the termination of the Second Part of the Third Session of the General Assembly and at the level of the members of the UNAEC. The view was expressed that the consultations, being diplomatic negotiations, should be held in closed meetings.

Sir Terence Shone said that his instructions contained a suggestion that some concession should be made at this time on the question of ownership. Mr. Cole added that it would be made more with a view to being rejected by the Soviet than for any other purpose. Mr. Osborn took a very firm position, and asked Sir Terence Shone to inform his Government that the U.S. Government felt strongly that it would be highly inadvisable to suggest any compromise on the question of ownership at present. General McNaughton said: "We must not give up the idea of ownership in trust. No nation has any rights of ownership. This is essential".

There was general agreement that the Fourth Report would have to state that the impasse, to which the Third Report referred, still existed and for the same reasons, and that the report should be thoroughly documented. Mr. Osborn suggested that it might be advisable to leave it to the Fourth General Assembly to decide what the Commission should do thereafter, and that the Commission itself should make no

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<sup>2</sup> For the principles suggested by de Rose in a memorandum of January 27, see footnote 1, p. 27.

recommendation on this point in the Fourth Report. General McNaughton said that he thought well of this idea.

It was agreed that the sponsoring powers should make an entirely separate report to the General Assembly.

It was generally understood that the consultations would be called by the Secretary General of the United Nations.

F. OSBORN

C. H. RUSSELL

Department of State Disarmament Files

*Memorandum of Conversation, by the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*<sup>1</sup>

CONFIDENTIAL  
US/S/C.3/11

[NEW YORK,] April 13, 1949.

Subject: Implementation by the Commission for Conventional Armaments of the General Assembly Resolution of November 19, 1948, on Census and Verification

Participants: Sir Terence Shone and Mr. Falla, United Kingdom Delegation  
Messrs. Nash, Osborn, Russell, Leith, Shooshan,<sup>2</sup>  
United States Mission

On March 9, 1949 the Deputy United States Representative on the Commission for Conventional Armaments gave to the Representatives of the Delegations of the United Kingdom, France, and Canada, an informal and unofficial paper<sup>3</sup> indicating tentatively the general line of the United States thinking on the above subject. This paper, it is understood, was transmitted by the above Delegations to their respective Governments.

Subsequently, on April 6th the Deputy United States Representative transmitted to the above Delegations a more detailed paper<sup>4</sup> representing the official United States position. It is understood that this later paper has also been transmitted by the Delegations to their respective Governments.

<sup>1</sup> Frank C. Nash succeeded Frederick H. Osborn as Deputy United States Representative to the Commission for Conventional Armaments on April 2; Osborn continued to serve as Deputy United States Representative to the United Nations Atomic Energy Commission.

<sup>2</sup> Harry M. Shooshan, Jr., of the Division of International Security Affairs, Department of State; Executive Secretary of the Executive Committee on Regulation of Armaments.

<sup>3</sup> Not printed.

<sup>4</sup> The paper under reference, based on position paper RAC D-34e (p. 33), is not printed. It was circulated in the Executive Committee on Regulation of Armaments as RAC D-34/f, April 26, with the notation that it was being negotiated by the United States Mission pursuant to RAC D-34e. (Department of State Disarmament Files)

At the subject meeting the United Kingdom Representatives stated that they had received instructions from their Government to the effect that "on a political and tactical basis" the initial United States paper could be accepted as a basis for discussion. They further stated that no response had as yet been received with respect to the later official United States paper.

In the ensuing discussion of the two papers, the impression was conveyed that, notwithstanding certain reservations which, for security reasons, they had respecting the scope and detail of the United States proposal, the United Kingdom Delegation would be prepared to support the United States position on "political and tactical" grounds.

With respect to the program of future action in the CCA, the British stated that they had not given much thought to the matter. However they expressed the opinion that it would be desirable to have the French Delegation introduce a proposal into the Working Committee, since it was the French and Belgians who had been responsible for the original General Assembly Resolution calling for a census.

We agreed with the British that the above course of action might be desirable. An alternative plan was also discussed which is to have the Working Committee in the near future start discussing the method of implementing the General Assembly resolution. Such a discussion would inevitably bring forth various views as to what should be done and as to the nature and scope of the census. Following general discussions in the Working Committee, it would then be in order to propose that a subcommittee be established to iron out the differences between the various ideas put forth in the Working Committee and to draft, if possible, a common plan. Under this alternative, it would be in this subcommittee, that a paper or papers would be presented by one or several members of the United Kingdom, French Canadian, and United States Delegations. The advantage in this procedure would be that whatever plan may come out of the subcommittee would not be labeled a United States plan or a French plan, etc., but would be a CCA plan if a majority could agree to it.

Respecting the timing of future activities in the CCA, we stated that we should like to have a meeting of the Working Committee at the earliest possible date in order to begin the actual implementation of the General Assembly resolution before too much more time should elapse. We said we felt that the time was getting short and that we would have to utilize every opportunity to complete work on the census plan in the CCA between now and the middle or end of July in order to have a report ready for the General Assembly in the coming fall session. The British agreed with this but felt as a practical matter it would be most difficult to hold meetings prior to the end of the present session of the General Assembly. The British stated their feeling that

the major desideratum at this point was to have the United States, United Kingdom, French and Canadian Delegations concert their plans as rapidly as possible so that when the present session of the General Assembly has ended we will be prepared to act with the necessary dispatch in getting a census plan discussed, developed and, if possible, approved in the CCA in time for the fall session of the General Assembly. To this end, it was agreed that arrangements could be made to have a joint meeting at an early date between the United Kingdom, French, Canadian and United States Delegations.

FRANK C. NASH

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Department of State Disarmament Files

*Memorandum of Conversation, by the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*

CONFIDENTIAL

[NEW YORK,] April 14, 1949.

US/S/C.3/13

Subject: Implementation by the Commission for Conventional Armaments of the General Assembly Resolution of November 19, 1948, on Census and Verification

Participants: Baron de la Tournelle, French Delegation  
Mr. Leith, UNS  
Mr. Shooshan, UNS  
Mr. Russell, United States Delegation  
Mr. Nash, United States Delegation

At a meeting at the French Delegation on April 14, 1949, Baron de la Tournelle advised us that instructions had been received from Paris approving the United States position contained in the informal, unofficial memorandum discussed on March 9, 1949. He explained that the official United States paper, transmitted by the Deputy United States Representative on April 6, had been subsequently referred to Paris and that while no reply had yet been returned, he nevertheless felt that word would be received within "the next few days".

Baron de la Tournelle said that the French would be willing to put forward a draft paper along the lines of the United States paper as their proposal in the Working Committee, although he recognized that it might be necessary to alter certain details in order to give them a "French flavor".

Baron de la Tournelle suggested that the French position might lie somewhere between what he understood to be the British position and the United States position. We explained that while the British might have some reservations from a security standpoint, they were prepared, on the basis of the earlier draft paper, to accept the United States position on political and tactical grounds, and that we felt in the last analysis there would be no very wide difference between the British and ourselves.



Baron de la Tournelle explained that French public opinion required that a fair and honest plan be put forward which should be acceptable to all states and that such a plan should not be aimed at making it difficult for the Russians to accept it. We agreed that every effort should be made to come up with fair and reasonable proposals, and that so far as bringing about some measure of confidence, the heart of the General Assembly resolution was to be found in adequate verification of information to be subject to the census.

Baron de la Tournelle agreed to send us a memorandum as soon as he had heard from Paris giving us the French views and agreed further that it would be helpful to arrange for a meeting of the French, Canadians, British and ourselves as soon as the other delegations had received instructions from their governments. He also agreed that it would be desirable to have a meeting of the Working Committee before the end of the present General Assembly session into which he would be prepared to present a working paper with the object of getting early action by that committee in formulating the report to the fourth session of the General Assembly called for by the resolution of November 19, 1948.

FRANK C. NASH

Department of State Disarmament Files

*Memorandum of Conversation, by the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*

CONFIDENTIAL

[NEW YORK,] April 27, 1949.

US/S/C.3/14

Subject: Implementation by the Commission for Conventional Armaments of the General Assembly Resolution of November 19, 1948, on Census and Verification.

Participants: General McNaughton, Mr. Starnes; Canadian Delegation.

Baron de la Tournelle, Colonel Penette, Major Fournier; French Delegation.

Sir Terence Shone, Mr. Cole, Mr. Laskey,<sup>1</sup> Major Baker-Baker, Wing Commander Warne; United Kingdom Delegation.

Colonel Townsley; U.S. Military Staff Committee.

Mr. Leith; Division of International Security Affairs.

Mr. Russell, Mr. Nash; United States Mission.

A meeting was held at the United States Mission on April 27 to consider the subject stated above.

<sup>1</sup> Denis S. Laskey, Adviser, Permanent United Kingdom Delegation at the United Nations.

Mr. Nash opened the meeting by reviewing the status of negotiations among the four Delegations respecting implementation of the GA Resolution of November 19. He pointed out that this was the first meeting of the four Delegations since his tenure of office began. He recalled that a U.S. paper setting forth the views of his government as to the nature of the proposal to be introduced into the Commission for Conventional Armaments had been distributed to the other Delegations for their comments. This meeting was called to receive those comments and to discuss the proper manner of handling such a paper in the CCA. He pointed out that the French Delegation had agreed to introduce a paper along the lines of the U.S. paper into the CCA in order to initiate concrete discussion in the Working Committee. He stated that he hoped the other Delegations had received the official comments of their governments on the U.S. paper in question.

Sir Terence Shone stated that while he had not yet received the full comments of the Foreign Office, he had a telegram embodying some preliminary views on the latest U.S. paper. The most important comment contained in the telegram was to the effect that the U.S. paper did not seem sufficiently detailed for introduction into the Working Committee. This was interpreted to mean that considerably more technical details would need to be added.

Mr. Nash replied that it was the U.S. view that the initial paper did not need to be more detailed than the proposed U.S. paper but that the place for the discussion of details would be in the technical sub-committees.

Sir Terence Shone again stressed the United Kingdom view that the U.K. did not wish too detailed a breakdown of the information to be reported. For example, it did not want to give components of overseas forces, nor details respecting geographic location—for instance, how many troops were stationed in Gibraltar or in Egypt. There was also a question as to the U.S. proposal for a breakdown of information on “numbers maintained for (a) national defense, (b) occupation and other international commitments, (c) internal security.”

Mr. Nash replied that while the U.S. was prepared to go farther than the British apparently were in these respects, the matter was still open for more detailed discussion.

Sir Terence Shone stated that the Foreign Office felt that a detailed statement respecting organization would be needed.

Mr. Nash said that such a statement was being prepared in his government.

Sir Terence Shone added that the Foreign Office approved the idea of setting up a sub-committee of the Working Committee for drafting of papers. He reiterated U.K. approval for introduction into the CCA by the French Delegation of a paper representing the agreed views

of the majority. He stated that the full views of the Foreign Office on the U.S. draft would be received within a month.

After Mr. Nash raised the question of the urgency of action on a paper for the CCA, Sir Terence Shone revised his estimate and stated his belief that the U.K. comments might be in hand within ten days.

General McNaughton stated his view that there might need to be several *ad hoc* sub-committees to deal with technical questions. He also emphasized the importance of developing a Commission plan rather than a U.S., French or Canadian plan in the Commission. He stated, however, that his government approved the idea of the French introducing an initial draft as a basis for starting the general discussion in the Working Committee. The common Commission draft would emerge in the course of events from the work of the sub-committees.

General McNaughton indicated that the Canadian Chiefs of Staff had accepted the U.S. paper as a basis for discussion but that this action had not as yet been confirmed by written instructions from his government. He said that a telephone conversation the morning of the meeting had indicated, nevertheless, that his government saw eye to eye with the U.S. in matters of personnel. They would have some detailed comments on equipment but this would not affect the agreement upon general principles. He believed that there should be no military experts at the Working Committee level but that such experts should be called in in connection with the work of the sub-committees.

Baron de la Tournelle stated that his government had approved the U.S. paper as constituting a basic outline of the paper to be introduced into the Working Committee. The French Government had left it to the French Mission in New York to fill in the details. Pursuant to such instructions, the Mission had developed a working paper<sup>2</sup> for consideration by the other three Delegations.

Since the French paper had only been received a few minutes before the meeting was called and since it had not been translated, the three Delegations had not had the opportunity to consider it. For this reason Major Fournier was called on to summarize the paper and to state wherein it differed from the U.S. paper. Major Fournier stated that the French paper was practically identical with the U.S. paper except for one item. This item had to do with a French proposal for including both figures on manpower in industries producing conven-

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<sup>2</sup> The document under reference, circulated in English translation in the Executive Committee on Regulation of Armaments as RAC D-34/g, April 28, is not printed.

tional armaments as well as figures indicating the production of war materials and of certain finished products.

Mr. Nash said that he was glad the French were apparently able to develop a paper so closely in line with the U.S. paper but that he thought the French proposal on manpower in industries producing conventional armaments and statistics on industrial potential a dangerous one.

General McNaughton strongly stated his agreement with Mr. Nash's objection to the French proposal and added that he considered it both unwise and impractical. He emphasized the importance of keeping to a census of the Military Establishment only, especially in view of the necessity for verification. He pointed out that there were few aspects in the life of a nation which would not be directly or indirectly involved in the production of armaments. He did not believe it desirable or politically feasible to have the industrial life of a country subjected to such inspection, especially in view of the limited nature of the proposed census.

Mr. Nash referred to some of the technical difficulties involved in attempting inspection on such a scale and pointed out how many peacetime industries could easily be converted to war uses.

General McNaughton stated his belief that the Soviet Union would receive such a proposal with great suspicion.

Sir Terence Shone agreed with the above views on this question.

General McNaughton again emphasized the importance of confining the work to be undertaken to levels of the armed forces and conventional armaments possessed by each nation.

It was agreed that each Delegation would transmit to Baron de la Tournelle at the earliest opportunity its comments on the French paper, and that after these had been received, Baron de la Tournelle would draft a paper taking into account the views of the four Delegations. A meeting of these Delegations would then be called with a view to examining the new paper in the necessary detail. If the paper was satisfactory to all, it could be presented to the Working Committee very soon thereafter. The target date for the next Working Committee meeting was the middle of May. It was believed that the military experts would be called in by the last week in May for work in connection with a sub-committee or sub-committees. Such a schedule was thought to be reasonable in view of the fact that the French had stated that their paper differed little from the U.S. paper with the one exception noted above.

F. C. NASH

Department of State Disarmament Files

*Memorandum of Conversation, by the Executive Secretary of the Executive Committee on Regulation of Armaments (Shooshan)*

CONFIDENTIAL

[NEW YORK,] May 9, 1949.

US/S/C.3/17

Subject: Implementation by the Commission for Conventional Armaments of the General Assembly Resolution of November 19, 1948, on Census and Verification

Participants: Baron de la Tournelle, Colonel Penette, Major Fournier; French Delegation  
Colonel Townsley, United States Military Staff Committee  
Mr. Nash, Mr. Russell; United States Mission  
Mr. Shooshan; Division of International Security Affairs

Baron de la Tournelle asked Mr. Nash what the views of the United States were on the French draft paper<sup>1</sup> circulated at the Four Delegation meeting of April 27, 1949, and offered the preliminary comment that he did not visualize any problem in getting together and proceeding with a commonly accepted paper.

Mr. Nash stated that the French draft paper raised several questions of substance and appeared to be so general as to lead the United States to the conclusion that the paper would not prove adequate as a basis for a final proposal to be introduced into the Working Committee of the CCA.

Mr. Nash explained that since he had received the French draft paper just prior to the meeting of April 27, there had been no opportunity to obtain a full translation of it until after the meeting. With reference to the one point of difference mentioned by the French at the meeting of April 27, he pointed out that, as indicated at that meeting, the United States regarded the inclusion of industrial potential in the census and verification proposals as going well beyond the General Assembly resolution of November 19, 1948, which applied to "armaments" and "effectives" alone. He pointed out further that the inclusion of industrial capacity in the census and verification measures opened up a wide variety of collateral fields which did not properly belong within the scope of the measures under discussion.

Baron de la Tournelle readily agreed to the deletion of the inclusion of industrial potential.

Mr. Nash pointed out further that there was a very fundamental difference reflected in the French paper in not emphasizing the importance of adequate verification as stressed by the United States

<sup>1</sup> Not printed.

paper. The insistence in the French paper on avoiding any disclosure of geographic distribution of armed forces and armaments represented a departure from United States thinking. He pointed out that it was largely from the verification process itself that greatest progress would be made in the restoration of international confidence rather than from the information to be produced by the census. He said that the French draft appeared to confine verification to central records of "a public nature", excluding any classified source of information and that such sources were not adequate in the United States view. Mr. Nash also said that the French draft paper was deficient in not providing for "spot checks" of the nature anticipated in the United States paper. Mr. Nash stated that it was the view of the United States that in the interest of adequate verification all nations must be prepared to make available records which would make verification effective and meaningful and that such sources must as a by-product reveal a certain degree of breakdown of armed forces beyond any indicated in the French draft paper. He said that the United States was prepared to subscribe to such a breakdown in the interest of assuring realistic and purposeful verification. He pointed out that in the United States view it is through the cross-checking of information that adequate verification can best be achieved. He explained that the actual verification process would undoubtedly vary from country to country and that in most cases the use of central records alone would undoubtedly accomplish the necessary results. He observed that in some cases it might, however, be necessary for the inspectorate to use one or more of the types of cross-records indicated in the United States paper in order adequately to verify reported information, if it should be so determined by the organ which would supervise the execution of the census and verification measures. For this reason he stated the governing basic understanding on the subject must be sufficiently comprehensive to allow for the necessary flexibility in order to assure adequate verification.

Colonel Penette explained that experience in the use of "spot checks" did not impress him with their value unless, in the case of personnel, an across-the-board disclosure was made of the geographic distribution of armed forces and armaments which would be spot-checked for purposes of verifying the information reported. He pointed out that in the absence of an across-the-board disclosure, the spot check was without meaning and encouraged evasion.

Mr. Nash replied that so far as the United States was concerned it was prepared to give the across-the-board information described by Colonel Penette if all others would so agree in the interest of providing for adequate verification. Colonel Penette said he did not think the French Government would be so prepared.

Mr. Nash then explained further that in the United States paper the concept of spot checking was viewed as a sampling device to provide one more source of information which could be pieced together with other information in order to supply necessary verification. He illustrated the point further by saying that it was much in the nature of a random check of products on a production assembly line. He recognized certain deficiencies in his illustration when applied to the present subject but said that the United States regarded spot checks as potentially meaningful when concerted with other information to be verified. The United States regarded the actual product of the census itself as not giving information with real precision, and that it was in the verification process that progress in the restoration of confidence would be demonstrated. Similarly Mr. Nash indicated that since the object of the General Assembly resolution was to provide a very limited step forward in the implementation of Article 26 that too rigid a census and verification system should not be sought in the absence of wider areas of agreement to be developed in further CCA consideration of its plan of work. Mr. Nash re-emphasized that the measures proposed in the Working Committee should be as comprehensive as they were realistic, given existing political realities, in the hope that all members of CCA might accept them or make clear why they could not do so.

Baron de la Tournelle suggested that military representatives of the various Delegations might get together in order to discuss further such matters as "spot checks" and "geographic distribution" in order to clear the ground and to provide for a further exchange of views of the four Delegations.

Mr. Nash suggested, alternatively, that in order to permit the further exchange of views of the respective governments and to promote mutual understanding of the United States paper that it might be helpful to continue discussions of the various points raised among the representatives of the four Delegations. Mr. Nash stated further that there were basic principles involved in the United States paper, some of which had already been discussed and would lend themselves to further discussion, and others which had only briefly been touched upon. He pointed out that it might be helpful to all concerned if there could be further discussion of the United States paper as a whole by the four Delegations and that there was perhaps value in doing this even though all had not heard finally from their respective governments. Baron de la Tournelle agreed with Mr. Nash's suggestion and offered to meet with the other Delegations either on May 11 or 13, concluding that he still did not anticipate any real problem in arriving at a commonly accepted paper.

Mr. Nash left a copy, on an informal basis, of a United States memorandum<sup>2</sup> reflecting United States views on the French paper with Baron de la Tournelle for his information.

H. M. SHOOSHAN, JR.

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<sup>2</sup> The memorandum under reference, circulated in the Executive Committee on Regulation of Armaments as RAC REF-30/1, May 9, is not printed.

USUN Files

*The Alternate British Representative to the Commission for Conventional Armaments (Shone) to the Deputy United States Representative (Nash)*

STRICTLY CONFIDENTIAL

NEW YORK, 11 May 1949.<sup>1</sup>

MEMORANDUM

I. The United Kingdom Delegation formed the views set out below after examining both the United States and French Delegation's working papers<sup>2</sup> on an exchange of information on Conventional Armaments. They have submitted their comments on these papers for the consideration of the Foreign Office in London.

(a) The major innovation in the French paper is the suggestion that the armaments industry in each country should be included in a system of reporting. So far as we can see there is no way in which this proposal could be modified so as to bring it into a manageable and useful form and we very much hope that the French Delegation will agree to drop it.

(b) Apart from that, the most important point of difference between the United States and French papers is on the question of verification. On this point the French paper is obviously much closer to the original U.K. suggestions than to the amplified American plan. On reflection, we feel that, by and large, the American paper is a considerable improvement on our own original suggestions and that we could agree to it on tactical political grounds and on the assumption that the verification procedure must be accepted by all, including the Russians, before there could be any question of it being brought into operation. The original United Kingdom proposals for verification are, in our view, inadequate. If we put forward those proposals (or any others drawn up on similarly limited lines), we might be accused of dishonesty in the Assembly, since it could be alleged that the plan has so many loopholes that no State would really be bound by it. In addition, there is the danger, though it is admittedly a fairly remote one, that the Russians might profess themselves ready to accept the plan. We should then find ourselves involved in all the expense and other embarrassments of having to proceed with an admittedly ineffective scheme which the Russians would certainly evade,

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<sup>1</sup> Transmitted to the United States Delegation on May 12.

<sup>2</sup> Neither printed; regarding the United States working paper, see footnote 4, p. 47.



with the result that we should get no worth while information about their forces. The United States proposals, on the other hand, seem to us to provide for at least a reasonably water-tight system of verification. We should be on stronger ground in presenting a plan on the lines of those proposals to the Assembly and it is even more likely that the Russians would reject it, if only because the verification system would be effective. We should thus secure our main objective of demonstrating that it is they who are obstructing progress on this subject. If by any conceivable chance they were to accept such a plan, we could then go ahead with a reasonable prospect of obtaining information about the Soviet Union, the value of which would surely outweigh anything which we ourselves would have to reveal.

(c) There are also certain other comparatively minor points of difference between the two papers on which we have the following comments:

(i) It may be simpler to give strength reports as on any particular date rather than as an average over a period, but the former method would appear to be much more open to evasion.

(ii) We are inclined to agree with the view of the French Delegation that there is no point in including small calibre automatic and non-automatic weapons. The process of verification for these weapons would presumably be extremely difficult.

(iii) The United States idea for the simultaneous submission of reports seems to us attractive if only because it would strengthen the general feeling of confidence in the plan.

(iv) The use in the French paper of the term "avions de guerre" raises an interesting point—are various types of aircraft such as transport planes, etc. to be included in the census? There might be some advantage in including under aircraft "operational training aircraft", since the Germans before the last war concealed their aircraft strength by placing most of them for record purposes in this category.

(v) The idea of a standard questionnaire as suggested in the French paper seems to have much to commend it.

(vi) The French paper suggests that we should only have to implement the plan when *all member states* have also agreed to implement it. The United States paper says that the plan would not have to be implemented until *all states possessing substantial military resources* had accepted it. We are inclined at first sight to prefer the French suggestion. Admittedly this makes it even less likely that the plan could ever come into effect, but there are obvious dangers in suggesting that it would do so as soon as it has been accepted by the Powers possessing substantial military forces. Apart from the difficulty of defining the word "substantial" in this context, the phrase would presumably exclude some at least of the Soviet Satellites and in addition we might suddenly find that Byelorussia and the Ukraine had overnight developed separate armies which were not subject to reporting.

II. The only reply which the United Kingdom Delegation has as yet received from the Foreign Office is to the following effect. The Committee which deals with this question in London will be considering the matter on Friday, the 13th May. There is at present some

difference of opinion amongst the Service Departments in London concerning the acceptability of the proposals of the United States Delegation. They will undoubtedly have certain modifications to suggest and they have made it clear that they would wish to examine any final proposals in detail, if a plan is fully worked out. The view held by the Foreign Office, at the official level, is that they dislike the suggestion in the French paper for an exchange of information on armaments production, which they consider to be neither practicable nor necessary. For the rest, they are inclined to feel that the United States paper offers, in general, a more suitable basis for our future work. The U.K. Delegation will not, however, be in a position to give the considered views of the United Kingdom Government until after the meeting in London on the 13th May.

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Department of State Disarmament Files

*Memorandum of Conversation, by the Executive Secretary of the Executive Committee on Regulation of Armaments (Shooshan)*

CONFIDENTIAL

[NEW YORK,] May 13, 1949.

US/S/C.3/19

Subject: Implementation of the General Assembly Resolution of November 19, 1948, regarding the Preparation of Census and Verification Proposals on Effectives and Conventional Armaments

Participants: Colonel Penette, Major Fournier; French Delegation  
Colonel Townsley; United States Military Staff  
Committee

Mr. Nash, Mr. Russell; United States Mission

Mr. Shooshan; Division of International Security  
Affairs

At a meeting held at the United States Mission this morning, the representatives of the French Delegation said that they had received instructions from their government supporting the United States paper with the understanding that the principle of "unanimity" be followed. On questioning by Mr. Nash, the French representatives explained that this might mean acceptance by all states of the census and verification measures prior to their implementation. Mr. Nash pointed out the problems presented by the requirement of prior acceptance by *all* states before implementation but agreed to the inadequacy of the United States phrase of acceptance by all states "possessing substantial military resources". Further discussion on the point lead Colonel Penette to express the opinion that acceptance by  $\frac{2}{3}$  of the United Nations members including the permanent members

of the Security Council would undoubtedly satisfy the French Government on this point.

Discussion then followed of the United States paper and members succeeded in drafting a common work paper which it was agreed that the French would put together for consideration by representatives of the United Kingdom, Canada, France and the United States at a meeting to be held on May 20.

H. M. SHOOSHAN, JR.

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501.BC Armaments/5-1349 : Telegram

*The Secretary of State to the United States Representative at the United Nations (Austin)*

SECRET

WASHINGTON, May 13, 1949—7 p. m.

272. 1. At Paris GA attached considerable importance to development of proposals referred to below, partly in hope that Soviet Union would find itself able to accept this modest step toward implementation of Article 26. Every reasonable effort should be made in CCA therefore to obtain Soviet agreement to proposals.

2. In view of tight schedule involved in developing in CCA measures for census and verification of conventional armaments and armed forces prior to Fall session of GA, Dept feels that introduction into Working Committee of a proposal along lines of that contained in RAC D-34f<sup>1</sup> should take place very soon.

3. Dept believes it essential that fullest use be made of period between end of present GA session and June 10 for consideration in Working Committee of proposal it is hoped will be produced from current discussions among representatives of UK, France, Canada and U.S. It is understood that during that period all Members will be available and meetings can be held with fewest interruptions. After June 10 it is understood some individuals may not be available and there might be interruptions in concentrated schedule contemplated.

4. It would be desirable to have French introduce into Working Committee as their paper proposal emerging from current Four Power discussions.

5. If agreement by the Four Powers upon a paper for introduction into Working Committee of CCA immediately after end of present GA session does not appear possible further instructions should be requested.

ACHESON

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<sup>1</sup> See footnote 4, p. 47.

Department of State Disarmament Files

*Memorandum of Conversation, by Mr. Harry M. Shooshan, Jr., of  
the Division of International Security Affairs*

CONFIDENTIAL

[NEW YORK,] May 20, 1949.

US/S/C.3/20

Subject: Implementation by the Commission for Conventional Armaments of the General Assembly Resolution of November 19, 1948, on Census and Verification.

Participants: General McNaughton, Mr. Starnes, Major Pierce-Goulding; Canadian Delegation.  
Baron de la Tournelle, Colonel Penette, Major Fournier; French Delegation.  
Sir Terence Shone, Mr. Cole, Wing Commander  
Warne; United Kingdom Delegation.  
Mr. Nash, Mr. Russell; United States Mission.  
Colonel Townsley; U.S. Military Staff Committee.  
Mr. Shooshan; Division of International Security Affairs.

A meeting was held at the U.S. Mission to discuss a draft working paper prepared by representatives of the French Delegation in collaboration with the U.S. Mission.<sup>1</sup>

Sir Terence Shone stated that the U.K. Delegation had received preliminary instructions from London on the U.S. paper. He stated that the Foreign Office was in agreement with the U.S. position but that the Services had raised several points as to details of which those raised by the Admiralty were most important in nature. He said that a technical committee of the British Disarmament Committee is studying the entire proposal further. He observed, however, that regarding the fundamental issue of "adequate verification", all parties were in accord. Illustrative of the type of objection raised by the Admiralty was that any verification of combatant ships might disclose specific fleet dispositions. He visualized that the points raised were largely technical in nature which could probably be taken care of in the Working Committee.

Mr. Nash stated that the intent of the draft paper under discussion, which would be introduced by the French into the Working Committee, was merely to initiate discussion of basic principles out of which the various details might be developed as to which any of the governments could expand their positions. General McNaughton agreed with this observation.

Regarding the views of the Canadian Chiefs of Staff previously circulated among the representatives present,<sup>2</sup> Baron de la Tournelle

<sup>1</sup> The draft working paper is not printed.

<sup>2</sup> General McNaughton transmitted the views of the Canadian Chiefs of Staff to Nash in a letter of May 16, not printed.

observed that the proposal of "stages" of census and verification, taking effectives first and materiel second, suggested by the Canadian Chiefs of Staff, raised a problem from a political point of view which, as expressly recognized by the Canadian Chiefs of Staff, would probably be unacceptable to the Soviet Union in that it might be viewed by them as an attempt to obtain prior information on the principal item of Soviet military strength, viz. manpower.

General McNaughton observed that the staging suggested might work both ways and that since presumably the Russians were relatively weak on materiel, they might react favorably to its being included at a later stage. However, General McNaughton stated that he was agreeable to passing over the point for the time being and expressed the belief that the views expressed by the other governments on the subject would probably help the Canadian Department of External Affairs to alter the views of the Canadian Chiefs of Staff on the point.

Mr. Cole asked if transport aircraft would be included in the census and if component assemblies of aircraft would be included. General McNaughton replied that transport aircraft should not be included and Mr. Nash stated that it was not in the original U.S. proposal to include any civil or transport aircraft, although the U.S. would be willing to include them if the others thought it desirable. General McNaughton stated that, with reference to component assemblies, they should be included and that provision therefore should be developed in the Working Committee.

Extended discussion took place regarding the time when the census and verification proposals would be implemented and, in answer to the suggestion that the proposal become effective upon acceptance of all Member States having a population of over 5 million, General McNaughton replied that the big powers were covered in the present draft proposal and that the two-thirds majority also covered in the present proposal was the more customary way of implementing international agreements. In this connection, Baron de la Tournelle stated that in response to a question asked by him in the First Committee at Paris last fall, the Soviet representative had stated that in reporting on armaments and effectives, the Soviet Union would include the Ukrainian SSR and Byelorussian SSR. General McNaughton pointed out that it would be helpful to obtain a repetition of this statement for the record of the Working Committee of the CCA.

The remainder of the meeting was devoted to an extensive consideration of the draft French-U.S. paper and a modification of the paper was accepted by all present for introduction by the French in a

meeting of the Working Committee which it was agreed would be sought for sometime during the ensuing week.<sup>3</sup>

H. M. SHOOSHAN, JR.

<sup>3</sup>The French Delegation introduced the agreed working paper at the 21st Meeting of the Working Committee, May 26, as document S/C.3/SC.3/21; for text, see Sections I and II of the Report of the Commission for Conventional Armaments to the Security Council (S/1372), August 9, pp. 107 and 109.

The Working Committee considered the French proposal at its 21st-25th Meetings, May 26-July 18. In telegram 319 to New York, June 16, the Department of State informed the United States Mission that the working paper fell within the framework of the approved United States position and should serve adequately as a basis for discussion (501.BC Armaments/6-1649).

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. Charles H. Russell, Adviser,  
United States Mission at the United Nations*

CONFIDENTIAL  
US/AEC/32

[NEW YORK,] June 1, 1949.

Subject: Work of the Atomic Energy Commission; Six Power Consultations

Participants: General McNaughton, Mr. Ignatieff, Mr. Starnes,  
Major Pierce-Goulding; Canadian Delegation  
Dr. Hsioh-Ren Wei; Chinese Delegation  
M. de Rose; French Delegation  
Sir Terence Shone, Mr. Laskey; United Kingdom  
Delegation  
Mr. Osborn, Mr. Russell; United States Mission

A meeting was held at the United States Mission on the afternoon of June 1, further to consider atomic energy matters.

I. The meeting of the Working Committee which had been held at Lake Success that morning was discussed. It was evident that the Soviet representative had nothing new to offer and it was felt that the only course open to the majority at the meeting of the Working Committee to be held on June 3, would be to reject by majority vote the U.S.S.R. draft resolution (AEC/37).<sup>1</sup>

II. *Comparative table showing the positions of the majority and the minority in the Atomic Energy Commission upon the topics which have so far been discussed; working paper prepared by the Secretariat pursuant to the resolution of the Atomic Energy Commission of 18 February 1949 (document AEC/35).*<sup>2</sup>

There was considerable discussion of this paper in view of the fact that it was an interpretation by the Secretariat of what the majority

<sup>1</sup>The Soviet draft resolution, reintroduced at the 45th Meeting of the Working Committee, June 1, is printed in part in footnote 6, p. 37.

<sup>2</sup>Resolution AEC/35 is described in footnote 4, p. 36. The comparative table is not published. Two other documents prepared by the Secretariat pursuant to

and minority positions were. The value of the paper was not minimized nor was the difficulty of the task which the Secretariat had been asked to undertake. It was felt that the paper would be valuable as a working paper, but could not be accepted as an official document. General McNaughton urged that delegations submit their comments upon the paper to the Secretariat or the Working Committee. The fact was mentioned that the Soviet Delegation had shown considerable interest in the paper and had been critical of it in the fact that the majority position was so much more detailed than their own; it was known that they had transmitted the paper to Moscow.

M. de Rose felt that the paper would have considerable merit in making clear to the delegations at the Fourth General Assembly what the real position was, and Dr. Wei urged that the paper be accepted on the understanding that it would be regarded as a working paper.

Mr. Osborn emphasized the point, upon which all were in agreement, that the position of the majority was to be found only in the original documents, and he questioned whether the Secretariat had made this sufficiently clear in their introductory note from which he made the following quotation:

"This table does not attempt to provide a substitute for the extensive documentation which shows the development of the positions of the majority and the minority but only to furnish a summary which will assist future discussion. For the authoritative formulation of the respective positions, reference should be made to the three reports of the Commission, the proposals presented by the representative of the Union of Soviet Socialist Republics, and the statements made in the Commission and its committees by all representatives, which are to be found in the records of the Commission."

III. *Statement to be used in the consultation of the six sponsoring powers who are the Permanent Members of the Atomic Energy Commission, requested by the General Assembly of the United Nations in its resolution of 4 November 1948; draft paper prepared by H. R. Wei and A. G. L. McNaughton.*<sup>3</sup>

A detailed examination was made of this draft paper which took into account the various preceding drafts which had been prepared

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Footnote continued from preceding page.

AEC/35 were approved by the Working Committee at its 45th Meeting, June 1, by a vote of 9 to 2 (the Soviet Union and the Ukraine). The first document was "Recommendations of the Atomic Energy Commission for the international control of atomic energy and the prohibition of atomic weapons as approved at the third session of the General Assembly as constituting the necessary basis for establishing an effective system of international control of atomic energy to ensure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons." The second was "Index to the Three Reports of the Atomic Energy Commission to the Security Council, 1946-1948." At its 23rd Meeting, July 20, the Atomic Energy Commission approved the two papers by a 9-to-2 vote (the Soviet Union and the Ukraine). They are printed as United Nations, *Official Records of the Atomic Energy Commission, Fourth Year, Special Supplements No. 1 and No. 2* (hereafter cited as AEC, 4th yr., Special Suppls. No. 1 and No. 2).

<sup>3</sup> Not printed.

by Messrs. Osborn and de Rose.<sup>4</sup> A number of changes were tentatively agreed upon and it was also decided to await the receipt from the United Kingdom Delegation of additional material to be inserted in the opening paragraphs relating to the events leading up to the Six-Power Consultations.

It was decided to hold a further meeting at the United States Mission on Friday afternoon, June 3, when the revised texts would be ready. For this reason the draft is not attached hereto, but copies were sent to the Department of State on the evening of June 1.

C. H. RUSSELL

JUNE 2, 1949.

*Note:* On the day following the meeting and after further discussion between the representatives of delegations mentioned above, it was decided, with reference to section I of this memorandum, that instead of rejecting the Soviet proposals in the working Committee by majority vote, a draft resolution, which the Canadian Delegation has prepared, would be presented, concluding that no useful purpose can be served by further discussion of the Soviet proposals in the Working Committee which have already been considered and rejected by the appropriate organs of the United Nations. The draft resolution concludes with the words: "The Working Committee reports to the Atomic Energy Commission accordingly".

This will avoid any question of the competence of the Working Committee to reject the Soviet draft resolution.

C. H. R.

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<sup>4</sup> None printed.

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*Editorial Note*

The Working Committee of the Atomic Energy Commission conducted concurrent discussions on the Soviet draft resolution (AEC/37), General Assembly Resolution 191 (III), and the Secretariat working papers at its 45th to 49th Meetings, June 1-15. At its 49th Meeting, June 15, the Committee adopted a Chinese draft resolution (AEC/C.1/85) which noted that the Committee had examined the Soviet draft resolution and had determined that the proposals contained therein had already been rejected by the General Assembly. The Chinese resolution, after recalling that the General Assembly, in Resolution 191 (III), had found that the basis for an effective system of international control of atomic energy existed in the provisions of the previous reports of the Atomic Energy Commission, concluded as follows:

"The Working Committee observes that no material has been presented additional to that previously submitted to the General Assembly, the Commission or the Working Committee;

"The Working Committee therefore concludes that no useful purpose can be served by further discussions in the Working Committee of



those proposals which have already been considered and rejected by the appropriate organs of the United Nations. The Working Committee reports to the Atomic Energy Commission accordingly."

The resolution was adopted by a vote of 7 votes to 2 (Soviet Union and the Ukraine), with 2 abstentions (Norway and Egypt); for full text, see United Nations, *Official Records of the General Assembly, Fourth Session, Supplement No. 2, Report of the Security Council to the General Assembly Covering the Period from 16 July 1948 to 15 July 1949*, page 69 (hereafter cited as GA (IV), *Suppl. No. 2*).

At its 49th Meeting, the Working Committee also adopted the following Cuban-Argentine draft resolution (AEC/C.1/86):

"Having observed the nature of the discussions that have taken place in the Working Committee and

Considering paragraph 3 of the resolution adopted by the General Assembly on 4 November 1948 (AEC/33) [GA 191(III)],

The Working Committee resolves:

That further study in the Working Committee is not useful until such time as the six sponsors of the resolution of the resolution of the General Assembly have met and reported that there exists basis for agreement."

This resolution was adopted by a vote of 8 votes to 2 (Soviet Union and the Ukraine), with one abstention (Egypt.)

On June 21, both resolutions were transmitted to the Atomic Energy Commission by the Chairman of the Working Committee, A. G. L. McNaughton of Canada.

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Department of State Disarmament Files

*Memorandum of Conversation, by the Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn)*

CONFIDENTIAL  
US/AEC/34

[NEW YORK,] June 15, 1949.

Subject: Plans of the Majority Delegates to the Atomic Energy Commission

Participants: General McNaughton, Mr. Ignatieff; Canadian Delegation  
Mr. J. W. Holmes, Chief of the United Nations Division of the Canadian Department of External Affairs  
Dr. Wei; Chinese Delegation  
M. Pierre-Benoist, French Delegation  
Sir Terence Shone, Mr. Laskey, United Kingdom Delegation  
Mr. Osborn, United States Mission

After the meeting of the Working Committee of the Atomic Energy Commission on June 15,<sup>1</sup> the representatives of the delegations mentioned above met at the house of Sir Terence Shone at Great Neck for luncheon to discuss further plans.

### 1. *Meetings of the Atomic Energy Commission.*

It was agreed that since the Working Committee has completed its work and reported its position pretty clearly to the Commission, it would be advisable not to have any meeting of the Commission until after the 4th of July holiday, when the Chinese will be in the chair. It was not decided whether such a meeting should be held before, during, or after the consultations of the Sponsoring Powers.

If the Commission meeting is held early in July prior to the meeting of the sponsoring Powers, General McNaughton desires to make a statement, which he has already prepared, showing that the First Report differs from the original Baruch proposals<sup>2</sup> and that the Second Report differs from both and is in effect a new plan. Therefore, the Soviet talk about the "Baruch Plan" or the "American Plan" is either propaganda or shows a complete misapprehension of the approved recommendations. If such a meeting were held, Mr. Osborn would also propose to make a statement about "simultaneity", indicating that in the approved plan the putting into effect of each prohibition and of the particular control relating to the prohibition would be "simultaneity" in the true sense, whereas the Soviet proposal does not provide true simultaneity. If a meeting of the Commission were held during the consultations it would be for the purpose of bringing out some of the points of which the public should be advised.

Finally, if a meeting of the Commission is held after the consultations, it will be for the purpose of expressing the conclusions of the Commission in the light of all the facts. In this connection, Mr. Osborn presented a draft of a resolution, copy of which is attached,<sup>3</sup> which might be used by the Commission to close up its work instead of the Commission's making a Fourth Report.

All those present were agreed that such a resolution would be better than a Fourth Report and that the draft shown them pretty closely approximated the content they thought it should have.

### 2. *Consultations of the Sponsoring Powers.*

General McNaughton said that he had taken up with his Foreign Office last week Mr. Osborn's letter referring to the preliminary reaction of the United States State Department to the plans for the

<sup>1</sup> See editorial note, *supra*.

<sup>2</sup> For the text of the statement by Bernard M. Baruch, United States Representative, at the First Meeting of the United Nations Atomic Energy Commission, June 14, 1946, see United Nations, *Official Records of the Atomic Energy Commission, First Year, Plenary Meetings*, p. 4, or Department of State *Bulletin*, June 23, 1946, p. 1057.

<sup>3</sup> Not printed.

consultations. He said that his Foreign Office entirely agreed with the State Department about not introducing the statement of principles in the earlier meetings and about having the Secretary-General call the meeting.

France, the United Kingdom and China have sent the material on the consultations (US/AEC/33<sup>4</sup>), including the preliminary advice of our State Department, to their governments but do not expect to hear from them for ten days and cannot promise to define their position until the first of July.

It was agreed that a meeting of the delegations of the majority Sponsoring Powers should be called just as soon as France and the United Kingdom have heard from their governments. Dr. Wei said that he would be ready when they were.

Both Mr. Osborn and General McNaughton said that they would have some changes to suggest in the statement of principles, which should be agreed upon in advance against its possible use at the end of the consultations.

Dr. Wei pointed out that while the resolution of the General Assembly of November 4, 1948, might be sufficient for the agenda, we should work out some plans for the discussion and how it was to take place. It was agreed that there would have to be a Chairman, probably in rotation, as provided at the first meeting of the Council of Foreign Ministers. It was agreed that there should be some form or order of discussion. All agreed that the basic discussion should center on cooperative international ownership of dangerous materials and international operation and management of dangerous facilities, as proposed in the approved plan, versus national ownership of dangerous materials and national operation and management of dangerous facilities, as proposed by the Soviets; but there might well be some preliminary discussion to clear the air of evident Soviet misconceptions, such as that the control of ores was to be the first stage in the approved plan, and their misconception or intentional confusion about controls being provided in the approved plan before prohibition. Having

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<sup>4</sup> US/AEC/33, the memorandum of the meeting of the majority delegates on June 3, is not printed. At that meeting it was agreed that two documents would be referred to the five governments: 1) Statement to be Used in the Consultation of the Six Sponsoring Powers, a draft statement of principles prepared by Wei and McNaughton; 2) a short paper prepared by Osborn reflecting the United States position on the Six Power talks. Neither paper is printed. (Department of State Atomic Energy Files)

cleared up this, the discussion might then go to the basic difference between cooperative versus national ownership and operation.

Dr. Wei made an excellent statement on this and it was suggested that he draft a memorandum for the various delegates to consider.

It was decided to do nothing about calling the meeting of the Sponsoring Powers until the delegates of the U.K. and France were able to report the position of their governments; this would indicate that the Secretary-General would call the meeting sometime soon after the 4th of July holiday.

Mr. Osborn said that he felt it would be advisable to have some new figure not hitherto associated in the public mind with atomic energy serve as United States representative at the meeting of the Sponsoring Powers, so that the public would feel that a really new try was being made.

General McNaughton heartily endorsed this point of view and said that while he thought it most important for the United States, the same thing should apply to him, though perhaps to a lesser degree, and he had already taken this up with his Foreign Office to see whether they would send one of their Under Secretaries or Assistant Secretaries of External Affairs, General McNaughton, of course, being present as an adviser.

It was agreed that the working paper, "Recommendations of the Atomic Energy Commission as approved at the Third Session of the General Assembly . . . ." (AEC/C.1/77/Rev. 1<sup>5</sup>) would be used as a working paper in the consultations. It is now a Commission document, General McNaughton as Chairman having instructed the Secretariat to forward it to the Commission. He does not consider that it is necessary to make it a U.N. document in order to use it in the consultations. It can be used as it is. General McNaughton does not want to do anything more with the "comparative table" (AEC/35, paragraph 2<sup>6</sup>). He feels we can use it in the consultations if we want to, as an entirely unofficial document.

FREDERICK OSBORN

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<sup>5</sup> AEC, 4th yr., *Special Suppl. No. 1.*

<sup>6</sup> Resolution AEC/35 is described in footnote 4, p. 36. The comparative table is not printed.

Department of State Disarmament Files

*Position Paper Approved by the Executive Committee on Regulation of Armaments*<sup>1</sup>

SECRET

[WASHINGTON,] June 20, 1949.

RAC D-35b

UNITED STATES POLICY IN THE UNITED NATIONS FOR THE  
INTERNATIONAL CONTROL OF ATOMIC ENERGY

PROBLEM

To determine the United States position with respect to the international control of atomic energy which will take into account the following factors:

A. The ultimate United States objective to achieve effective international control.

B. The approval by the General Assembly of the UNAEC and United States sponsored plan of control as constituting "the necessary basis for establishing an effective system of international control of atomic energy to insure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons."

C. The impasse in the UNAEC negotiations resulting from the continuing refusal of the Soviet Union to accept the United Nations plan of control.

D. Actions in which the United States is called upon to participate as a result of its support for the General Assembly resolution of November 4, 1948.

(1) In the UNAEC:

(a) A survey of the Commission's program of work

(b) A further study by the Commission of such of the subjects remaining in its program of work as the Commission considers to be "practicable and useful."

(2) With sponsoring Powers:

(a) To consult with Canada, China, France, United Kingdom, and USSR "to determine if there exists a basis for agreement on

<sup>1</sup> On May 25, position paper RAC D-35 was circulated in the Executive Committee on Regulation of Armaments at the request of the State member. On June 3, RAC D-35a, a revised draft, was approved by the Committee. After concurrence by the Joint Chiefs of Staff on June 14, and incorporation of minor changes of a non-substantive nature suggested by Ambassador Austin, the paper in final form (RAC D-35b) was transmitted to the Secretaries of State and Defense and the Chairman of the United States Atomic Energy Commission on June 20 for approval. It was transmitted to the United States Mission at the United Nations on June 21. The paper received the approval of the Secretary of Defense on June 23, the Chairman of the USAEC on July 5, and the Secretary of State on July 12. (Department of State Disarmament Files) In telegram 364 to New York, July 14, the Department of State informed the United States Mission that it should be guided by the policy stated in RAC D-35b (501.BC Atomic/7-1449).

the international control of atomic energy to insure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons and to report to the General Assembly the results of their consultation not later than its next regular session.”

#### FACTS BEARING ON THE PROBLEM

See Appendix A.<sup>2</sup>

#### DISCUSSION

See Appendix B.<sup>2</sup>

#### CONCLUSIONS

1. The objective of the United States in this field continues to be the establishment of an effective international system of control.

2. The characteristics of an effective system of control are clearly set forth in the plan now approved by the General Assembly. No change in the control features of that plan can now be envisaged without serious jeopardy to effectiveness of control.

3. The developments of the past year demonstrate the soundness of the position taken by this Government in supporting the analysis of the impasse in the UNAEC and the Conclusions and Recommendations resulting therefrom as contained in the Commission's Third Report dated May 17, 1948. Indeed, since resumption of its sessions following on the General Assembly resolution of November 4, 1948, the activities of the UNAEC have sharpened the differences between the majority and the minority and have revealed even more clearly the basic nature of the impasse.

4. It is the view of this Government and the view of the other permanent non-Soviet members of the UNAEC that there is no likelihood that the Soviet Union will accept the UN plan of control or any plan which will require effective control and inspection as long as the USSR maintains its present motivations and methods. As in certain other areas of international affairs, the Soviet delegates in the UNAEC evidently have been, and are, under instructions not to negotiate but only to give the appearance of negotiation so as to improve their propaganda position.

5. In view of the foregoing the United States should take the position:

(a) In the UNAEC:

After a review of the Soviet proposals for simultaneous conventions, and appropriate comment thereon, and after further study of the program of work, the United States should join with other delegations in the conclusion that there is no further work which the Commission can do that would be practicable or useful unless the

<sup>2</sup> Not printed.

Sponsoring Powers find that there exists a basis for agreement on the international control of atomic energy.

(b) With the Sponsoring Powers:

That no such basis for agreement exists or is possible until the USSR has demonstrated a willingness to accept that degree of openness, accessibility and cooperation in the world community required by the UN plan which constitutes the necessary basis for establishing an effective system of international control of atomic energy.

6. The UNAEC should submit a Fourth Report to the Security Council and to the General Assembly at its fourth regular session which will reaffirm the validity of the analysis contained in the Third Report and which will emphasize the need for demonstrated openness, accessibility and willingness to cooperate in the world community on the part of the USSR before any realistic work on the further development and ultimate implementation of the UN plan of control can take place. This report should find that no further work that is practicable or useful can be done in the UNAEC until such time as the situation analyzed in the Third Report no longer exists.

7. The consultations among the Sponsoring Powers called for by the General Assembly Resolution and on which a report must be rendered to the Fourth Regular Session, should be held at a level below that of the Foreign Ministers, preferably at the level of UNAEC members. Its sessions should be closed. Its agenda should be confined to the question whether the USSR is prepared to accept the basic principles derived from the UN plan of control. Unless the USSR expresses a willingness to accept these requirements, the Sponsoring Powers should report to the Fourth Regular Session that no basis for agreement exists, or can exist, until the USSR has demonstrated its willingness to accept that degree of openness, accessibility, and cooperation in the world community required by the UN plan, which constitutes the necessary basis for establishing an effective system of international control of atomic energy.

8. At the earliest practicable date the United States should inform friendly governments of its position as set forth above as being in the common interest.

9. At an early stage in the General Assembly debate on this subject the United States should express its unequivocal support for the Fourth Report of the UNAEC and the Report of the Sponsoring Powers as set forth in Paras. 6 and 7 above. The United States should emphasize strongly its conviction that UNAEC negotiations have been rendered futile by the persistent refusal of the Soviet Union to accede to the requirements of the UN plan. The United States should encourage other nations to make similar declarations.

10. The United States does not, at this time, consider it necessary that the General Assembly take any action beyond receiving and dis-

curring the Fourth Report and the Report of the Sponsoring Powers. In the event that resolutions are put forward by other Delegations, the United States should support those which recognize the need for a fundamental change in Soviet attitudes before any useful purpose can be served by further negotiations. The United States should oppose any resolution which seeks to continue negotiations in the absence of such change.

11. The United States Representative on the UNAEC should be authorized to explain to other delegations that this is the United States position and intention.

IEWS OF THE JOINT CHIEFS OF STAFF

The Joint Chiefs of Staff "concur fully in the conclusions in paragraphs 5 to 11" (Appendix C).<sup>3</sup>

RECOMMENDATIONS

It is recommended:

- (a) that the above conclusions be approved, and
- (b) that upon approval of this paper by the Secretaries of State and Defense and the Chairman of the United States Atomic Energy Commission, it be forwarded to USUN as guidance.

<sup>3</sup> Not printed.

Department of State Disarmament Files

*Memorandum of Conversation, by the Executive Secretary of the Executive Committee on Regulation of Armaments (Shooshan)*

SECRET

[NEW YORK,] June 20, 1949.

US/S/C.3/22

Subject: Implementation by the Commission for Conventional Armaments of the General Assembly Resolution of November 19, 1948, on Census and Verification of Conventional Armaments and Effectives.

Participants: Mr. Ignatieff, Mr. Starnes, Major Pierce-Goulding; Canadian Delegation.

Colonel Penette, Major Fournier; French Delegation.  
Sir Terence Shone, Mr. Cole; United Kingdom Delegation.

Mr. Nash, Mr. Russell; United States Mission.  
Colonel Townsely; U.S. Military Staff Committee.  
Mr. Shooshan; Department of State.

A meeting was held at the United States Mission to discuss the French Working Paper introduced into the CCA Working Committee by the French Delegation on May 26, 1949.<sup>1</sup>

<sup>1</sup> For text, see Sections I and II of the Report of the Commission for Conventional Armaments to the Security Council (S/1372), August 9, pp. 107 and 109.



Sir Terence Shone advised the group that his delegation had received comprehensive views from London with respect to the position to be taken by the UK on the French Working Paper. The substance of London's comments was to approve the French Working Paper as a basis for discussion with certain changes described as "minor in nature" to be suggested in due course. He called particular attention to the reversal of thinking represented in the present view of the UK as regards the adequacy of verification and the conclusion that freedom of access to information for purposes of verification should be emphasized even more strongly than in the present French Paper. Particularly, he stated that "fool-proof verification", which was required, could be produced by allowing almost unrestricted access to the sources from which the census reports were to be derived. Sir Terence pointed out more specifically that on the matter of verification there appeared to be at least two approaches. First, that contained in the present French Paper which, in essence, would provide to the control authority the various administrative organization plans of the armed forces of the respective countries on the basis of which sampling would be instituted. The second alternative, on which the UK was developing its own thinking, was to have nations make their orders of battle available to the control authority for verification purposes.

Mr. Ignatieff stated that the Canadian Government had approved the French Paper and that with minor wording changes were quite prepared to approve the paper in its present form and content.

Mr. Nash likewise advised the group that the U.S. was quite satisfied with the French proposals as a basis for discussion except for minor re-wording suggestions which would be offered at some later date in the work of the Working Committee.

Discussion then took place of the nature of the various proposals for re-wording the French Paper in the course of which Sir Terence indicated that specific wording to cover the emphasis desired on "freedom of access" would have to await instructions from a sub-committee in London assigned to develop that concept into specific wording. However, should events move quickly, Sir Terence indicated that such wording could undoubtedly be worked out equally quickly.

In the course of further discussion, it was agreed that should the U.S.S.R. denounce the whole exercise, as appeared certain, that this would not alter the Working Committee's consideration of the French Paper and all agreed that the Working Committee should continue its discussions in order to arrive at at least a majority approved set of proposals which would not be unlike those contained in the present French Paper, plus the new section on Organization yet to be introduced into the Working Committee, which would constitute the basis for a report to the Security Council and the General Assembly.

In response to a UK inquiry regarding the views of the group on changing the proposed paragraph regarding implementation so as to require only the approval of the five permanent members of the SC prior to implementation and thus "put the finger" quickly on the Soviet Union, other representatives present expressed themselves on the deficiencies of that suggestion, pointing out in particular the importance of making the measures broader than the five permanent members of the SC. In this connection, the British particularly asked about the importance of simultaneity in the submission of census reports on which point all agreed that the statement as presently found in the French Paper should remain and was, in fact, most important though there was recognition that in the verification phase of these proposals such verification might well be applied initially to the five permanent members of the SC.

In response to an inquiry by Mr. Nash regarding the desirability of the inclusion of representatives of other delegations who were members of the CCA in advance preparatory discussions, the UK agreed to approach the Norwegian member and sound him out on making a statement early in the Working Committee deliberations and, if possible, at the Working Committee meeting scheduled for June 21. The French representatives expressed disagreement with the idea of adding additional members to this type of advance deliberation on the theory that eventually such meetings would develop into meetings of nine members with only the U.S.S.R. and the Ukraine left out.

Mr. Nash asked the group to think about the reporting to the SC of the findings on Items 1 and 2 of the Plan of Work which were held up last August,<sup>2</sup> and to their possible inclusion as one part of the report contemplated to be submitted to the SC on these census and verification proposals. Mr. Nash then circulated a suggested Section III for the French Working Paper,<sup>3</sup> dealing with the organizational phase of the census and verification proposals which, he stated, had approval of the U.S. In circulating the document, he suggested that it might be read with the idea of its introduction by the French, after further discussion and such modification or amendment as might be required, since they had introduced the first part of the proposals. However, he stated that if there was any reluctance to do so he was prepared to introduce it as a U.S. paper. Colonel Penette agreed that it would be desirable for the French to introduce the paper on this section of their original proposals and indicated that it would be referred to Paris immediately with that idea in mind. The other dele-

<sup>2</sup> See footnote 3, p. 12.

<sup>3</sup> The draft under reference, document RAC D-34/2d, June 16, is not printed. For the text of Section III as introduced by the French Delegation on July 7 and ultimately approved with the working paper as a whole by the Working Committee and the Commission for Conventional Armaments, see Report of the CCA to the Security Council (S/1372), August 9, p. 106-113.

gations represented likewise agreed to refer the paper promptly to their respective governments. All estimated that instructions on this paper might be expected within approximately two weeks.

H. M. SHOOSHAN, JR.

USUN Files

*The Alternate British Representative to the United Nations Atomic Energy Commission (Shone) to the Deputy United States Representative (Osborn)*

SECRET

NEW YORK, [June 23, 1949.]

MY DEAR OSBORN: We have now received from London the comments of the Foreign Office on the draft statement of principles and on the proposals as regards tactics for the Six-Power meetings on Atomic Energy.<sup>1</sup>

2. The Foreign Office have approved the statement of principles subject to two suggested amendments. On page 6 the Foreign Office suggest that the first sentence of paragraph 5(a) might be amended to read "the development and use of atomic energy are not matters exclusively of domestic concern of individual nations. . . ." They feel that this slight rearrangement and the substitution of "exclusively" for "essentially" would be an improvement. The second amendment concerns paragraph 6(a) (on Page 7) where the Foreign Office would prefer to omit entirely the second sentence, "nations cannot have any proprietary rights . . . within their territories". The Foreign Office feel that this sentence, although it is taken from the Second Report of the Atomic Energy Commission, goes rather further than we should wish on the question of ownership. As you know, we did not press for the second report to be amended before its submission, but we did make it clear that we had certain reservations on one or two points of which ownership was the most important. We still feel certain doubts on this subject and would therefore prefer not to commit ourselves if this can be avoided. The Foreign Office feel that the principle which this sub-paragraph is designed to establish is sufficiently covered by the first sentence and that the omission of the second sentence would not seriously weaken the paper.

3. We are, of course, aware that the question of ownership may come up during the Six-Power talks or indeed in subsequent discussion during the Fourth Session. If we have to embark on detailed discussion, I very much hope that it may be possible to avoid the use of the word "ownership" and to concentrate on the need for the agency to control the "operation and management" of materials and facilities.

<sup>1</sup> Regarding the two documents under reference, see footnote 4, p. 36.

On the latter point we are, as you know, in full agreement with the Atomic Energy Commission's recommendations. I only emphasise this point because we are naturally most anxious that any slight divergency of view which may exist between the five friendly delegations should not be brought out into the open thereby enabling the Russians to exploit it.

4. The Foreign Office are in full agreement with the memorandum on tactics for the Six-Power talks, which was discussed at our meeting on June 3rd. They agree in particular that the statement of principles should be discussed at the Six-Power meetings and that we should press the Russians to say whether they accept the statement or not and in the latter event to specify their objections to it. The instructions we have received from London show that the Foreign Office have not yet had time to consider the State Department's suggestion that the statement of principles should be held in reserve and not put forward at the opening of the talks. Our own view on this point, which I think we have indicated to you, is that it may well be sound tactics not to introduce the statement at the opening meeting, but we do feel that it should be put forward at an early stage in the discussions.

5. Just before he went on leave François de Rose asked us to raise with you a number of suggestions which he wished to make on the statement of principles. I had hoped to do this before now, but a suitable opportunity has not arisen and I think it may be best if I circulate de Rose's suggestions in writing. The views in the enclosed note<sup>2</sup> are of course his and I have not included any comments which we may have on them, since I think this could best be done when we meet to consider these and any further suggestions which other delegations may have.

6. I think it was agreed at our last informal meeting<sup>3</sup> that as soon as all five delegations had obtained clearance from their governments we should hold a further meeting to consider final amendments to the statement on basic principles and to work out detailed tactics for the Six-Power talks. We shall be ready for such a meeting at any time which may be convenient to the other delegations, though for personal reasons I should prefer not to have it until after the 4th July. If an approach to the Secretary-General about fixing a date for the Six-Power talks were made then, I suppose the talks could start some time after the 15th July, when I believe François de Rose will be back.

7. I am sending a similar letter to the representatives concerned in the other friendly delegations.

Yours sincerely,

TERENCE SHONE

<sup>2</sup> Not printed.

<sup>3</sup> Reference is to the meeting of June 15; for memorandum of conversation, see p. 66.

501.BC Armaments/6-2949: Telegram

*The Acting United States Representative at the United Nations  
(Ross) to the Secretary of State*

SECRET

NEW YORK, June 29, 1949—7:19 p. m.

788. Following is sent with reference to current consideration by CCA of GA resolution of November 19, 1948 and future work of CCA.

On May 26 French introduced as their paper based on RAC D-34e (S/C.3/SC.3/21).<sup>1</sup>

On June 20, RAC D-34/2d was given to representatives of France, Canada and UK as possible section III to complete French paper in accordance with Deptel 319 of June 6 [16].<sup>2</sup>

In view of strong and clear position taken by Soviet member in working committee attacking proposal of census and verification of conventional armaments and effectives as called for by GA resolution, unlikely that CCA deliberations will go beyond majority approval of set of general proposals consisting substantially of present French proposals plus something like our proposed section III. In view further of shortness of time which exists for formulation of such proposals, it is also felt that this would be about as much as could be expected in order to submit report on that resolution to SC and 4th session of GA. We feel that this will be sufficient to indicate on one hand an honest set of proposals within framework of GA resolution considered and approved by majority, and on other hand fundamental nature of opposition to GA resolution by Soviet Union.

Under these circumstances it appears possible to vote on proposals during latter part of July and thus have majority approved proposals for report to SC and GA on subject GA resolution which we would be prepared to support in SC and GA. After that has been done CCA could revert to discussions based on its approved plan of work with realization, however, that CCA will probably be unable to formulate plans for establishment of system for regulation of armaments which will be acceptable to all since Soviet Union has failed to agree with majority on principles considered to be basic to formulation of plans for such regulation.

It is also hoped that prior to next GA session, CCA may be able to submit to SC second progress report (S/C.3/32/Rev. 1) which includes findings on items one and two of plan of work.<sup>3</sup>

<sup>1</sup> For text, see Report of the Commission for Conventional Armaments to the Security Council (S/1372), August 9, Sections I and II, pp. 107 and 109.

<sup>2</sup> Telegram 319 to New York, June 16, not printed, indicated that document RAC D-34/2d, not printed, was being transmitted to the United States Mission for discussion with French, British, and Canadian representatives preparatory to its introduction if possible by the French in the Working Committee as Section III of their working paper (501.BC Armaments/6-1649).

<sup>3</sup> See footnote 3, p. 12.

In preliminary conversations on this subject, representatives of France, Canada and UK have expressed themselves unofficially in general agreement with views expressed above.

Ross

USUN Files

*The Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn) to the Alternate British Representative (Shone)*

SECRET

NEW YORK, June 30, 1949.

DEAR SIR TERENCE:

1. I have given close attention to your letter of June 23rd<sup>1</sup> containing the comments of the Foreign Office on the draft statement of principles, and on the proposals as regards tactics for the Six-Power Consultations.

2. The first change suggested by the Foreign Office, namely, to amend the first sentence of paragraph 5(a) to read "the development and use of atomic energy are not matters exclusively of domestic concern of individual nations," instead of using the word "essentially." This seems a good change except that it departs from what General McNaughton calls the approved language, and I think we would all have to consider whether the value of the change outweighs the departure from the approved language.

We note that the Foreign Office would prefer to omit entirely the second sentence of 6(a) "nations cannot have any proprietary rights within their territories." We feel that this sentence cannot be omitted. It does not attempt to define the term international ownership as used in the Second Report, but it goes right to the heart of the basic fallacy of the whole Soviet position. When the Second Report says that "nations cannot have any proprietary rights or rights of decision arising therefrom over atomic source materials, nuclear fuels or dangerous facilities located within their territories," the Report is stating a position which it seems to me is basic to the thinking of all members of the majority. It seems very evident that if nations should have proprietary rights or rights of decision over potentially dangerous and explosive materials and facilities for making such materials, there would be a continuance of national rivalries in this field in a most dangerous form. Any nation could then at any time claim that some other nation was exercising its proprietary rights to its own advantage in a manner contrary to the treaty, and such a claim would present a great danger to the peace, even if the claim had no validity whatever. The recent furor in the American newspapers over the suspected loss of a couple of ounces of plutonium is an example of a kind of suspicion that would

<sup>1</sup> *Ante*, p. 76.

be aroused, and if such suspicions were put forward in a time of international tension, the tension would be enormously increased.

In three years of discussion in the Commission I think it has become clear to all of us that the Soviet position is very little concerned with simultaneous or not simultaneous, or one treaty or two, but is very much concerned with getting a plan which would give them national ownership and operation of explosive materials and facilities for making them, would bring them up to date on all technical information available anywhere, and would enable them to create an international crisis by making accusations against another nation whenever such a crisis appeared useful to them. The crisis would go to the Security Council where, if there was a veto, the crisis would be unresolved. If the vote was by majority, the Security Council would have to consider the use of force, with the danger of precipitating a war on a secondary issue.

This is only a small part of the story, but enough, I think, to show how strongly we feel about it. We feel sure that if we left out this question of proprietary rights we would fail in one of the important aspects of the consultations, namely, the necessity of having the public understand very clearly and simply the falsity of the Soviet position.

3. I note the suggestions made by François de Rose for changes in the statement of principles. We too have changes to propose at such time as we can meet to consider them.

We are glad that you are ready for a conference of the majority members and hope we may hear from the French in time to have the meeting immediately after the 4th of July.

I enclose a copy of a revised text of the draft resolution<sup>2</sup> we would propose to submit to the AEC at its next meeting.

I am sending a copy of this letter to the representatives concerned in the other friendly delegations.

Your sincerely,

FREDERICK OSBORN

<sup>2</sup> Not printed.

Department of State Disarmament Files

*Memorandum of Conversation, by Mr. Charles H. Russell, Adviser,  
United States Mission at the United Nations*

SECRET

[NEW YORK,] July 6, 1949.

US/AEC/36

Participants: General McNaughton, Mr. Ignatieff, Mr. Starnes;  
Canadian Delegation.

Sir Terence Shone, Mr. Laskey; United Kingdom  
Delegation.

Mr. Chase; Office of the Under Secretary of State.

Mr. Ross, Mr. Osborn, Mr. Russell; United States  
Mission.

A meeting was held at the Canadian Delegation on the afternoon of July 6 further to discuss questions relating to the work of the Atomic Energy Commission and the Six Power Consultations. M. de Rose of France will be away until July 15 and in his absence no one seems to be able to speak for the French Delegation. General McNaughton had just returned from three weeks in Canada and this was the first opportunity to get his views.

#### I. OWNERSHIP

Due to the fact that in a recent letter to members of friendly delegations Sir Terence Shone had reaffirmed the desire of the United Kingdom Government to avoid the use of the words "proprietary rights" in the statement of principles (US/AEC/33<sup>1</sup>), a detailed discussion of the issues involved in this position took place.

Mr. Osborn emphasized that ownership was essential to make a watertight treaty. Sir Terence Shone replied that the United Kingdom Government were simply maintaining an existing position, made clear by their previous reservations on "ownership". The position had not changed. "We don't like the word 'ownership'", he added. Mr. Osborn replied that no one liked the word "ownership", but that the difficulty which had confronted the Commission throughout had been to find any alternative to ownership. General McNaughton said that the use of the word "ownership" alone did not quite present the true picture; what was clearly meant was "ownership in trust for the world". He did not see how we could concede ownership resting in a nation. If we made a concession on ownership, nations could step in and operate themselves. We must show what "in trust" really means. He emphasized most strongly, as Mr. Osborn had done, that we could not compromise on our position and that we must keep on the simple, narrow path and support a plan which would work.

Mr. Laskey spoke at length as to the reasons why the United Kingdom Government could not accept ownership by an international agency or a denial of proprietary rights to nations. Among other things he said that if the international agency took over a plant in England employing 10,000 men and then closed the plant, the British Government would be in an impossible position in having these men put out of work. He said that in the long discussions of the Ruhr industries, it was finally decided to give the Germans ownership of the Ruhr industries even though the Allies would make the controlling decisions for a long time to come.

Mr. Osborn said that in view of all that had been said, he would suggest to his Government that the statement of principles include the words "own, operate and manage" instead of leaving it at simply

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<sup>1</sup> See footnote 4, p. 68.



"operate and manage." The denial of proprietary rights to nations would remain.

General McNaughton strongly urged Sir Terence Shone to clear up the whole matter with his Government. Sir Terence Shone said that he would report fully to his Government on the whole conversation. It was the general understanding that there would be a meeting of the Five to revise the statement of principles early next week if possible.

## II. U.N.A.E.C.

General McNaughton said that the first question to consider was whether or not there should be a meeting of the UNAEC before the Six Power Consultations were held. He felt that the Commission had not left its work in tidy shape. Everything had been done in the Working Committee which the General Assembly had told the Commission to do. He thought that the next step should be for the UNAEC to approve the resolutions which had been adopted in the Working Committee.<sup>2</sup> In voting these Working Committee resolutions, we could be assured of at least 8 to 2 votes in the Commission itself, since the nations were already committed by their previous vote in the Working Committee. In that case, the debate itself would probably be very short. After a great deal of consideration he had come to the conclusion that this was much better tactics than to try to force through the proposed United States resolution,<sup>3</sup> which might lose many important votes, which would in his opinion mean a prolonged debate, and which would appear to put the emphasis on the Commission instead of on the Consultations of the Sponsoring Powers. He himself thoroughly approved of the proposed United States resolution and thought it should be passed some time, preferably in the General Assembly itself. He also wanted an early meeting of the Commission as he wanted to go on the record with a strong statement of the soundness and independence of the Canadian position. He said that from the beginning the Canadian Delegation had been guided solely by the efficacy of the system of control and that he felt that the Commission had built up something which his Delegation believed to be right.

General McNaughton added that neither his Delegation nor the Commission were subscribing to the Baruch report. The majority proposals were fundamentally different. It was important to make this clear to the world too. He felt that the Commission should not undertake to do too much at this time; he thought that there was

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<sup>2</sup> See editorial note, p. 65.

<sup>3</sup> The draft of July 5, attached to the present memorandum of conversation, is not printed. For the text ultimately presented to the United Nations Atomic Energy Commission, see p. 96.

danger, if too much were attempted, of not getting a vote of 9 to 2. He expressed the view that the Commission should confine itself at its next meeting to giving its approval to the resolutions adopted in the Working Committee.

In regard to the Six Power Consultations, General McNaughton felt that there was no occasion for hysteria. He said that there should be no cause for concern if no decision were reached in the Six Power Consultations before the next meeting of the General Assembly; he thought that in some ways it might be preferable if no decision were reached by then. Mr. Osborn said that he understood that the United States did not see any urgency about reaching a rapid decision in the Six Power Consultations.

In regard to the agenda for the Six Power Consultations, General McNaughton suggested the use of the chapter headings, leaving the statement of principles for later discussion.

Mr. Osborn presented to the meeting a memorandum which he and Dr. Wei, of the Chinese Delegation, had prepared, which recommended that the sequence of discussion in the Consultations should follow the paragraph headings found in the statement of principles.

These are as follows:

1. International System of Control
2. International Control Agency
3. Exchange of Information
4. Prohibition of Atomic Weapons
5. Development of Atomic Energy
6. Atomic Materials and Dangerous Facilities to be Held in Trust
7. Operation, Management and Licensing
8. Clandestine Activities
9. Stages.

The Wei-Osborn recommendation appeared to have general approval. The text is attached.<sup>4</sup>

There followed a discussion of the "new approach" to which M. de Rose had previously referred. General McNaughton strongly emphasized that the five Sponsoring Powers should not depart from the substance of the Commission's work or from the Commission's reports. The use of the words "new approach" in the way they are used in the present draft of the statement of principles might indicate a departure from the approved plan. He did not object to the words "new approach" if it were made very clear that this referred only to shifting from the old approach of detailed proposals to a new approach of general principles, namely, the general principles in the

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<sup>4</sup> Not printed.

approved recommendations. Mr. Osborn strongly endorsed this point of view.

Mr. Osborn referred to a number of changes which he wished to make in the statement of principles (US/AEC/33). These changes were largely of a minor character, except for the question of ownership.

### III. U.S. DRAFT RESOLUTION

Mr. Osborn referred to a suggestion which he had made some time ago, and which at least did not have an initially unfavorable reception, namely that a resolution be adopted by the UNAEC to take the place of a Fourth Report. He noted that General McNaughton, after much consideration, now suggested a different course. He would like to digest what General McNaughton had said on the course to be followed in the Commission and would not press at this time for a decision as to whether or not to adopt the U.S. draft resolution in the Commission before the opening of the Six Power Consultations. He desired however, that there should be a clear understanding of what the United States had in mind in drafting the resolution.

He read the latest text of the draft resolution, containing contributions made by Ambassador Austin and Mr. Ross, which is attached hereto. He said that he considered it highly desirable that the UNAEC make a clear, concise statement as to why there is an impasse.

Mr. Ross urged prompt action upon the draft resolution, but realized that it might be difficult to obtain a 9 to 2 vote. Sir Terence Shone thought that if the draft resolution were discussed at this time the effect would only be to provoke the Russians. General McNaughton expressed the view that the effect of acting upon the draft resolution before the Six Power Consultations would be to make the UNAEC rather than the Six Power Consultations the forum of debate. (General McNaughton's further references to the U.S. draft resolution are included under section II of this memorandum.)

It was suggested that Dr. Wei, in view of the fact that China is Chairman this month, be asked to call a meeting of all the majority delegations in New York for the consideration of the matters taken up in sections II and III of this memorandum, if the views of the other powers were not too divergent as to the course to be followed. (*Note:* The meeting suggested was not called.)

C. H. RUSSELL

Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson, Special Assistant to the  
Under Secretary of State (Webb), to the Secretary of State*

SECRET

[WASHINGTON,] July 7, 1949.

Subject: A. Position Paper on United States Policy in the UNAEC  
and the next General Assembly<sup>1</sup>  
B. Tactics Thereunder

## A

### U.S. POSITION ON ATOMIC ENERGY NEGOTIATIONS

The attached position paper on atomic energy negotiations in the United Nations (Tab A)<sup>1</sup> is submitted for your approval. Departmental responsibility for the formulation of the United States position has been taken over by this office on the recommendation of Mr. Rusk who has informed me that this arrangement is agreeable to you and to Mr. Webb.

Current procedures call for the formalization of U.S. position on atomic energy in the UN through the interdepartmental mechanism of the Executive Committee on the Regulation of Armaments, the top members of which are the Secretary of State, Secretary of Defense, and the Chairman of the USAEC. Approval of the paper has now been obtained from the Chairman of the USAEC and the Secretary of Defense, which latter carries with it the concurrence of the Joint Chiefs of Staff. (Attached to basic paper as Appendix C.) All requisite Departmental clearances (i.e. S/P, G (for UNA as well), ARA, EUR, FE, NEA, and L) have been obtained. The paper has been worked out in the closest collaboration with Mr. Osborn and has his full approval. Ambassador Austin concurs. Upon your approval, it becomes the U.S. position through the next General Assembly.

## B

### TACTICS

#### I. *In the UNAEC:*

During the gestation period of the position paper, events have moved forward in the UNAEC. The Commission's Working Committee again rejected the Soviet proposals on June 15. At the same time the Committee also resolved that there was nothing useful that it could do until the Sponsoring Powers found some basis for agreement. In due course the Commission will reach the same conclusions as those of its Working Committee (membership on the Commission and the Committee is identical).

<sup>1</sup> RAC D-35b, June 20, p. 70.

While the attached position envisages that the UNAEC will make a Fourth Report containing the conclusion that no further work is "practicable or useful" in the UNAEC until such time as the Sponsoring Powers find that a basis for agreement exists, the present trend of thinking in New York is that the Commission's conclusions to this effect may be embodied in a resolution which finds the differences between the majority and the minority to be irreconcilable at the Commission level, reaffirms the analysis of the situation contained in the Commission's Third Report and concludes that there is nothing practicable or useful that the Commission can do until the Sponsoring Powers find that a basis for agreement exists. A tentative draft of such a resolution is attached (Tab B).<sup>2</sup> In my view, this form of action by the Commission is fully consonant with the position paper and I have recommended to Osborn that he proceed accordingly.

## II. *In the Consultations:*

The position paper concludes that the consultations among the Sponsoring Powers, which are required by the General Assembly resolution of November 4, 1948, should be held below the level of Foreign Ministers, preferably at the UNAEC level, and that they should center on the question whether the Soviet Union is prepared to accede to the basic elements of the UN plan of control. As to timing, the friendly New York delegations have agreed that the UNAEC should formalize the conclusion that there is nothing practicable and useful, etc., *before* the Sponsoring Powers begin consultations. The Commission will probably take this action within the next few days. The way will then be clear for consultations.

I am strongly of the view that Mr. Osborn should sit for the United States in these consultations. I would intend to be present to assist him. On the other hand, Mr. Osborn feels that someone else should do it. He has suggested that Mr. Jessup<sup>3</sup> would be the logical choice. Mr. Osborn's view is based primarily on the argument that unless there is a new face at the table, domestic and foreign criticism will contend that the United States is not making a genuine effort to break the deadlock. My view is based on the following:

1. He is thoroughly schooled in the problem and knows intimately the people involved.
2. A new man, however able, would require some period of briefing and careful coaching thereafter.
3. Reasoning from their own practice, the Soviets would in all probability assume, until they were told unequivocally to the contrary, that a new man meant a new policy or a change in line. The net effect of this would be unnecessary alarms and excursions and needless

<sup>2</sup> Tab B is not attached to the source text; it is presumably the draft of July 5, not printed. For the draft of July 13, that was actually submitted to the United Nations Atomic Energy Commission on July 20, see p. 96.

<sup>3</sup> Philip C. Jessup, Ambassador at Large.

delay in the carrying out of the consultation assignment. (Hickerson, with whom I discussed this problem, places special stress on this last point.)

It seems to me that the decision on this point of representation must rest with you. If you think it would be helpful, I could easily arrange to have Osborn come down so that he and I could talk it over with you.

### III. *In the General Assembly:*

As regards the UNAEC, the attached position does not require the United States to press for formal suspension of that body. It does call for support of the conclusion of the UNAEC that there is nothing practicable and useful that can be done in that body until the Sponsoring Powers find there is a basis for agreement. It requires that the United States should state its unequivocal opposition to carrying on any further work in the UNAEC until such time as a basis for agreement is found by the Sponsoring Powers. It authorizes the United States to support any resolution of the General Assembly which recognizes this reality and to oppose any resolution which does not.

There is reason to expect that the General Assembly will not this time call for a fruitless continuation of UNAEC meetings. The General Assembly may, however, urge that the Sponsoring Powers continue to try to find some basis for agreement. If such is the recommendation of the General Assembly, the United States can hardly oppose it. There is, however, a serious question whether the United States must not now state unequivocally, and if necessary unilaterally, its view that there is no basis for agreement, or hope of agreement, unless the Soviet Union changes radically its point of view on this matter. The time may very well have come when the Soviet Union should be put on notice that the United States refuses to be the subject of propaganda attacks in the UNAEC under the guise of negotiations. While the United States should never explicitly, or by implication, withdraw the offer which it made on the 14th of June 1946, it should speak frankly of its appraisal of the situation and allow no one to be deceived as to the real cause of the impasse, namely Soviet intransigence. It should state its conviction that until the Soviet Union demonstrates a willingness to cooperate in the world community, further negotiations on atomic energy control in the UNAEC or in any other forum can serve no useful purpose.

I would recommend that the United States be prepared at the time of the next General Assembly to state its views along the lines of the foregoing. In order that there may be no doubt about the firmness of this view and its official character, I would further recommend that this view be embodied in your opening speech at the next General Assembly and that it be made utterly clear to all United States participants that this is the firm line to be held. Mr. Osborn and I have discussed this point at some length and we are in full agreement that

this is not only wise but necessary. Both he and I have very much in mind the point of view expressed by Mr. Osborn's consultants early this spring (Conant, Bacher, Oppenheimer, Chester Barnard, John Vance, General Groves, General Farrell, and General Nichols) that the United States should withdraw the offer.<sup>4</sup> While Osborn and I cannot agree with this view, we do feel that we should come pretty close to it and, in doing so, place the blame for failure to secure international control precisely where it belongs.

## C

## RECOMMENDATIONS

1. That you approve the attached position (Tab A).
2. That you decide whether Mr. Osborn or someone else should be the principal representative of the United States in the consultations.
3. That you approve the idea of a strong statement by the United States in the next General Assembly to the effect that while the United States desires ultimately to achieve effective international control, it is convinced that until the Soviet Union demonstrates a willingness to cooperate in the world community, further negotiations on this problem in the UNAEC or in any other forum can serve no useful purpose.

R. GORDON ARNESON

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<sup>4</sup>For two memoranda of conversation by Osborn of the March 10 meeting of the consultants to the United States Delegation to the United Nations Atomic Energy Commission, see pp. 39 and 41.

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Department of State Atomic Energy Files

*The Alternate French Representative to the Security Council (de la Tournelle) to the Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn)*

Translation

NEW YORK, July 11, 1949.

DEAR MR. OSBORN: Following on our talk on July 6,<sup>1</sup> I informed the French Government as to the position of the American Delegation with respect to the work of the AEC and the draft resolution which the United States is proposing to present to the Commission, and asked my Government's instructions.

M. Ramadier,<sup>2</sup> French Delegate, had declared at Paris before the General Assembly that the French Government considered it essential to continue the work of the AEC.

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<sup>1</sup>No record of the conversation under reference has been found in the files of the Department of State.

<sup>2</sup>Paul Ramadier, Member of the French Delegation to the Third Session of the General Assembly, 1948; Minister of National Defense.

The French Government, for the reasons which you have made clear, being forced to recognize that the Commission finds itself at an impasse, is prepared to associate itself with a recommendation of the Commission looking towards the suspension of these discussions.

However, the resolution should avoid in its language an attack on the Soviet position and should therefore be drafted in a tactful manner ("dans une forme nuancée").

The French Government feels that the text must clearly indicate that it is proposing the adjournment and not the suspension of the Commission. Besides, it would be willing to associate itself with such a recommendation only if it suggested particularly that the GA ask the Six Powers to hold consultations provided for in the Resolution of November 4, 1948 periodically. In the thinking of the French Government, these consultations, while avoiding a confirmation, in the eyes of public opinion, of a complete break between the Soviet Union and the Western Powers on such an important question, provide, at this time, the only hope that the work of the Commission will be resumed at some undetermined date.

Please accept, dear Mr. Osborn, the assurance of my very devoted friendly sentiments.

G. DE LA TOURNELLE

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Department of State Atomic Energy Files

*Memorandum of Conversation, by Messrs. Frederick H. Osborn and R. Gordon Arneson*

TOP SECRET

[WASHINGTON,] July 12, 1949.

Subject: Position of the United States in the UNAEC

Participants: The Secretary  
 Mr. Frederick Osborn  
 Mr. Arneson  
 Mr. Rusk (for latter part of conversation)

Mr. Osborn presented in detail General McNaughton's position and that of certain other delegates to the UNAEC with respect to the time at which the AEC should come to a vote on its Fourth Report or a resolution to substitute for a report.

Mr. Osborn stated that General McNaughton was in general agreement with the content of the draft resolution proposed by the United States, feeling that it states the facts with regard to the impasse in the AEC and the reasons for the impasse. General McNaughton further feels that at some time the AEC has a clear responsibility to state clearly its position. However, General McNaughton feels that to vote such a resolution at this time before the meeting of the Sponsoring Powers would appear to take the ball away from the Sponsoring



Powers where it has been placed by the General Assembly, would make it appear that the Commission was prejudging the case and would endanger the solidarity of the majority because of the possibility that such a resolution at this time would not get the affirmative votes of the entire majority which hitherto had supported the position of the AEC.

Mr. Arneson indicated his feeling that action on the proposed U.S. resolution at this time did not prejudge the position of the Sponsoring Powers but, on the other hand, would make it perfectly clear that the Commission could not solve the impasse with the Soviet Union at the Commission level and therefore placed the responsibility directly in the lap of the Sponsoring Powers in accordance with the instructions of the General Assembly. Mr. Arneson pointed out that whatever difficulties there might be in gaining acceptance of such a resolution at this time would be increased if the resolution were introduced after the meeting of the Sponsoring Powers or at a time when the Sponsoring Powers have not yet come to a final conclusion. He pointed out that it was quite possible that the Sponsoring Powers could not come to a conclusion before September 15 and might have to report at a later date during the meeting of the Assembly, or might even have to report that the consultations were still continuing and could not be completed before the end of this General Assembly. Delay in acting in the AEC at this time would mean that this General Assembly would go by without any report from the AEC. He felt that it would be disastrous to go to the GA with a position which would make it possible for the members of the Assembly to be guided by their wishful thinking and hope that the AEC might come up with a solution.

Very full consideration was given to this matter and a lengthy discussion took place. The Secretary said that the United States was still firm in its desire to achieve international agreement on the prohibition of atomic weapons and the development of atomic energy for peaceful purposes on an equitable basis among all nations, but that he himself felt that it was inconceivable that such an end could be achieved on the basis of national ownership of explosive materials and national ownership of facilities for making explosive materials. The Secretary said that it was absolutely essential that the United States make its position on these matters 100 percent clear in the GA. He did not see how the AEC could escape its responsibility for restating not only the impasse, but the reasons therefor, namely the refusal of the Soviet Union to accept the cooperative plan approved by the General Assembly on November 4, 1948, and their insistence on their own plan.

The Secretary was not willing to risk the dangers which would attach to deferring this very clear responsibility of the AEC until

September in the hope that the Sponsoring Powers will have reported by that time.

The Secretary therefore gave his opinion that the U.S. Delegation should call a meeting of the Commission at the earliest possible moment; and propose a resolution along the lines indicated, either as an amendment of the Cuban-Argentine resolution<sup>1</sup> or otherwise, and should bring such a resolution to a vote. Whether or not such a resolution obtains the full majority of the Commission or even if it fails to obtain the majority of the Commission, the position of the U.S. will have been made clear and can be repeated firmly in the General Assembly. The Secretary recognizes the grave responsibility attached to this line of action, and hopes very much that the delegates of other nations will realize why the United States feels it can not properly lay itself open any longer to the continuation of the absurd and dangerous propaganda being carried out by the Soviet Union in the UNAEC. Further, it is felt that the Soviet Union will never believe that the majority mean business on the terms laid down in the recommendations approved by the General Assembly on November 4 unless the majority of all nations concerned continue to take a perfectly clear and definite position. That appears to be the only procedure that carries hope of bringing the Soviet Union to realize the necessity for reconsidering their position.

On the basis of certain personal reasons which Mr. Osborn advanced, the Secretary agreed that while he would very much prefer that Mr. Osborn represent the United States in the consultations, he could not insist on it. It was agreed that in view of Mr. Osborn's projected absence from New York during the latter half of August that:

1. Mr. Osborn would sit for the United States in the consultations until the 15th of August in the event consultations began before that time.

2. Jack Hickerson would take over from Mr. Osborn on the 15th. In order to do so, Mr. Hickerson would have to come back from his vacation on or shortly after the first of August in order that he might become thoroughly acquainted with the issues before taking over.

3. Mr. Arneson would be available as much as other commitments permitted to assist both Mr. Osborn and Mr. Hickerson.

4. In the General Assembly Mr. Jessup would be designated as the member of the U.S. Delegation to handle the atomic energy debate.

5. While Mr. Osborn after the 15th of August would not be the principal representative in the consultations, nor would he carry the ball in the General Assembly debates, he would be available to assist in both instances.

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<sup>1</sup> For text, see editorial note, p. 65.

Department of State Disarmament Files

*Memorandum of Conversation, by the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*

CONFIDENTIAL

[NEW YORK,] July 12, 1949.

US/S/C.3/25

Subject: Conventional Armaments Commission: Program of Future Action

Participants: General McNaughton, Mr. Ignatieff; Canadian Delegation  
 Baron de la Tournelle, Colonel Penette; French Delegation  
 Mr. Ivar Lunde; Norwegian Delegation  
 Sir Terence Shone, Mr. Laskey, Wing Commander Warne; United Kingdom Delegation  
 Mr. Nash, Mr. Russell; United States Mission  
 Mr. Shooshan; Department of State  
 Colonel Townsely; Military Staff Committee

Immediately following the conclusion of the meeting of the CCA Working Committee this morning, an informal discussion was held by the representatives of the Canadian, French, Norwegian, UK and US delegations for the purpose of forecasting the future program of action in CCA. It was agreed that the French proposals on census and verification would be put to the vote at the meeting of the Working Committee called for on Monday, July 18.<sup>1</sup> The vote is expected to result in the approval of the French proposals by an 8-2 majority (the two negative votes being cast by the Soviet and Ukrainian representatives, with Egypt probably abstaining although, in the light of Khalifa Bey's<sup>2</sup> statement at today's meeting, it is by no means out of the question that Egypt may cast a negative vote). The effect of this action will be to take the French proposals out of the Working Committee and place them before the Commission itself. A meeting of the Commission will be called for on Tuesday, July 19, at which time two matters will be brought up for action: 1) approval of the French proposals on census and verification for transmission to the SC, and 2) approval for transmission to the SC of the Second Progress Report of CCA (S/C.3/32/Rev. 1) which was prepared for submission to the SC a year ago but was at that time blocked by the Soviet Representative. Whether these items can both be disposed of at the meeting proposed for July 19 remains to be seen, it being impossible at this time to forecast the attitude of the Soviet and Ukrainian representatives. However, with respect to the Second Progress Report (item 2 above),

<sup>1</sup> At its 25th Meeting, July 18, the Working Committee adopted the French working paper as a whole (S/C.3/SC.3/21/Rev. 1/Corr. 1) by a vote of 8-3 (Soviet Union, Ukraine, Egypt); for text, see the report of the Commission for Conventional Armaments to the Security Council (S/1372), August 9, p. 106.

<sup>2</sup> Brig. Gen. Mohamed Abdel Halim Khalifa Bey, Alternate Egyptian Representative to the Commission for Conventional Armaments.

it may be noted that at the CCA meeting of 23 February 1949, Malik stated that "it was a matter of entire indifference to the USSR Delegation whether or not it was referred to the Council". If this continues to be the Soviet position, there should be no delay in acting on the item of the Second Progress Report.

Upon completion of action on the two items referred to above, it is expected that CCA's business will be wound up for the time being and the scene of action will shift to the SC where it is expected the Soviet and Ukrainian representatives will continue their opposition to the French proposals, with the position of Egypt remaining unclear.

Following the conclusion of the discussion outlined above, the representatives of the Canadian, UK and US delegations remained behind to discuss briefly the UK amendment to the French Working Paper (S/C.3/SC.3/22)<sup>3</sup> making the "complete order of battle" available to the control organ for verification purposes. A general discussion was held concerning the construction to be placed on the phrase "order of battle" and the following was established:

"Order of battle is a list of component parts of all ground, naval and air forces by designation and numbers of personnel. To facilitate verification, the location of units selected for on-the-spot checking will be furnished central control authority upon request."

In order to ensure that the foregoing construction accurately reflected the intention of the UK Home Office and Military, Sir Terence said that he would submit the foregoing to London for immediate clearance.

FRANK C. NASH

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<sup>3</sup> The British amendment applied to Section II, Part BII, paragraph 1 of the French working paper; see footnote 3, p. 63. In telegram 821 from New York, July 12, Ambassador Austin reported that the French had agreed to incorporate it into their proposal and that the United States Delegation intended to support the paper thus amended (501.BC Armaments/7-1249). In telegram 363 to New York, July 14, the Department indicated that the amendment with the construction placed upon it by the United Kingdom fell within existing instructions and could be supported (501.BC Armaments/7-1249).

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Department of State Disarmament Files

*Memorandum of Conversation, by Mr. Charles H. Russell, Adviser,  
United States Mission at the United Nations*

SECRET

[NEW YORK,] July 13, 1949.

US/AEC/38

Participants: General McNaughton, Mr. Ignatieff, Mr. Starnes;  
Canadian Delegation  
Dr. Wei; Chinese Delegation  
Sir Terence Shone, Mr. Laskey; United Kingdom  
Delegation  
Mr. Osborn, Mr. Russell, United States Mission

A meeting was held at the United States Mission on the morning of July 13 to continue the discussion referred to in US/AEC/36.<sup>1</sup>

### 1. *UNAEC*

Mr. Osborn first described, for the benefit of those who had not been present, a meeting which had been held in Mr. Austin's office on July 11<sup>2</sup> at which, in addition to the Ambassador, General McNaughton, Messrs. Ignatieff, Starnes, Ross, Osborn and Russell had been present.

Mr. Osborn then referred to a conversation which he had had with the Secretary of State at Washington on July 12.<sup>3</sup> This meeting had lasted for over an hour. Mr. Osborn had carefully presented the views of General McNaughton (US/AEC/36). There was a very full discussion. It was Mr. Acheson's considered opinion that the Commission ought to complete its work now and adopt a resolution along the lines of the U.S. draft resolution (US/AEC/36)<sup>4</sup> making it clear that the impasse continued to exist and giving the principal reasons therefor, and that this must be done before the meeting of the Sponsoring Powers.

### 2. *Letter from the French Delegation*

Mr. Osborn circulated a letter from Baron de la Tournelle, the text of which, in translation, is attached.<sup>5</sup> Mr. Osborn thought that there would be no objection on the part of the United States to periodic meetings of the Sponsoring Powers.

### 3. *Procedure and Tactics in the UNAEC*

There followed a discussion as to procedure and tactics. In reply to questions asked by Mr. Laskey, Mr. Osborn felt that the meat of the situation lay in the fact that the impasse analyzed in the Third Report still existed, as stated in the final paragraph of the U.S. draft resolution. He believed that the Commission should go on record with a brief statement of the facts without passing judgment on the USSR. He agreed that the text of the U.S. draft resolution could be altered, but emphasized that the basic difference—national vs. international ownership—should be retained.

### 4. *U.S. Draft Resolution*

The meeting was devoted principally to a close examination of the U.S. draft resolution (US/AEC/36). After prolonged discussion a shorter text was agreed upon; the text is attached.

Dr. Wei said that the resolution in its present form was satisfactory

<sup>1</sup> Memorandum of conversation, July 6, p. 80.

<sup>2</sup> No record of this meeting has been found in the files of the Department of State.

<sup>3</sup> See memorandum of conversation, p. 89.

<sup>4</sup> Reference is to the draft attached to memorandum of conversation US/AEC/36, not printed.

<sup>5</sup> Dated July 11, p. 88.

to him and that the present text removed any objections to it which he might previously have had. General McNaughton and Sir Terence Shone accepted the text *ad referendum*.

#### 5. *Letter to the Acting Secretary-General of the United Nations*

General McNaughton circulated a draft of a letter to the Acting Secretary-General<sup>6</sup> requesting him to call a meeting of the Six Sponsoring Powers as soon as possible.

(At this point Messrs. Ross and Noyes joined the meeting and took part in the discussion of this matter.)

Questions of procedure were discussed: whether the Canadian letter could serve for all delegations, whether each delegation should write separately, whether the U.S.S.R. Delegation should be sounded out privately, and, if so, by whom, whether or not a representative of the Secretary-General should be present at the meetings (it was felt that he should not be present), and other related matters.

Sir Terence Shone asked that before General McNaughton's letter was forwarded to the Acting Secretary-General he be given an opportunity to consult Sir Alexander Cadogan.<sup>7</sup>

No final conclusions were reached.

#### 6. *Further Consideration of the U.S. Draft Resolution*

Before the meeting adjourned, General McNaughton expressed the personal opinion that the U.S. draft resolution as amended at the meeting "pretty well meets the points we had in mind".

#### 7. *Next Meeting of the Commission*

It was agreed that Dr. Wei, in his capacity as Chairman, would call a meeting of the Commission for next Wednesday morning, July 20, at 10:30 o'clock. It was further agreed that before Dr. Wei actually made arrangements for calling the meeting, Sir Terence Shone would be given an opportunity to consult Sir Alexander Cadogan and that he would thereupon communicate with Dr. Wei. (Note: we have since been informed that the date proposed is satisfactory to the U.K. Delegation.)

#### 8. *Treatment of Ownership in the "Statement of Principles"*<sup>8</sup>

On the question of ownership (US/AEC/36), Sir Terence Shone said that he expected to hear from his Government in the very near future.

C. H. RUSSELL

<sup>6</sup> Not printed.

<sup>7</sup> Permanent British Representative at the United Nations; Representative to the Security Council, the Atomic Energy Commission, and the Commission for Conventional Armaments.

<sup>8</sup> The statement of principles went through several preliminary drafts, none of which is printed. For the statement actually introduced as a working paper in the consultations of the six sponsoring powers, see the Appendix to the Second Meeting, August 16, in United Nations, *Official Records of the General Assembly, Fourth Session, Supplement No. 15, "International Control of Atomic Energy,"* p. 6 (hereafter cited as GA (IV), *Suppl. No. 15*).

[Annex]

*Draft of Proposed Resolution*<sup>9</sup>

CONFIDENTIAL

[NEW YORK,] July 13, 1949.

*The Atomic Energy Commission,**Reports:*

That in accordance with the instructions of the General Assembly in its resolution of November 4, 1948, the Atomic Energy Commission has surveyed its programme of work in order to determine whether further work would be practicable and useful;

That the U.S.S.R. and the Ukrainian S.S.R. continue to reject the recommendations of the Commission approved by the General Assembly on November 4, 1948, including those forms of control contained in the plan approved by the General Assembly "as constituting the necessary basis for establishing an effective system of international control of atomic energy to ensure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons in accordance with the terms of reference of the Atomic Energy Commission";

That the U.S.S.R. and the Ukrainian S.S.R. continue to insist on the adoption of the resolution proposed by the U.S.S.R., and rejected by the General Assembly on November 4, 1948, to prepare immediately separate conventions based on the proposals of the Soviet Union of June 1946 and June 1947 which provide among other things for national ownership of dangerous and explosive atomic materials, and for national ownership, operation and management of dangerous atomic facilities. This in the opinion of the other members of the Commission, would not remove causes for suspicion, fear and distrust among nations, would render ineffective the prohibition of atomic weapons, and would continue dangerous national rivalries in the field of atomic energy.

*Concludes:*

That the impasse as analyzed in the Third Report of the Atomic Energy Commission still exists; that these differences are irreconcilable at the Commission level, and that further discussion in the Atomic Energy Commission would tend to harden these differences and would serve no practicable or useful purpose until such time as the Sponsoring Powers have reported that there exists a basis for agreement.

<sup>9</sup> Introduced by the United States Delegation at the 23rd Meeting of the United Nations Atomic Energy Commission, July 20; for the record of that meeting, see AEC, *4th yr.*, No. 7.

Department of State Atomic Energy Files

*Memorandum for the Files by Mr. Joseph Chase of the Office of the Under Secretary of State (Webb)*

SECRET

[WASHINGTON,] July 13, 1949.

Subject: Foreign Office Instructions to United Kingdom Delegation to the UN Regarding the Statement of Principles To Be Used by the Sponsoring Powers.

Tim Marten <sup>1</sup> of the British Embassy on July 12 showed a Foreign Office telegram dated July 11 to Mr. Arneson and Mr. Chase to the following effect:

1. The United Kingdom cannot agree to the retention of the second sentence in para 6(a) of the Statement of Principles. However, since all of 6(a) is taken from the Second Report, for which the UK had voted after having made certain reservations (by Cadogan on September 10, 1948 [1947]),<sup>2</sup> these reservations are part of the legislative history and need not be repeated. Therefore, para 6(a) might be retained. However, if pressed by the Soviet Union during the consultations on the point of ownership, the UK will have to make its reservations clear once again.

2. The Foreign Office felt that the US draft resolution<sup>3</sup> for the UNAEC was provocative, particularly in that it stated that national ownership renders prohibition and control ineffective. This resolution being new language, with no legislative history, the UK cannot agree without making its previous reservations. This is a long standing Ministry decision and it cannot be reconsidered without considerable delay. In making this decision, the Ministers were very conscious of their responsibilities to the Commonwealth and would need Commonwealth approval in reversing themselves. The Foreign Office also argued that international ownership was not necessary for security and was difficult to defend in debate.

JOSEPH CHASE

<sup>1</sup> F. W. Marten, First Secretary, British Embassy.

<sup>2</sup> For the reservations stated by Sir Alexander Cadogan, British Representative, at the 13th Meeting of the United Nations Atomic Energy Commission, September 10, 1947, see United Nations, *Official Records of the Atomic Energy Commission, Second Year, No. 3*, p. 58 (hereafter cited as AEC, 2nd yr., No. 3).

<sup>3</sup> *Supra*.

USUN Files

*The Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn) to the Alternate French Representative to the Security Council (de la Tournelle)*

CONFIDENTIAL

NEW YORK, July 14, 1949.

DEAR BARON DE LA TOURNELLE: I acknowledge with thanks and appreciation your letter of July 11 concerning the draft resolution which



was proposed for introduction in the Atomic Energy Commission when it meets next week.

As you know it was the desire of all of us that the meeting of the Commission to consider the resolution sent to it by the Working Committee should be deferred until Mr. de Rose's return so that he could be personally present. Since the summer is already so far advanced, it was felt that the meeting must be held at the earliest possible date after his return, and accordingly it has been called for next Wednesday, July 20, at 10:30.

In the meantime, it was necessary to continue the preparation of the draft resolution so that all delegations could give it their careful consideration. In doing this, the views expressed by your Government have been carefully taken into account. The form of the resolution has been changed and its content modified so that its references to the position of the Soviet Union would consist of a simple factual report. We did not see how the Commission could do less than this, as it is certainly necessary that the General Assembly as well as the Sponsoring Powers, when they meet, should have before them a clear statement of the respective positions of the two sides. I enclose a copy of the resolution as now proposed.<sup>1</sup> The Canadian and British Delegates, who have gone over this with great care, believe that it fully meets the requirements laid down in your letter that it should be expressed "dans une forme nuancée."

We also considered at length the desire of the French Government that the resolution should specifically suggest to the General Assembly that the Six Powers be invited to make periodic the meeting envisaged in the resolution of November 4, 1948. The three delegations were agreed that such a recommendation would be desirable in the event of the failure of the Sponsoring Powers to reach agreement the first time, but they did not believe that such a feeling should be expressed in the resolution of the Atomic Energy Commission. Their feeling was that this was a position to be taken either in the General Assembly itself or by the Sponsoring Powers and that it should be expressed only in the event of failure of the Sponsoring Powers to find a basis of negotiation. Otherwise, we would seem to be expecting failure even before the meeting of the Sponsoring Powers had taken place.

We hope to be able to talk these matters over with Mr. de Rose at the earliest possible moment after his arrival.

Please accept the assurance of my highest regard.

Sincerely yours,

FREDERICK OSBORN

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<sup>1</sup> Of July 13, p. 96.

Department of State Disarmament Files

*Memorandum of Conversation, by Mr. Charles H. Russell, Adviser,  
United States Mission at the United Nations*

SECRET

[NEW YORK,] July 19, 1949.

US/AEC/41

Participants: General McNaughton, Major Pierce Goulding, Mr. Grande; Canadian Delegation  
Dr. Wei, Chinese Delegation  
M. de Rose, French Delegation  
Sir Terence Shone, Mr. Laskey; United Kingdom Delegation  
Mr. Osborn, Mr. Russell; United States Mission

A meeting was held at the United States Mission on the afternoon of July 19 to continue the discussion referred to in US/AEC/38<sup>1</sup> and earlier memoranda.

### I. U.N.A.E.C.

General McNaughton said that he had received instructions from his Government to vote for the resolution which Mr. Osborn would propose. He added that this involved no change of position on his part; he would have preferred to support the Chinese and Cuban-Argentine resolutions adopted in the Working Committee, but his Government considered the most important factor to be the retention of a united front. Sir Terence Shone said that his instructions were to the same effect. M. de Rose said that he had transmitted the text of the resolution to his Government and had recommended acceptance for the same reasons.

### II. *Statement of Principles*

The statement of principles to be used in the Six Power Consultations (US/AEC/33) was discussed in great detail. A number of proposed amendments submitted by the United States Delegation and other delegations were considered, as follows:

(A) (8)—page 2: *New Approach*. M. de Rose said that he felt that the atomic energy debate at the meeting of the General Assembly in Paris last autumn had not been very satisfactory. What he had meant by a new approach was to work out the problem from a different angle. The paper under discussion was merely restating what we regarded as fundamental, but M. de Rose did not think that this was the way to present it. He wanted to restate the majority position in different wording, but realized the difficulties of the United States in accepting

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<sup>1</sup> Dated July 13, p. 93.

new wording. He asked whether we could not arrive at a solution in a different way as otherwise he felt that we stood to lose everything. He stated that if the others felt that they could not accept his point of view he would be obliged to reconsider his entire position, but in his subsequent remarks he modified his position considerably. Mr. Osborn pointed out that the U.S.S.R. would not be impressed by the logic which M. de Rose had used and he felt that the course which M. de Rose suggested might give the U.S.S.R. an opportunity to say that the majority members were not standing by the General Assembly resolution. He agreed that the debates in Paris had not been entirely satisfactory.

General McNaughton said that his Government were in favor of a new effort to make the U.S.S.R. understand, but he did not wish to lay too much emphasis upon a new approach nor to give the impression to the public of Canada that we were dispensing with all the work that the Commission had accomplished. To do so would have an unfortunate effect in Canada and a disastrous effect in the United States. He added that his Government had warned him of that danger.

Sir Terence Shone expressed the view that a great deal depended on what use was going to be made of the Statement of Principles. It was no longer to serve as the agenda. It might become desirable to give the Russians the paper, but not at the beginning of the negotiations. He felt that there was some merit in being able to state to the General Assembly that the problem was being approached from a new angle. M. de Rose said that what was really wanted was for the General Assembly to say that the Commission and the Sponsoring Powers had done everything they could and that there was no use in making further efforts. He realized the importance of public opinion in the United States and in Canada, but emphasized the importance of public opinion in Europe. He expressed the view that when the General Assembly did not tell the Atomic Energy Commission to suspend, it was a defeat for us. General McNaughton said that he could not agree with this. He referred particularly to the position of South Africa and India; in the case of India, at least, their delegates were merely maintaining a bargaining position. He could not agree with M. de Rose that there was any question of defeat in the General Assembly and pointed out that the nations of the world had accepted what was presented to them.

Mr. Osborn pointed out the difficulty with which he would be faced if the United States Congress got the impression that we were scrapping the majority plan. He added that the important thing was to get the U.S.S.R. in the Six Power Consultations to agree to fundamental principles.

[Here follows detailed discussion of the Statement of Principles.]

III. *Letter to the Acting Secretary-General of the United Nations (US/AEC/38)*

Sir Terence Shone said that Sir Alexander Cadogan had requested a meeting in his office on Thursday morning, July 21, at 11 o'clock to consider this matter further.

IV. *Treatment of Ownership in the Statement of Principles (US/AEC/36 and /38)*

Sir Terence Shone said that he was still awaiting instructions from his Government.

C. H. RUSSELL

501.A Summaries/7-2149: Telegram

*The United States Representative at the United Nations (Austin) to the Secretary of State*

SECRET

NEW YORK, July 21, 1949—11:16 p. m.

851. Daily Classified Summary No. 145. [Here follows a list of highlights of the telegram.]

ATOMIC ENERGY

Reporting receipt of instructions to vote for the AEC impasse resolution which Osborn introduced in the Commission July 20,<sup>1</sup> McNaughton (Canada) said his Government considered the retention of a united front to be the most important factor. Shone (UK) said his instructions were to the same effect. De Rose (France) informed USUN he had transmitted the text of the resolution to his Government and had recommended acceptance for the same reasons.

These Canadian, UK and French Representatives, along with Wei (China), discussed with USUN in detail the Statement of Principles to be used in Six-Power Consultations (US/AEC/3—) [US/AEC/33], considering a number of proposed amendments submitted by USUN and other delegations. Osborn pointed out the important thing was to get the USSR in the Six-Power Consultations to agree to fundamental principles.

In reference to a "new approach," McNaughton said his Government favored a new effort to make the USSR understand, but he did not wish to lay too much emphasis on a new approach nor to give the

<sup>1</sup> For the text of the resolution introduced by the United States at the 23rd Meeting of the United Nations Atomic Energy Commission, July 20, see p. 96. For the record of that meeting, see AEC, 4th yr., No. 7. The text of the statement in which Osborn presented the resolution also appears in *Documents on Disarmament, 1945-1959*, vol. I, p. 194.

impression to the Canadian public that an attempt was being made to dispense with all the work the AEC had accomplished. Shone reported he was still awaiting instructions from his Government concerning the section on ownership in the Statement of Principles (US/AEC/36 and /38).<sup>2</sup>

At a July 21 meeting of Canadian, Chinese, French and UK Representatives with USUN,<sup>3</sup> agreement was reached on the text of a letter to the Acting SyG from the Chinese Delegation<sup>4</sup> concerning Six-Power Consultations. Wei said his delegation felt the Chinese Delegation could properly communicate with the Acting SyG on this since the Chinese Representative was Chairman of the AEC this month. It was decided to ask in the letter that the meetings be closed, that the Acting SyG be requested to arrange for a staff to provide interpretation and records and that the agenda be the relevant part of the GA Resolution of last Nov. 4. It was also agreed that the Chinese would transmit copies of the letter to the delegations of the other five AEC sponsoring powers.

[Here follows discussion of other subjects.]

<sup>2</sup> For memoranda of conversation US/AEC/36 (July 6) and US/AEC/38 (July 13), see pp. 80 and 93.

<sup>3</sup> The memorandum of this conversation, US/AEC/42, July 21, is not printed.

<sup>4</sup> The letter, transmitted July 22, is not printed.

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### *Editorial Note*

At its 24th Meeting, July 29, the United Nations Atomic Energy Commission adopted Working Committee Resolution AEC/C.1/85 (for partial text, see editorial note, page 65) after having agreed to substitute "Atomic Energy Commission" for "Working Committee" throughout the text. The UNAEC thus concluded that no useful purpose could be served by its further consideration of the Soviet proposals contained in draft resolution AEC/37 (for partial text, see footnote 6, page 37). For the text of the resolution as adopted by the UNAEC, see United Nations, *Official Records of the General Assembly, Fifth Session, Supplement No. 2*, "Report of the Security Council to the General Assembly Covering the Period from 16 July 1949 to 15 July 1950," page 32 (hereafter cited as GA(V), *Suppl. No. 2*), or *Documents on Disarmament 1945-1959*, volume I, page 198. The vote on the resolution, adopted as AEC/42, was 7-2-2, the Soviet Union and the Ukraine opposed and Argentina and Egypt abstaining.

At the same meeting, the UNAEC adopted United States draft resolution AEC/41 (designated AEC/43 with its approval) by a vote of 9-2 (the Soviet Union and the Ukraine); for text, see page 99.

The two resolutions were transmitted to the Security Council on July 29 as annexes to a letter from the Chairman of the Commission to the President of the Council (S/1377); for text, see United Nations, *Official Records of the Security Council, Fourth Year, Supplement for September, October, November and December, 1949*, page 8 (hereafter cited as SC, *4th yr., Suppl. for Sept.-Dec., 1949*).

Department of State Disarmament Files

*Memorandum of Conversation, by the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*<sup>1</sup>

CONFIDENTIAL  
US/S/C.3/27  
US/AEC/44

[NEW YORK,] August 1, 1949.

Just prior to today's meeting of the Commission for Conventional Armaments, Baron de la Tournelle told me that last week he had had an informal conversation with M. Manuilsky<sup>2</sup> of the Ukrainian Delegation in the course of which Manuilsky stated that if the French would amend their proposals on arms census and verification to include a "reference to atomic weapons", he thought the Soviet and Ukrainian Delegations would be prepared to accept them. De la Tournelle stated that he replied to Manuilsky to the effect that matters of atomic weapons could not be acted upon by CCA and that besides the plan approved by the majority in AEC embraced not only the ultimate disclosure of information relating to the atomic bomb but the actual surrender of the bombs themselves. To this de la Tournelle stated Manuilsky retorted: "Surely you are too clever to believe that the United States will ever give up the atomic bomb—any more than any other country that had it would. They are simply playing with us."

Practically the same thought has previously been expressed to me directly by Munoz<sup>3</sup> of the Argentinian Delegation and Khalifa of the Egyptian Delegation.

<sup>1</sup> The United States Mission reported this conversation to the Department of State in telegram 881, August 2, not printed. In a circular telegram of August 4, not printed, the Department relayed an account to the American Embassies in London, Paris, and Moscow. (501.BC Atomic/8-449)

<sup>2</sup> Dr. Dmitri Z. Manuilsky, Vice Premier and Minister for Foreign Affairs of the Ukrainian Soviet Socialist Republic; Ukrainian Representative to the Security Council, Atomic Energy Commission, and Commission for Conventional Armaments.

<sup>3</sup> Dr. Rodolfo Muñoz, Alternate Argentine Representative to the Security Council, Atomic Energy Commission, and Commission for Conventional Armaments.

Department of State Atomic Energy Files

*Notes on the First Meeting of the Sponsoring Powers, Lake Success,  
New York, August 9, 1949, 11:30 a. m.<sup>1</sup>*

SECRET

Representatives:

McNaughton—Canada

Tsiang<sup>2</sup>—China

Chauvel<sup>3</sup>—France

Hickerson—United States

Cadogan—United Kingdom

Tsarapkin<sup>4</sup>—USSR

The meeting was opened by ASyG Price,<sup>5</sup> who offered the services and cooperation of the UN Secretariat, then suggested that the representatives might select a Chairman. Tsiang (China) suggested a Chairman for each meeting to rotate in English alphabetical order. This was agreed as amended by Cadogan to retain the same representative as Chairman for an entire day should more than one meeting take place in any one day.

McNaughton (Canada) took the chair and suggested that the agenda be the GA Resolution of November 4, 1948; in particular, paragraph three thereof. Tsarapkin (USSR) objected, pointing out that there were other paragraphs in the Resolution; in particular, paragraph one (which approved the Commission plan). If that were the case, the USSR felt constrained to put forward its proposals of February 25, 1949,<sup>6</sup> June 11, 1947<sup>7</sup> and June 19, 1946<sup>8</sup> as items in the agenda.

McNaughton, Chairman, assured the Soviet representative that the focus was on paragraph three, that our purpose was to meet and consult and try to find a basis for agreement. There was no intention of preventing any representative from putting forward any proposals for this purpose.

<sup>1</sup> This account was prepared within the United States Delegation for the use of American personnel. The agreed summary records of the first ten meetings of the six permanent members of the United Nations Atomic Energy Commission (the sponsors of General Assembly Resolution 1 (I), January 24, 1946, establishing the UNAEC), August 9–October 13, 1949, are printed in GA (IV), *Suppl. No. 15*, pp. 3–32.

<sup>2</sup> Dr. Tingfu F. Tsiang, Permanent Chinese Representative at the United Nations; Representative to the Atomic Energy Commission.

<sup>3</sup> Jean Chauvel, Permanent French Representative at the United Nations; Representative to the Atomic Energy Commission.

<sup>4</sup> Semyon K. Tsarapkin, Alternate Soviet Representative to the Atomic Energy Commission.

<sup>5</sup> Byron Price, Assistant Secretary General of the United Nations.

<sup>6</sup> For partial text, see footnote 6, p. 37.

<sup>7</sup> The proposals are contained in an address by Soviet Representative Andrey Andreyevich Gromyko at the 12th Meeting of the United Nations Atomic Energy Commission, June 11, 1947, AEC, *2nd yr.*, No. 2, pp. 20–24.

<sup>8</sup> The proposals are contained in an address by Gromyko at the 2nd Meeting of the UNAEC, June 19, 1946, AEC, *1st yr.*, No. 2, pp. 23–30.

Hickerson, U.S., agreed with this interpretation. Tsarapkin, USSR, stated that if paragraph three is the agenda and any representative would be permitted to put forth its ideas—such as those already suggested by the Soviet representative—then he would not insist upon the formal inclusion of the Soviet proposals “now”. McNaughton, Chairman, stated that this interpretation is now clear and that the main central feature of the agenda is paragraph three of the GA Resolution.

After some discussion on simultaneous and consecutive interpretation, particularly the request made by Tsarapkin for interpretation into Russian, it was agreed, and ASyG Price accepted on behalf of the Secretariat that when French or English was spoken, an interpreter would simultaneously give a Russian translation via earphones. This was agreed to as was a Chinese proposal that other representatives be granted a similar courtesy upon request.

There was no objection to the Chairman’s next suggestion that summary records should be prepared by the Secretariat.

When the Chairman suggested that the meetings be closed, Tsarapkin (USSR) demurred, but acceded to the wishes of the other representatives to keep the meetings closed for the time being and permit a re-opening of this question in the future if it should become desirable.

McNaughton, Chairman, suggested that there be an agreed press communique issued by the Secretariat after each meeting and that each representative undertake not to make any comment beyond this agreed communique. There was no objection to this proposal.

Hickerson (U.S.) next spoke, stating that we are here at the request of the General Assembly to meet and consult in order to determine whether a basis for agreement on international control of atomic energy and on the prohibition of atomic weapons can be reached. Or stated in another way, we are here to see whether the deadlock can be broken by trying a fresh approach. One point, however, must be emphasized; namely, that the U.S. supports the Commission plan of control and prohibition approved by the General Assembly, because it is the only scheme that we know or have been able to find that is effective. However, we recognize that human ingenuity is great and perhaps variations or new proposals can also provide the safeguards and the security the world demands. The proposals of the Soviet Union to date are not acceptable as they fall far short of providing these safeguards. The U.S., however, will give sympathetic consideration to any proposals by the Soviet Union or by others that can bring about effective control and prohibition.

Cadogan (U.K.) agreed with the U.S. statement and suggested that we might approach the problem in some new way in an attempt to avoid a repetition of the three years of argument. These three years have resulted in the Commission plan, which the U.K. supports, and



certain other proposals and plans. Cadogan suggested that perhaps a fruitful way of proceeding would be to outline the fundamental points of the plans, that these might be prepared in a day or so, distributed to the various representatives, and be a basis for discussion at our next meeting.

McNaughton, Chairman, thanked the U.K. for this suggestion and suggested that this be done so that it could be used at the next meeting. Cadogan agreed to do it.

It was agreed that the next meeting be convened for Tuesday, August 16, at 10:30 a. m. at which time China would be in the Chair, and there was no objection to the Chairman's suggestion that the U.K. list be the item for discussion.

A purely factual communique prepared by the Secretariat was slightly amended and agreed to. The meeting adjourned at 1:05 p. m.

(The various points on procedure, as well as the U.K. suggestion for a preparation of the list of fundamental points had been agreed to at a meeting of the five friendly representatives, held just prior to the official meeting, at Sir Terence Shone's home in Lake Success.)

(After the meeting Hickerson approached Tsarapkin, who stated that he did not understand Hickerson's statement regarding new proposals as the USSR "had no new proposals".)

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Department of State Disarmament Files

*Report by the Commission for Conventional Armaments to the Security Council*

S/1372

[NEW YORK,] 9 August 1949.

LETTER DATED 4 AUGUST 1949 FROM THE CHAIRMAN OF THE COMMISSION FOR CONVENTIONAL ARMAMENTS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL TRANSMITTING A WORKING PAPER AND OTHER DOCUMENTS

I have the honour to transmit herewith to the Security Council a Working Paper adopted by the Commission for Conventional Armaments at its nineteenth meeting on 1 August 1949, concerning implementation of General Assembly resolution 192 (III) relating to the future work of the Commission.<sup>1</sup>

<sup>1</sup>At its 18th and 19th Meetings, July 25 and August 1, the Commission for Conventional Armaments considered the working paper adopted by the Working Committee (S/C.3/SC.3/21/Rev. 1/Corr. 1). On August 1, it approved the paper by a vote of 8-3 (Soviet Union, Ukraine, and Egypt). At the same meeting, it was also agreed, without a vote, to transmit to the Security Council unamended the Second Draft Progress Report of the Commission (S/C.3/32/Rev. 1—see footnote 3, p. 12) together with resolutions S/C.3/24 and 25 on items 1 and 2 of the CCA Plan of Work which had been adopted at the Commission's 13th Meeting, August 12, 1948. The report and the two resolutions were transmitted to the Security Council as document S/1371, August 4. The Second Progress Report

The Commission further decided to transmit, for the Council's information, the documents of the Commission and its Working Committee relating to the above item. A list of such documents is annexed hereto.<sup>2</sup>

IVAR LUNDE

*Chairman*

*Commission for Conventional Armaments*

[Enclosure]

*Working Paper Adopted at the 19th Meeting of the Commission for Conventional Armaments Concerning Implementation of General Assembly Resolution of 19 November 1948 Relating to the Future Work of the Commission for Conventional Armaments*

## SECTION I

### GENERAL CONSIDERATIONS

#### 1. *Desire expressed by the General Assembly*

The General Assembly resolution [192 (III)]<sup>3</sup> of 19 November 1948 expresses the desire that the Commission for Conventional Armaments, "in carrying out its plan of work, will devote its first attention to formulating proposals for the receipt, checking and publication, by an international organ of control within the framework of the Security Council, of full information to be supplied by Member States with regard to their effectives and their conventional armaments". (Paragraph 6 of the General Assembly resolution.)

#### 2. *Motives for this desire*

This desire is motivated by two considerations:

The first is that "the aim of the reduction of conventional armaments and armed forces can only be attained in an atmosphere of real and lasting improvement in international relations"; (Paragraph 3 of the General Assembly resolution).

The second is that any reduction of armaments implies as a prerequisite an exchange between States of exact and authenticated information concerning their conventional armaments and their armed forces.

#### 3. *Aims of the General Assembly resolution*

Accordingly, the General Assembly resolution has two objectives:

In the first place, to encourage the renewal of international confidence, through a relaxation of existing conditions of secrecy, by plac-

is not printed. For the text of the resolution on item 1 (terms of reference), see *Foreign Relations*, 1948, vol. 1, Part 1, p. 311, footnote 3. For the text of the resolution on item 2 (general principles), see GA (IV), *Suppl. No. 2*, p. 71, or Department of State *Bulletin*, August 29, 1948, p. 267.

<sup>2</sup> Annex not reproduced.

<sup>3</sup> Brackets appear in the source text.

ing the States "in possession of precise and verified data as to the level of their respective conventional armaments and armed forces". (Paragraph 4 of the General Assembly resolution.)

In the second place, to begin forthwith to prepare the way for a future reduction and regulation of armaments and effectives by introducing in the field of international co-operation precedents likely to become useful in the progress which still remains to be achieved in that direction.

#### 4. *Nature of proposals to be formulated*

Thus are determined two aspects of the proposals to be formulated according to the desire of the General Assembly :

On the one hand, these proposals must be capable of implementation under existing political conditions.

On the other hand, they are not designed to provide of themselves the safeguards which are essential to security, still less to give military advantage to any nation.

#### 5. *Resulting limitations*

Hence the need for interpreting liberally the phrases "exact and authenticated information", "full information" and "precise and verified data", in order to take into account the interests of security as well as the demand for exact data.

This applies particularly to the degree of access by way of inspection for verification purposes which can be agreed to at this time by the participants. As between disclosure of information and adequate verification, the requirements of verification must be paramount.

By virtue of the same premise, the measures to be proposed must also fulfil the following conditions :

As a prerequisite to implementation, they should be accepted by not less than two-thirds of the Member States including all the Permanent Members of the Security Council.

The information to be made available for census and verification according to such proposals should be purely quantitative, subject only to such qualitative specifications as will be indicated later in this document (Section II).

The information will be strictly limited to the existing level of effectives and conventional armaments.

The information will not include data regarding research and experimental materiel; personnel engaged in the operation of such materiel will not, as such, be subject to verification, even though they may be subject to census.

#### 6. *Scope of proposals to be formulated*

Proposals to be formulated should, within the above limitations, cover the following points :

- (1) Information to be reported, or : scope and nature of census.

(2) Control of such information, or: scope and nature of verification.

(3) Organ of control to be set up: status, rights and duties of the control organ and its agents; organization and administration of the control organ; relations of the control organ to the other organs of the United Nations; rights and obligations of Member States of the United Nations; rights and obligations of other States.

#### 7. *Proposals contained in this document*

Section II of this document only covers points (1) and (2) of the preceding paragraph. The specific proposals or general recommendations which are put forward on those two points are designed to assist in establishing a framework for the international agreement which must eventually sanction the proposals formulated by the Commission for Conventional Armaments.

### SECTION II

#### PROPOSALS AND RECOMMENDATIONS ON CENSUS AND VERIFICATION

##### A. CENSUS

##### I. Effectives

#### 1. *Scope of census*

Elements subject to census should include military and para-military forces, active and reserve, on full-time and part-time basis.

These elements will be designated by name for each State by the control organ.

#### 2. *Nature of census*

##### (a) *Specifications to be furnished*

The census should indicate the breakdown of total numbers into the following categories:

Ground forces

Naval forces

Air forces

Para-military forces and national police forces

Active and reserve components of each of the above categories.

##### (b) *Period to be covered*

The census should supply the following data for each of the above categories:

Strength on a date to be designated by the control organ;

Daily average strength for the preceding year;

Total effectives released during the preceding year expressed as a percentage of the average strength during the preceding year.

##### (c) *Forms*

The above information should be submitted on forms prescribed by the control organ.

*(d) Timing*

Census reports should be submitted simultaneously by all States.

## II. Conventional Armaments

*Scope and Nature of Census*

1. The census should indicate quantities in the following categories:

## Ground forces:

Automatic weapons and artillery, classified by type and caliber.

Armour, classified by tonnage.

## Naval forces:

Combatant ships, classified by type and tonnage.

## Air forces:

Combatant aircraft, classified by type.

2. The census should include total quantities of materiel both in service and in reserve.

3. Provisions applying to the period to be covered, the form, and the timing of "personnel", census, as indicated in I, 2*b*, *c*, and *d*, above, should apply to the materiel census.

## B. VERIFICATION

## I. General Recommendations

1. The control organ should enjoy within the limits indicated above (Section I, paragraph 5) the greatest possible freedom of movement and access to data fully depicting the level of conventional armaments and effectives of each State.

2. The activities to be verified should be specified in the international agreement.

3. The control organ should be empowered to direct investigations by international verification teams which will perform all inspections, spot-checks, and physical counts needed for an adequate cross-checking of the reported information.

4. For the purpose of spot-checks, States would be requested to submit reports showing figures as of any date which the control organ might designate, for each or part of the categories of information covered by the census reports.

5. To resolve doubts which may be raised by one or several governments or by the control organ itself, provision should be made for special supplemental inspections.

## II. Scope and Nature

1. *Effectives*

The complete order of battle should be made available to the control organ.<sup>4</sup>

<sup>4</sup> As the result of the approval of United Kingdom amendment S/C.3/SC.3/22, this sentence replaced Section II, Part BII, paragraph 1 of the original French proposal (S/C.3/SC.3/21, May 26) which read as follows: "The administrative plan indicating the general location of forces should be made available to the control organ" (IO Files).

## 2. *Conventional armaments*

In addition to the inspection of relevant records, verification should be based upon spot-checks of materiel both in service and in reserve wherever stored.

### SECTION III

#### PROPOSALS AND RECOMMENDATIONS ON THE INTERNATIONAL ORGAN OF CONTROL

##### I. Function of the Control Organ

The function of the Control Organ will be to give effect to the census and verification measures concerning conventional armaments and effectives as set out in Sections I and II, in accordance with the terms of the international agreement which will sanction the adoption of such measures and in compliance with the directives of the Security Council.

##### II. Relationship of the Control Organ to the Other Organs of the United Nations

The Control Organ will be directly subordinated to the Security Council and will enjoy such relationships to the other organs of the United Nations as result therefrom.

##### III. Structure of the Control Organ

The Control Organ will consist of:

- a Central Control Authority
- an Inspectorate
- a Secretariat.

##### IV. The Central Control Authority

###### 1. *Function of the Central Control Authority*

The function of the Authority will be to ensure the execution of the census and verification measures, including the following responsibilities:

(a) To interpret the terms of the international agreement concerning these measures and to settle any controversial issue arising therefrom;

(b) To direct the activities of the Inspectorate; in particular to determine the organization of the Inspectorate according to the specific problems raised by the verification of census reports from each State;

(c) To produce and distribute to Member States the standard forms of reports to be returned by Member States;

(d) To set dates for the submission of the reports;

(e) To submit to the Security Council, for publication, the reports of Member States, the findings of the Inspectorate, and the conclusions of the Authority;

(f) To determine its own rules of procedure, which should include the provision that decisions on all matters which require voting will be adopted by a simple majority;

(g) To determine the organization of the Secretariat and to direct its activities so as to fulfil the needs of the Authority and of the Inspectorate.

## 2. *Composition of the Central Control Authority*

The Member States represented in the Authority will be those represented in the Security Council.

Each Member State will be represented by one delegate and one deputy delegate. These delegates may be assisted by technical advisers appointed by each Member State.

## V. The Inspectorate

### 1. *Function of the Inspectorate*

The function of the Inspectorate will be to carry out the verification measures in compliance with the directives of the Authority, including the following responsibilities:

(a) To carry out checks and cross-checks of the appropriate documents, and inspection of bases, depots, and other installations, necessary for the verification of the personnel and materiel census;

(b) To adapt verification methods to the specific problems raised in connection with inspection in each State;

(c) To report immediately to the Authority all discrepancies found and to carry out all additional cross-checks which may be necessary;

(d) To report to the Authority any disagreement which may arise during the course of inspection;

(e) To report its findings to the Authority upon the completion of the verification.

### 2. *Composition of the Inspectorate*

The Authority will designate members of the Inspectorate by means of selection from lists submitted by each Member State.

This designation should be set up so as to afford the Inspectorate a broadly international composition.

The Inspectorate for each State will not include any national from the State being inspected. However, when a State is being inspected, it will provide a liaison to facilitate the task of the Inspectorate.

### 3. *Status of the Members of the Inspectorate*

The members of the Inspectorate will enjoy the status and immunities appropriate to the performance of their functions.

## VI. The Secretariat

### 1. *Function of the Secretariat*

The function of the Secretariat will be to assist the Authority and the Inspectorate in carrying out their tasks.

## 2. *Staff of the Secretariat*

The staff of the Secretariat will be provided by the Secretary-General of the United Nations.

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Department of State Atomic Energy Files

*Notes on the Second Meeting of the Sponsoring Powers, Lake Success, New York, August 16, 1949, 10:30 a. m.*

SECRET

Representatives:

McNaughton—Canada  
Tsiang—China  
Chauvel—France  
Hickerson—United States  
Cadogan—United Kingdom  
Tsarapkin—USSR

(Prior to the meeting, the five friendly Delegations met at Sir Terence Shone's home at 9:30 a. m. and agreed on certain last minute changes in the Statement of Principles previously discussed. It was also agreed that Sir Alexander present at the forthcoming meeting this agreed elaboration of the fundamental points he had circulated in order to get them into the record and make the control of the ensuing discussion easier. This elaboration has already been made available and made part of the record of the meeting held at Lake Success. It will be made available as a Secret UN document.<sup>1</sup>)

Tsiang (China), Chairman, opened the meeting and requested Cadogan to expand on the list he had circulated so that all might have a better understanding of what the points previously circulated by Cadogan meant.

Cadogan (U.K.) took the floor and suggested that he might elaborate the various points he had previously circulated. These points were, of course, taken from the majority control plan, which is supported by the U.K. These points, moreover, are essential to any effective system of control and might be used as a framework of discussion so that the representatives present might see what the gaps are and perhaps narrow them. In any event, we would have a clear and forthright report to submit to the General Assembly. Cadogan stated he was prepared to put some flesh on the various points and suggested that he read into the record his elaboration thereon. Tsiang agreed that this would be a useful thing to do and since there was no objection, he asked Sir Alexander to proceed. Sir Alexander then read the agreed Statement of Principles and when he had finished, he pointed out that this statement was very much compressed and that he would

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<sup>1</sup> For text, see GA (IV), *Suppl. No. 15*, p. 6.



like the Secretariat to distribute it for study. Since no copies were available for distribution and no Delegate was prepared to speak immediately, it was agreed that the meeting recess while the Secretariat typed out the elaboration, so that all might have it.

When the recess was over, Tsarapkin (USSR) took the floor and pointed out that the list of various points submitted by the UK contained various items such as the international system of control and prohibition of atomic weapons, etc. The order of the listing was of some interest but it did not reflect the substance of the problem, in his opinion. Tsarapkin suggested that points 1<sup>2</sup> and 4<sup>3</sup> be combined to read—"The prohibition of atomic weapons and the international system of control". He pointed out that it is the question of prohibition that gives rise to the problem of control and without prohibition, there would be no need for control. Therefore, he requested that his suggestion be adopted.

Cadogan (UK) pointed out that Tsarapkin's statement sounded like good logic but that, in fact, his proposal was an old one and had not been at all fruitful in the past. Prohibition is a primordial point but it cannot, in fact, come first in time. We must agree on a plan and an effective one, in order to make prohibition effective. It is, of course, possible to discuss both together, but this would only repeat what we have been doing for these many years. He had hoped to conduct the discussion in the order as it appeared in his list.

Hickerson (US) then stated that, in his opinion, the thing that we must keep foremost in mind is a single package program to solve the entire problem of control and prohibition. If we argue that we should combine points 1 and 4, to be logical, we should combine them all, as this is all one problem of control and prohibition, including the stages of application and implementation. It must be emphasized that prohibition derives from an effective system of control. He would prefer to discuss the points separately.

Tsarapkin (USSR) then stated that he talked only to the point of the order of discussion of the various topics. It seemed to him that Sir Alexander had stated that control must precede prohibition, but the immediate issue was on the order of discussion. He did not agree with the US proposal that we should put all the points together. In the opinion of the Soviet Union, the important thing is prohibition and then, of course, control, which must also come. The need for prohibition is the only reason for having control. Perhaps we could discuss these separately; we could first discuss prohibition and then come to the next and necessary step of control, both to go into effect simultaneously. This seemed so logical that it was hard even to argue the point. Tsarapkin repeated his suggestion that we first discuss

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<sup>2</sup> "International System of Control."

<sup>3</sup> "Prohibition of Atomic Weapons."

and discuss separately, if it is so desired, the question of prohibition and then, that of control.

Tsiang, speaking as the representative of China, pointed out that what the Soviet proposal amounted to was the following: He wanted point 4 to become point 1 and also suggested an amalgamation of the two. We should not let the order of discussion prevent our approach to the whole problem, and since the Soviet representative had a decided preference, perhaps we could agree to change the order. It is, of course, true, and on this we are all agreed, that the problem of control and prohibition is one problem and agreement on any one point means nothing unless we have agreement on all. China would be prepared to change the order of discussion and make point 4, point 1.

Cadogan (UK) pointed out that, of course, we can all agree on some statements concerning prohibition, but this was not the crux of the matter; the difficulty has always been agreement on effective control.

Hickerson (US) pointed out that perhaps he had not been understood clearly. What he had meant to say was that there must be a single package solution to the entire problem. He suggested that we keep the list intact and not rewrite it. Of course, it is possible to start with any number in the list, 4 or 6 or any other. Point 4, prohibition of atomic weapons, is part of the control system and appears to have been adequately provided for ever since the First Report of the Atomic Energy Commission. The order of discussion is really not important. The representative of the Soviet Union had stated that if we do not have prohibition, there is no need to have control. Mr. Hickerson would like to point out that even if there were no atomic weapons in the world, we would still need an effective control system against the possibility that atomic weapons would be made in the future. He repeated that the US supported the Commission plan as approved by the General Assembly because it would be effective both as regards control and prohibition, but that he was willing to listen and to work on any better plan that might be suggested.

Chauvel (France) stated that as the US representative had pointed out, the order of discussion is not of much importance so long as no implications are drawn from any particular order decided upon. The UK list is a very workable one and we could take up topics in any order, or even add new ones, with the understanding that the order of implementation of the various phases of the plan is in no way involved.

McNaughton (Canada) said that the problem seemed to him quite simple. We had a good list before us, the order of discussion was not important so long as all are discussed and agreement on them was reached. He proposed that we could start with point 4 and then go on to point 1 or any other that might be desired.

Tsiang, Chairman, stated that we all seemed to be pretty close in our views; that the list was prepared to facilitate discussion, that it is perhaps not exhaustive and more points may be added. He also pointed out that now that we have put some flesh on the bones in the form of the UK elaboration of the various points, we see that under point 1 occurs the phrase "control of atomic energy and prohibition of atomic weapons". It seems obvious, therefore, that even under point 1, we could discuss both but we are all prepared to start with point 4.

McNaughton (Canada) suggested that since we had acceded to the request of the Soviet Delegate, perhaps he would be prepared to elaborate his views on point 4 at our next meeting. Tsarapkin (USSR) stated that it was not customary in the UN to assign speaking roles to various delegates. Of course, the Soviet Union will participate in the discussion and will make its views known. The Soviet Union may even speak first on this point but did not want to be bound to do so. It would also like to hear the views of other delegates on the substance. McNaughton (Canada) said that it was farthest from his thoughts to bind the Soviet Delegate to speak. On the contrary, he had been impressed by some of the earlier remarks of the Soviet Delegate and had hoped that an elaboration thereon might advance us all. It would be a great advantage to have these earlier remarks elaborated.

Tsiang, Chairman, then read a draft communiqué which included a statement to the effect that the UK had submitted a list of fundamental points with an elaboration thereon, and that the Sponsoring Powers had agreed on the order of discussion of these points. After it was read, Tsarapkin suggested that the communiqué should indicate that it had been agreed that the prohibition of atomic weapons would be the first item for discussion if the Delegates did not consider it appropriate to mention the entire list.

Hickerson (US) took the floor and stated that we were either going to have closed talks or not. He suggested the deletion of that part of the draft communiqué which mentioned the submission of the list and the fact that agreement had been reached on the order of discussion. Such information would only tantalize the press and would make more difficult our attempt to reach agreement. We had a very serious task before us and so long as we were going about the work in a serious way, we should not communicate matters of substance to the press.

McNaughton (Canada) agreed with the US, especially with the use of the word "tantalize". He wanted to be in a position to talk freely, frankly and confidentially in a sincere effort to break the deadlock. We should not ask for trouble by releasing individual items of substance.

Tsiang, Chairman, stated that it seemed to him that all that the communiqué would amount to would be a statement to the effect that

the Sponsoring Powers met, discussed the matter before them, and agreed to meet on \_\_\_\_\_ date.

Tsarapkin (USSR) stated that he could not agree to the views expressed that no substance should appear in the communiqué. This would deny to the peoples of the world knowledge of what was going on. The communiqué would be a very hollow one; but if all insisted upon it, he would agree to it, even though he wished to emphasize that it was quite hollow.

Hickerson (US) agreed with Tsarapkin that the communiqué was a hollow one. This was exactly what was wanted. Moreover, future communiqués should be equally hollow. These meetings were very important ones, and an anxious world was awaiting their result. He hoped that at some time in the future a really substantive communiqué on these meetings might be given to the world.

After a confused discussion of open dates, it was agreed that the next meeting take place Friday at 10:30 a. m. The meeting adjourned at 1:15 p. m.

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Department of State Atomic Energy Files

*Notes on the Third Meeting of the Sponsoring Powers, Lake Success,  
New York, August 19, 1949, 10:30 a. m.*

SECRET

Representatives:

McNaughton—Canada  
Tsiang—China  
Chauvel—France  
Hickerson—United States  
Cadogan—United Kingdom  
Tsarapkin—USSR

Chauvel (France), Chairman, opened the meeting, stating that at the last meeting the question of the order of discussion of the points submitted by the United Kingdom<sup>1</sup> had come up. He wished to add that the points submitted by the United Kingdom were not necessarily exhaustive and that the order in which they were discussed carried no other implications. It had been decided to discuss point 4 (Prohibition of atomic weapons) first. He asked whether anyone wished to speak. There was a slight pause.

Hickerson (US) then spoke, stating that the outline and elaboration thereon submitted by the UK was a good one. It was concise but it contained the essential points of a system that was acceptable to the United States, and it conformed to US views on a system of control and prohibition. Of course, further details would be needed, but the US agreed with point 4 and its elaboration as given.

<sup>1</sup> GA (IV), *Suppl. No. 15*, p. 6.

Tsarapkin (USSR) took the floor, stating that the Soviet Delegation had studied the UK document; in particular, point 4 and its elaboration. Before discussing the matter in detail, he wanted to submit a few amendments, of somewhat minor character, perhaps, but nevertheless essential. He then proceeded to read his amendments to the elaboration of point 4, as follows:

“(a) An international convention outlawing the production, use and possession of atomic weapons is an essential part of any system of international control of atomic weapons. In order to be effective, such a convention should be supplemented by the establishment of a universal system of international control, including inspection to ensure that the provisions of the convention are carried out and ‘to protect States observing the convention from possible violations and evasions’.

“(b) The Atomic Energy Commission should forthwith proceed to prepare a draft convention for the prohibition of atomic weapons and a draft convention on control of atomic energy, on the understanding that both conventions should be concluded and brought into effect simultaneously.

“(c) Atomic weapons should not be used in any circumstances. The production, possession and use of atomic weapons by any person whatsoever should be prohibited.

“(d) All existing stocks of finished and unfinished atomic weapons should be destroyed within three months of the date of entry into force of the convention for the prohibition of atomic weapons. Nuclear fuel contained in the said atomic weapons should be used for peaceful purposes.”<sup>2</sup>

In commenting on his new sub-paragraph (b), he stated that there was an important principle involved here in the introduction of the important idea sponsored by the Soviet Union that two conventions of prohibition and control should be drafted and put into force simultaneously. He repeated that his amendments, though not great, were essential and proposed that they be discussed.

Tsiang, Chairman [*China?*], stated that in view of the importance of these amendments, we would all like to have the text translated and made available. Nevertheless, some Delegates might want to speak on this or other points, or if no one was prepared, perhaps we might adjourn pending receipt of the translation of the Soviet amendments.

Cadogan (UK) stated that it was difficult to speak about the Soviet amendments immediately; at least he could not do so. However, a question of procedure appears to have been raised. If we were to wait until another meeting prior to discussing anything further, we would be moving very slowly. He suggested that amendments to any or all points, if Delegates had such amendments to make, be submitted as soon as possible. In this way, we would have a clear picture of what

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<sup>2</sup>The Soviet amendments, printed as an appendix to the agreed record of the 3rd Meeting, differ slightly from the version appearing here; for text, see GA(IV), *Suppl. No. 15*, p. 8.

the various representatives felt on all points, and might avoid what would otherwise be a repetitive debate over each point.

Tsiang, Chairman [*China?*], agreed and suggested that all amendments to the UK document be submitted as soon as possible. He strongly recommended such a procedure.

Tsarapkin (USSR) stated that from the point of view of procedure, it seemed to him better to discuss the various points separately. It would be better to discuss point 4 as we had agreed previously, its elaboration, and the amendments thereto. As regards the remaining points, with the exception of point 3 on the exchange of information, they all relate to the system of control. They are all inter-related and might be discussed together. Since we had agreed to discuss point 4, let us stick to this agreement and discuss the UK point 4, its elaboration, and the amendments thereto. Of course, it is possible for others to submit amendments to this and to other points. But, he repeated, the remaining points and even point 3, are parts of the control system and could be discussed separately after point 4 had been discussed.

Chauvel, Chairman, stated that it did not seem to him that any suggestion had been made by the UK to discuss all topics on the same day, although all the points in the UK paper were, in fact, inter-related. It seemed to him that Sir Alexander had wanted to be in a position to see what the problem as a whole was.

Cadogan (UK) stated that this was a correct interpretation. Even when we were discussing point 4 by itself, he would want to know what was the entire problem facing us. We are here to try to get a basis for agreement. In any good debate, we do restrict ourselves to one topic, but, at the same time, we would need to have a view of the problem as a whole.

Hickerson (US) stated that as he had made clear the previous meeting, he was not particularly concerned with the order of discussion of topics. We are here in response to the GA resolution, which asked the six Sponsors to see whether the existing deadlock could be broken. He repeated that the US supported the Commission plan as approved by the General Assembly and would continue to support this plan as the only feasible, workable and effective one so far advanced until a better plan could be devised. In this plan, control and prohibition are inter-related. They form parts of a single-package solution to the entire problem. The hurdle which we have not been able to surmount and which has led us into the present impasse was this very question of effective control, which would make prohibition itself effective. He wanted to emphasize one fact; namely, the US Government had no intention of giving up the atomic weapons it possesses unless it and the world can be assured that sufficiently effective controls have been established to make it impossible for any nation to make atomic weapons with any degree of impunity. No one could expect us to act other-

wise. But we are here to seek a basis for agreement. Perhaps human ingenuity can devise a scheme that is even better than the one approved by the General Assembly. We will give sympathetic consideration to any proposals that might solve this entire problem.

Tsarapkin (USSR) stated that he had thought that we had agreed to separate the problem into various points and to seek a solution, point by point. We had agreed that we would start with the important item of prohibition and then we would go to the problem of control. Let us suppose that we do agree on this question of prohibition. That would be a great step. Then, we could go to the other problems; problems of control. It is a hopeful path that we have chosen. Now, in view of the US statement, it appeared that the US was not interested in discussing these matters point by point. He had hoped that we could proceed along this path, but the US does not appear willing to do so and in addition it goes back to the majority plan of control. We, therefore, lose the hope that we might have had in following this new path. It seemed to him that we were not far apart on the question of prohibition. If we concentrated all our efforts and strength on getting agreement on prohibition, then we could go to the other points. This would advance us. This was the method we had agreed on and we should not renounce it.

Chauvel, Chairman, stated that it seemed to him that we might nevertheless proceed to a discussion of point 4 and the Soviet amendments thereto.

McNaughton (Canada) stated that seemed appropriate, but, as the US stated, the other points are linked to point 4. Sir Alexander had suggested that amendments to all points would be useful so that we would know in what context we would be discussing point 4. He suggested that any Delegation which had amendments should submit them as soon as possible.

Tsarapkin (USSR) stated that his view of the problem was diametrically opposed to the Canadian view. Canada wanted to have all amendments submitted as this would be reflected in the various attitudes on point 4. In the view of the Soviet Delegation, the opposite was the case. Agreement on point 4 would be reflected in attitudes on the rest of the points; specifically, on control. The important things must come first. If we agreed on certain conclusions on point 4, this would influence views on control. Prohibition comes first and control is secondary; not, of course, in importance, but in time. Prohibition leads to control and not vice versa. He had hoped to avoid the Atomic Energy Commission's and Working Committee's approach and that we could take this new and hopeful path. He suggested that we go back to the procedural proposal of the United Kingdom and take up the points one by one, starting with point 4.

After a period of silence, McNaughton (Canada) stated that he was looking forward to seeing the exact wording of the Soviet amendments. However, he had been able to follow the amendments sufficiently to know that it would be impractical to discuss them without reference to the rest of the UK paper. When we came to discuss point 4 and the amendments, it would be important and vital to know the Soviet attitude on the rest of the document in order to know whether the Soviet amendments were practical or not. He therefore suggested that the amendments to the rest of the document be submitted if at all possible.

Chauvel, Chairman, stated that two Delegations had asked for views or amendments on the entire document as soon as possible so that a general view of the problem as a whole might be before us. The UK has already submitted its views on the entire problem. It was, of course, impossible to force anyone to submit views now or to prevent additional amendments in the future. However, some indication of general views would be useful.

Tsiang (China) stated that as far as our next meeting was concerned, we might discuss point 4 and the Soviet amendments. Taking the long view in regard to subsequent meetings, he stated that the UK paper permitted us to have an understanding and real appreciation of any particular point contained therein. This was a great advantage. As for the Soviet amendments to point 4, it was impossible for him to state what his attitude was, but from what had already been said, he felt that he must reserve any opinion he might have until all amendments to the entire document had been submitted. He would like to have these general views as soon as possible.

Chauvel, Chairman, stated that if the Soviet Delegate were willing to give his views on the whole problem, this would be most helpful. If he was unable or unwilling to do so, then perhaps when point 4 is being discussed, we might ask his attitude on the other points as appropriate.

Frey, Secretariat, stated that the translation of the Soviet amendments would be ready after lunch and would be sent to the Delegations later in the afternoon. If the Soviet Delegation would approve the text of the Secretariat translation, then this could be distributed as an annex to the minutes of the meeting.

Tsarapkin (USSR) stated he would prefer to rely on the Secretariat for the official translation, as his knowledge of English did not permit him to take the responsibility for an accurate translation of his amendments.

Chauvel, Chairman, and Tsarapkin, next Chairman, set next Thursday, August 25 at 3 p. m. for the next meeting.



A "hollow" press communiqué, merely recording the fact that the meeting had taken place and that a new meeting would take place next Thursday, was approved. The meeting adjourned at 1:10 p. m.

(After the meeting the five friendly representatives agreed to meet in Sir Alexander's Manhattan offices at 10:30 a. m., on August 25 to concert plans and tactics for the afternoon meeting.)

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Department of State Disarmament Files

*Minutes of the 104th Meeting of the Executive Committee on Regulation of Armaments at the Department of State, August 19, 1949, 9:30 a. m.*

SECRET

RAC M-104

PRESENT

*Members:*

*Department of State*

Harry M. Shooshan, Jr., Acting Chairman  
Allen Dines, Acting Secretary

*Department of the Army*

Lt. Col. J. A. Folda, Jr.

*Department of the Navy*

Capt. Robert H. Wilkinson

*Department of the Air Force*

Brig. Gen. P. M. Hamilton

*U.S. Representative at the Seat of the United Nations*

Frank C. Nash, Deputy Representative on CCA

*Consultants:*

*Department of State*

Harding F. Bancroft  
Bernard G. Bechhoefer

*Department of the Air Force*

Major J. M. Wilson

1. *Consideration of Minutes of Previous Meetings* (RAC M-103)<sup>1</sup>

THE COMMITTEE APPROVED RAC M-103.

2. *United States Position on Conventional Armaments for the Fourth General Assembly* (RAC D-36, RAC D-36/1)<sup>2</sup>

MR. SHOOSHAN explained that General Hamilton and he had agreed to set down the substance of the respective positions discussed at an earlier informal meeting held in General Hamilton's office, in order to provide a basis for formal consideration of the subject by the

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<sup>1</sup> Not printed.

<sup>2</sup> Neither printed.

Committee. This was the explanation of the two papers (RAC D-36 and RAC D-36/1) now before the Committee.

GENERAL HAMILTON said that the three services were in agreement on the Conclusions contained in RAC D-36/1.

MR. SHOOSHAN pointed out that as he read the two papers, the main difference seemed to center on the third recommendation of the State Department draft<sup>3</sup> which stated that the U.S. position should be to favor CCA's continuation with its Plan of Work by the consideration of Item III on "safeguards".

MR. NASH asked if the military view was that the U.S. should take an affirmative position that the work of CCA should be suspended.

GENERAL HAMILTON replied that further discussions of the question of regulation and reduction of conventional armaments and armed forces in the CCA were futile due to the motivation and methods of the USSR which had not changed in the past year and gave no indication that they would be changed in the immediate future. He stated that at present there was not the slightest indication that the USSR would make any effort to negotiate constructively in the UN in the field of conventional armaments. He pointed out that in fact the USSR was using the Commission for Conventional Armaments to further its own propaganda interests. While continuing to emphasize its good faith in support of the long-range objectives of Article 26 of the UN Charter, GENERAL HAMILTON stated that it was the position of the service members that the U.S. should seek to achieve formal recognition of the fact that an impasse does in fact exist in CCA. Accordingly, it was the opinion of the service members that the U.S. should encourage any suggestion for the suspension of CCA activities until such time as the USSR indicates its willingness to resume constructive negotiations.

MR. NASH stated that affirmative action by the U.S. to suspend the activities of the CCA was in his opinion contrary to the best interests of the U.S. and was simply unsaleable. He stated that such action would be seized upon by the Russians and held up by them to the world as proof that the U.S. was slamming the door on disarmament discussions and was not interested in efforts to promote peace and was bent on another World War. MR. NASH also expressed concern over the effect of such action on our friends from the abandonment of any further activities on the part of CCA. He pointed to the excellent relations existing especially with the British, French and Canadians in the work of the CCA during the past year. He also stated that the support by an important element in Congress of such measures as the North Atlantic Pact and the Military Assistance Program was conditioned on the reassurance that our paramount aims are pacific and not bellicose and that this Government was in fact exerting maximum efforts to develop an effective plan for the regulation and reduction

<sup>3</sup> RAC D-36.

of armaments. While many in Congress and most of the peoples of the world were probably unaware of the existence of the CCA much less with its work to date, he stated that all would be extremely sensitive to any charge that the U.S. was withdrawing from disarmament discussions—a charge which would inevitably follow any efforts on the part of the U.S. in advocating the suspension of the CCA. He stated that in his opinion it would be useful to continue the work of the CCA by dealing with Item III (safeguards) of the established Plan of Work, concentrating on the vital principle that nothing can be accomplished in the field of disarmament in the absence of effective international control. In his opinion such a position would forestall GA action contrary to the basic U.S. position.

GENERAL HAMILTON said that real progress had not been made on the subject in the CCA due to one nation alone—the USSR—and that if there was to be any change in Russian motives and methods it would result from showing up their position clearly to the rest of the world which would best be accomplished by suspending discussions of the CCA and thus focusing the attention of the world on Russian intransigence. GENERAL HAMILTON was confident that if the situation were clearly explained the American public would accept the position taken by the service members.

After further discussion in the course of which there appeared to be much in common on many points of the contents of a position paper on the subject,

THE COMMITTEE AGREED to postpone discussions pending further study of the problem.

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Department of State Atomic Energy Files

*Notes on the Fourth Meeting of the Sponsoring Powers, Lake Success,  
New York, August 25, 1949*

SECRET

Representatives: Smith<sup>1</sup>—Canada  
Tsiang—China  
Chauvel—France  
Hickerson—United States  
Cadogan—United Kingdom  
Tsarapkin—USSR

(Prior to the meeting of the Sponsoring Powers, scheduled for 3:00 p. m., the five friendly delegates met at 10:30 in Sir Alexander Cadogan's Manhattan office. Mr. Hickerson pointed out that after a study of the Soviet amendments, he had been "disappointed" to find

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<sup>1</sup>Arnold C. Smith, Alternate Canadian Representative to the United Nations Atomic Energy Commission.

that the Soviets had merely reintroduced proposals that had been repeatedly rejected in the past. He emphasized the fact that the crux of the problem was effective control which would make prohibition effective. The important thing to keep in mind was a single integrated solution to the entire problem of control and prohibition. The Soviet amendments were not acceptable to the U.S. Mr. Hickerson stated that we should attempt to obtain Soviet views on the question of control and until we get effective control, the U.S. would not give up its atomic weapons.

Sir Alexander agreed and stated that this was a perfectly respectable position to maintain.

Tsiang pointed out that the Soviet amendments to point 4 really go much beyond the simple question of prohibition and touch on questions of control, stages, and other points of the British document. He would propose, therefore, that at the forthcoming meeting we pass as soon as possible to point 1 of the British paper titled "International System of Control". As far as the amendments touch on "pure" prohibition, they seem innocuous and unobjectionable.

Mr. Hickerson pointed out that he was in no position to accept the Soviet language even on prohibition and could certainly not accept the time limit on destruction as this was a question of stages which would have to be carefully worked out.

Chauvel expressed approval of Tsiang's analysis and suggested that it be made at the start of the meeting in order that we might lead naturally to point 1. Wei indicated that his delegation was ready to drop the word "national" in the first sentence of UK Para. 4(a) and to add the word "possession".

Chase<sup>2</sup> pointed out that the word "possession" had been in the first report but had somehow not found its way into the British draft. However, since it appeared in Para. 4(c) [4(b)] it was not an important point. Insofar as the word "national" is concerned, the U.S. wished to retain it, because its deletion would not permit the agency itself to carry on research and development of atomic weapons. The arguments for permitting the agency to carry on such work were persuasive, being (1) keeping the agency in the forefront of knowledge which would permit it to recognize research on atomic weapons when they saw it, and (2) giving the agency the power to prove or disprove a possible future claim that some scientist had devised a method for denaturing nuclear fuel in such a way that would make it, in his opinion, unfit for use in weapons.

Mr. Hickerson pointed out that we should stick to the fundamentals at all times in these discussions. When we come to the question of details these can be worked out, but the important point was getting a basis for agreement on fundamentals, not on details. He said that the

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<sup>2</sup> Joseph Chase of the Office of the Under Secretary of State.

U.S. was going to restate its position on prohibition. Mr. Hickerson further pointed out that, speaking only for those present, it would not make much difference whether there were one, two, or more conventions or whether the prohibition would be disposed of in a chapter in a single convention, what we had in mind was a complete and integrated solution to the whole problem. He agreed that we should get to point 1 as soon as possible with Tsiang making his analysis as a starter. If Tsarapkin insisted on discussing control under point 4, we should ask him what were his views on the question of control.

Chauvel emphasized that the UK paper was basically a basis for discussion. Our task was to get agreement on principles, not on language. We were not drafting a treaty here, so let us keep to principles. It was generally agreed that there was very little that could be said on prohibition as such and that we should get to the problem of control as soon as possible.)

#### MEETING OF THE SPONSORS AT LAKE SUCCESS

Tsarapkin (USSR), Chairman, stated that we had before us the UK point 4 and the Soviet amendments thereto. The substance of these had not yet been discussed and he invited discussion of the substance.

Tsiang (China) stated that before taking up point 4 and the Soviet amendments, he wanted to review the situation. The UK had submitted an outline with some elaboration in order to facilitate the discussion of the problem in a coherent and logical fashion. The Soviet representative, without indicating his views on any point, had suggested that we start discussion with point 4. This had been agreed to. Then the Soviet representative had put in amendments to point 4. After studying it, China had found that it went beyond point 4 and touched on most of the other points. The first sentence of the Soviet amendment is almost identical to the UK sentence. The second sentence concerned points 1, 6, and 7. Para. (b) of the Soviet amendments concerned point 1 but was different in substance. Para. (c) was identical in substance to UK Para. (b). Para. (d), with one exception, was identical to UK Para. (c). The time limit on destruction of three months came under point 8, although it was not the same as point 8. He drew two conclusions from this analysis: (1) The Soviet amendments covered other points than 4; (2) insofar as the Soviet amendments were related to point 4, they were substantially in agreement with the principles of UK point 4. Some verbal differences did not seem to be important. We were here to achieve agreement on principles and not to draft a treaty. Therefore, exact wordings were of no great interest. Insofar as the Soviet proposals related to point 4 as such, China could accept the substance of the Soviet language. He then read those sentences or parts thereof that related only to point 4 stating that what he had read his delegation could accept in substance. These

were: "An international convention outlawing the production, use and possession of atomic weapons is an essential part of any system of international control of atomic weapons. Atomic weapons should not be used in any circumstances. The production, possession and use of atomic weapons by any state, agency or person whatsoever should be prohibited. All existing stocks of finished and unfinished atomic weapons should be destroyed and the nuclear fuel contained in the said atomic weapons should be used for peaceful purposes." Since agreement regarding point 4 appeared to be general, he suggested that we take up again the UK outline and start with point 1 referring to a statement Tsarapkin had made at a previous meeting that after we had discussed prohibition we would continue on to control.

Chauvel (France) agreed in general with China. The UK paper was more useful and more analytical. We were dealing here with the substance of the matter, the language here was not so important. He agreed with China that insofar as the Soviet language touched on point 4 we seemed to be in general agreement. The exact text could be worked out later and he suggested that we go to point 1, as effective control was the real issue before us.

Hickerson (U.S.) stated that he had studied with care the Soviet amendments to point 4. He agreed with most of what China had said. The situation confronting us was substantially as follows:

All of us favor prohibition. His government had advocated prohibition from the beginning of the discussions of this problem—effective prohibition made effective by means of effective control. The Soviet amendments were, frankly, obscure to him. They did touch on the control features of the UK draft but they remained obscure. However, they did appear to merely reintroduce Soviet proposals made and rejected in the UNAEC in 1946, 47, 48, and 49. The problem of control and prohibition required a single integrated solution. The Commission plan of control approved by the General Assembly provided such a solution. That is why we supported it and would continue to support it. He realized that human ingenuity was not exhausted and perhaps a better and more workable plan could be devised. He had not been able to find such a plan but he would give sympathetic consideration to any proposal that would lead us out of the impasse. He was sorry to say that the Soviet amendments did not advance us in a search for a way out. Therefore, he repeated his support for the UK draft. He agreed with Franch that the real issue was really effective control. He therefore proposed that we proceed to a discussion of the UK point 1. Although the order of discussion was not of prime importance, we could, and probably would, return to point 4 and to other points in the future. But since the real issue was effective control which would make prohibition effective, he proposed that we start with point 1.

Tsarapkin, speaking as the representative of the USSR, stated that the delegations who had spoken on the Soviet amendments appeared to have agreed on some points. However they attempted to separate some parts of the Soviet amendments and shift them to the discussion of control. The Soviet Union could not agree to this. The U.S. stated that prohibition and control was a single problem. If so, let us try to get agreement on the basic issue—not the details but the basic principle which was prohibition. Control derived from prohibition. Without prohibition there was no need for control. Control without prohibition was hollow talk. There were certain issues of principle raised by the Soviet amendments. Let us agree on these as a basis and then we could go to other questions. Prohibition was the crux of the entire problem. When the Soviet Union submitted its amendments, it did so taking into account certain unacceptable parts of the UK draft. In particular UK Para. 4(a) applies only to nations and does not include the word “possession”. If we consider the word “national” in connection with UK point 6, it acquires great significance. Point 6 gives to the agency production facilities and nuclear fuel. Since the agency was not included in the prohibition provision, this means that the agency would have the right to stockpile bombs. Therefore, it was clear that although states and individuals were included in the terms of prohibition, the agency was not. He could not agree with China and others that the Soviet amendments touched upon other topics. He then reread the Soviet amendments, pointing out that each one incorporated a basic and desirable provision. We must agree upon these now even if we did so in principle only, and therefore did not need to go into details. He pointed out that UK Para. 4(c) did not include semi-finished atomic weapons, which provision must be included. Regarding the three months time limit on destruction he pointed out that if we agreed on prohibition and really meant it, then we could not object to this time limit.

Summing up, he stated that he could not see how the Soviet amendments could be rejected and once we agreed on them we could get on to the basic control point which could be discussed later. He disagreed with statements that we should defer further discussion on prohibition and go to control. If we could not agree on prohibition, there was no need to go on to control. If, on the other hand, we could agree on the Soviet amendments, let us put that in the record and go to the problem of control. That is, control which would ensure the observance of the convention on prohibition.

Smith (Canada) spoke saying that our purpose here is to reach agreement on the entire problem. We were trying to get agreement on principles. If that could be done, then we could get to treaty drafting. He pointed out that without effective control, no prohibition was possible. We all agreed that atomic weapons should be prohibited. The

crucial point, however, was effective control. It was this point that we had to resolve. The UK document was a very good one. It covered the entire problem. His government had studied it and found that it fitted the bill. Canada accepted it as a statement of principles covering the problem of control and prohibition. At the previous meeting Canada had suggested that all members submit amendments to all points in order that we might have before us a picture of the problem as a whole. This would be very helpful. Canada had no amendments to make at this time. He hoped that all others would, like Canada, lay their cards on the table with frankness in order that we might have a view of the entire problem. The Soviet Union had indicated in its amendments that prohibition to be effective must be linked to control.

Cadogan (UK) had one or two observations to make. It appeared that there was general agreement on the principle of prohibition. This was one of our purposes. However, no one expected to get this unconditionally. It was dependent on an effective system of control. The Soviet Union said that without prohibition, it was useless to talk of control. We would say that without control, it was useless to talk of prohibition. According to the record, the Soviet Delegate had suggested that we combine points 1 and 4. If so, let us now proceed to point 1.

Tsarapkin (USSR) stated that it appeared to him that the members present wanted to have a wider frame of discussion. The UK had just suggested that we go back to the Soviet suggestion of combining 4 and 1 into one title and discuss the prohibition of atomic weapons and an international system of control.

Hickerson (US) stated that at the last meeting, he had said that we should have informal conversations to discuss and, if possible, solve the entire problem. The UK paper was a useful frame for discussion. It was not a treaty. Therefore, we should not amend the UK paper as we were not attempting to draft a treaty. The Soviet Union said that without prohibition there was no need for control; others said that without control, there would be no prohibition. It seemed to Mr. Hickerson that both control and prohibition were essential. The Soviet Union emphasized prohibition. That was their point of view. We emphasized control. Let us not amend the UK paper. We have talked about prohibition at length. Now let us discuss control at the next meeting. We could and would go back to prohibition many times. We will discuss both questions from time to time in the future. We were not here in an attempt to make the UK paper a formal document, so let us retain it as a frame of discussion.

Tsiang (China) stated that he appeared to be working at some disadvantage without a verbatim record. He did not understand the Soviet Union and felt that the Soviet Delegate did not understand him. The Soviet Union had said that control without prohibition was



meaningless. That made sense, but the converse was also true. Prohibition without control was also meaningless, to which the Soviet Union appeared to have agreed. Furthermore, China had not expressed any opinion on the Soviet amendments; that is, on those which were not within the scope of point 4. China had said merely that they belonged elsewhere, but since we had agreed to a point by point discussion, he had not discussed these other points. Moreover, these points were not very clear in the Soviet draft and China had not taken any position on them. In addition, he had accepted in substance those parts of the Soviet amendments which related to point 4. He had felt that there was so great an area of agreement here that we could now go on to other points. However, without the verbatim record, he could not really be sure. He had not gone fully into verbal differences, but regarding the word "possession", its omission in para 4(a) appeared inadvertent. It was mentioned in para (c) and perhaps can be re-introduced. Regarding the question of semi-finished weapons, this did not seem at all important in that it was clear that nuclear fuel was to be used for peaceful purposes only and the problem did not arise. Nevertheless, that provision can be accepted. Regarding the three months' time limit on destruction, China reserved its position, as it related to point 8 and it should be discussed there. He proposed that at the next meeting, we talk of control, since the Soviet Union had some sentences on this subject.

Tsarapkin, speaking as the Soviet representative, stated that it had been emphasized several times that prohibition without control was meaningless. He could not understand where this idea came from. Nobody, including the Soviet Union, had ever stated that they wanted prohibition without control. The Soviet Union had repeatedly stated that a Convention of Prohibition must be complemented by a Convention of Control. Others emphasized that we must have both prohibition and control. He could not understand this emphasis. The need for prohibition was obvious. To say that we would have prohibition without control or that anyone was advocating such a position was pure invention, as no one had put this idea forward. However, the main question remained; namely, the basic question of prohibition. All agreed that we must have prohibition and then we should have control against the non-observance of the Convention on Prohibition. These points were covered in the Soviet amendments. If we could agree on prohibition as indicated in the Soviet amendments, then we could go on to the problem of control. Some delegates had a marked preference for control. It was hard to understand this confusion between cause and effect. The Convention on Control was not the leader. It merely made effective the Convention on Prohibition to ensure compliance with the latter. Moreover, the Soviet Union had agreed that both Conventions should go into effect simultaneously, although it

would have been perfectly logical to have one follow the other. However, this did not make control and prohibition identical. Prohibition was the leader; the other was a service instrument, an assistant, so to speak. If we could agree on the Soviet Union amendments (he then read them again), let us say so. Let us state that there was an understanding on the acceptance of the Soviet amendments just read. Then we could go to the following question, an important one, but still a service instrument; namely, the Convention on Control. He did not insist upon formal approval, but just an agreement. Then we could go on to our next problem. There had been no objection in principle to any of the Soviet points. If we could get agreement or an understanding on them, we would be introducing a bit of clarity to the discussion which now appears to be evading us. If we did not wish to bind ourselves formally, to this agreement, we could at least have an understanding in principle.

Hickerson (US) spoke, pointing out that in his opening statement, he had said regretfully, that the Soviet amendments as given were not acceptable to the U.S. Government. We were all agreed that we want agreement on control and prohibition, but we were not in the formal agreement stage now. We were in the stage of informal discussion on all matters before us. After we had thoroughly discussed, not only prohibition, but control and the rest of the items before us, then we would get to the stage of agreement. Since the hour was late, he proposed that we adjourn with the clear understanding that there had been no formal agreements reached to date.

Tsarapkin (USSR) stated that if he had understood the statement of the U.S. Delegate correctly, to the effect that there was a clear understanding that there had been no agreement reached on prohibition, that did not appear to have reflected what had happened, particularly regarding the statements of China and Canada. He would like an explanation.

Hickerson (US) stated he was happy to clarify his statement. We were in the process of discussing various aspects of various points of a very important problem. We would obtain, of course, many areas of agreement, but, since we were in the discussion stage, and speaking only for himself, he did not think that we were in the position to record these agreements.

Smith (Canada) agreed with the U.S. He stated that we could not record agreements formally now. He wished to inform Tsarapkin that the latter had misunderstood him. Tsarapkin had said that Canada had accepted the second sentence of the Soviet amendment to para. 4(a). What Smith had said was that we were all agreed that there must be prohibition and that prohibition without control is no good. He had merely quoted that part of the Soviet amendment which

appeared to make this point. Therefore, it seemed to him that Tsarapkin had agreed with Smith rather than vice versa.

Tsarapkin, Chairman, then read a "hollow" draft press communiqué, but suggested a slight amendment to indicate that the Sponsoring Powers were meeting in pursuance of para. 3 of the General Assembly Resolution of November 4, 1948. No objection seemed worthwhile making, and the amendment was accepted.

Tsarapkin, in consultation with Cadogan, agreed that the next meeting would be held on Thursday, 1 September, at 3 p.m. He attempted to indicate that the agenda would be a joint title combining points 4 and 1, but several delegates speaking more or less simultaneously, indicated that they understood that the subject matter would be point 1, and point 4.

Cadogan (U.K.) prior to adjourning, indicated that he agreed with the U.S. statement that the U.K. paper was not a formal one. However, it did express the views of his Government and he would urge that any delegates who had amendments to any of the points submit them as soon as possible. The meeting adjourned at 5:40 p.m.

(Note: The text of the Soviet amendments as attached by the Secretariat to the record of the Third Meeting<sup>3</sup> differs in some respects from the previously circulated text, and is apparently the definitive Soviet text.)

<sup>3</sup> GA (IV), *Suppl. No. 15*, p. 8.

IO Files: US/A/1601

*Summary of Discussions on Agenda Items of the Fourth Regular Session of the General Assembly Between Members of the United States, British, and Canadian Governments, New York, August 30-31, 1949*<sup>1</sup>

SECRET

PRESENT

UNITED KINGDOM	CANADA	UNITED STATES
Sir Terence Shone	General A. G. L. Mc-	Mr. John Hickerson
Mr. James E. S. Fawcett	Naughton	Mr. John C. Ross
Mr. David L. Cole	Mr. John Holmes	Mr. David Popper
	Mr. Leon Mayrand	Mr. Hayden Raynor
	Mr. Arnold C. Smith	Mr. Thomas F. Power, Jr.
	Mr. George Grande	

<sup>1</sup>This summary was drafted by Thomas F. Power, Jr., Adviser, United States Mission at the United Nations; for the section dealing with possible Soviet strategy and tactics in the General Assembly, see vol. II, p. 72. Additional information on these tripartite discussions is provided in an editorial note in *ibid.*, p. 244.

[Here follows discussion of various subjects.]

PROCEDURE ON ATOMIC ENERGY AND CONVENTIONAL ARMAMENT  
REPORTS

General McNaughton raised the question of what the Security Council would do with the Atomic Energy Commission's report.<sup>2</sup> He had thought that the report should go both to the Assembly and the Security Council, but the Chinese and United Kingdom Representatives had expressed the opinion that there would be particular difficulty with the Russians if the matter were not discussed in the Security Council. Therefore, he had abandoned the attempt to by-pass Council discussion. Mr. Hickerson said he thought this matter had to be taken up in the Council.

Mr. Ross expressed the opinion that it was most important that the Atomic Energy report be considered by the Assembly before Agenda Item 24 which, by its unfortunate title,<sup>3</sup> lumped Atomic Energy and Conventional Armaments. He recalled that this had been an oversight by the Assembly which had preserved the original Russian title although it was a new resolution. He saw no way to get around that until the Security Council changed the title.

Mr. Hickerson, referring to the procedural manner of handling Atomic Energy in the Council, said two courses had been suggested in the Department of State. First, that it be treated as an annex to its report, and, second, that it be discussed in the Council and sent to the Assembly by a procedural motion. He said he personally inclined toward the second.

General McNaughton pointed out that the first course was not possible since the Atomic Energy debate took place after the Security Council report closed as of July 15. He speculated that the Russians would not oppose a procedural resolution to refer the matter to the Assembly, as was done last year and in which they acquiesced. He thought this procedure could be applied both to the Atomic Energy Commission and Commission for Conventional Armaments reports, but underlined the importance of doing this on two different days to avoid Soviet maneuvers to link them together.

[Here follows discussion of other subjects.]

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<sup>2</sup> Document S/1377, July 29; for text, see SC, *4th yr., Suppl. for Sept.-Dec., 1949*, p. 8.

<sup>3</sup> At the 3rd Session of the General Assembly at Paris in 1948, Soviet draft resolution A/658 (for text, see *Foreign Relations, 1948*, vol. I, Part 1, p. 431) and subsequent revisions thereof received the following agenda item title: "Prohibition of the atomic weapon and reduction by one-third of the armaments and armed forces of the permanent members of the Security Council". General Assembly resolution 192 (III) (*ibid.*, p. 503), although dealing exclusively with the reduction of conventional weapons and adopted as a substitute for the Soviet proposal, was assigned the title of the agenda item under which it was approved. Consideration of the implementation of resolution GA 192 (III) received the same title on the agenda of the 4th Session of the General Assembly, 1949 (Item 24).

*Atomic Energy*

Mr. Hickerson suggested that at the meeting of five of the permanent members of the Atomic Energy Commission the following day, the mechanics of getting the resolution to the General Assembly be discussed. He said it was his own philosophy that there was nothing the Assembly could do to assist the Atomic Energy Commission to make progress at the present time. He thought the six Permanent-Member talks would continue more or less indefinitely with the Western Powers taking the line that they would be glad to examine any proposals put forward on the assumption that despite all the careful work of the Atomic Energy Commission it might be possible that human ingenuity could suggest a new means of solving the question. He did not anticipate, however, that there would be any such proposal.

He would suggest that the six Permanent Members make an interim report to the General Assembly, saying that they were conducting talks, that they had not yet been able to reach agreement, but would continue their discussions. The General Assembly could then put a blessing on this procedure. General McNaughton concurred. Sir Terence indicated concurrence, but asked about the time-table Mr. Hickerson had in mind. He thought that there would have to be a number of additional talks among the six Permanent Members before any suggestion of this nature were put forward. He suggested that the Russians might say at almost any time that a report should be sent to the Assembly at once. Mr. Ross speculated that the Russians might try to get from the Security Council a report embodying their views which would be discussed early in the General Assembly. He thought that the report from the Atomic Energy Commission should be placed well down on the list and that just before the item were reached for Assembly discussion the six Permanent Members could file their report. Then the Assembly resolution endorsing the continuation of the discussions could be a very simple one which would hope that they would continue discussion and reach some agreement.

Mr. Hickerson noted that François de Rose, of the French Delegation, had suggested that the General Assembly should place its stamp of approval on the Atomic Energy Commission resolution. Mr. Hickerson was of the opinion that no useful purpose would be served by opening the whole question to debate and that harm might be done. He would be very unhappy about having a full-dress debate on the question because we could not be sure what the up-shot would be. He thought that we should let well enough alone.

General McNaughton agreed with Mr. Hickerson. He believed that we should concentrate on the fact that the Atomic Energy Commission had passed its explanatory resolution that because there had been no progress in the Atomic Energy Commission, the Six Powers had entered consultations; no conclusion had been yet reached in the

consultations, but the consultations were the most promising line to be followed and should be allowed to proceed.

Mr. Ross said he assumed the Security Council would send the Atomic Energy Commission report to the Assembly by a procedural resolution, and noted that it was not presently on the agenda. He expected the General Committee would place it on the agenda under the item dealing with atomic energy so that the ultimate resolution could take note of the Atomic Energy Commission report submitted to the Security Council and of the report from the Six Sponsoring Powers. He suggested that someone should be ready to introduce a resolution along the lines that had been discussed as soon as the item was reached on the *Ad Hoc* Committee agenda. General McNaughton agreed. Mr. Holmes observed that there was a very good chance that there would be a full debate on the atomic energy question. Mr. Ross hoped that everything possible would be done to keep it under control.

General McNaughton said that, if the Russians again dragged out the charge that the Atomic Energy Plan was nothing except the Baruch report, he thought a very careful explanation should be given along the lines of a paper which he had prepared<sup>4</sup> to show the developments in the Commission, which made it clear that the Atomic Energy Commission plan was not the so-called Baruch Plan but was actually the product of the Commission. He had already made a draft copy of this available to Mr. Osborn and would furnish a copy to the United Kingdom. He said that he was very anxious that this should be done in the Assembly and the Canadians were ready to make such a presentation. He was most anxious that there should not be a smaller majority on an atomic energy resolution than had been the case in Paris. If the French proposal for a full-scale debate were adopted, he feared very much that it might be difficult to get a two-thirds vote. This would greatly aggravate the situation.

Mr. Hickerson said that it could be anticipated the Russians would make a propaganda speech on the atomic energy item and there would have to be an answer. General McNaughton suggested that the answer should be delivered more in sorrow than in anger. Mr. Holmes pointed out that, if it were necessary to put in a resolution condemning the Soviet view, it might very easily rouse feelings in the Assembly to a widespread attitude of "a plague-on-both-your-houses". Sir Terence Shone agreed. General McNaughton said this was exactly what had to be faced. He said we did not need positive action at this point, but needed to hold the ground that had been won.

#### *Conventional Armaments*

Mr. Hickerson explained that the United States was discussing within the Government its views on the future of conventional arma-

<sup>4</sup> Not printed.

ments discussions. Frankly, he had nothing to contribute at the moment regarding future work but he would welcome an expression of views from other Delegations.

General McNaughton said that Canada would support the French proposal and believed that the work should continue on this basis. He asked about the discussion of safeguards. Sir Terence commented that he thought this would depend on discussions in the Security Council, especially whether the Russians vetoed the French proposal. Mr. Cole commented that if the Russians vetoed the French proposal the necessity of proceeding with a further elaboration of the exchange of information plan next year might be avoided. Frankly, for this reason the United Kingdom rather hoped there would be a veto. Sir Terence commented that if the Commission had to continue work next year the U.K. would probably prefer that it should go on to discuss safeguards. Mr. Cole said that the United Kingdom had considered the idea of suspension of disarmaments talks but would probably wait until Assembly debate began to find out whether there were any sentiment in favor of suspension. If there were no such sentiment, they would probably not put in such a resolution. They would almost certainly not do so unless the Soviets vetoed the French proposal. There might also be a veto on last year's resolution in which case all work of the Commission would be vetoed and there would be a stronger case for suspension.

Mr. Ross said he doubted very much that a two-thirds vote could be marshalled that the Commission for Conventional Armaments should stop its work. He said that it was a very difficult problem for the public. He thought it would be very hard to support a resolution which would call on the CCA to stop its work.

General McNaughton said that he thought the Western Powers should keep in the position of pushing on disarmament discussions as far as the traffic would bear. They should prepare to do so in good faith, proceeding into discussion of safeguards. He thought it important that there be no retreat in public. In answer to Mr. Hickerson, he said he would advocate this even though a veto were cast but the discussion should be carried forward in good faith. He noted that we had taken the initiative on this and we should not be the ones to say that we did not want to talk about it further.

Mr. Cole said that an open mind should be kept until the debate began. He thought it reasonable to suppose that no proposal would be put forward unless it appeared that it would command a two-thirds majority. Sir Terence commented that as a practical matter, no agreement could be reached on disarmament until agreement had been reached on atomic energy. General McNaughton said that the majority in the Commission should not be the ones to close the door on discussion.

Mr. Hickerson said that he felt very strongly that great care should be taken on any proposal for suspension of discussion. He agreed that no agreement could be reached on disarmament until an atomic energy agreement had been concluded and a rapprochement achieved between the Soviet Union and the rest of the world. He saw no chance for this. However, he was worried at a repetition of the kind of debate which had been experienced in Paris. Although it was an emotional approach, nevertheless, the Western Powers would be in trouble if they said they would not talk about disarmament. Mr. Cole wondered whether this might not be deluding public opinion. Mr. Ross thought this would not be the case, provided it were bluntly stated how small the chances of agreement were. General McNaughton concurred. He thought we should go on to express confidence in what the Commission for Conventional Armaments proposed and what had been done, explain the reasonableness of the proposal and address the Soviets more in sorrow than in anger. Mr. Hickerson said he would agree with all except the last statement, and would very much prefer a militant presentation. We should say frankly that we were not deluding ourselves and there was no hope for agreement on disarmament or atomic energy until there was a *rapprochement* between the Soviets and the rest of the world. The Soviets were now giving no reason for hope for a *rapprochement* in the near future. He did not think this was misleading public opinion. He said some of the military felt that discussion of disarmament was a waste of time and misleading public opinion. However, he felt that there would be real trouble if we slammed the door on discussion. As a practical matter, he observed that if the Russians proposed disarmament discussions, we would have to sit down and talk with them.

Mr. Cole remarked that if atomic energy discussions were discontinued, there would be a much stronger case for suspending the Commission for Conventional Armaments talks. Sir Terence Shone pointed out that if the C.C.A. was left functioning by itself the Russians would use that Commission all the more for confusing the issues of atomic energy and conventional armaments.

General McNaughton thought that a defense should be made of the work of the Commission for Conventional Armaments, pointing out that what was being done was not entirely without usefulness. Proposals were being put down on paper and were not useless for the future. This was not a wasteful program. He recalled that all the permanent members of the Atomic Energy Commission had been willing to keep on talking in that body. It had been the small powers which had revolted. They might do the same thing in the Commission for Conventional Armaments. However, as long as anyone wanted to keep talking he thought that the talks should be continued.



Mr. Hickerson observed that he did not think there was very much difference between the various points of view. He understood that the United Kingdom would not want a resolution unless there was likely to be a two-thirds majority. Sir Terence confirmed this. Thus, Mr. Hickerson continued, it would be left up to the smaller countries to say that the disarmament discussions should be wound up. The United States, said Mr. Hickerson, would not want to advance the proposal to wind up the discussions but would acquiesce in such a proposal. Mr. Raynor doubted that there would be such a general revolt this year.

Mr. Cole pointed out there was a possibility the Assembly might want the members of the Commission to go on to elaborate further the exchange of information proposals and draft a convention, and even eventually try to get a convention in operation. He thought that the United Kingdom would want to gain its tactical point on the exchange of information plan, and then in the face of the Soviet veto let it die. General McNaughton thought that it could be agreed that safeguards should first be discussed by the Commission, before any attempt was made to put the exchange of information plan into operation. Mr. Cole doubted that this could be done since the French plan was supposed to contain its own safeguards.

It was generally agreed that the Commission for Conventional Armaments and the Atomic Energy Commission matters should come up in the Security Council on separate days, and probably the sooner the better.

[Here follows discussion of other subjects.]

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Department of State Atomic Energy Files

*Notes on the Fifth Meeting of the Sponsoring Powers, Lake Success,  
New York, September 1, 1949*

SECRET

Representatives:

McNaughton—Canada  
 Tsiang—China  
 Chauvel—France  
 Hickerson—United States  
 Cadogan—United Kingdom  
 Tsarapkin—USSR

(The five friendly delegates met at Sir Alexander Cadogan's Manhattan offices at 11 o'clock on September 1. Sir Alexander, who would be in the Chair for the afternoon meeting, stated that the agenda would be Points 4 and 1 of the UK paper.<sup>1</sup> Chauvel (France) suggested that he would make the statement he had previously circulated

<sup>1</sup> GA (IV), *Suppl. No. 15*, p. 6.

if the other delegates thought the idea was a good one (a French version was previously circulated). In the first section, Chauvel had gone into considerable detail in attempting to give a point by point answer to some of the Soviet amendments and explanations thereon, with a disposition to accept some of the Soviet language when it did not differ in substance from the UK. The latter part of the statement emphasized the need and the reasons for effective control over atomic facilities and materials in order to make prohibition effective.)

Hickerson (US) pointed out that at the previous meeting, Tsarapkin had attempted some fast footwork, but had failed of his purpose because he had overstated the Chinese and Canadian positions. It was obvious that Tsarapkin was using parliamentary devices in order to obscure the differences in fundamentals. He suggested that Mr. Osborn, who had just returned from vacation, might give his opinion as to the status of the consultations. Mr. Osborn pointed out that we had spent considerable time in preparing a statement of principles in order to keep the discussion on things that really mattered. During the consultations, the Soviet Union had put in its own old propaganda proposals and we were beginning to discuss them rather than our statement of principles. He feared that when the secrecy of these talks was compromised, the record would be confusing and could be used to advantage by the Soviet Union. He emphasized the need for keeping the debate on grounds of our own choosing.

Hickerson (US) pointed out that he had continually taken the position that the order of discussion of the various topics was not important so long as all were discussed. He pointed out the need for sticking to fundamentals. In this connection, he referred to the reservations some delegates had on the need for the International Control Agency to carry on research on atomic weapons. Such research appeared to be a good idea, but it was a relatively minor detail and not a fundamental point in our discussions.

There were two main points concerning which we all disagreed with the Soviet Union. The first: We all know that national production will not work; the second: we all know that periodic inspections of declared facilities will not work. Both were inherent in the Soviet proposals on Point 4, and so long as the Soviet Union insisted upon them, we could not reach any basis for agreement. Hickerson stated that he agreed with practically all that Chauvel intended to say, but the details in the early part of his proposed statement should not be gone into, as they tended to accept the Soviet language. He wished to point out that the Soviet insistence on destruction of bombs and particularly on semi-finished bombs made sense only in the light of the Soviet ideas of control. As far as the majority plan was concerned, they made no sense, because the nuclear fuel would be all turned over to the international agency and there would be nothing significant to destroy.

Chauvel (France) agreed that we must stick to principles. He pointed out that Tsarapkin had been drawing erroneous conclusions from the apparent acceptance of some of his wording by other delegates. He pointed out that once we do agree on what the principles must be, then only can we proceed to the drafting stage.

McNaughton (Canada) pointed out that we must always keep in mind that prohibition is associated with and dependent upon control, and that whenever we say that there must be prohibition, we must add these words; otherwise, Tsarapkin will continue to draw these erroneous conclusions.

Tsiang (China) agreed with Mr. Hickerson that we should stick to principles and avoid details. He feared that a break in the secrecy would come about by a Soviet statement that the other five powers do not want prohibition. He suggested that we get to the real meat of the problem under points 6 and 7 of the UK paper and that we should not be finicky about reservations on details.

After considerable discussion, it was agreed that we would attempt to get to points 6 and 7 as soon as possible, since point 1 was so general in character that its language could be agreed to by everyone. Chauvel agreed to make only the second part of his statement on control. McNaughton stated that we would also try to make clear that Tsarapkin says prohibition—period, while we say prohibition that must be effective. We must clearly define what we meant by effective and point out that the Soviet Union did not want any part of it. This was not a question of the number of conventions but what was in them.

There followed an inconclusive discussion on how and when to make public the UK paper on principles. If the Soviet Union broke the secrecy of the meetings, of course there would be no problem. McNaughton wanted to have them part of an interim report that the Sponsors might make during the General Assembly. Cadogan and de Rose supported this point of view, stating that the General Assembly would want some substance in this report; otherwise, there might be a drive for a reconvening of the AEC.

Hickerson (US) argued for a non-substantive report to the effect that the Sponsors had been meeting since August 9, were continuing to meet, and were not yet prepared to make a definitive report.

Hickerson also argued against a de Rose suggestion that the General Assembly endorse the two UNAEC resolutions (fourth report). He suggested that the GA limit its action to noting the resolutions and noting the fact that consultations are still going on. Mr. Osborn believed that we were in an excellent position. The General Assembly had asked the UNAEC and the Sponsors to meet. The AEC had made a finding which is very defensible; the Sponsors are continuing to meet. We do not want any new instructions from the General Assembly. When the Sponsors are ready to make their report, they could empha-

size that the three indefensible Soviet points; namely, national ownership, management and operation, periodic inspection of declared facilities, and the control commission's powers limited only to make recommendations to the Security Council where the veto would apply. This discussion was not pursued further although there was a tacit understanding that we should not ask the GA to endorse the two UNAEC resolutions.

It was agreed by Cadogan, as current Chairman of the Security Council, that he would propose a simple procedural resolution at the Security Council on Tuesday<sup>2</sup> to transmit the two UNAEC resolutions to the General Assembly.)

#### MEETING OF THE SPONSORS AT LAKE SUCCESS

Cadogan (UK) Chairman, stated that at the previous meeting we had decided to take up points 1 and 4. Point 4 had been discussed at some length, and this discussion had revealed a general agreement in principle on the desirability of effective prohibition of atomic weapons. We had not agreed on the details. We have been trying to estimate the measure of agreement among us and were not drafting a treaty at this time. He wished to emphasize that all the points in the UK paper were interrelated and could not be decided upon in isolation. He suggested that we go immediately to point 1 and then to other related points so that we would get a view of the problem as a whole before we tried to record what agreements had been reached.

Chauvel (France) said that he had studied the record of the last meeting and noticed that Tsarapkin had said that there was a large measure of agreement on prohibition. Chauvel repeated that insofar as the Soviet language related to "pure" prohibition, it was not objectionable. If we could get agreement on the remaining points, then the drafting of this agreement would be an easy matter. A more serious matter was the conclusions that Tsarapkin drew from the measure of agreement so far reached. The Soviet amendments went much beyond prohibition. Tsarapkin's conclusion that agreement on the desirability of prohibition meant that the other delegates were accepting the idea of simultaneous control and prohibition or the three months' time limit on the destruction of bombs was quite erroneous. The Soviet Union said that without prohibition, there would be no need for control. With equal logic Chauvel said that if there were no atomic weapons, then there would be no need for control. He pointed out that it was true that control was meaningless without prohibition, but, he added, prohibition was not possible without control. Effective control was the real issue before us. We could not get away from the fact that atomic energy was a military matter whether it were used ostensibly for peaceful purposes, or otherwise. If control was necessary, as the

<sup>2</sup> September 6.

Soviet Union contended, only for insuring observance of the convention on prohibition, then it should be logically limited only to installations for bomb assembly and not to production facilities for peaceful purposes. But even the Soviet Union had agreed that these latter must be controlled and that their development must not be unrestricted, when it accepted the idea of quotas. We could not have national rivalries in this field. Therefore, control had other purposes than that of insuring compliance with the convention on prohibition. It was the nuclear fuel that had to be controlled. The assembly of atomic weapons was a complex matter but it will be done quickly and in small installations. In this respect, atomic weapons differed from conventional arms. Conversion of a powerful industry to armaments took time and even Hitler could not hide its existence. It was the speed and the secrecy of military conversion of nuclear fuel that made necessary the control of the whole nuclear industry. The General Assembly recognized this fact in its resolutions of 24 January and 14 December 1946. It did not subordinate control to prohibition or vice versa. He emphasized again three points.

1. Control of atomic energy and the prohibition of atomic weapons were both necessary.

2. Control was not derived from prohibition but must apply to the entire nuclear industry.

3. Development of peaceful uses of atomic energy was not unrestricted but must be subject to international regulation.

As no one was ready to speak, Cadogan (UK) Chairman, suggested that we go from point 1, which was quite general, to point 6, which defined in detail what was meant by point 1.

Hickerson (US) said that at the second meeting, he had indicated that the order of discussion of the various topics was not important, that our purpose here is to discuss all points and to seek a basis for agreement on the fundamentals. He repeated US support for the Commission Plan as approved by the General Assembly, but also expressed a willingness to listen to and to work on any proposals that might be equally effective or even more so. He agreed that we might go on to point 6 now, as it was the heart of the control system.

Tsiang (China) pointed out that certain parts of the Soviet amendments to point 4, insofar as they related to prohibition, were not objectionable. There were two differences between the Soviet and the UK draft that he wished to point out. The first was the UK mention of one multilateral treaty to cover the problem, and the Soviet suggestion for two conventions. Tsiang wished to point out that the number of conventions was not important; what was important was their content. The second difference was that in the UK draft, control and prohibition were conceived of as one integrated whole, while in the Soviet amendments, prohibition came first with control supplementary.

This might be a mere verbal difference; on the other hand, it might be very substantial. We wanted water-tight prohibition, but that was not possible without watertight control. Therefore, effective prohibition and effective control were almost identical in substance, and it was not useful to discuss one without the other. In the Soviet amendments, there was one sentence regarding control that seemed important; namely, "in order to be effective . . . . including inspection to insure . . . .". This sentence bothered Tsiang. He wanted to know what besides inspection was included under control. It was all the more bothersome because the words "including inspection" were not separated by commas. He agreed that we should now go to point 6 in order to get to the meat of the problem.

Tsarapkin (USSR) next spoke, referring to the Chinese question as to what besides inspection is included in control and also the Chinese concern over the lack of commas around "including inspection". He reminded the delegates that the UK had suggested that we avoid the fruitless discussions of the past and try a new approach. Then the UK had submitted a document which contained the UK ideas on the fundamental points. Canada, China, France and the US had quickly agreed to these points. It was clear that these points were taken from the summary of the United States plan of control as it appeared in Annex 2 of the Third Report. They all stemmed from the United States plan of control, whose main purpose was to put the entire atomic energy field in the world under the United States' control, perhaps under the United States Atomic Energy Commission or some other agency controlled by the US, so that the US can further its expansionist and imperialist tendencies. Mr. Hickerson continued to insist upon the majority plan, or even a better plan, which can only mean that he wants a better method of controlling the world nuclear industry. Mr. Hickerson's insistence upon this would not move the Soviet Union or change its attitude. The majority plan was unacceptable and the Soviet Union position on this point had been repeatedly made clear. Moreover, if the US insisted upon the majority plan of control, then it was clear that the United States' acceptance of prohibition paid only lip service to the idea, and the Soviet Union had no other conclusion to draw than that the US was still against prohibition.

Tsarapkin (USSR) in response to the question of China on what besides inspection was included in the Soviet plan of control, then read out verbatim the Soviet proposals on atomic energy control submitted to the Atomic Energy Commission on 11 June 1947 (see Annex 3(c) of the Third Report or Part IV of the Second Report).

Tsarapkin then stated that now he had answered the Chinese question as to what the Soviet Union meant by control. The Soviet control proposals were designed to insure peaceful uses of atomic energy and the prohibition of atomic weapons. In this they differed from the US

and UK proposals, which were designed to create a world super-trust placed above nations and government, giving to it exclusive rights of ownership of all atomic resources and installations. This was not control. This is essentially different from the Soviet proposals. The Soviet proposals contained a basis for an effective system of atomic energy control and, on this basis, a satisfactory and effective document could be drafted on the subject of the international control of atomic energy.

Cadogan, Chairman, suggested that at the next meeting, we discuss point 6, to which there was no objection. A "hollow" press communiqué was then approved and in consultation with Hickerson, Cadogan set the next meeting for Thursday, September 8, at 3 p. m. The meeting adjourned at 4:45 p. m.

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USUN Files

*The Deputy United States Representative to the Commission for Conventional Armaments (Nash) to the Representative of the Department of the Air Force on the Executive Committee on Regulation of Armaments (Hamilton)*

SECRET

LAKE PLACID, NEW YORK, September 1, 1949.

MY DEAR GENERAL: Since our RAC meeting of the 19th,<sup>1</sup> I have given a good deal of thought to the views advanced at that meeting—benefitted by the detachment and quietude of these Adirondack woods which I have been enjoying for the past week. I have also read and reread the State and Air Force draft papers<sup>2</sup> which we considered at the meeting of the 19th, as well as the copy of Dean Acheson's memorandum for Secretary Byrnes<sup>3</sup> which you handed me at the meeting and which I found of very great interest.

It seems plain to me that there is no disagreement on the part of anyone concerning our basic objectives or the general principles by which we should govern our efforts to attain them. The only disagreement that I can see is concerning the specific organ or medium to be selected (if the power of selection were to rest with us) for the channelizing of those efforts. As I understand it, the State Department favors the continuation of CCA as the most appropriate organ for this purpose (at least so long as the rest of the General Assembly continues to think so), whereas the military representatives on RAC are of the opinion that the CCA has outlived its usefulness (if ever it had any), is unable to deal with the problem any longer, and should suspend any

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<sup>1</sup> For the minutes of the meeting of the Executive Committee on Regulation of Armaments, August 19, see p. 122.

<sup>2</sup> Documents RAC D-36 and RAC D-36/1, neither printed.

<sup>3</sup> For the memorandum by Under Secretary of State Dean Acheson to Secretary of State James F. Byrnes, November 7, 1946, see *Foreign Relations*, 1946, vol. I, p. 1001.

further activities, leaving the matter for such future consideration as the Security Council may see fit to give to it.

This point of difference seems to me an extremely narrow one. Sometimes functional questions can be quite important (e.g., unification of armed forces), but I do not think this one is of really vital significance. Perhaps I am too much the product of my legal training in that I instinctively favor the maintenance of the *status quo* unless I can be shown some substantial reason for changing it. Perhaps, also, I am obtuse in failing to appreciate the weight of the arguments which have been advanced for urging a change in the *status quo* of CCA.

But I feel firm ground beneath me in the conviction that whatever we may have to gain from a change in the *status quo* of CCA, there is a real danger of serious disadvantages resulting from any determined effort to bring about such a change. Foremost of these disadvantages is the one which I advanced several times at the RAC meeting of the 19th: That affirmative action by the United States to suspend further work by CCA would be seized upon by the Russians and by them held up to the world as proof that the United States is not interested in efforts to promote peace, but is bent on another World War. I do not want to press my "slamming the door" expression, but I have not the slightest doubt but what that would be the label pinned on us by the Russians, if we were to pursue a CCA suspension policy, and I do not think we would be able effectively to distinguish ourselves out from under the weight of the metaphor. To say we are not slamming the door on further discussions of disarmament, but are merely urging the transfer of such discussions from the CCA to the Security Council, would be to invoke a procedural formality which would never be accepted by our friends—much less our enemies—as representing our sole and true motive. And I am concerned most of all about the effect on our friends—at home and abroad—which would result from our strongly urging the abandonment of any further activities on the part of the CCA.

We have established a solid front with our British, French and Canadian friends in the work of CCA during the past six months (and the Chinese, Norwegians, Cubans and Argentinians have been applauding and supporting our united efforts). I would hate to see us incur the risk of impairing that relationship in any way (it would be another matter if *they* were to come forward with any suggestions concerning a change in the *status quo* of CCA). At the same time we have held the support of that *by no means unimportant* element in Congress which goes along with the Atlantic Pact and the Military Assistance Program only so long as they can be reassured that our paramount aims are pacific and not bellicose.

Our friends in Congress may not even be aware of the existence of CCA, much less familiar with its work to date, but they would be



extremely sensitive to any charge that the United States was withdrawing from discussions of disarmament—a charge which, as I have said, would inevitably follow any efforts on our part to suspend CCA. And their sensitivity in this respect would, in my opinion, be shared by the public generally, both in America and outside. By the effort to kill it off, CCA would immediately acquire a significance and prominence which it has never enjoyed heretofore. It would thereby become a symbol of something—an intangible but nonetheless very real something—the eternal hope that someday, somehow, the force of arms may be supplanted by the force of world peace. And I think it would be a very grave matter if the United States were to put itself in the position where an accusing finger could be pointed at us as being bent on the destruction of that symbol.

Now coming to a more practical side of the problem: The Acheson memorandum of November 7, 1946, almost prophetically put its finger on the real nerve center of the problem when it pointed out “the futility of any proposals for reduction in armaments unless there is some real possibility of agreement upon effective international safeguards,” and went on to add that “effective international safeguards are impossible without some form of inspection, or international operations, or other measures which involve ready access by an international organization to the various nations of the world.” The Soviets’ opposition to the French proposals for census and verification rests basically on their determination to keep the Iron Curtain pinned tightly against the venting that would be involved in any system of international inspection. The same determination underlies their opposition to the plan for the control of atomic weapons, and all their talk about “impairment of Soviet sovereignty” which would be involved in any system of international control is, in my opinion, only so much smoke to screen the real basis of their opposition.

I think every opportunity should be seized to blow away the smoke of the Soviets’ formal arguments and disclose the real grounds of their position. I think that when they are clearly understood the world will see how untenable those grounds are. I think the “common man” can grasp the imperativeness of an effective system of *international* control, and I think this issue should be singled out as the masthead of our position and that we should try in every way possible to nail the Soviets to it.

To this end CCA can be made extremely useful. Consideration and discussion of Item III of the Plan of Work—“Adequate Safeguards for a Plan of Disarmament”—would be an unusually appropriate vehicle for developing this utility. Some progress in this direction has already been made in the consideration of the census and verification proposals; the British, French and United States Representatives have all put the needle to the Soviet nerve-center and with some effective-

ness. The nerve should continue to be probed, and though it would be hoping for too much to say that the probing might ultimately compel the patient to have the tooth extracted, it is by no means unlikely that the sensitiveness can be developed to a point where the patient's howls of anguish will disclose just where he is hurting.

To say that this probing process can be continued in the Security Council is to suggest that one needle may be as effective as two. Besides what occasion would there be for the Security Council to carry the process forward? Surely the Council would not be disposed to pursue the Plan of Work which has already been developed in CCA. On the other hand, it is not inconceivable that some new agency or organ might be set up to take over the implementation of Article 26 (covering, perhaps, both atomic weapons as well as conventional armaments). Then a new Plan of Work would have to be evolved, a new set of General Principles formulated, and a new opportunity thereby afforded the Soviets to go over again the old grounds of its opposition to what has already been accomplished in these respects.

But I am getting more argumentative than I had intended, so I think it best to sum up my ideas briefly and let them stand without further argument for what they may be worth :

(1) Affirmatively, I think it would be useful to continue the work of CCA with concentration on the vital principle that nothing can be accomplished in the field of disarmament in the absence of effective international control. I think it would be far more useful to proceed with Item III of the Plan of Work than with any further implementation of the census and verification proposals. I think the surest way of forestalling any move on the part of the General Assembly to call for such further implementation would be for the United States (or some other friendly power) to come forward at an early stage with a resolution noting what has been done in the way of the census and verification proposals and asking General Assembly approval thereof as constituting a fair response to its Resolution of 19 November 1948, calling attention in decisive terms to the Soviet opposition to the proposals in CCA and the Security Council, concluding that in the face of such opposition there would be no real point in going forward with any attempt to implement the proposals, and suggesting that the CCA now resume its Plan of Work and go ahead with consideration of Item III.

(2) If agreement cannot be obtained for adoption of the position advanced in (1) above, then, *as the very minimum*, I think the United States must refrain from taking any affirmative position with respect to the suspension of further activities by CCA. If sentiment in this direction should be forthcoming from such other source, we could, after evaluating its strength, decide what we should do about supporting it or objecting it. But in the same session of the General Assembly to urge approval of the suspension of both AEC and CCA would be biting off far more than we could chew and I think we would thereby risk our ability to do a thorough job of mastication on the AEC bite which we already have in our mouth. I am not suggesting that we should stand for the continuation of CCA forever and a day.

Perhaps after Item III has been thoroughly worked over and the Soviets' opposition continues undiminished, we will be like the gal from Kansas City and "have gone about as far as we can go." But suspension of CCA at that point would be a quite different proposition from such a proposal today. Such a proposal today is, to be short and to the point, simply unsaleable.

Or at least its saleability is beyond the reach of

Sincerely yours,

FRANK NASH

501.BB/9-2649

*Position Paper Prepared in the Department of State*

SECRET

[WASHINGTON,] September 3, 1949.

SD/A/C.1/255

INTERNATIONAL CONTROL OF ATOMIC ENERGY: REPORT OF THE  
PERMANENT MEMBERS

THE PROBLEM

What should be the position of the U.S. with regard to the international control of atomic energy and in particular to the report of the permanent members of the Atomic Energy Commission on the subject of the international control of atomic energy?

RECOMMENDATIONS

1. If, as anticipated, only an interim report to the General Assembly is made by the six permanent members of the AEC, the objectives of the U.S. should be:

*a.* To resist any effort to stimulate a resumption of discussions in the AEC while the six permanent members continue to meet, and until they report that a basis for agreement exists;

*b.* To take the position that a full-scale substantive debate on the problem of atomic energy control is premature in the absence of a definitive report of the Sponsoring Powers;

*c.* To limit General Assembly action to the passage of a resolution noting the two UNAEAC resolutions (4th report) and noting that the six-power conversations are continuing and possibly expressing its feeling that these consultations are the method of procedure currently offering the best hope for agreement;\*

*d.* To have the question considered at as late a point as possible on the agenda of one of the political committees, in view of the fact that the sponsors will not have made a definite report at the time of the adoption of the agenda.

2. If a definitive report should be received from the six sponsoring powers before or during the Assembly session, the United States posi-

\*In view of risks that this latter might entail, the United States will not put it forward unless advance liaison indicates general acceptance in which case the United States would support such a resolution if put forth by another delegation. [Footnote in the source text.]

tion will be that contained in RAC D-36b [*RAC D-35b*], the most pertinent portion being:

[Here follow conclusions 9 and 10 of document RAC D-35b, June 20, page 70.]

#### BACKGROUND

In its resolution of November 4, 1948, the General Assembly

(a) Approved the General Findings (Part IIc) and Recommendations (Part III) of the First Report, and the Specific Proposals of Part II of the Second Report of the United Nations Atomic Energy Commission as constituting "the necessary basis for establishing an effective system of international control of atomic energy to ensure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons in accordance with the terms of reference of the Atomic Energy Commission";

(b) Expressed concern at the impasse reached in the work of the Atomic Energy Commission; and

(c) Requested the six Sponsoring Powers to "consult in order to determine if there exists a basis for agreement on the international control of atomic energy to ensure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons, and to report to the General Assembly the results of their consultation not later than its next regular session."

(d) Requested the Atomic Energy Commission to survey its program of work and to proceed to the further study of such of the subjects as it considers to be "practicable and useful".

Pursuant to this resolution, an item is included in the provisional agenda for the Fourth Regular Session entitled "International Control of Atomic Energy: Report of the Permanent Members of the Atomic Energy Commission".

The Atomic Energy Commission, after a series of meetings, passed the two attached resolutions on July 29, 1949, to the effect that further work is merely hardening existing differences and is neither practicable nor useful until the sponsors had found a basis for agreement.

These resolutions were forwarded to the Security Council with the understanding that they will go to the General Assembly in due course. They are, in effect, the fourth report of the UNAEC.

The Sponsoring Powers first met on August 9, 1949 and have since met on the average of once a week. The lateness in starting these consultations and the progress to date indicate that the Sponsoring Powers will not be in a position to submit a definitive report prior to the convening of, or even during, the General Assembly. An interim report to the effect that the consultations are continuing, but that no conclusions can yet be reported, may be submitted. So long as the Sponsoring Powers are continuing their consultations, it is neither necessary nor desirable for the General Assembly to take any formal action on the subject of atomic energy control.

[Here follow the texts of the two resolutions adopted by the United Nations Atomic Energy Commission on July 29, AEC/42 (for partial text, see editorial note, page 102) and AEC/43 (for text, see page 99).]

501.BC Armaments/9-649

*Memorandum by the State Member and Acting Chairman of the Executive Committee on Regulation of Armaments (Bancroft) to the Assistant Secretary of State for United Nations Affairs (Hickerson) and the Deputy Under Secretary of State (Rusk)*

TOP SECRET

[WASHINGTON,] September 6, 1949.

Subject: Proposed U.S. Position on Conventional Armaments for the Fourth General Assembly.

*Problem:*

To determine the U.S. Position on conventional armaments for the Fourth General Assembly.

*Discussion:*

Working members of RAC have been endeavoring to draft a U.S. position on conventional armaments for the Fourth General Assembly. All agree that the U.S. should continue to support majority approved findings of CCA on Items I and II of CCA's Plan of Work, and proposals for census and verification of conventional armaments and armed forces. With respect to one phase of the future activities of CCA there is also agreement and that is that in the absence of Soviet approval CCA should not devote further time to the census and verification proposals. However, service members of RAC take the position that in the absence of Soviet agreement to what has to date been done in CCA its activities and all substantive work on disarmament be suspended pending the resolution of Great Power differences. State Department representatives have taken the position that while Soviet obstruction tactics should be highlighted and while genuine progress towards regulation of armaments cannot be expected so long as the Soviet position is unchanged, nevertheless the US should take no initiative toward the suspension of substantive planning work on disarmament because such action would be construed as slamming the door on disarmament discussions and would shock world opinion and hand a high propaganda card to the USSR. Such action would also be contrary to Congressional policy.

The views of the representatives of the Department of State and Defense at the working level are incorporated in a single paper (Tab A<sup>1</sup>). The views of Mr. Frank C. Nash, Deputy U.S. Representative

<sup>1</sup> Tab A, document RAC D-36/2, is not printed; for the conclusions of RAC D-36/2 endorsed by the Department of State, see position paper US/A/AC.31/8, September 24, p. 172.

on the CCA, are set forth as Tab B<sup>2</sup> and support the State Department position.

*Recommendation:*

It is recommended that the proposed State Department conclusions as found in RAC D-36/2 be approved and that the Deputy Under Secretary (G) discuss the problem with appropriate officials of the Office of the Secretary of Defense in order to resolve differences and arrive at a final U.S. position.

*Concurrences:*

ARA, EUR, FE, NEA, L have concurred in Department's position set forth in Tab A.

*Attachments:*

1. Draft position paper RACD-36/2 (Tab A).
2. Letter of September 1, 1949 by Frank C. Nash (Tab B).

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<sup>2</sup> Letter of September 1, p. 144.

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501.BC/9-749 : Telegram

*The Secretary of State to the United States Representative at the United Nations (Austin)*

SECRET

WASHINGTON, September 7, 1949—7 p. m.

461. US objective in SC consideration of reports adopted by CCA on Aug 1 is that they together with SC action thereon be before next GA.

To accomplish these objectives fol suggested: It is desirable report on census and verification proposals shld be considered separate from and prior to Second Progress Report. This will avoid entangling former in extensive discussions which cld develop in consideration of latter and will permit definite SC action on former prior to next GA. Accordingly as a first step a resolution shld be introduced calling for SC approval of census and verification proposals and recommending their implementation. If as anticipated that resolution is vetoed by USSR, a procedural resolution shld be introduced transmitting CCA report to GA along line of resolution transmitting atomic energy reports last summer. It might be desirable for Fr to introduce these two resolutions if they are so inclined.

Similar procedure shld be followed on Second Progress Report with transmission to GA as procedural matter if Soviet vetoes Resolution approving that report.

ACHESON

Department of State Atomic Energy Files

*Notes on the Sixth Meeting of the Sponsoring Powers, Like Success,  
New York, September 8, 1949*

SECRET

Representatives:

McNaughton—Canada

Tsiang—China

Chauvel—France

Hickerson—United States

Cadogan—United Kingdom

Tsarapkin—USSR

(The five friendly Delegates met at Sir Alexander Cadogan's offices at 11 a. m. Cadogan believed that we could plunge during the meeting directly into the discussion of Topic 6, since nobody had objected to this suggestion when it was made at the previous meeting. Hickerson agreed and, as Chairman of the forthcoming meeting, he proposed to read the elaboration of point 6 and ask for comments. Later, he would speak as the US representative and accept this wording as a fair statement of the principles involved, which is supported by the United States and which would serve as a good basis for discussion. Mr. Hickerson then asked the opinion of the other members as to whether it was good tactics for him to ask a direct question of the Soviet representative, the question being whether national ownership, operation and management of dangerous materials and facilities was the only basis that the Soviet Union would accept for negotiations. In Mr. Hickerson's opinion, this is a really fundamental issue dividing us and the Soviets.

(McNaughton expressed the opinion that this question must be asked and we should endeavor to receive a clear-cut answer to it. However, the matter of timing was of great concern here as it was not considered wise to precipitate a showdown before or even during the General Assembly. This might make atomic energy a big show in the General Assembly. He pointed out that agreement on atomic energy had been found to be dependent upon agreement in broader fields of policy and in order to solve the problem of atomic energy, we should concentrate on this latter, for the time being. Hickerson pointed out that the question could be phrased so that it need not force a showdown and that time could be given for receiving and then considering any answer.

(McNaughton agreed, pointing out that when we do get the expected Soviet reply, we might undertake to re-explain to the Soviet Union the fundamentals as well as the details of the Commission Plan and attempt to disabuse the Soviet Union of its opinion that the Commission Plan is the old Baruch Plan, etc.

(All agreed that the forum of the Sponsoring Powers must continue for the time being whatever the answers received.)

(McNaughton circulated a statement that he had had in mind to make for some time, explaining the Commission Plan and emphasizing the great changes, particularly in emphasis, of the Commission Plan from the original Baruch proposals. He proposed that he make this statement or parts thereof at some appropriate time during the consultations. He still feared the consequences of a direct question to Tsarapkin.)

(It was agreed that the question to Tsarapkin should take the form of an assumption on the part of Mr. Hickerson, with an invitation to the Soviet Union to correct the assumption if it were incorrect. De Rose pointed out that point 6 raised the issue of ownership. He emphasized the need for making once again the case for international ownership as was done by the testimony of many witnesses at the time of the drafting of the Safeguards Section of the First Report. We must prove once again that there is need for some derogation of sovereignty; otherwise, we would have no control at all.)

(McNaughton read a statement which he proposed to make, to be followed by a procedural resolution for submission to the Security Council, transmitting to the General Assembly for its information the two UNAEC resolutions passed on July 29. After some discussion, the statement was revised to insure, if at all possible, a minimum of debate on this subject in the Security Council. McNaughton agreed to circulate the resolution immediately to all members of the Security Council.)

(Because of the crowded Security Council agenda, it was agreed that we would try to set the next meeting of the Sponsoring Powers for Wednesday, September 14.)

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Before the meeting started officially, the Sponsors acquiesced to a United Nations request for photographs of the Sponsoring Powers to be used only in the United Nations *Bulletin*. Hickerson (US), Chairman, opened the meeting by stating that we had agreed to discuss point 6 of the British paper and invited comments thereon.

McNaughton (Canada) gave Canadian support to UK point 6, since it stated the principles that made control and, therefore, prohibition effective. He stated that we were face to face with the most important part of the problem here. The Canadian Delegation had gone over this statement, with all the expert advice that it could obtain, and fully supported it as a basis for discussion.

Chauvel (France) stated that point 6 and its elaboration was not only acceptable to the French but it also contained the essentials of the problem of control.



Hickerson, speaking as the US representative, accepted the UK statement as part of the single package solution to the entire problem and as a basis for discussion. He wished to comment on the Soviet proposals submitted at the previous meeting. These proposals reintroduced in full the Soviet control proposals of June 11, 1947. As Hickerson understood it, this was done in order to make clear to all the content of the proposed Soviet convention on control which the Soviet Union proposed should be signed and put into effect simultaneously with their convention on prohibition. Hickerson expressed the opinion that we should no longer talk about one convention, which would include both prohibition and control, or two separate conventions to go into effect simultaneously. As the Chinese representative had pointed out, it was the content, not the number of conventions, that was important. Furthermore, we should no longer have any real questions regarding prohibition, since all present had agreed that any treaty must include prohibition. The real problem raised by the Soviet proposals was whether the two Soviet conventions were the only basis for further negotiations acceptable to the Soviet Union. Hickerson pointed out that the content of these conventions had been debated in the Assembly and in the Atomic Energy Commission and had been rejected overwhelmingly by both bodies. However, the Sponsoring Powers had agreed to explore once again every conceivable approach. The US was willing to renew the debate on the Soviet proposals, even though it would be forced to repeat the same arguments used previously; but that was only because the same proposals were being debated.

Hickerson pointed out that the Soviet control proposals implied that nations should continue to own, operate and manage dangerous facilities making or using such quantities. The United States did not believe that control could work under such circumstances. That was why it supported the Commission Plan as approved by the General Assembly. It would continue to do so until a better plan could be devised and would welcome and give sympathetic consideration to any proposals to this end. A treaty which would continue national ownership and operation of dangerous materials and facilities would make impossible any agreement on prohibition. These two ideas are really a contradiction in terms because to permit nations to own dangerous quantities of nuclear fuel *ipso facto* permits them to own atomic weapons.

Moreover, leaving such activities in national hands would inevitably continue national rivalries in this field and would impose an impossible burden on any agency charged with supervising these activities and would engage the agency in a constant struggle to control well-entrenched Atomic Energy Commissions of every country. Such a situation would inevitably lead to frictions, extremely dan-

gerous mutual suspicions and distrust. National rivalries would be continued and even in a more dangerous form, because the existence of a treaty would give the people of the world a false sense of security. No nation that really wanted to remove causes for fear and suspicion and to bring about an end to the atomic armaments race would be a party to such a fraud.

Before going on to other aspects of the Soviet proposals, Mr. Hickerson stated that he and the representatives of the Sponsoring Powers would want to be entirely clear on this important matter of national ownership, operation and management. It would appear from their many statements that the Soviet Union would accept no other basis for negotiation. If this were a misinterpretation of the Soviet position and if the Soviet Union were willing to conduct negotiations on some other basis, we would like to be so informed so that we might all have a clear perspective of the problem facing us. Mr. Hickerson suggested that the Soviet representative might wish to consult his Government on this important matter, and in the meantime, we might continue the discussion of other matters related to point 6 and indeed of any of the other points.

Tsarapkin (USSR) stated that the US representative had made some arguments against the plan or proposals put forward by the Soviet Union and had repeated that these proposals had been discussed many times and that they were not new. Tsarapkin stated that UK point 6 was taken verbatim from various parts of the AEC reports and they too, were not new. He pointed out that they were part of the US position on control which the Soviet Union had repeatedly rejected.

Tsarapkin then stated that the US insisted that there be no national ownership of dangerous quantities of nuclear fuel and of dangerous facilities. He argued that this was a fantastic, unreal and absurd idea. Dangerous quantities of fuel and dangerous facilities (whatever the United States means by these expressions) must be located somewhere on this earth. They cannot be kept on the moon. The entire earth was divided into national states or dependent territories controlled by national states; therefore, these materials must be somewhere within national territories, unless it was proposed that there be no dangerous quantities of nuclear fuel or dangerous facilities at all, anywhere. He could not understand how, therefore, we could hope to deprive nations of having these materials and facilities on their territory. There can be no guarantee that these materials would not be under the control of the Government on whose territory they are located. If analyzed to its logical conclusion, this whole concept was a blind alley. The control agency, according to the US plan, must own nuclear fuel, dangerous facilities and so forth and thus, we get an agency which would take over from all nations the facilities connected with atomic energy. These

facilities are tremendous and use large quantities of power, etc. They are very important to a nation's economy. Giving them to an international agency would be, in effect, turning over a large section of the national economy to the full ownership, operation and management of this agency whose economic policies may not be the same as those of the various nations. This would destroy the sovereignties of governments, and interfere in their economy. This was not a practical plan. It was a fantastic scheme and was part of the whole concept of expansionism and international acquisition which, in other fields, operates for the benefit of the United States. One has merely to look at the International Monetary Fund or the Bank of International Settlement, which work hand in glove with US foreign policy, to get the idea. This was not control. Perhaps it was the Wall Street idea of control, which has in mind the gobbling up of property the world over and invariably involves ownership. It was merely another scheme on the part of the United States, who, out of one side of its mouth, said "We want prohibition" and then put such impossible conditions on prohibition in the form of this fantastic control scheme that the US was exposed as really not wanting prohibition. As far as the Soviet Union was concerned, control means inspection, checking, verification, observing, etc., to be sure that the convention of prohibition was being observed. The Soviet proposals fulfilled the need for control. We must control, not own. Ownership was not necessary, it had nothing in common with control.

We were also told that our plan was ineffective, that it won't make control or prohibition effective. Tsarapkin wanted to know how we arrived at this conclusion, lacking as we did both experience and data on this particular problem. Only oral statements were made against the Soviet plan. The Soviet Union could not accept the US idea of ownership. If we really wanted control and if we agreed that atomic weapons must be prohibited, then we must have control to this end and the Soviet proposals were an adequate and a real basis for agreement.

The United States said either take the US plan or there would be no control at all, and we would continue the armaments race. The US tactics were clear. The US desired an atomic armaments race and did not want prohibition; therefore, it insisted upon an impossible plan. If the US really did not want an armaments race, it would accept prohibition and not dictate the conditions under which it would be brought about. As Cato used to say at the end of every speech—"Carthage must be destroyed", Mr. Hickerson has for six consecutive meetings repeated that the US supports only the US plan and no other. That was no way to reach agreement. The US plan was not acceptable and it could not be a basis for agreement. No arguments could convince the Soviet Union otherwise. The US insistence upon ownership was made all the more absurd because an owner did not control. If

a man owned something, he **did not** need to control it. The whole idea was therefore absurd. If the US really wanted control, let us discuss the Soviet paper. The US said it was ineffective; perhaps the US could suggest some amendments to **make it effective**. Tsarapkin invited a point by point discussion of the Soviet proposals. The Soviet proposals had not yet been tested. Let us work with them and draft them in the treaty and see what we come out with. Tsarapkin stated that he had not had time really to prepare a statement and reserved the right to go into greater detail at the next meeting.

Hickerson (US) stated he was sorry that the Soviet Union had not fully understood his previous statements. Hickerson had never said that the US wanted the Commission Plan or no plan at all. He had repeatedly invited fresh proposals designed to produce a better plan. He did not insist upon the Commission Plan. He merely supported it until a better plan could be devised.

For his part, Mr. Hickerson was grateful to the Soviet colleague for his statement. It had convinced him of something that he had suspected for some time; namely, that the Soviet colleague did not understand the Commission Plan of control; otherwise he could not have talked about it as he did. For example, the Commission Plan did not provide for stockpiling atomic materials and facilities on the moon. Mr. Hickerson stated that he was ready and willing to explain to the Soviet colleague the Majority Plan. There was one charge that Tsarapkin had made about the Majority Plan; namely, that it would involve an invasion of national sovereignty. That charge was true. We all admitted it, but unfortunately, we saw no alternative. Some interference was necessary but a careful study of the plan as outlined shows that this interference was kept to a minimum. The international agency would not have the extensive powers ascribed to it by the Soviet Union. There were many safeguards provided against abuses. Mr. Hickerson repeated that he was grateful for the Soviet remarks and that he was willing to cooperate in explaining the Commission Plan to the Soviet Delegate.

Tsarapkin (USSR) stated he had listened carefully to Mr. Hickerson's statement, which included an allegation to the effect that Tsarapkin did not understand the Majority Plan. Tsarapkin stated that he got his ideas on the extensive powers of the international agency directly from the point 6(a), (b), (c) and (d) of the UK paper which he then read. Moreover, the United Kingdom had stated that these points must be part of any plan of control. The US had agreed to the UK statement. Therefore, he does not understand why the US believed that the Soviet Delegate did not understand the plan. Here, very clearly, we have ownership, etc. The US had indicated that there were some safeguards and limits on the agency. Perhaps Mr. Hickerson had referred to para 6(e). However, 6(e) does not

provide sufficient guarantees against interference. Tsarapkin then took five minutes to explain that the US representative had mistakenly taken him too literally regarding storing facilities on the moon. He had merely used this example to emphasize that atomic materials and facilities must be located within national territories. They could not be located outside them.

The usual press communiqué was approved and the next meeting set for Wednesday, September 14 at 3 p. m.

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USUN Files

*The Department of the Air Force Representative on the Executive Committee on Regulation of Armaments (Hamilton) to the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*<sup>1</sup>

SECRET

WASHINGTON, 8 September 1949.

DEAR FRANK: Any effort to do more than acknowledge with full appreciation your letter of 1 September is probably an empty exercise, since the final U.S. position will presumably have been taken by the time this reaches you.

On the other hand you were good enough to concentrate a part of your vacation on giving the most enlightening explanation of your reasoning and conclusions, so the least that I can do is to tell you where, according to my analysis, our views seem to diverge.

Basically, I think it boils down to the question of which of two courses is most likely to lead to that indeterminable but hoped-for point in international relations where the present climate of distrust gives way to some discernible measure of cooperation. You say that "the only disagreement . . . is concerning the specific organ or medium to be selected for the channelizing of our efforts." I am afraid it is more than this: much more a choice of actual tactics or maneuver than merely a choice of forum.

I have been fairly closely connected with U.N. problems since the days of the preliminary Dumbarton conferences, also with certain other matters wherein the U.S.-U.S.S.R. relationship was the predominate factor. In no instance that I can recall has any progress been achieved except in those all too few instances when we planted our feet firmly, after reaching a considered position, and refused to participate in further useless palaver. Therefore, I believe that what little chance there may be of obtaining some real progress toward alleviation of the world's armament burden is jeopardized, not enhanced by continuing the ridiculous repetitive discussions of the CCA. I am

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<sup>1</sup> The source text bears the initial of Ambassador Austin.

convinced that only when they can no longer "negotiate" (in the Russian sense) will the Soviets give any honest consideration, if at all, to the wisdom of reaching practical agreement by negotiation (in the Western sense).

Moreover, from the standpoint of our "moral" position or our relationship with the other members—and even our position before the peoples of the world—I do not share the fear or timidity by which the "State" (as opposed to NME) viewpoint seems to be so largely influenced. One of the troubles today, which has its own perfect reflexion in our CCA dealings, is that the rest of the world is looking to us for leadership; expecting and hoping for something vigorous and clear, and all that we are giving them is the pusillanimous mildly voiced and unsteady picture of a beautifully mannered moralist who wants never to do anything except that which he is sure "the majority" will agree with. In fact we do worse than that: whenever possible we sit tremulously hoping that they will make their desires known first so we shall never have to appear as holding any opinion other than the popular (?) one. In my humble opinion, that *may* win friends,—in the sense that it won't make enemies,—but it's one helluva way to try to influence people.

Your preferred proposal of unobtrusively picking-up Item III of the CCA Plan of Work is indubitably "the easy way" but that it is the best way to achieve whatever of real progress toward our ultimate goal may be possible, I most emphatically doubt. To borrow your own analogy of the "gal from Kansas City", it is my contention that "we've gone about as far as we can go" right now. Nothing within the competence of CCA to change will be changed a year from now and I can see no valid or compelling reason to put off until next year what can be done today. I do believe that doing it today,—and thus, incidentally, confirming and proving consistent with our AEC stand,—may well be conducive of, or contribute to, the basic change, which we all agree will happen, if at all, outside CCA and is a prerequisite to any fruitful activity within that body.

I think you overestimate the honest sales resistance to be expected and underestimate both the intrinsic merit of the package and the salesmanship of one, Frank Nash, when you dub it "unsaleable" while at the same time admitting its feasibility if others should make the suggestion.

My guess is that your side will win so there's little point in my "argufying" further, but I did want you to know that, regardless of the position ultimately taken, disagreeing with you is more enjoyable to me personally than agreeing with a lot of other people. It may be the dash of Irish or the larger modicum of Scotch or even—God forbid—too much soda in me!

Sincerely yours,

PETER

Department of State Atomic Energy Files

*Notes on the Seventh Meeting of the Sponsoring Powers, Lake Success,  
New York, September 14, 1949*

SECRET

Representatives:

McNaughton—Canada  
Tsiang—China  
De Rose—France  
Hickerson—United States  
Cadogan—United Kingdom  
Tsarapkin—USSR

(The five friendly Delegates met at 11 a. m. at Sir Alexander Cadogan's offices. McNaughton, who would be in the Chair, indicated that he would ask Hickerson to follow up on his offer of the previous week to explain the Commission Plan to Tsarapkin. Hickerson suggested that perhaps in the first instance Sir Alexander might remind Tsarapkin that his interpretation of the very condensed Statement of Principles under paragraph 6 was not the same as that contained in the Commission Plan. Cadogan agreed.

(McNaughton felt that not all of the Soviet misinterpretations were willful ones. In a general discussion of sovereignty, it was agreed that we should use the expression "pooling, or sharing of sovereignty in the common interest" whenever we talked to this point. It was pointed out by several that the Soviet proposals themselves involved a derogation of sovereignty which in some instances would be greater than that of the Commission Plan. De Rose emphasized that we should make clear that the Soviet Union was against management and operation by the international agency.

(Hickerson (US) stated that there were three fundamental weaknesses in the Soviet proposals. The one just pointed out by De Rose was the most serious, but it was also the most difficult to explain. We were all agreed that the Soviet proposals for national ownership, operation and management will not work. It was only the pooling of sovereignty that would work. We also knew that periodic inspection and recommendations to the Security Council where the veto applies would not work. These last two were more easy to explain.

(McNaughton (Canada) agreed, emphasizing that operation and management under national auspices could not stop diversion, that periodic inspection was inadequate and there was no hope for action in the Security Council.

(Tsiang (China) stated that he was most bothered by Tsarapkin's statement that ownership was not relevant to control. He felt we must refute this statement.

(There followed the usual discussion on what was meant by "ownership" or "holding in trust", with Mr. Hickerson arguing that there

was really no great difference in principle between us all and that we should not permit our fundamental agreement to be obscured by details. Tsiang believed that the Soviet Union was attempting to hide its refusal to accept any control by harping on the question of ownership. We must try to expose the basic Soviet opposition to effective control.

(Hickerson (US) suggested that all of us undertake to hammer home the fact that national operation and management would not work, especially against diversion.

(McNaughton (Canada) brought up the subject of the General Assembly, pointing out that only the Report of the Sponsoring Powers appears on the agenda and suggested that he undertake, in talking to the SYG, to make certain that the two UNAEC resolutions be somehow combined with this report so that they would not be debated separately. It was also agreed to attempt to set a date for the next meeting for the following Thursday, even though it might have to be cancelled, in order to establish the principle that the Six Powers intended to consult during the Assembly.)

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McNaughton (Canada), Chairman, announced that after consulting with the Secretariat, he had received assurances that the summary records of these meetings would be made available on the third day after the meeting. Several delegates had complained that they had not been receiving these records soon enough. (It was learned that the chief reason for the delay was the fact that, on orders from ASYG Zinchenko,<sup>1</sup> the Secretariat had been submitting to the Soviet Delegation a draft summary for correction prior to its issuance.)

McNaughton (Canada), Chairman, stated that at the previous meeting, we had, in discussing point 6, heard two points of view expressed by the U.S. and the U.S.S.R. This discussion had shown that a certain amount of misinterpretation of the Commission proposals existed. The U.S. representative had indicated a desire to speak further on this point, but prior to calling on him, the Chairman wished to call on the UK representative in order to expand a bit on point 6, which was quite compressed.

Cadogan (UK) took the floor, stating that Tsarapkin had charged that point 6 was all drawn from the majority proposals. Cadogan admitted this, and stated that he had made this quite clear when he had introduced the document originally. The document was derived from the Commission Plan which the U.K. supports. However, the U.K. would be willing to work on any other plan that would be effective. Cadogan pointed out that Tsarapkin had put his own interpretation

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<sup>1</sup> Constantin E. Zinchenko, Assistant Secretary-General in charge of Security Council Affairs.



on the meaning of point 6. He wished to remind Tsarapkin that the intent and details of the majority proposals were to be found in the majority plan. Cadogan wished to say a few words regarding sovereignty. He deplored the fact that the Soviet Union had a static or sacrosanct conception of sovereignty, as this was going backward. He wished to state that the UN Charter, the Soviet proposals themselves, in fact any treaty, involves, or at least it should involve, the relinquishing of some sovereignty. We should progress in the direction of pooling our sovereignty for the common good and, in fact, one of the attributes of national sovereignty is the right to voluntarily yield some of it. Cadogan referred to the Soviet representative's habit of charging that the majority plan was a scheme for imposing U.S. control over the world nuclear industry. He wished to point out that the United States had, through its scientific and technical skill and, he was sure that the U.S. representative would not mind his saying so, a bit of United Kingdom assistance at the beginning, acquired a monopoly for the moment in this field. However, the U.S. was willing to share this monopoly through a system of international control. Cadogan stated that if the Soviet Union had in mind that the control agency would be so organized as to be completely under U.S. control, then he would appreciate being told so frankly so that we might know just what was in the Soviet mind.

Hickerson (US) spoke next and repeated that he had welcomed the Soviet statements of last week, as they had convinced him that the Soviet representative did not understand the plan. Now we were given a chance to explain it to him. He wished to point out that the U.K. document gave merely the bare bones of the majority principles and that there had been no spelling out of the details. The correct interpretation and real intent of U.K. point 6 were to be found in the Commission plan of control as approved by the General Assembly, published by the UN Secretariat.<sup>2</sup> It was clear from this plan that arbitrary powers were not given to the agency and that the agency would be the servant, not the master of the signatory nations. The Commission plan of control contained the agreed, detailed spelling out of those powers and functions, and the limitations thereon, of an international agency, that were necessary for effective prohibition by means of effective control. Moreover, a careful study of the plan would make clear that the control agency would be given only those powers that were made necessary for reasons of security. It was clearly stated in the plan that the principles and policies concerning matters affecting national security would be carefully spelled out in the treaty which the nations would be familiar with when they accepted the treaty. Therefore, it was wrong to say, as Tsarapkin had said, that the

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<sup>2</sup> AEC, 4th yr., *Special Suppl. No. 1.*

control agency might have policies that differ from a particular nation's.

The Soviet charge that the implementation of this plan would bring about an invasion of national sovereignty was true, but then, any treaty, and the Soviet proposals themselves, involve the derogation of national sovereignty. We must choose between sharing sovereignty or effective control, and on this point the record of the United States and of the Commission was clear.

The more important safeguards against arbitrary acts by the agency were provided for by writing into the treaty the principles governing the quotas for the distribution of facilities and stockpiling of nuclear fuel, together with rights of appeal against possible abuses.

"On pages 28 and 29 [19 and 20], paragraph XI of this Commission plan stated:

'The international agency shall distribute its production facilities and other facilities containing dangerous stocks of nuclear fuel, key substances, and source material and its stockpiles of nuclear fuel, key substances, and source material in accordance with the quotas, provisions, and principles laid down in the treaty or convention governing geographical location of dangerous activities and stockpiling.'

"There were then laid down certain principles and considerations governing stockpiling.

"Paragraph XII on page 29 [20] stated:

'The international agency shall keep the production of nuclear fuel, in a form suitable for ready conversion to use in atomic weapons, at the minimum required for efficient operating procedures necessitated by actual beneficial uses, including research and development. The agency shall not be authorized to increase existing stock of nuclear fuel for any contemplated requirement, except where it is necessary to produce nuclear fuel for use in facilities whose location, design, construction, and financing have been definitely decided by the agency and the nation concerned.'

"The following paragraph XIII, also on page 29 [20], gave the agency the power to determine distribution by nations, but in accordance with quotas, provisions and principles set up in the treaty. It was clear from this and other sections of the approved recommendations that the agency had no arbitrary power with respect to the distribution, but that it was to be set up strictly in accordance with the quotas laid down in the treaty.

"Paragraph XI also stated:

'(a) A distribution is necessary which will avoid the possibility of nations achieving a military advantage by the seizure of existing stockpiles and facilities within or adjacent to their territories. Location of ores, refineries and facilities necessary for production, location of stockpiles of nuclear fuel and of source material and location of facilities utilizing nuclear fuel or key substances are factors that must be considered in determining a distribution which would minimize the effects of seizure.'

"The above paragraph also clearly indicated that the treaty would contain the important principle of not giving any nation any military advantage by location of stockpiles."

Hickerson could not agree with the representative of the Soviet Union when the latter stated that it was the location of the nuclear fuel that was important and not the question of whether it was in the hands of nations or in the hands of an agency as trustee for all nations. Both were important. Furthermore, it was a relatively easy matter for diversion to take place if nuclear fuels and facilities were in the hands of nations. Hickerson invited the attention of Tsarapkin to Chapter 6 of the Commission plan of control for more details on safeguards against possible agency abuses.

Hickerson then referred to the Soviet insistence upon periodic inspection of declared facilities. Such limited inspection would be an invitation to clandestine operations even though some special investigations were envisaged in the Soviet proposals. Hickerson felt that he was forced to conclude that the Soviet Union was not willing to engage in negotiations on a basis other than that of periodic inspection of declared facilities. If this assumption were wrong, he would like to be so advised so that this question could be taken into account correctly in considering other aspects of the Soviet proposals for control.

Tsarapkin (USSR) took the floor and stated that the U.S. had attempted to clarify the substance of the U.S. plan of control and had referred to the plan approved by the General Assembly and to various reports of the Commission. He wished to repeat that everything the U.S. representative had said to him had been known to the Soviet Union. Hickerson had merely repeated what Baruch had said. The Soviet Union had given its convincing arguments proving these proposals unacceptable.

However, he had listened most carefully to the U.S. statement and had noticed that two important questions had been avoided. He would like to know how the U.S. viewed the question of the convention on prohibition and the convention on control—were they to be brought into effect simultaneously or otherwise? In addition, he would like to know whether it was the view of the United States that measures of control would apply to all phases, including the final, of the nuclear industry. He repeated he would like to get answers to these questions.

Regarding the U.S. question on the Soviet position of periodic inspection of declared facilities, Tsarapkin referred him to paragraph 6(f) of the Soviet proposals of June 11, 1947<sup>3</sup> and answers given by the USSR to certain U.K. questions on September 5, 1947,<sup>4</sup> which provided adequately for special investigation in cases where suspicion of violation of the convention on prohibition arose. These measures were sufficient to make atomic energy control effective and would give full guarantees thereon.

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<sup>3</sup> AEC, *2nd yr.*, No. 2, p. 22.

<sup>4</sup> AEC, *3rd yr.*, *Special Suppl.*, p. 27.

De Rose (France) pointed out that we seemed to be wandering away from point 6. The Soviet Union had raised the question of stages, which came in point 8, and also the question of clandestine activities, point 7 of the U.K. paper. He would like to return to the question of control of the installations producing, processing or consuming the nuclear fuel. A great deal of time and expert technical ability had gone into a carefully worked out scheme of safeguards against diversion. The Scientific and Technical Committee had made a report whose technical evidence had been persuasive to the French Government in arriving at the conclusion that such facilities must be operated and managed by the agency in order to prevent diversion. De Rose pointed out that these technical considerations had never been challenged successfully. He would add that conclusions based on these are also incontestable. Nuclear fuel for bombs and nuclear fuel for power were the same. The processes for making either were also the same. He pointed out that plants and, therefore, large quantities of nuclear fuel or nuclear explosives, would be located on national territories. He emphasized once again the fact that the ready convertibility of nuclear fuel to weapons automatically made any power with a large nuclear industry a large military power in the field of atomic weapons. This was not true of conventional armaments. It is for these reasons that the French Government supported the proposal for placing such plants under the operation and management of the agency.

The Soviet proposals based on periodic inspection of declared facilities were inadequate. Access to such plants is not possible because of radioactivity; remote control operations are the rule, both of which nullified the effectiveness of the inspection system. Even if we were to assume that inspection might be possible, the inspectorate in the performance of its duties would require a plant to be shut down in order to make its inventory. This would be real interference in economic life. France could not accept proposals based on periodic inspection and therefore we proceeded logically to a permanent system of management and operation by the agency. Rather than wandering to the subject matter of points 8 or 7, De Rose proposed that the Soviet Union say yes or no to whether the scientific premises outlined by De Rose were accepted by the Soviet Union. If, in the light of Tsarapkin's experience or knowledge, he could give another base for our discussions we would be pleased to consider it. If, on the other hand, he did not refute the scientific and technical premises, then how could he reject management and insist upon a system of periodic inspection?

Tsiang (China) expressed his gratitude for the lucidity of the discussion to date. U.K. point 6 goes much further than the Soviet system of periodic inspection and special investigations. The Soviet proposals did not go far enough. They did not give safeguards to nations. They were half-measures. He could not understand how anyone could hold

back on effective control. He agreed with Cadogan's comments on the need for sharing sovereignty. Perhaps world government was an answer, although the world was not ready for it.

Regarding the Soviet charge that the U.S. would control the control agency, Tsiang wished to point out that the majority of the nations do not, in fact, have the atom bomb and certainly would want it to be prohibited through means of effective control. He wished to remind the Soviet Delegate that if the United States had other intentions than effective control and effective prohibition, and the Soviet Union insisted upon effective control and effective prohibition, the United States would not be able to control the agency because it would not have the majority with it. Tsiang repeated that the Soviet plan was not sufficient and he supported the U.K. Statement of Principles.

McNaughton (Canada) suggested that a number of questions had been put to the Soviet Delegate and perhaps he would care to answer them.

Tsarapkin (USSR) stated that he had already answered the U.S. on periodic inspection. Regarding the questions put by the French, Tsarapkin stated that the Soviet Union did not accept the premises mentioned by De Rose. De Rose had led us into a technical blind alley, and on the basis of complicated technical explanations, he had stated that the Soviet proposals were inadequate and then had got involved on the question of ownership by the agency. Tsarapkin stated that he could not accept ownership as a basis for control. He repeated that the Soviet proposals were effective and that none could deny that they were strict and would bring about a strict control. He re-read paragraphs 8(c), 6(c), (d), (e) and 7(a), (b), (c), (d), (e) and (f) of the Soviet proposals of June 11 to prove his point. He repeated that the Soviet proposals fully covered all possible contingencies and were the complete answer to the artificial questions raised by the French Delegate. He could not accept the inconsistent French argument that it was technically impossible to control in accordance with the Soviet plan.

Tsarapkin (USSR) then stated that Tsiang had concerned himself only with general terms, had brought no technical data to support his statements and that he was merely juggling with words. He pointed out that nobody could say that the Soviet proposals would not work until they had been tried and tested. He repeated that the Soviet proposals fully guaranteed the strictness of control and would ensure that the convention on prohibition would be observed.

De Rose (France) suggested that perhaps some error had occurred in the translations of his statement. It seemed to him that Tsarapkin had directed his reply to De Rose on the assumption that De Rose had made an argument for ownership. Therefore, he could not consider that his question had been answered. De Rose was certain that

he had not once used that word in his argumentation. He had argued for management and operation and could hardly believe that Tsarapkin was, as he had accused other delegates, "juggling" words. He requested the Secretariat to check into this question of translation most carefully in order that the confusion might be cleared up and not repeated in the future. He wished to add, however, that the technical facts that he had referred to were not complicated ones. On the contrary, they were rather simple. He did not see how anyone who had been connected with this problem could not be aware of the Scientific and Technical Committee Report, upon which the French relied. He stated that he would like to speak on the question of ownership at the next meeting.

Tsarapkin (USSR) stated that De Rose apparently had not understood him and that De Rose had tried to raise difficulties based on imaginary obstacles. He repeated that the Soviet proposals had an adequate technical basis. As far as ownership is concerned, perhaps the French Delegate had not used the word, but he had argued for operation and management and what else was there left? De Rose had stated that technical factors made the Soviet proposals impossible to accept and that effective control can come only from management, not by the present owners of such facilities, but by the international organization. The Soviet Union insisted that the ownership and operation of these enterprises should remain unchanged. There would be, of course, a strict and effective control imposed upon such enterprises in order to ensure that no violation of the convention on prohibition occurred, either openly or clandestinely. Since France proposed that such plants be turned over to the control agency and had supported point 6, particularly sub-paragraphs (a) and (b), it would appear that there should not be any objection to the word "ownership". The French position seemed to be quite clear, and Tsarapkin did not understand how De Rose could object to this interpretation or to indicate that the interpretation had been faulty. If, on the other hand, Tsarapkin misunderstood the French position and De Rose does not support the thesis that the agency should hold these facilities, he would like to have this cleared up.

McNaughton, Chairman, stated that he had just been informed by the Secretariat that the expression "hold in trust" had been translated in the official Russian text by a word which also means "own" in Russian, making the expression "own in trust". He suggested that we might at the next meeting have De Rose explain what the difference is between "own" and "hold in trust". He wished to remind the Soviet Delegate that many changes had taken place in the original proposals on atomic energy control in the past three years. This was merely one of them.

Tsarapkin (USSR) interrupted adjournment proceedings to deny the statement by McNaughton that many changes had taken place in the original proposals. He saw no difference between ownership and holding in trust. He referred to paragraph 6(b) and 6(c) of the U.K. paper and stated that if the international agency got these rights, there were no rights of ownership left to nations.

The usual press release was approved. It was agreed that the next meeting would take place Thursday, September 22 at 3 p. m. with U.K. points 6 and 7 as the agenda, provided that neither a GA Plenary nor a General Committee meeting interfered. The meeting rose at 6 p. m.

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IO Files : US/A/M(Chr)/96

*Minutes of the Second Meeting of the United States Delegation to the Fourth Regular Session of the General Assembly,<sup>1</sup> New York, September 19, 1949, 3 p. m.*

**SECRET**

[Here follow a list of persons (36) present and discussion of various subjects.]

3. *Atomic Energy* (SD/A/C.1/255<sup>2</sup>)

Mr. Osborn explained that in two years of hard work the Atomic Energy Commission had developed over Soviet opposition a complete set of proposals for the international control of atomic energy. Last year the Assembly had approved its conclusions by a vote of 46 to 6. The Assembly had also instructed the six sponsoring powers to consult, as well as provided for further meetings of the AEC. The Commission had reconvened last February but the Soviet Union had refused to recognize the Assembly's action and had again proposed negotiation on the basis of the Soviet proposal for a convention prohibiting use of the atomic weapon. Mr. Osborn noted that such a system could not prevent the use of the atomic bomb. Moreover, the Soviets proposed national operation and management of atomic energy plants and insisted that international inspections should be periodic and of declared facilities only. Following these developments, Argentina and Cuba had introduced a resolution noting the Soviet position and stating that in view of that position, nothing useful could be accomplished by continued meetings of the AEC.

Mr. Osborn referred next to the consultations which had been undertaken by the sponsoring powers beginning in August. At the

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<sup>1</sup> For information on the composition of the United States Delegation see the documentation on organization and arrangements for the conduct of United States relations with the United Nations, vol. II, pp. 1 ff.

<sup>2</sup> Dated September 3, p. 148.

present time it did not look as if there were a basis for agreement in the near future. However, it appeared that this group could come nearer to complete exploration of each others' positions. There was unanimous agreement that we could not return to the AEC and negotiate on the basis of the Soviet proposals. We desired to transfer all negotiations to the sponsoring powers until they could find a basis for reopening negotiations in the AEC.

As for action by the Assembly, Mr. Osborn stated that Australia, India, and Syria might cause some trouble since they favored the conclusion of a treaty on this subject, which maneuver could put the USSR on the spot. No final report would be made by the sponsoring powers to this Assembly. Though there would doubtless be an interim report, the U.S. should resist any effort to resume the work of the AEC. In the absence of a report from the sponsoring powers, full scale debate in the Assembly on this matter would be pointless. As for having the Assembly refer in some way to the continuing discussions among the sponsoring powers, Mr. Osborn recommended that decision be postponed at this time. It was agreed that this would constitute the position of the Delegation.

#### 4. *Conventional Armaments* (S/1371, 1372, S/C.3/32/Rev. 1<sup>3</sup>)

Mr. Nash explained that when the Commission on Conventional Armaments had been set up, the subject of atomic energy had specifically been excluded from its jurisdiction. On that basis the CCA had adopted a plan of work and agreed upon a definition of conventional armaments. It had also worked out a statement of general principles for the regulation and reduction of armaments and armed forces. Its report was expected to be considered by the SC in the immediate future. Mr. Nash pointed out that actually the report was one year late. He explained that in approving its report, the CCA had split 9 to 2, and a similar division could be anticipated in the SC.

Mr. Nash then referred to the action of the Assembly in Paris in adopting a proposal for a census of armaments and armed forces, other than atomic energy. The CCA had approved a French proposal on this matter by a vote of 8 to 3, and a Soviet veto was expected when the report came to the SC. The Soviet objection to the proposals was that they did not cover atomic weapons.

Mr. Nash said that the Assembly would have before it for action the second progress report of the CCA and the French proposals for verification of the census of armaments and armed forces. Ambassador Austin indicated that no immediate action was required by the Delegation and suggested further consideration of this matter be postponed until the SC had acted on the CCA report.

[Here follows discussion of other subjects.]

<sup>3</sup> These documents are identified in footnote 1, p. 106.



*Editorial Note*

Secretary of State Dean Acheson addressed the 222nd Plenary Meeting of the General Assembly, September 21, 1949, during the general debate phase of proceedings. In the course of his remarks he touched upon both the control of atomic energy and regulation of conventional armaments. With reference to atomic energy, he pledged continuing efforts by the United States toward the establishment of an effective system of international control of atomic energy which would effectively prohibit atomic weapons. The Secretary reaffirmed United States support for the United Nations plan, but indicated the willingness of the United States to consider any new proposals. He also said that the forum of the sponsoring powers offered the best prospect of determining whether a basis for agreement existed.

Secretary Acheson also stated the following: "On the subject of regulation and reduction of conventional armaments, we are all well aware that there is no immediate prospect of universal agreement. The work done by the Commission on Conventional Armaments has helped to provide a useful start toward the regulation and reduction of armaments when that becomes practicable. The Commission should continue to formulate such plans in order that they may be available whenever the opportunity to utilize them arises."

For the record of the full address, see United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, page 5 (hereafter cited as GA (IV), *Plenary*). For complete text, see Department of State *Bulletin*, October 3, 1949, page 489.

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811.2423/9-2349

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer)*<sup>1</sup>

SECRET

[WASHINGTON,] September 23, 1949.

Subject: Atomic Explosion<sup>2</sup>

In view of today's developments with respect to atomic energy, it seems to me particularly important that we avoid any actions which

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<sup>1</sup> Drafted by Llewellyn E. Thompson, Deputy Assistant Secretary for European Affairs.

<sup>2</sup> On September 23, President Truman announced that the United States had evidence that an atomic explosion had occurred in the Soviet Union. He stated that this development reemphasized the need for effective international control of atomic energy. For the text of the President's statement, see Department of State *Bulletin*, October 3, 1949, p. 487, or *Documents on Disarmament 1945-1959*, vol. I, p. 207. In a statement released to the press the same day by the United States Mission at the United Nations, the Secretary of State also stressed that the Soviet explosion did not alter the policy of the United States to do everything

might be interpreted as a move toward "appeasement" of the Soviet Union. Not only would such a development affect Western European opinion but it would probably also cause the Russians to be more demanding and intransigent. I suggest that the instructions to our delegation at the General Assembly and any moves we are contemplating within the next few days be reviewed in the light of these considerations.

Sandifer Files <sup>1</sup>

*Memorandum of Conversation, by the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer)*

SECRET

[WASHINGTON,] September 23, 1949.

Mr. Rusk told me that he thought it was very important that UNA consider promptly and urgently the effect on our UN policy of the President's announcement of the atomic energy explosion in Russia. He said he thought the question should be considered not in terms of a single line of action or a comprehensive solution but in terms of a number of steps that might be taken. This should be outside the question of what might be done with respect to atomic energy itself.

As illustrative of possible lines, Mr. Rusk suggested the following:

1. We should aim at the development of a world alliance against aggression, recognizing that this will be difficult to achieve now or in the near future. In effect we have such an alliance in the Charter, but subject to the veto.

2. One possible step in the direction of such a world alliance would be the implementation of Article 43. This should be explored both in terms of action in the Security Council and, alternatively, of a convention within the United Nations or possibly action in the General Assembly.

3. We should explore the possibilities of proceeding within the framework of Chapter VII in such a manner as to short-circuit the effect of a veto.

4. In light of the requirement under the MAP legislation of semi-annual reports on progress under Article 43 and on regulation of armaments, we should explore further the possibility of further action on the latter.

5. The relationship of our need for bases should be considered in connection with the implementation of Article 43, taking account of

in its power to obtain international control of atomic energy; for the text of Secretary Acheson's statement, see Department of State *Bulletin*, October 3, 1949, p. 487. The statement on the subject released by Acting Secretary Webb on September 28 is printed *ibid.*, p. 488. On September 25, the Soviet Union confirmed that it possessed atomic weapons; for the text of the Soviet statement, see telegram 2406 from Moscow, September 25, vol. v, p. 656. For additional information on the Soviet atomic explosion, see pp. 249 ff.

<sup>1</sup> Lot 55D429, files of Deputy Assistant Secretary of State for United Nations Affairs Durward V. Sandifer for the years 1944-1953.

the fact that while it may be difficult to get some of the bases that we need on the ground of our own requirements, we might get them through action pursuant to Article 43.

6. We should consider carefully and realistically the effect of this information concerning atomic energy plus the developments in China on the international prestige situation. To some extent US prestige has gone down and Russian prestige has gone up. This may affect our tactics and policy on given problems, both within and without the United Nations.

Our overall political objective should be to consolidate an overwhelming majority of nations on the theory of "One World" before a definitive issue is drawn with the minority. This we have not yet done.

501.BB/9-2649

*United States Delegation Position Paper*<sup>1</sup>

CONFIDENTIAL

[NEW YORK,] September 24, 1949.

US/A/AC.31/8

UNITED STATES POLICY IN THE UNITED NATIONS ON THE REGULATION  
OF CONVENTIONAL ARMAMENTS

THE PROBLEM

To determine the position to be adopted by the United States in the Fourth Regular Session of the General Assembly of the United Nations with respect to the regulation of conventional armaments.

<sup>1</sup> This paper represents the Department of State position contained in document RAC D-36/2, a "split" paper which included the views of both the Department of State and the Service Departments. The differences between the two positions (see Bancroft memorandum, September 6, p. 150) were not resolved in the Executive Committee. (Department of State Disarmament Files) On September 12, at the Secretary of State's daily administrative meeting with certain operating officers of the Department, Rusk informed the Secretary of differences with military authorities regarding policy at the Commission for Conventional Armaments. The summary record of the meeting indicates that Secretary Acheson agreed with Rusk's contention that the United States should not initiate a proposal to suspend CCA activities and authorized him to take that position in future discussions with the military on the subject. (Secretary's Daily Meetings: Lot 58D609) Discussions between Deputy Under Secretary of State Rusk, and Major General J. H. Burns and Mr. Najeeb E. Halaby, Jr., of the Office of Secretary of Defense Louis Johnson resulted in concurrence by the Secretary in the position of the Department of State.

At the 105th Meeting of RAC, September 20, the Service Members objected to the procedure by which the split paper was being handled, since this procedure had not included the usual formal consideration of the matter by the Joint Chiefs of Staff and had resulted in the Service Secretaries being bypassed. The Service Members questioned the further usefulness of the Executive Committee in view of the fact that its usual procedures had not been employed in this instance. RAC did not meet again in 1949. The present paper was transmitted to the United States Mission by the Executive Secretary of RAC on September 22 for distribution as a Delegation position paper. It was circulated in RAC as document RAC D-36/3, September 28. (Department of State Disarmament Files)

## FACTS BEARING ON THE PROBLEM

See Appendix A <sup>2</sup>

## DISCUSSION

See Appendix B <sup>2</sup>

## CONCLUSIONS

1. The ultimate objective of the United States continues to be the development of an effective system for the regulation and reduction of conventional armaments through the medium of the United Nations.

2. The basic principles which should govern the formulation of practical proposals for the attainment of this objective are set forth in the findings on Item II of the Commission for Conventional Armament's Plan of Work approved by the Commission for Conventional Armaments resolution of August 12, 1948 (Section 3, Tab i, Page 3). No compromise of these principles can be contemplated without seriously jeopardizing the effectiveness of a regulatory system and consequently the security interests of the participating states.

3. The proposals approved by the Commission for Conventional Armaments for the receipt, checking, and publication of information with regard to their effectives and conventional armaments to be supplied by United Nations Member states are fully responsive to the desire of the General Assembly as expressed in its resolution of November 19, 1948.

4. The intransigent Soviet opposition both to the Commission for Conventional Armaments approved principles governing the regulation and reduction of armaments and to the Commission for Conventional Armaments proposals for census and verification indicates that there is no likelihood that the Soviet Union or its satellites will accept any plan for the regulation and reduction of armaments which rests on these principles so long as the USSR maintains its present motivation and methods.

5. The United Nations Charter and the public interest impose an obligation on all member states to seek agreement on an effective system for the regulation and reduction of armaments. However, so long as proven Soviet obstructionism successfully thwarts any constructive accomplishment by the Commission for Conventional Armaments, real progress toward the ultimate goal requires a fundamental alteration in Soviet policy. Despite the unlikelihood of substantial progress in the near future towards the objective of regulation and reduction of armaments, the United States should not assume responsibility for termination or suspension of consideration by the CCA of the problem in the light of the attitude of the United States Congress and popular feeling in the United States and among the people of the world.

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<sup>2</sup> Not printed.

6. In view of the foregoing the United States should take the following position:

(a) *In the Security Council:*

(1) To support the Proposals for Census and Verification of Armed Forces and Conventional Armaments approved by the Commission for Conventional Armaments as being fully responsive to the General Assembly resolution of November 19, 1948 and to propose Security Council endorsement of the proposals of the Commission for Conventional Armaments.

(2) To urge the approval of the Second Progress Report of the Commission for Conventional Armaments and specific approval of the Commission for Conventional Armaments resolutions of August 12, 1948 defining the competence of the Commission and setting forth the essential basic principles. In the likely event that the USSR vetoes such approval to emphasize the fact that this Soviet action effectively frustrates real progress in developing an effective plan for regulation and reduction of armaments by the resultant failure of the Security Council to endorse the recommended basic principles.

(3) To insure that both the Census and Verification Proposals and the Second Progress Report of the Commission for Conventional Armaments are forwarded to the General Assembly by the Security Council.

(b) *In the Fourth Regular Session of the General Assembly:*

(1) To continue to support and to amplify the position taken in the Security Council with respect to the Proposals for Census and Verification and the Second Progress Report of the Commission for Conventional Armaments and in so doing to make it absolutely clear that Soviet intransigence alone is responsible for the inability of the Security Council to recommend that they be put into effect.

(2) To oppose any resolution which would require the Commission for Conventional Armaments to reexamine its Plan of Work, and to resist any effort to reconsider the principles set forth in the Commission for Conventional Armaments resolution of August 12, 1948, emphasizing that events since their formulation have but served to attest their essential validity.

(3) To oppose any further resolutions dealing with census and verification in any way similar to the General Assembly resolution of November 19, 1948, and particularly to resist any proposal for census alone, pointing out the futility of such an exercise unless accompanied by adequate verification.

(4) The United States should support an affirmation by the General Assembly of the need for a fundamental change in the Soviet attitudes without which real progress toward the regulation and reduction of conventional armaments will not be possible.

(5) The United States should oppose any proposed General Assembly action tending to cast doubts upon or undermine the basic principles underlying the development of an effective system of regulation of armaments as set forth in the CCA resolution of August 12, 1948.

(6) In consultations with other delegations on the question whether the CCA should continue with its Plan of Work by going on to the consideration of Item III dealing with "system of minimum safeguards for conventional armaments", the United States after fully stating its position that such a course of action is unlikely to realize

substantial results should state that it nevertheless favors such continuation.

(7) The United States should be prepared to vote affirmatively on a General Assembly resolution to implement the position set forth in (6) above but only so long as the resolution itself or its legislative history makes it clear that it is the sense of the Assembly that this is being done despite the realization that real progress towards the goal of regulation and reduction of armaments cannot be made without a fundamental change in the Soviet attitude. The United States should if necessary be prepared to offer amendments to clarify the resolution in this respect and to abstain on the vote, if such amendments are defeated.

(8) The United States should in general oppose any proposals that CCA continue its activities except as set forth in (6) above:—for example, the CCA reexamine its Plan of Work or the principles underlying regulation of armaments, or that CCA consider immediately Part 4 of the Plan of Work (Formulation of Practical Proposals for the Regulation and Reduction of Armaments or Armed Forces). Pursuant to this policy, and in the absence of a changed attitude by the Soviet Union, the United States should likewise oppose action by the General Assembly recommending the drafting of an agreement to give effect to the CCA census and verification proposals.

7. At the earliest practicable date the United States should inform friendly governments of its position as set forth above as being in the common interest, and the United States Representative to the United Nations should be authorized to explain to other Delegations that this is the United States position and intention.

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IO Files: US/A/AC.31/30

*Memorandum of Conversation, by Mr. John D. Hickerson, Alternate Member of the United States Delegation to the General Assembly*<sup>1</sup>

SECRET

[NEW YORK,] September 27, 1949.

In a conversation with President Romulo<sup>2</sup> this morning I told him that I would like very much, at his convenience, to discuss the United States position in regard to the atomic energy problem in the current session of the General Assembly. He said that this was an exceedingly important matter and he wished to discuss it with me at once.

I recalled to President Romulo the discussion on atomic energy in the last session of the General Assembly which culminated in the passage of a resolution calling for continued effort in the United Nations Atomic Energy Commission to reach an agreement and for

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<sup>1</sup> Hickerson had a similar conversation with United Nations Secretary-General Trygve Lie also on the morning of September 27. (IO Files: US/A/AC.31/31)

<sup>2</sup> Brig. Gen. Carlos P. Romulo, President of the General Assembly; Chairman of the Delegation of the Philippines and Permanent Representative at the United Nations.

conversations among the six sponsoring powers (that is the five permanent members of the Security Council and Canada), to determine whether a basis for reaching agreement exists. I told President Romulo that the United Nations Atomic Energy Commission had, in pursuance of this resolution, made further efforts to reach an agreement but to no avail. Finally, the United Nations Atomic Energy Commission, last July, passed a resolution stating that it had been unable to make progress and that the Commission felt that further conversations in the Commission would exacerbate the existing situation and harden present differences. This resolution was sent to the Security Council and forwarded by the Security Council to the General Assembly for its information.

I told President Romulo that in pursuance of paragraph 3 of the General Assembly resolution of November 4, 1948, the six sponsoring powers had begun conversations on August 9, 1949 to determine whether a basis for an agreement could be found. Since that time seven conversations have taken place and the eighth is scheduled for Thursday afternoon, September 29. I stated that, as President Romulo knew, these conversations were closed, but I could say to him that thus far I could not report that any progress had been made toward breaking the deadlock.

I told President Romulo that, as a representative of the United States in these conversations, I had tried to make it clear that the United States earnestly desires to find a basis for finding a truly effective international agreement under the auspices of the United Nations for the control of atomic weapons. I said that I had made it clear that the United States had voted for the United Nations Atomic Energy Commission's plan last November, which was approved by an overwhelming majority of the General Assembly. I said that we would continue to support this plan until a better one was in sight. I added that I had made it clear in the conversations that we were prepared to give sympathetic consideration to any new proposals directed to that end—proposals from the Soviet Government or from any quarter. I said that we recognized fully that human ingenuity had not necessarily been exhausted in the Commission's plan and that it might be possible to produce a better one but until in our judgment a better plan was in sight we would continue to support the United Nations Atomic Energy Commission's resolution which was approved last November by the General Assembly.

President Romulo inquired whether in my opinion the President's announcement last Friday about the atomic explosion in the USSR would make any difference in our conversations. I replied that as far as I was concerned it would make no difference whatever and that in the meeting next Thursday and in future meetings I would favor proceeding exactly as we have in the past. He indicated full agree-

ment with this and said that in his opinion the atomic explosion in the USSR made no difference whatever other than to underline the desirability of an agreement which, as he understands, can be reached only if the Soviet Government alters its position in important respects. I stated that this was correct.

President Romulo asked me how long the conversations of the six sponsoring powers would continue. I replied that they would certainly continue throughout this session of the General Assembly, and I saw no reason why they should not go on indefinitely. I recalled that under the November 4, 1948 resolution the six sponsoring powers are required to submit a report to the General Assembly during the present session. I stated that I considered it unlikely on the basis of our present information, that the six sponsoring powers could do more than submit an interim report later on in this session. This report, after reciting the background and referring to the resolution, would state that the conversations opened on August 9, 1949 and that ——— number of meetings had been held; that a basis for agreement had not been found but that the conversations and efforts to that end would continue.

President Romulo said that if this procedure were followed, in his opinion all that the General Assembly could usefully do in this session would be to take note of this interim report and express the hope that the conversations would continue and that a basis for agreement would be found. I expressed full agreement with this view.

I told President Romulo that I had been very much surprised to hear of an Indian suggestion that there be atomic energy negotiations in some other forum.<sup>3</sup> I added that I anticipated that there might be suggestions that perhaps the United Nations Atomic Energy Commission should be reactivated. All of this, I said, concerned me deeply because of my conviction that conversations are currently going on in the only forum, that is among the six sponsoring powers, where there could be any hope for progress, even if there.

I told President Romulo that I wished to place myself at his disposition to discuss this matter with him on any occasions when he thought it would be useful. I stated that I wanted to keep in closest touch with him because of his great influence as President of the General Assembly and the fact that many delegations would be turning to him for advice and guidance. He expressed his appreciation and said that he had found our discussion exceedingly helpful. He said that he was gratified to see that his view and ours coincided fully as to the limited role which the Assembly could usefully play during the current session, and he said that he would not fail to stress this view in his conversations with other delegations.

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<sup>3</sup> See memorandum of conversation by Osborn, *infra*.



IO Files: US/A/AC.31/35

*Memorandum of Conversation, by Deputy United States Representative to the United Nations Atomic Energy Commission (Osborn)*

CONFIDENTIAL

[NEW YORK,] September 27, 1949.

Subject: Atomic Energy

Participants: Sir Benegal Rau,<sup>1</sup> Indian Delegation  
Mr. John Hickerson, United States Delegation  
Mr. Frederick Osborn, United States Delegation

For an hour after dinner at Mr. Osborn's house, Sir Benegal explained his proposal for a declaration to be prepared by the International Justices and presented to the General Assembly for the signatures of all nations. Apparently he had in mind that the declaration would be limited to a rewording of a few of the General Findings and Recommendations found in Chapter 1 of the Approved Recommendations of the United Nations Atomic Energy Commission, and taken from the First Report. The Finding which he had most in mind was No. 4:

"That the development and use of atomic energy are not essentially matters of domestic concern of the individual nations, but rather have predominantly international implications and repercussions."

In addition Sir Benegal would have the nations agree: "That there must be an effective system for the control of atomic energy".

His idea appears to be that if such a declaration is sent to the General Assembly and all the nations sign it, it would be a first and important step which would make the negotiation of an actual treaty very much easier. Messrs. Hickerson and Osborn pointed out that everyone was already agreed and committed to "effective" control, and the disagreement was as to what kind of control would be effective. Sir Benegal said that after the declaration had been signed, then the General Assembly would be the judge of what kind of control would be necessary to make control effective.

Messrs. Hickerson and Osborn suggested that the declaration should include something to the effect that nations could not own explosive atomic materials or operate plants making or using same, but Sir Benegal said no, those matters should be left to the General Assembly after the declaration had been signed.

Messrs. Hickerson and Osborn were left with a feeling that Rau was not likely to change his mind on this matter and is quite unable or unwilling to bring himself down to practical realities. A resolution for such a declaration in the General Assembly might put the Soviet

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<sup>1</sup> Sir Benegal N. Rau, Chairman of the Indian Delegation; Permanent Indian Representative at the United Nations.

Union in a greatly improved propaganda position, without any possibility of its bringing agreement closer.

FREDERICK OSBORN

Policy Planning Staff Files <sup>1</sup>

*The Chairman of the Joint Congressional Committee on Atomic Energy (McMahon) to President Truman* <sup>2</sup>

WASHINGTON, September 28, 1949.

DEAR MR. PRESIDENT: I am writing you about what will probably be the immediate consequences of your announcement that Russia has achieved an atomic explosion.

We may anticipate another so-called "Peace Offensive" by the Soviet authorities. The effort this time will undoubtedly be larger in scope than anything attempted before. Mr. Vishinsky,<sup>3</sup> in the United Nations Assembly, has already pointed the way.

The Russian "Peace Offensive" will center on two basic proposals, both of which may do incalculable damage to the cause of peace.

The first proposal will be for a general disarmament program. The nations discussed general disarmament continuously between 1922 and 1939. The Russians could easily procrastinate a program of this kind for a century.

The second proposal will be for a pact to pledge the non-use of atomic weapons, without, of course, Soviet adherence to the fundamental conditions of adequate inspection and control. We may be sure that both these proposals will deceive many well-meaning but misguided persons in this country.

I think it is imperative that we must not lose the initiative. The heart question of the peace is the acceptance of the American plan for atomic control, which is now the United Nations plan—endorsed by all the nations except Russia and her satellites.

I believe we should be ready to place before the world the essential soundness of the American position. I believe we should accept and not rebuff a Soviet proposal for peace—with this iron-clad condition: That as a pre-condition the Soviet government must recognize your right to place the American plan before the Russian people.

This is a simple test of Soviet good faith—a test which the common men and women of the world will understand. We may as well realize that peace talks will be barren if the Soviet spokesmen continue to

<sup>1</sup> Lot 64D563, files of the Policy Planning Staff of the Department of State, 1947-1953.

<sup>2</sup> Senator McMahon addressed a separate letter to President Truman on September 28 urging expansion of the atomic energy production program; for text, see p. 543. President Truman replied to both communications in a single letter dated October 10; for text, see p. 565.

<sup>3</sup> Foreign Minister Vyshinsky was Chairman of the Soviet Delegation to the General Assembly.

bombard our people with propaganda while the Russian people are held in ignorance behind the Iron Curtain.

I believe events have shown that you know how to make yourself understood to ordinary folks when vital issues are at stake. I am also firmly convinced that you are not afraid of the unconventional or the unorthodox simply because it happens to be new. The conventional parleys of the past few years have yielded results as dry as dust.

I hope we may have an opportunity to discuss the matter at your convenience.

With my deepest esteem,  
Respectfully yours,

BRIEN McMAHON  
*United States Senator*

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Department of State Atomic Energy Files

*Notes on the Eighth Meeting of the Sponsoring Powers, Lake Success,  
New York, September 29, 1949*

SECRET

Representatives:

McNaughton—Canada  
Wei—China  
Chauvel—France  
Hickerson—United States  
Cadogan—United Kingdom  
Tsarapkin—USSR

Dr. Wei, Chairman, opened the meeting. The agenda was points 6 and 7 of the U.K. Statement of Principles.

Hickerson (U.S.) spoke to the point of national ownership. The U.N. plan provided for international operation and management of atomic energy plants. He recalled that he had asked the representative of the Soviet Union whether he insisted upon national ownership of such plants as a basis for negotiation. It appeared that the answer was in the affirmative. Hickerson also recalled that the Soviet representative had endeavored to allay the anxiety of the U.S. representative that the Soviet proposals for control, based on periodic inspection of declared facilities with a provision for special investigations, would not prevent or detect clandestine activities. He pointed out that the technical facts of the production of atomic energy did not permit of control by such means. Hickerson recalled that scientific and technical experts gave testimony in the summer and fall of 1946 which forced the UNAEC to the conclusion that not only periodic inspection, but even continuous inspection, could not prevent the diversion of nuclear fuels and atomic materials from atomic energy plants. Experience since then has confirmed this testimony. Hickerson drew upon the Sixth Semi-Annual Report of the United States

Atomic Energy Commission, where in pages 130-136, some of the difficulties in accounting for materials are outlined. He pointed out that even before the UNAEC first met, scientists and experts in this field convinced the U.S. Government that no system of control would be effective unless it gave rights of ownership, management and operation of the dangerous aspects of this industry to an international agency acting on behalf of the world community. He repeated that U.S. support for the majority plan would continue until a better or more workable one could be devised.

Wei, Chairman, stated that he himself had read the USAEC Sixth Semi-Annual Report and commended it to his colleagues. He suggested that all might read it with profit and requested that mention be made of it in the Summary Record.

Tsarapkin (USSR) stated that any mention of this report should be made in connection with the statement of Hickerson so that the group as such would not appear to give sanction to the document of a particular government. This was agreed to after Dr. Wei indicated that he wanted his remarks on the report also to be part of the record.

Chauvel (France) then spoke, saying that he had previously given his reasons why nations should renounce management and operation of the dangerous aspects of atomic energy. These were the most important rights of ownership which must belong to the agency. This did not mean that all rights of ownership go to the agency. For example, there was provision made that plants operated by the agency would be subject to local safety laws, that their location must be decided upon in accordance with quotas and by agreement with the nation concerned, etc. Therefore, the agency was subject to international law and a better way of describing its rights of ownership would be to call them rights of trusteeship. The important thing to remember was the effectiveness of control. If any right normally held by nations would impair the effectiveness of control, that right should go to the agency. France had already agreed that the two most important rights to be renounced by nations were those of management and operation. This was the important thing. The remaining questions were juridical. If we could decide on the important thing, we could resolve the remaining ones very easily. Regarding sovereignty, Chauvel pointed out that subject to reciprocity, France will agree to limit its sovereignty in order to ensure peace and save the world. This was part of the present French Constitution. The French looked upon this from an objective point of view with effectiveness as the guiding principle. Infringement of national sovereignty cannot be considered a valid objection to effective control.

Tsarapkin (USSR) rejected the technical arguments submitted by Hickerson against the effectiveness of inspection. He stated that these

arguments were not new, that they had really no basis and were greatly exaggerated. He then referred to the unanimous conclusion of the Scientific and Technical Committee reached in September of 1946, and interpreted the conclusion "We do not find any basis in the available scientific facts for supposing that effective control is not technically feasible" as supporting the Soviet claim that technical means of control can be made to work. He stated that the U.S. plan was not a plan of control but a plan of ownership which the Soviet Union could not accept. The Soviet proposals, on the other hand, were based on technical control, which could be made effective by the adoption of the Soviet proposals. None of the other representatives in these meetings had brought in anything new. They all continued to support the U.S. plan which was based only on ownership rather than on control. Only the Soviet plan was a plan for the control of atomic energy for peaceful purposes and for prohibition of atomic weapons. The U.S. plan was nothing but an attempt at flagrant violation of sovereignty of nations, with an attempt to justify it on the basis of technical considerations, which were exaggerated and even imagined.

Tsarapkin stated that he had at one time asked two questions of the U.S. representative which the latter seemed to be avoiding. He wanted to know whether the U.S. was in favor of two conventions, one on prohibition, the other on control, to go into force simultaneously. He stated he wanted a clear and unambiguous answer. The other question was as follows—was the U.S. in favor of a provision that control should apply simultaneously to all stages of the production of atomic energy from the mines to the installations using or making the finished products, or does the U.S. intend to continue to resist control over the later stages of the nuclear energy industry while the rest of the world was under control? It seemed to him that the U.S. continued to maintain its previous position, which position had, in effect, been destroyed by the cogent arguments of the Soviet Union. He repeated that the U.S. plan provided for the final products of the nuclear industry to remain uncontrolled for some time. This was absolutely unacceptable to the Soviet Union.

Hickerson (US) stated that he was becoming even more convinced that the Soviet representative did not understand the content of the U.N. plan of control. He was happy to explain it to him and was also happy to answer any and all questions, as this was our purpose here. Regarding the first question, Hickerson stated that control and prohibition were inseparable whether in one treaty or in two and must be solved in a single integrated solution. Hickerson recalled that the second question had been answered in great detail in the debates of the Atomic Energy Commission this year. He pointed out that in the approved plan, each phase of control goes into effect with the corresponding phase of prohibition. This was quite clear in the U.K.

Statement of Principles which indicated that both control and prohibition would go into effect by stages. Although Hickerson was proud that the U.S. was the first country to put forward proposals on the control of atomic energy, these proposals had been elaborated upon, improved and finally approved by the United Nations. They were not the U.S. plan, they were the U.N. plan. Hickerson wanted to know whether the clarification of the U.S. position on stages which had been made in the UNAEC was not sufficient, and in what way was it insufficient. He was prepared to go into greater detail in this connection when the U.K. point 8, Stages, was the specific item on the agenda. Hickerson reminded Tsarapkin that he had completely misunderstood the conclusion of the Scientific and Technical Committee Report. If he read them carefully, he would see that this report made it very clear that control is in fact feasible only if the controls included management and operation by an international agency.

Dr. Wei, speaking as representative of China, emphasized that we were here to find agreement. However, we must not appear to agree in words, we must find agreement in reality. He pointed out that the real problem facing us is effective control and that effective control must conform to natural law. We could have no control at all unless we took natural law into consideration. Atomic energy was produced by natural law. A great deal of study had gone into the means of control, and there are real and great dangers to be overcome in this field. He recalled that he had participated as a scientist in the Scientific and Technical Report and in Committee 2. These committees arrived at the conclusion that international operation and management of dangerous facilities such as isotope separation plants and chemical separation plants and large reactors, was imperative for real control. As a scientist, he supported these conclusions. He also recalled that in Committee 2 on December 2, 1946 (Document AEC/C.2/W15)<sup>1</sup> Professor Alexandrov of the Soviet Union and Professor Zlotowsky of Poland both agreed separately that, inasmuch as isotope separation plants handle such dangerous materials, and that, in this field, science has outstripped ordinary means of control, we would be forced to rely upon managerial control.

Dr. Wei pointed out that the reason we had all given up on the Soviet proposals was that they cannot give us the necessary security. He pointed out that whenever we could prove that inspection or a lesser form of control than management and operation was sufficient, then we would accept such a lesser form of control.

Dr. Wei then brought up the question of a letter from the United Nations Press Association and from Kihss and Hamilton of the New York *Herald Tribune* and *Times* who wished to be briefed upon the

<sup>1</sup> For the pertinent portion of the record of the meeting under reference, see GA (IV), *Suppl. No. 15*, p. 24.

discussions. It was agreed that the usual communiqué would be somewhat longer than others in that it would explain why it was necessary to hold these meetings in closed session. This was approved by all.

It was agreed that the next meeting would take place on Thursday, October 6, 1949 at 3:00 p. m. with points 6, 7 and 8 of the U.K. paper as the agenda. The meeting rose at 5:30 p. m.

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Department of State Atomic Energy Files

*Notes on the Ninth Meeting of the Sponsoring Powers, Lake Success,  
New York, October 6, 1949*

SECRET

Representatives:

McNaughton—Canada

Wei—China

Chauvel—France

Hickerson—United States

Cadogan—United Kingdom

Malik—USSR

Chauvel, Chairman, opened the meeting and gave the floor to McNaughton.

McNaughton gave a lengthy detailed analysis of how the U.N. plan as approved by the General Assembly had been modified and, in his opinion, improved over the original Baruch proposals. The general approach had been to make security the criterion of what powers were to be taken away from nations and given to an international agency. In the first place, it was agreed by all that mines need not be owned by the agency but they could be licensed and operated by nations or private concerns subject, of course, to appropriate controls. Next, at the suggestion of France, it had been agreed that there would be written into the treaty principles establishing quotas in matters concerning economic and security aspects of the atomic energy industry. This was a great limitation on arbitrary powers of an agency and led to the concept of holding materials and facilities in trust, which must be administered by the agency for the benefit of the signatory states. In the third place, it had been agreed that very careful provisions which would give great protection to nations and individuals against abuses of power on the part of the agency should be written into the treaty. This would make the agency responsible to the peoples of the world within the United Nations. The United Kingdom had proposed that the production of nuclear fuel and its stockpiling be kept to a minimum consistent with proven beneficial uses. Furthermore, there had been a shift in thinking from vetoless sanctions on the part of a powerful control authority to placing more stress and importance on

Article 51. The U.N. plan provided for a world cooperative in atomic energy which would give timely warning in case of violation. McNaughton concluded that all these provisions denied the Soviet contention that the United Nations plan was in fact nothing but a monopolistic trust as stated by the Soviet representatives. He stated he did not believe that the confusion on this point which has been apparent in the Soviet mind was entirely the result of a propaganda approach and hoped that his explanation might lead the Soviet representative to a better understanding of what was in the plan. He concluded that if the Soviet representatives really understood the plan, they would realize that its adoption is as much in the interest of the peoples of the Soviet Union as the rest of the world.

Hickerson (US) next spoke, recalling that at the previous meeting, Tsarapkin had presumed that the United States Delegation persisted in maintaining that control over the ultimate phases of production would be delayed indefinitely. Hickerson pointed out that the U.S. had never maintained that position. The U.S. had never taken any position on this point other than by adhering to the statement on stages appearing in the First Report in the U.N.-approved plan and also in point 8 of the British paper. Hickerson then referred to and quoted from a statement made by Mr. Osborn on this point in the 48th meeting of Committee 1 of the Atomic Energy Commission held on June 9, 1949. This made it clear that there must be a series of stages but that in these stages controls and their corresponding prohibitions would go into effect simultaneously. Furthermore, it was unrealistic to spell out stages at this time in the absence of agreement on what the control system should be. Hickerson then pointed out that when we speak of stages, we must have clearly in mind what controls we are talking about. If it were proposed to put the Soviet system of control into effect, then the U.S. would not accept this proposal because these control proposals were woefully inadequate. Their implementation would be a fraud to which the U.S. Government would not be a party.

Hickerson (US) pointed out that under the U.N. plan, it is provided that the agency would take over the ownership and managerial control of the vast atomic enterprises the world over. This could not be done overnight. As the agency recruited its personnel and acquired experience, it would take over more and more of its responsibilities and these would automatically be prohibited to nations until the complete system of prohibition and control went into effect. Prohibition of atomic weapons would then be truly effective because nations would not have the means of producing such weapons. Under such a system we would not only have effective prohibition but also a community of nations cooperating for the common good.

Hickerson (US) pointed out that although we had not spelled out stages for want of agreement on control and the impossibility of



spelling them out in advance of knowledge of the development of atomic energy in various countries at the time the treaty would go into effect, this problem had not been ignored. The U.S. Government and the United Nations plan itself agreed that there must be stages, that they would be written into the treaty, and that the United Nations Atomic Energy Commission as a continuing body would supervise the transition process. Hickerson recalled that the Atomic Energy Commission operates by majority vote and, therefore, the Soviet charge that the U.S. would be in a position to prolong these stages was completely unfounded.

Malik (USSR) asked McNaughton whether the point the latter had made on the differences between the Baruch-Acheson-Lilienthal Plan<sup>1</sup> and the United Nations Plan were major differences or not.

McNaughton (Canada) replied that he had tried to point out certain features in which the majority plan as developed, differed from the Baruch Plan. However, many important features remained unchanged.

Chauvel (France) remarked that a new fact, namely, an atomic explosion in the Soviet Union, has been commented on outside. He wondered whether we should not take this new factor into account in our discussions.

Cadogan (UK) remarked that he had found it odd that somehow in our discussions we appeared to be avoiding this point. He wondered whether it might not have some bearing on our work. Previously, some delegations had always complained that the technical basis which the other delegates accepted, was evidence that had to be taken on faith. Moreover, they had also denied its accuracy. Perhaps now supporting evidence might be put forth which might give us some technical reasons why it is felt that proposals based on inspection would give effective results. We might then get a clarity in our discussion which had previously been lacking.

Malik (USSR) next spoke, introducing his comments with the observation that he had just returned, had not had time to study in detail the record of the discussion to date, and was not sure that he understood exactly what General McNaughton and Mr. Hickerson had said. However, he had a few brief comments to make. He spoke for about one hour to make three points. The first was that although General McNaughton had spent much time trying to explain the differences between the Baruch-Acheson-Lilienthal Report and the

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<sup>1</sup>The United States proposals introduced by Bernard M. Baruch at the First Meeting of the United Nations Atomic Energy Commission, June 14, 1946, were based on a report prepared under the direction of Dean Acheson, then Under Secretary of State, and David E. Lilienthal, then Chairman of the Board of Directors of the Tennessee Valley Authority. This document released formally by the Department of State on March 28, 1946, was published as *A Report on the International Control of Atomic Energy, March 16, 1946*, Department of State Publication 2498 (Washington, 1946).

majority plan, there was, in fact, no difference, which even McNaughton had admitted in reply to his previous question. Moreover, he resented the inference that the U.S.S.R. engaged in propaganda.

Malik then accused Hickerson of having refused on behalf of the United States to agree to controls over the final stages of the nuclear industry and, in particular, over the prohibition of atomic weapons. He stated that application of control over these facilities and prohibition of atomic weapons would be postponed to the Greek calends. The whole purpose of the U.S. plan was to control and prevent the development of atomic energy in other countries while the U.S. atomic weapons plants would remain uncontrolled. As far as is known, the United States had the only such plants at this time. It was not known whether other countries such as France, the U.K. and Canada had any such plants. At least, Malik was not aware of them. Therefore, the U.S. proposals were nothing but an attempt to retain for the United States a complete monopoly in this field. He requested that the United States make some concrete proposals on this matter of stages. Malik then read from the General Considerations of Chapter 3 of the Second Report a statement which he interpreted as being the United States position that raw materials sources would be the first thing controlled. He once again rejected the United States proposals which he stated were based on a monopoly in this field when everyone knew that the secret was now gone forever.

Hickerson (US) stated that he was very glad that Malik had introduced his comments by stating that perhaps he did not understand what had gone on or what had been said. Otherwise, he would be forced to conclude that the Soviet Union had either misunderstood, misinterpreted or distorted what had been said by Hickerson. He pointed out that the United States does not refuse controls over its entire nuclear industry. He also challenged the Soviet Delegate to find any place in the United Nations plan as approved by the General Assembly where it is stated that mines would be the first thing controlled by an international agency. Since his remarks had apparently been misunderstood, Hickerson suggested that his statement be reproduced verbatim in the record.

Hickerson recalled that although the statements made by the Soviet representative appeared to confirm the correctness of his assumption that the Soviet Union was not willing to negotiate the control of atomic energy except on the basis of national ownership, operation and management of dangerous materials and facilities in this field, he has not yet received a direct answer to this question. However, he was willing to await the considered reply of the Soviet Government on this important point.

Malik (USSR) requested that Mr. Hickerson give him a copy of the statement, that it need not go into the record verbatim, as this

would be contrary to our rules of procedure and it was not necessary as only Malik had misunderstood what was said. Moreover, he was at a disadvantage here because his statement had not been written and therefore it would not be possible to compare texts. After some discussion as to whether a verbatim attachment was permissible or not, with the general consensus being that it was, Hickerson stated that it was only because his remarks had been distorted that he wanted the text reproduced in full. He would be glad to send a copy of his statement to Mr. Malik in the morning. He preferred to have his statement reproduced in full; otherwise, the summary record would be full of distortions. He suggested that perhaps Mr. Malik, after reading what Mr. Hickerson had really said, might wish to strike from the record the remarks based on an incorrect understanding.

Malik (USSR) wanted to know why he couldn't have a copy that evening.

Hickerson (US) said he was quite agreeable if the Secretariat would type out another copy of the only one he had. This was done by the Secretariat.

Malik (USSR) did not believe that striking his remarks from the record was the thing to do, since it could be interpreted to be a reflection on the translators. He then argued that his interpretation re controls over mines could be justified because it did appear in the Second Report.

Chauvel, Chairman, suggested that perhaps the solution to this question of a verbatim record could come about when we receive our advance copies of the summary which would be susceptible to correction.

Chauvel, Chairman, suggested that perhaps we should begin to consider making an interim report to the General Assembly since various of its committees were about to discuss the problem of atomic energy. He suggested that at the next meeting this might be taken up and perhaps even proposals for the report be submitted.

Malik (USSR) requested the U.K., as author of the Statement of Principles, to spell out in greater detail each of the points as we came to them. He specifically requested that the U.K. make some concrete proposals on stages for the next meeting, including time elements. It was agreed that the first point on the agenda for the next meeting to be held on Thursday, October 13 at 3 p. m. would be the question of an interim report<sup>2</sup> and also points 8, 2, 3 and 5 of the U.K. paper. The

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<sup>2</sup>The representatives of the six Sponsoring Powers discussed the question of a report at their 10th and 11th Meetings, October 13 and 24. At the 11th Meeting, they agreed to submit a brief interim report to the General Assembly transmitting the summary records of the first ten meetings. For the text of the report, document A/1045 and Corr. 1, October 24, see GA (IV), *Suppl. No. 15*, p. 3.

usual communiqué was approved and the meeting adjourned at 7:30 p. m.

(The representatives of the five friendly Sponsoring Powers had a series of meetings on Friday and Saturday, October 7 and 8 to work out an approved interim report to the General Assembly. The conclusion of this report will be that the basic obstacle to agreement at this time is the Soviet insistence on national ownership, operation and management of the dangerous aspects of the atomic energy industry and their refusal to date to negotiate on any other basis. The Sponsors, therefore, will report that no basis for agreement has been found but that the meetings are continuing.)

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*Editorial Note*

At its 450th Meeting, October 11, the Security Council undertook its examination of the two items transmitted to it by the Commission for Conventional Armaments on August 4: S/1372, the Working Paper adopted by the Commission (*ante*, page 106), and S/1371, the Second Progress Report of the CCA with annexed resolutions on items 1 and 2 of the CCA plan of work (for additional information on document S/1371, see footnote 1, *ibid.*). At the 450th Meeting, the United States introduced the following resolution (S/1398) with respect to document S/1371:

**THE SECURITY COUNCIL,**

HAVING received and examined the Second Progress Report of the Commission for Conventional Armaments, together with its annexes and accompanying resolutions (S/1371),

TAKES note of this report and the state of progress it represents in the development of the Commission's established Plan of Work,

APPROVES the resolutions concerning Items 1 and 2 of the Commission's Plan of Work adopted by the Commission at its thirteenth meeting on 12 August 1948, which are attached to the report, and

DIRECTS the Secretary-General to transmit this report, its annexes and accompanying resolutions, together with the record of the Security Council's consideration of this subject, to the General Assembly for its information.

The vote on this resolution was 9-2 (the Soviet Union and the Ukraine). It was not adopted since a negative vote was cast by a permanent member of the Security Council. The Council then approved by 9-0 with two abstentions (the Soviet Union and the Ukraine) a United Kingdom resolution (S/1403) transmitting the Progress Report and accompanying resolutions to the General Assembly without indicating Security Council approval.

At the same meeting, the French Representative introduced draft resolution S/1399 providing for Council approval of the CCA Working Paper (S/1372) and transmitting it to the General Assembly. The Soviet Union also presented a draft resolution (S/1405/Rev. 1), which read as follows: "The Security Council recognizes as essential the submission by States both of information on armed forces and conventional armaments and of information on atomic weapons." For the record of the 450th Meeting, see SC, *4th yr.*, No. 46.

At the 451st Meeting of the Council, October 14, the French Representative submitted a second draft resolution (S/1408/Rev. 1) which read as follows:

"The Security Council recognizes as an essential part of any effective system of disarmament the submission by States of full information on conventional armaments and armed forces together with adequate procedures for complete verification of such information.

"As regards the principle of submitting information on atomic weapons, the Council recalls that the submission of full information on atomic material and facilities, including atomic weapons, is an integral part of the United Nations plan of control and prohibition approved by the General Assembly on 4 November 1948, to insure the prohibition of atomic weapons."

For the record of the 451st Meeting, see SC, *4th yr.*, No. 47. For the statement delivered by Ambassador Austin at that meeting, released as United States Mission press release 707, see *Documents on Disarmament 1945-1959*, volume II, page 210.

At the 452nd Meeting, October 18, French draft resolution S/1399/Rev. 1 was defeated by a vote of 9 votes in favor and 2 opposed (the Soviet Union and the Ukraine). Soviet proposal S/1405/Rev. 1 was also not adopted. Three votes were cast in favor (the Soviet Union, the Ukraine, and Egypt), one against (China) with 7 abstentions. The second French resolution, S/1408/Rev. 1, was likewise defeated, 8 votes in favor, 2 opposed (the Soviet Union and the Ukraine), with one abstention (Argentina).

France thereupon introduced a third resolution (S/1410) which was adopted by a vote of 9 in favor with 2 abstentions (the Soviet Union and the Ukraine). It read as follows:

"The Security Council, having received and examined the proposals contained in the working document on the implementation of General Assembly resolution 192 (III) of 19 November 1948, adopted by the Commission for Conventional Armaments at its 19th Meeting, held on 1 August 1949,

Requests the Secretary-General to transmit these proposals and records of the discussions on this question in the Security Council and the Commission for Conventional Armaments to the General Assembly".

For the record of the 452nd Meeting, see SC, *4th yr.*, No. 48.

Policy Planning Staff Files

*Minutes of the First Meeting of the Policy Planning Staff on the International Control of Atomic Energy*

[WASHINGTON,] October 12, 1949.

TOP SECRET

Present: George Kennan<sup>1</sup> Robert Hooker<sup>3</sup>  
 Paul Nitze<sup>2</sup> Carlton Savage<sup>4</sup>  
 Gordon Arneson, U  
 Col. Don Z. Zimmerman, Plans and Operations, Department of the Army  
 Lieut. Col. George W. Beeler, Plans and Operations, Department of the Army  
 Lieut. Col. F. W. Gibb, Plans and Operations, Department of the Army  
 Dr. Paul Fine, Atomic Energy Commission

Mr. Kennan explained that at the request of the Secretary we were undertaking to reassess the U.S. position on international control of atomic energy. In this connection we would of course examine the military implications of the atomic explosion in Russia.

Colonel Zimmerman explained that he and his associates did not speak for the JCS or the NME. He also explained that he and his associates had always considered the problem of atomic warfare on the assumption that the U.S. and its antagonist would each have a stockpile of bombs.

Col. Zimmerman and Col. Beeler then made statements to the following effect:

1. If the U.S.S.R. should occupy Western Europe, the United States would not be able to develop the superiority necessary to take the continent, in view of the advantages which would be with the defensive in such an operation, given the use of ABC. The U.S. would then be faced with a military stalemate during which it could not be assumed that time would be running in our favor. To win a war against the U.S.S.R. therefore, it would be essential for the U.S. to hold Western Europe. The United States could not hold Western Europe by means of conventional armaments. With ABC built into balanced military forces we could defend it, assuming we had air superiority.

2. The knowledge of the existence in the U.S. of ABC potential with balanced military forces would be the best deterrent to war.

3. The U.K. would probably not "cave in" as a result of atomic attack or threat of attack.

<sup>1</sup> Director of the Policy Planning Staff and Counselor of the Department of State.

<sup>2</sup> Deputy Director of the Policy Planning Staff.

<sup>3</sup> Associate Chief of the Division of Eastern European Affairs; Member of the Policy Planning Staff from January 23, 1950.

<sup>4</sup> Executive Secretary of the Policy Planning Staff; Member of the Policy Planning Staff from October 16, 1949.

4. Russia would use the atomic bomb in war if she found that it would be desirable and effective; the threat of retaliation would not deter Russia from using it.

5. Although no explicit decision has been made as to whether the U.S. would use the bomb in war, the fact that our military establishment is being built around it makes the nature of the decision almost a foregone conclusion.

6. The subject of general disarmament has never been properly approached and it may be possible to devise a plan which would be both workable and acceptable to the U.S.S.R.

7. This is the worst possible time for us to have the majority U.N. plan accepted as we now have such a tremendous superiority in our stockpile of atomic weapons.


8. It seems likely that the Russians from now on will develop atomic weapons rapidly and make more efficient use of raw materials than we have up to this point.

9. In summary, the U.S. should continue the development of a balanced military force and ABC, including the modernizing of our atomic production facilities; we should immediately go in for a program for civilian defense; we should plan for the defense of Western Europe; and simultaneously we should work up a program for general disarmament.

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Policy Planning Staff Files

*Minutes of the Second Meeting of the Policy Planning Staff on the International Control of Atomic Energy*<sup>1</sup>

TO:  RET

[WASHINGTON,] October 14, 1949.

Present: Paul Nitze  
 Robert Hooker  
 Carlton Savage  
 Gordon Arneson, U  
 Henry Smyth, Commissioner, AEC  
 Carroll Wilson, General Manager, AEC  
 Dr. Kenneth S. Pitzer, Director, Division of Research, AEC  
 Dr. Ralph Johnson, Deputy Director, Division of Research, AEC

During this meeting with representatives of the Atomic Energy Commission, the following points were developed:

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<sup>1</sup> At the Secretary of State's daily administrative meeting with certain operating officers of the Department, October 18, Nitze reported on the conversations being held by the Policy Planning Staff on international control of atomic energy. The summary record of the October 18 meeting indicates, without reference to substance, that a long discussion on the subject occurred. (Secretary's Daily Meetings: Lot 58D609)

1. Since the Acheson-Lilienthal Report and the presentation of the Baruch Plan, the following principal changes have taken place:

(a) The possibility of using atomic energy for peaceful purposes is further away than was envisaged in 1946 and 1947. However, if all resources now used in the production of atomic weapons were devoted to peaceful purposes, it is possible that atomic energy for those purposes could be developed in a very few years.

(b) The idea of denaturing nuclear fuel seems much less probable now than it did a few years ago.

(c) It now seems possible that low-grade uranium ore can be utilized in producing atomic energy. This would complicate the inspection problem. It also means that the Russians can produce greater quantities of bombs.

2. As the nature of the Russian police state is not likely soon to change, there seems little possibility that the Russians will accept the majority U.N. plan for the international control of atomic energy with its requirement for (1) ownership and operation of some parts of the atomic process and (2) a comprehensive system of inspection, and anything less would probably not be safe for the rest of the world. One possible change which might be made in the present U.N. plan would be on phasing, now that the Russians have the bomb. It might be worthwhile suggesting this change for propaganda purposes even though it would not likely assure acceptance of the plan by the Russians.

3. The proposal for the Atomic Development Authority in the U.N. plan should be reexamined. As now formulated it is unacceptable to the Russians as it leaves control of the ADA in western hands; if Russia and her satellites should gain control, it would be unacceptable to us.

4. We should consider whether we could accept an international agreement to outlaw the atomic bomb. In this connection, we should study the question whether we could make an agreement not to use the atomic bomb first in the case of war.

5. It was generally agreed that regardless of what happened, we should inaugurate a program for civilian defense.

6. The rate of production of atomic bombs in the United States could be increased if we were willing to devote the required funds to that purpose. The representatives of the Atomic Energy Commission were concerned that some military authorities were expecting that a complete stockpile for war purposes should be prepared before war begins and that we should not figure on producing any after that date; the military authorities therefore were not planning to take steps to make atomic plants more defensible.



Policy Planning Staff Files

*Minutes of the Fourth Meeting of the Policy Planning Staff on the International Control of Atomic Energy*

TOP SECRET

[WASHINGTON,] October 19, 1949.

Present: Robert Hooker                      Carlton Savage  
 Gordon Arneson, U                      Joseph Chase, U  
 General Frederick H. Osborn, Deputy Representative on  
 the U.N. Atomic Energy Commission and the Commission  
 for Conventional Armaments

During this meeting the following points were developed :

1. There is almost no hope for an international agreement on the control of atomic energy in the near future. There would be need for change in the regime in Russia or a great softening of that regime before it would agree to any effective international plan for atomic energy control, operation, and inspection. There is no indication that the passage of time or the President's announcement of the atomic explosion have made any change whatever in Russian views on atomic energy.
2. The discussions of the six Sponsoring Powers should be continued. This is a logical forum for the discussions as these are the powers primarily concerned and as attitudes can be taken there for purposes of discussion without commitment or solidification. Furthermore, some progress is being made in clarifying questions such as those related to staging. There seems to be no likelihood that the Russians will desire to break off negotiations and there seems no reason that the western powers should. The western powers are unanimously agreed on the main points at issue. The possible addition of a communist representative of China to the Sponsoring Powers would make no difference except the vote would be six to four [?] rather than five to one and the meetings would lose the valuable services of the Chinese Nationalist representative who is an accomplished physicist. The Sponsoring Powers have questions to discuss to keep them going for at least a year. They have in draft form an interim report to be presented to this session of the General Assembly. It will set forth clearly the main points at issue.
3. An international agreement for the renunciation of atomic warfare, as proposed by the Russians, has little to recommend it from the U.S. point of view. The Russians would lie about what they were doing in producing atomic weapons and we would tell the truth with consequent propaganda advantage for the Russians; even as a party to such an agreement, we would have to continue to manufacture bombs for use in case others did not keep the agreement.
4. General Osborn thought we should go in for a program of civilian defense but only if this action would not detract from the efficiency of our military establishment.

5. The propaganda position of the western powers will be helped by a pamphlet just being published by the Secretariat of the United Nations, setting forth for the first time compactly and comprehensively the U.N. plan for the control of atomic energy.<sup>1</sup>

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<sup>1</sup> AEC, 4th yr., *Special Suppl. No. 1.*

Policy Planning Staff Files

*Minutes of the Fifth Meeting of the Policy Planning Staff on the International Control of Atomic Energy*

TOP SECRET

[WASHINGTON,] October 21, 1949.

Present: George Kennan                      Robert Hooker  
          Paul Nitze                              Carlton Savage  
          Gordon Arneson, U  
          Dr. Karl T. Compton, Director, Research and Development  
  Board, Department of Defense

1. Dr. Compton, upon being informed of the nature of our investigation, said he was firmly convinced that there should be closer cooperation between the British, Canadians, and ourselves on atomic energy matters. He said that a number of British scientists are outstanding in this field and could make a marked contribution to the solution of common problems. They should be especially helpful in the detection of what is going on in Russia, including rate of progress.

2. Dr. Compton said that our recovery of uranium from ore was only about 5 to 10% and that the process is being perfected whereby the recovery should be much greater. He realizes that there are great possibilities for the utilization of low-grade ore.

3. It is possible, he said, that the Russians will develop radio-active materials as by-products in the atomic process. We have not yet made much progress along this line.

4. He would not be willing to have us sponsor universal abolition of the atomic process for both war and peace purposes; such action would menace our security as the Russians have a great advantage over us in conventional weapons.

5. Dr. Compton thought there was something to be said for an announcement by this Government that if the U.N. plan on atomic energy isn't accepted by a given date, we would withdraw our support from it. He would not favor any material modification in the U.N. plan.

6. In answer to a question whether he would be willing to see our atomic bombs dismantled, the introduction of an effective international inspection system, and no international control of the atomic energy process, Dr. Compton said he would not favor this as we would be put

at a military disadvantage by our present advanced position in the atomic process.

7. He feels that a number of German and other European atomic scientists have gone over to Russia because Russia offered great incentives to them and because we did not show much interest in them. He thinks that we should now make every effort to get such scientists to participate in our atomic activities.

8. Dr. Compton is not yet convinced that we should go in for an extensive program of civilian defense.

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Policy Planning Staff Files

*Minutes of the Sixth Meeting of the Policy Planning Staff on the International Control of Atomic Energy*

TOP SECRET

[WASHINGTON,] October 24, 1949.

Present: Paul Nitze Robert Hooker  
Joseph Chase, U  
Brig. Gen. James McCormack, Director of Military Ap-  
plication, Atomic Energy Commission

1. General McCormack stated that in his opinion the Soviet atomic energy development program is receiving a priority and has a momentum which will not be affected in any way by policies the U.S. may adopt, or proposals we may put forward for the international control of atomic energy.

2. He does not see how it would be possible to make any modification in the U.N. plan for international control which would make the plan more attractive to the Soviet Government, consistent with maintaining the proper safeguards. On the other hand, he does not think it would be in the interest of the U.S. for us to withdraw support from the U.N. plan. He considers that our sponsorship of the U.N. plan constitutes an important internal U.S. morale factor which would be needlessly forfeited by any such withdrawal of our support.

3. He believes that in the course of somewhere between two and ten years the curves of the production of the U.S. and U.S.S.R. will come close enough together to create effective parity, even though the difference between the stockpiles of the two governments may be considerable in absolute numbers.

4. In response to a question he agreed that the strategic position of the U.S. might suffer if the U.S.S.R. should accept the U.N. control plan, in the sense that the U.S. would lose the present advantage it has in atomic warfare, and the situation would revert to conventional armaments in which the U.S.S.R. has a relative advantage at the present time. However, he felt that the adoption of the U.N. control plan was incompatible with the maintenance of the Soviet system and

the security of the Soviet regime, and that in this sense, therefore, U.S. interests would be benefited by Soviet acceptance of the plan.

5. With respect to civilian defense, he felt consideration should be given to the lines of action which might be open to us. He felt that there was a possibility of developing important and useful measures at reasonable cost.

6. He was of the opinion that the possession of the bomb, while we held a monopoly, was an important deterrent to war. In a situation where both the U.S. and U.S.S.R. held considerable stockpiles he felt that the bomb would be a deterrent only to total war, but might not operate to prevent war with limited objectives.

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IO Files: US/A/C.1/1462

*United States Delegation Position Paper*<sup>1</sup>

CONFIDENTIAL

[NEW YORK,] October 25, 1949.

REGULATION OF CONVENTIONAL ARMAMENTS

THE PROBLEM

To determine the position of the United States in the Fourth Regular Session of the General Assembly on two Security Council resolutions dealing with conventional armaments and armed forces; (a) the Security Council Resolution of 11 October 1949 transmitting the Second Progress Report of the Commission for Conventional Armaments to the General Assembly for its information; and (b) the Security Council Resolution of 18 October 1949 transmitting majority-approved proposals on census and verification of conventional armaments and armed forces formulated by the Commission for Conventional Armaments pursuant to the General Assembly Resolution of November 19, 1948.<sup>2</sup>

With respect to the resolution adopted by the Security Council on 11 October 1949 which transmits the Second Progress Report of the Commission for Conventional Armaments to the General Assembly, no specific action is required by the General Assembly as it was sent to the General Assembly for background information. Included in that report are majority approved findings on Items 1 and 2 of the established Plan of Work: (a) Item 1 contains a definition of "conventional armaments" and the field of competence of the Commission for Conventional Armaments; (b) Item 2 contains a statement of basic principles which would govern the formulation of practical proposals for

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<sup>1</sup> In telegram Delga 145, October 26, the United States Mission reported that the Delegation had that day provisionally approved the conclusions of this paper pending subsequent consideration (501.BB/10-2649).

<sup>2</sup> The action of the Security Council is described in the editorial note on p. 189.

the regulation and reduction of conventional armaments and armed forces. Security Council approval of the findings on Items 1 and 2 of the Commission for Conventional Armaments Plan of Work was vetoed by the USSR in the Security Council on 11 October 1949.

#### RECOMMENDATIONS

1. The United States should continue to support census and verification proposals as being fully responsive to the wishes of the General Assembly expressed in the General Assembly Resolution of 19 November 1948, but should oppose action by the General Assembly recommending the drafting of an agreement to give effect to the Commission for Conventional Armaments census and verification proposals in the absence of a changed attitude on the part of the USSR.

2. With respect to future work of the Commission for Conventional Armaments, the United States should make it clear that its ultimate objective continues to be the development of an effective system for the regulation and reduction of conventional armaments through the medium of the United Nations. To this end

(a) The United States should support a proposal to go forward in the Commission for Conventional Armaments with the established Plan of Work by taking up the next item of the plan, viz. Item 3, "Consideration of practical and effective safeguards . . . to protect complying States against the hazards of violations." The United States should oppose any proposal to depart from or re-examine the established Plan of Work such, for example, as any proposal to pass over Item 3 and to take up immediately Item 4, dealing with the formulation "of practical proposals for the regulation and reduction of armaments and armed forces." Any specific and constructive disarmament proposals which may be introduced in the General Assembly should be referred to the Security Council for transmission by that body to the Commission for Conventional Armaments for consideration by the Commission within the context of its established Plan of Work.

(b) The United States should resist any effort to reconsider the basic principles set forth in Item 2 of the Plan of Work adopted by the Commission for Conventional Armaments on 12 August 1948, emphasizing that no compromise of these principles can be contemplated without seriously jeopardizing the effectiveness of a regulatory system and consequently the security interests of the participating States.

(c) The United States should oppose any further resolutions dealing with census and verification in any way similar to the General Assembly Resolution of 19 November 1948, in the absence of a change in the attitude of the USSR as reflected in its veto action in the Security Council, and particularly should resist any proposal for census alone, pointing out the futility of such an exercise unless accompanied by adequate verification.

(d) The United States should support an affirmation by the General Assembly of the need for a fundamental change in Soviet attitudes without which real progress toward the regulation and reduction of conventional armaments will not be possible.

[An attached copy of the Plan of Work of the Commission for Conventional Armaments is not reproduced; the plan is described in footnote 3, p. 12.]

IO Files: US/A/M(Chr)/116

*Minutes of the Twenty-second Meeting of the United States Delegation to the Fourth Regular Session of the General Assembly, New York, October 26, 1949, 9 a. m.*

SECRET

[Here follow a list of persons (41) present and discussion of the Soviet "peace" resolution and the United States-United Kingdom alternative draft (for documentation on this subject, see volume II, pages 72 ff.).]

Ambassador Austin introduced Senator Henry Cabot Lodge to the Delegation. The Senator said that in his position on the Foreign Relations Committee, he had been hearing a great deal about the work of the US Mission and had come to see how it operated. In his view, the big problem in the world today was the question of atomic energy.

Referring back to the substitute Soviet resolution,<sup>1</sup> Mr. Hickerson explained that it would not be discussed until the First Committee had completed both Greece and the Italian Colonies. Mr. Compton<sup>2</sup> thought that under these circumstances, there would be a real problem of keeping pressure up on this item. Explaining the background of the subject to Senator Lodge, Ambassador Austin said that our substitute resolution was prepared in response to the Soviet's annual bombshell which, this year, was a combination of threats against the US and the UK, along with a suggestion for peace through a five-power pact. We intended to defeat the Soviet resolution and then put forward a genuine resolution for peace. As for atomic energy, he thought no progress or definite agreement was possible until the settlement of the cold war. Nevertheless, we were studying continuously not only the problem of atomic energy, but also conventional armaments, on both of which there was a phenomenal degree of unanimity except for the Soviets. Mr. Hickerson doubted if we would be able to do much more than explore the subject of atomic energy for quite some time.

Senator Lodge inquired what chances there were for the Soviets to get ahead of us in atomic energy. Ambassador Austin replied that the Senator's information was as good as that available to the Delegation.

<sup>1</sup> Reference is to the draft resolution being prepared by the United States and the United Kingdom as a substitute for the Soviet "peace" resolution.

<sup>2</sup> Dr. Wilson M. Compton, Alternate Member of the United States Delegation; President of the State College of Washington.

Mrs. Rohde<sup>3</sup> said she had been informed that a committee of 12 scientists, who had met last week at Princeton with Dr. Einstein,<sup>4</sup> had reached the very alarming conclusion that the Soviets might be ahead of the US, and that there was no doubt that they were equally far advanced. This information was confidential, but she had requested her informant to send Ambassador Austin a précis of the conclusions of the meeting. Mrs. Roosevelt<sup>5</sup> asked whether this meant the Russians were ahead of us on the scientific level, or in productive capacity. Mrs. Rohde was uncertain but said she had been informed that probably the Soviets had produced a much more powerful bomb which could obliterate all of Manhattan. Mrs. Roosevelt still wondered whether the Soviets had plants which could produce atomic weapons in quantity, and observed that it appeared that as soon as manufacturing facilities or a bomb were completed, they became obsolete. Mr. Hickerson thought probably the scientists meant that the scientific progress of the Soviets was equal to our own. Other information was more reassuring as regards the number of bombs and production facilities which the Soviets could have at the present time. As to whether we could maintain our lead, it depended on the amount of uranium available to the Soviets.

Senator Lodge asked whether any thought had been given to the possibility of making it a crime for a country not to come into the international control scheme. Ambassador Austin said the US was ready to consider any constructive suggestion. Mr. Hickerson pointed out that the permanent Members of the Security Council and Canada, who were the sponsoring powers of the original atomic energy resolution of the GA, were presently consulting on all possibilities for control. Senator Lodge asked whether it was not in fact an act of aggression for a country to fail to join in an international control scheme and to submit itself to an international inspection in atomic matters.

Mr. Hickerson referred to the fact that the AEC plan, largely devised by the United States, had been approved by an overwhelming vote in the GA last year, though it had encountered certain difficulties until Mr. Vishinsky had made a strong speech against it, which had had the result of getting a vote of 40 to 6 endorsing the plan. Of course, we could not always depend on Mr. Vishinsky to irritate the Members of the UN in this way in every case. We took the position that this plan was the only workable plan which had so far been advanced. We thought it would work. Russia was unwilling to accept the

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<sup>3</sup> Mrs. Ruth Bryan Rohde, Alternate Member of the United States Delegation; Minister to Denmark, 1933-1936.

<sup>4</sup> Professor Albert Einstein, theoretical physicist; discoverer and exponent of the theory of relativity.

<sup>5</sup> Mrs. Franklin D. Roosevelt, widow of the President; Member of the United States Delegation.

plan, the real point of difference being who would own and operate the atomic energy facilities. The US, inconsistently with its free enterprise economy, wanted such ownership to be in the hands of an international authority, and thus would agree to a voluntary limited pooling of sovereignty necessary for this control, while the Russians would not accept anything but national ownership and operation. He believed that if we simply tried to define as an act of aggression the unwillingness of any state to participate in this scheme, support for the plan would be diminished. Mr. Cohen <sup>6</sup> agreed that this would be true if we related the act of aggression to this particular plan for control. He thought Senator Lodge's suggestion interesting. He suggested we might take advantage of the Soviet position of trying to glue world attention on the fact that we were unwilling to join in a declaration under which we would fore swear the use of atomic energy, by using the argument in reverse—that the Soviets were unwilling to follow the majority views. We could thus challenge the Soviets to submit to international control. Of course, there were certain risks in this policy. A great deal could be said, however, for developing some kind of counter-attack to the Soviet line that it was internationally wrong not to fore swear the use of atomic energy. We could put forth the idea that it was internationally wrong not to accept the principles of international control.

Senator Lodge thought there were two choices: we could either drift along as we were doing, or we could decide to bring the matter up at the time which would be best for us, perhaps by giving an ultimatum that by failing to join a control scheme, the Soviets would be aggressors. He believed it was better to have action while we were in the favored position than to wait indefinitely.

Mrs. Rohde referred to one other point which came up at the meeting of the scientists at Princeton. This related to the tactics adopted immediately after the war in the loyalty program, which made it difficult for scientists to remain in government service. Our atomic position had been weakened by the loss of these scientists. She thought this was a point worth taking note of at the present time. Mr. Compton referred to the views of Mr. Lilienthal <sup>7</sup> who considered that it was better at this stage, now that Russia had the bomb, for us to review our general policy immediately and to rely less on secrecy and more on scientific advancement. He noted incidentally that there were other scientists who did not share the view that Russia was ahead of the

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<sup>6</sup> Benjamin V. Cohen, Alternate Member of the United States Delegation; Counselor, Department of State, 1945-1947.

<sup>7</sup> David E. Lilienthal, Chairman of the United States Atomic Energy Commission.



U.S. in this field. Mr. Fahy<sup>8</sup> suggested that another possibility growing out of Senator Lodge's suggestion was to consider a stronger resolution condemning the failure of the Soviets to agree to the international control plan. Such a condemnation might provide stronger pressure on the Soviets to come into the international plan, and at least it would put them in a worst position before world public opinion. It was within the competence of the Assembly to consider some general condemnation of this sort for the Soviet failure to join the majority.

Ambassador Austin referred again to the revised Soviet resolution,<sup>9</sup> the text of which he read. Each point in this resolution was a finger directed at the misdeeds of the Soviet Union. The provision dealing with atomic energy rendered more specific the suggestion made by Mr. Fahy. At the same time, it was necessary not to include language which would frighten certain Members. If, for example, we had a proposal that it was an international crime not to join the international control plan, we would upset everything. Mr. Fahy said he was not suggesting we could go that far but that we could simply condemn the Soviets explicitly for failure to join in the international control plan. Ambassador Austin replied that the Soviets would answer that they had offered to join an international control system and would immediately refer to their own proposals. Senator Lodge thought such action as this resolution anticipated could pave the way for a more positive approach in the atomic energy field. Ambassador Austin thanked him for the stimulus of his views on this subject.

Mr. Cohen said that it seemed to him, since we no longer had a monopoly of the bomb, that the reluctance previously evidenced by other Members for going ahead with an international control scheme without the Soviets might have decreased. For that reason, we should re-examine this possibility because, no matter how unsatisfactory a control plan without every state might be, if, under the auspices of the Assembly, a real international system could be set up, even though it involved some crippling of our own independence, we would be in a much more solid position to proceed to deal with the Soviets.

[Here follows discussion of another subject.]

*Conventional Armaments (US/A/C.1/1462)*<sup>10</sup>

Mr. Nash referred to the fact that atomic energy was not included in conventional armaments. The CCA had adopted a plan of work

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<sup>8</sup> Charles Fahy, Alternate Member of the United States Delegation; Legal Adviser, Department of State, 1946-1947.

<sup>9</sup> See footnote 1, p. 63.

<sup>10</sup> Of October 25, p. 197.

defining its jurisdiction in this sense. This was to be found in Annex I of the document before the Delegation. Annex II included the general principles which had been worked out to cover any plan of disarmament. Both annexes had come to the CCA in August, 1948, but, because of Soviet opposition, they had not been transmitted to the SC. For this reason, the second progress report of the CCA had not come before the SC or the GA at its third session.

Mr. Nash recalled that the Third Assembly had adopted a resolution suggesting as a trial balloon that the Commission should develop a plan for a census of effectives and conventional armaments. This would be a spot check. The Commission had taken this matter up as its first order of business. The plan devised had been opposed by the Soviet Union and the Ukraine, but the Soviet Representative this year had withdrawn his objection to transmitting the second progress report and the census proposals to the SC. These two reports had been debated in the SC, at which time they had been opposed by the Soviets on the basis that atomic weapons were not included, and both reports had been vetoed. However, the Soviet Union had not opposed their transmission to the Assembly. These items were before the *Ad Hoc* Political Committee.

Mr. Nash recommended that the United States support the census and verifications proposals in the GA but indicated that there was no point in going ahead on implementation in view of the opposition of the Soviet Union. The US should also agree that the CCA should go ahead with its plan of work and take up the third item, consideration of practical and effective safeguards in any disarmament plan. We would also like the Assembly to note that the census plans adequately complied with the GA resolution of 1948 and that because of Soviet opposition no implementation was possible. In answer to a question from Mr. Fahy, it was explained that a plan had been developed by the CCA for a verification check of armed forces. It had of course been opposed by the Soviet Union since it would have meant that a UN body would be able to enter the Soviet Union.

Ambassador Austin asked whether there were any objections to the recommended position. Mr. Nash explained that we might ourselves have to sponsor the resolution. This was agreed. Ambassador Austin stated that this decision would be subject to review, if necessary. Mr. Cohen said he had no objection to the position recommended, but wished to record the fact that while he was strongly opposed to anything smacking of unilateral control of armaments, it was greatly to our advantage if at this session or in the future, some sort of organization could be put into operation. This, he thought, would strengthen our position.

Policy Planning Staff Files

*Minutes of the Eighth Meeting of the Policy Planning Staff on the International Control of Atomic Energy*

TOP SECRET

[WASHINGTON,] October 28, 1949.

Present: George Kennan  
 George Butler <sup>1</sup>  
 Robert Hooker  
 Joseph Chase, U  
 Major General T. H. Landon, Joint Strategic Survey Committee, JCS  
 Dr. Vannevar Bush, President, Carnegie Institution

Carlton Savage  
 Harry Schwartz <sup>2</sup>

At the opening of the meeting, Mr. Kennan said that in our study of the international control of atomic energy we were endeavoring to determine whether we should continue to advocate the U.N. plan; whether we could accept an agreement whereby all nations would dispose of their bombs, and if one nation violated the agreement we would have a few months to get back into production before that nation could again produce bombs; or whether we could accept an international agreement relating both to atomic energy and to conventional armaments.

During the meeting Dr. Bush offered comment to the following effect:

1. The plan for the control of atomic energy, as set forth in the Acheson-Lilienthal Report, was not expected by its authors to be acceptable to the Russians because of the nature of their political system. However, the plan was supposed to constitute a solid base for the protection of U.S. interests.

We should adhere to the present majority U.N. plan and not withdraw it. We would not have security in an international agreement whereby all nations would dispose of their bombs and we would have a few months to get back into production if a nation violated the agreement.

2. Russia must choose her weapons for war. She can not devote tremendous resources to too many things such as a radar screen, submarines, atomic bombs, biological warfare, equipment for aerial warfare, and huge ground forces.

3. Biological warfare, which at one time seemed to be a real menace, does not now seem likely to be of major importance in case of war.

4. Improvement in methods of defense would have made conventional bombing obsolete, even if it had not been for the atomic bomb. As defensive methods improve, the stockpile of bombs has to be increased to get the same results previously possible with a smaller stockpile; and defensive measures are increasing rapidly.

<sup>1</sup> Deputy Director of the Policy Planning Staff.

<sup>2</sup> Executive Secretary of the Policy Planning Staff

5. General control of the air is no longer a possibility if the combatants are somewhere near equal in strength, due to the advance in defensive measures.

6. We cannot maintain national security without the atomic bomb in view of Russia's marked superiority in conventional armaments.

7. Civilian defense of an extensive nature is not possible because of the huge cost. Practical measures are the training of personnel for caring for civilians in an atomic disaster, and arranging for a chain of command in government in case of an atomic disaster.

8. We must not get panicky because there has been an atomic explosion in Russia and we must make every effort to keep the public from becoming panicky.

9. In summary, it is possible that after a few years there may be a Russian government with which we can deal on atomic energy and related matters. Even if the present government in Russia is maintained, we should continue our adherence to the present U.N. plan for the control of atomic energy, and after a year or so the development of methods of detection may make it possible for us to have security with something less than the present U.N. plan.

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USUN Files

*Memorandum for the Files, by the Deputy United States Representative to the Commission for Conventional Armaments (Nash)*

CONFIDENTIAL

[NEW YORK,] November 2, 1949.

Subject: Draft Resolution re CCA for Introduction in General Assembly.

At luncheon at Lake Success on November 2nd I gave Baron de la Tournelle and Sir Terence Shone (accompanied by David Cole) copies of the proposed draft resolution attached,<sup>1</sup> telling them it was a wholly tentative thing which had not yet received extensive consideration by our own people.

All agreed that in view of the likelihood the CCA item might be reached on the agenda of the *Ad Hoc* Political Committee in a matter

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<sup>1</sup> The draft resolution read in operative part as follows:

"[The General Assembly]

APPROVES the proposals formulated by the Commission for Conventional Armaments for submission by Member Nations of full information on conventional armaments and armed forces and the verification thereof as being fully responsive to the Assembly's recommendation;

NOTES with regret that unanimity among the permanent Members in the Security Council has not been reached on the proposals;

RECOMMENDS that the Security Council continue its study of the regulation and reduction of conventional armaments and armed forces through the Commission for Conventional Armaments in accordance with its Plan of Work in order to obtain concrete results as soon as possible;

CALLS UPON the Security Council to cooperate so that the above recommendation may be carried out expeditiously and that thereby the possibilities of achieving increased international confidence may be enhanced."

of ten days or so, it was highly desirable to proceed with a concerting of views on the part of those who were in the majority in the Security Council as to what should be done in the *Ad Hoc* Political Committee.

All agreed further that it was desirable to establish a position generally acceptable to as many as possible of those who were in the majority in the Security Council and then assume the initiative in the *Ad Hoc* Political Committee by putting the agreed position forward at the earliest possible date.

With respect to the sponsorship of what ever resolution might finally be decided upon, it was agreed that France would be the most appropriate sponsor and that it probably would be desirable to have one or more co-sponsors. De la Tournelle suggested Norway as a possible co-sponsor and the suggestion met with general agreement. In a conversation with Cole prior to the luncheon, I was told that the United Kingdom Delegation was still under instructions to take no position with respect to the continuation of the work of CCA until it became clear whether the general "atmosphere of opinion" in the General Assembly favored or disfavored continuation and then to follow along with the prevailing view. Cole conceded that it was already obvious that any attempt or suggestion to suspend the work of CCA would meet with an overwhelmingly hostile reception by the GA and said that the UK would therefore support any resolution which the other friendly powers might agree upon and would even be willing to help in the formulation of a resolution. Bearing this out, Shone offered a number of suggested changes in the wording of the attached draft during the luncheon discussion and at my suggestion Cole agreed to work the suggestions into draft form and forward copies to France, Canada and the U.S.

De la Tournelle did not examine the resolution on the spot but took it with him in the understanding that it would be studied by the French Delegation and they would be prepared to discuss it with the U.K., Canada, U.S. (and possibly China and Norway) at a meeting next week.

Following the luncheon, I met with General McNaughton (who had been unable to make the luncheon) and gave him a copy of the resolution. He read it and by way of general comment concurred in the points on which Shone, de la Tournelle and myself had agreed in our luncheon discussion. He said Canada would vigorously oppose any suggestion to suspend the work of CCA but would prefer not to take on any co-sponsorship of a resolution in view of the lead it was taking with respect to atomic energy.

I also gave a copy of the resolution to Ribas<sup>2</sup> of Cuba, whom I happened to meet in the Delegates Lounge waiting for the Plenary

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<sup>2</sup> José Miguel Ribas, Secretary-General of the Cuban Delegation to the General Assembly and of the Permanent Cuban Delegation at the United Nations.

Session of the GA to convene, and asked him for his comments. He seemed pleased to have been brought into the picture and said he would be happy to let us have his comments.

I tried to reach Lunde of Norway and Wei of China in order to give them copies of the resolution but was unable to do so. Arrangements are being made, however, to see that copies are forwarded to them in the next day or so.

FRANK C. NASH

USUN Files

*The President of the General Assembly (Romulo) to the United States Representative at the United Nations (Austin)*

CONFIDENTIAL

NEW YORK, 3 November 1949.

DEAR MR. AUSTIN: I enclose for your consideration an appeal on the question of atomic energy. This appeal, which should at this stage be considered as strictly confidential, is addressed also to the heads of the other delegations whose governments are represented on the Atomic Energy Commission.

Yours sincerely,

CARLOS P. ROMULO

[Enclosure]

*An Appeal to the Six Permanent Members of the Atomic Energy Commission by the President of the General Assembly (Romulo)*<sup>1</sup>

STRICTLY CONFIDENTIAL

[NEW YORK,] 3 November 1949.

The paramount problem before this General Assembly is perhaps the paramount problem before mankind—the control of atomic energy. The effort to solve this problem is now stalled at dead centre. A plan proposed by the majority of the Atomic Energy Commission was accepted last year by the majority of the General Assembly. The Soviet Union has refused to accept this plan and has proposed a plan of its own. For some months the six permanent members of the Atomic Energy Commission, Canada, China, France, the United Kingdom, the United States and the U.S.S.R., have been engaged in consultations. These consultations have thus far resulted in nothing more than a restatement of the deadlock.

Mankind is not prepared to accept a deadlock on a matter so serious to the future of the whole world. Every effort must be made to explore even the remotest possibility of an effective agreement.

I am aware of the intensity and sincerity with which the major protagonists hold to their respective positions. There is reason to

<sup>1</sup> Made public on November 9 following leaks to the press.

believe, however, that all paths to agreement have not been explored. I consider it my solemn duty, as President of the General Assembly, to call attention to the absolute necessity of finding some way out of the dangerous dilemma in which we now find ourselves. There must be no irrevocable rupture of contact between the parties; the attempt to find a way out must go on.

I appeal to the General Assembly, and to the parties directly concerned, to continue by every conceivable means to seek agreement on an effective system of control and prohibition of atomic weapons. Specifically, I suggest that attention be directed along these lines:

1. The possibility of a short-term atomic armistice accompanied by an inspection system. The world is now faced with the prospect of a furious and calamitous race for atomic armament. It would be of inestimable value to discover a means of calling a halt to this race. If this were possible, it would afford us a breathing space for the calmer consideration of plans for the eventual long-term control of atomic energy, and might afford useful lessons in the administrative and political practicability of a system of inspection.

2. The possibility of an interim prohibition on the use of atomic weapons with adequate safeguards. Some delegations have been considering plans for an agreement to prohibit the use of atomic weapons, with or without restrictions on manufacture. Whatever defects such plans may have, it would be useful to explore them further.

3. The possibility of further compromises between the majority and the minority plans for atomic energy control. Suggestions have been made recently that provisions for an adequate inspection could be retained while relaxing to a degree consistent with security the provisions on ownership and management of atomic facilities contained in the majority plan. Further discussions among the interested parties should be held to clarify this possibility.

4. The possibility of a new approach to the fundamental problem of control. A number of scientists have contended that a new approach can be found in a realistic assessment of the present requirements of atomic energy for peaceful purposes. It has been argued that, in the present and immediately foreseeable state of science, the amount of fissionable materials which could be used for peaceful purposes is so small that the problem of controlling the use of such materials for military purposes may be relatively easier than had previously been envisaged. It is my understanding that this approach has been given only relatively little attention in the Atomic Energy Commission.

I hold no brief for any particular plan that may be proposed under any of the four points which have been mentioned. But, I feel that here at least are four paths which should be explored. The reiteration of previous positions, no matter how earnest or cogent, has kept us turning in the same circle for three years. It is time to break out of the circle.

The four paths which are here suggested may not be the only ones. If there are other possibilities let them be brought forward.

As President of the General Assembly, I am at the disposal of the parties to lend any possible assistance. The Secretary-General and his staff are also ready to do everything within their power to help the parties.

Above all, let us not abandon hope. The means for controlling the destructive potentialities of this new force must be found. Humanity has placed its hopes in the United Nations. We must respond with every resource at our command.

CARLOS P. ROMULO

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*Editorial Note*

On November 3, the Policy Planning Staff discussed international control of atomic energy, the possible development of the hydrogen bomb, and related problems with the Secretary of State, Under Secretary Webb, and other Departmental officials. For the minutes of that meeting, see page 573.

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IO Files: US/A/AC.31/187

*Memorandum of Conversation, by Mr. Joseph S. Sparks, Adviser,  
United States Delegation to the General Assembly*

SECRET

[NEW YORK,] November 4, 1949.

Subject: Atomic Energy Resolutions

Participants: Sir Girja Shanker Bajpai—Secretary-General, Indian Ministry of External Affairs  
Mr. Joseph S. Sparks,<sup>1</sup> United States Delegation

I told Sir Girja that I would like to discuss with him in all frankness and on a personal basis the situation with which we found ourselves confronted in dealing with the question of atomic energy. I said that for his confidential information the French and Canadians had evolved a resolution on this subject<sup>2</sup> with which we were well satisfied, and the success of which in the General Assembly we very much desired.

In this connection, I said that it seemed to us that one of the important questions was the tactical one of timing in the *Ad Hoc* Political Committee, and that it had seemed important to us that the French-

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<sup>1</sup> Adviser, United States Delegation; Acting Assistant Chief of the Division of South Asian Affairs, Department of State.

<sup>2</sup> For the text of Canadian-French resolution A/AC.31/L.27 introduced at the 30th Meeting of the *Ad Hoc* Political Committee, November 7, see United Nations, *Official Records of the General Assembly, Fourth Session, Ad Hoc Political Committee, Annex to the Summary Records of Meetings*, vol. I, p. 68 (hereafter cited as GA(IV), *Ad Hoc Political Committee, Annex*, vol. I); for the resolution as subsequently approved by the *Ad Hoc* Political Committee and the General Assembly, see Resolution 299(IV), November 24, p. 225.



Canadian Resolution should be presented to the *Ad Hoc* Committee immediately upon the Committee's being seized of the problem, and that it would be of great value if the French and Canadian co-sponsors of the resolution could be the first speakers. I explained, however, that when the French had sought to register their application to be the first speaker they discovered that Sir B. N. Rau had asked a number of days previously to be the first speaker on this subject.

I referred Sir Girja to the statements which he had made to the Secretary of State in Washington to the effect that he would attempt to exercise a restraining influence upon Sir B. N.'s enthusiasm for his solution to the atomic energy problem.<sup>3</sup> I said that, speaking very frankly, we had discussed this situation in our delegation and had come to the conclusion that we would not ask Sir B. N. to yield his priority in the Committee, but that we had also concluded that if he were voluntarily to offer to address the Committee "early in the debate" instead of at the very first, it would be a gesture which we would appreciate.

Sir Girja said that he well recalled his statement to the Secretary but that there had subsequently been a development which had weakened his hand as a restraining influence. He said that when he had asked Sir B. N. yesterday afternoon what the reaction of other delegations was to his resolution,<sup>4</sup> Sir B. N. had said that he had not approached the United States for fear that such an approach would alienate Russia from the resolution and that he had not approached Russia for fear that such a step would alienate the United States. I interrupted at this point merely to observe that I was certain that Sir Girja did not believe that Sir B. N.'s talking to the Russians would "alienate" the United States. He replied that he was sure that it would not.

Sir Girja said that in his conversation with Sir B. N. yesterday afternoon he had told Sir B. N. that even if he thought it better not to

<sup>3</sup> The memorandum of Secretary Acheson's conversation with Sir Girja on October 27 stated the following on this subject: "Sir Girja went on to say that he had been somewhat taken aback when Sir B. N. cabled the Ministry that he planned to propose that the atomic energy control problem be referred to the International Law Committee. Sir Girja had regarded this idea as quite impracticable and had instructed Sir B. N. to abandon it unless the US, UK and Canada favored the proposal. Unfortunately, before receiving these instructions Sir B. N. had made his position public in New York. Sir Girja implied that the Indian Delegation would not press this idea." (Secretary's Memoranda: Lot 53D444)

Sir Girja accompanied Prime Minister Nehru on his visit to Washington, (October 11-14) and New York (October 15); documentation on Indian discussions with United States officials during this period is scheduled for publication in volume vi.

<sup>4</sup> For the resolution (A/AC.31/L.26) presented by India at the 30th Meeting of the *Ad Hoc* Political Committee, November 7, see GA (IV), *Ad Hoc Political Committee, Annex*, vol. I, p. 68. The Indian proposal provided for calling upon the International Law Commission to draft and submit to the General Assembly before July 31, 1950, a declaration on the duties of states and individuals with respect to the development of atomic energy.

approach the United States or the U.S.S.R., he should at least sound out certain countries, such as Canada, so as to discover their reactions. Sir B. N. agreed to this and called upon Sir Girja again this morning after having talked with the Canadians. It was Sir B. N.'s report to Sir Girja that the Canadians had told him that they found his resolution "very interesting." In view of this reaction, which both Sir B. N. and Sir Girja interpreted as favorable, Sir Girja said that he did not see how he could act in as restraining a manner as he had contemplated at the time of his conversation with the Secretary.

In view of our concern over the timing, Sir Girja proposed that he would approach Prime Minister Nehru and Sir B. N., telling them of our discussion and suggesting that as a matter of courtesy, and in order to be in a position better to judge the trend of developments in the Committee and the potentialities for its own resolution, India should offer to give up its first place on the list of speakers in the *Ad Hoc* Committee. I said that we should be most grateful if Sir Girja did see his way clear to making such an approach, and only wished to stress once again that the United States did not contemplate "requesting or asking" Sir B. N. to give up his position on the speakers list. Sir Girja said that he appreciated this fact and wondered if my observation also applied to the presentation of the Indian resolution. I said that of course it did and that we would certainly not wish to interfere in any manner with India's decision to take whatever step it felt to be genuinely constructive in the situation.

Sir Girja then asked me what the United States actually thought of Sir B. N.'s proposal. I said that in view of the personal and confidential basis upon which we were speaking, I should be happy to endeavor to answer Sir Girja's question. I said that the United States had the highest esteem and appreciation of the constructive, idealistic, and fundamental objectives and motivations which had caused Sir B. N. to evolve the proposal which he had and which stimulated him to their formal presentation, but that despite these very genuine appreciations we were afraid that the proposal, no matter how pure in motive, was basically unrealistic. I added that in our considered judgment, if the International Law Commission were confronted with the problem in the manner which we understood Sir B. N.'s proposal to contemplate, it would of necessity either produce a definitive codification which would be unacceptable to the U.S.S.R., or a compilation of glittering generalities which, because of the danger of deluding the peoples of the world with a false sense of security based upon empty phrases, the United States would not be able to accept.

Sir Girja said that it might strengthen his hand if it were possible for him to know something of the contents of the French-Canadian Resolution and to know more definitely the exact time when we thought this problem would be arising before the Committee. I said

that I would be happy to explore both of these questions and would attempt to contact him at his hotel prior to his meeting with Prime Minister Nehru at 4:30.

Upon returning to the Mission, I discussed the foregoing with General Osborn, who informed me that the atomic energy question is expected to come before the *Ad Hoc* Political Committee on Monday afternoon,<sup>5</sup> and who gave me a draft copy of the French-Canadian Resolution which I propose to pass in confidence to Sir Girja at 4:15 at his hotel. It was Sir Girja's opinion that whereas he could not assure us of his ability to convince the Prime Minister and Sir B. N., the chances that he would be able to do so were quite good.

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<sup>5</sup> November 7.

IO Files: US/A/AC.31/190

*Memorandum of Conversation, by Mr. Joseph S. Sparks, Adviser,  
United States Delegation to the General Assembly*

SECRET

[NEW YORK,] November 5, 1949.

Sir Girja said that he had studied the French-Canadian draft resolution<sup>1</sup> which I had given him yesterday afternoon and had discussed it with the Prime Minister and with Sir B. N. Rau and that it was their conclusion that with a few minor changes it would be possible for India to support the resolution. He suggested that we should discuss these changes in detail with Sir B. N. Rau on Monday. He made a strong point that he did not feel that there was any conflict between the French-Canadian resolution and the Indian resolution<sup>2</sup> but that they were in fact complementary. He asked whether the United States would object to the submission of the Indian resolution. I said that, of course, we would not make any such objection but added that I was not in a position to know what our reaction to the Indian resolution would be beyond the general thinking which I had outlined to him yesterday. Sir Girja quickly said that India was not asking the United States to support its resolution. He said, however, that Sir Benegal had received certain indications of support for the Indian resolution and detected a definite feeling among some delegations that the Asian States and India, in particular, should take the lead on this problem.

With reference to the timing of the presentation of the resolutions, Sir Girja said that if we wished Sir Benegal to defer his presentation until the second or perhaps the third speech in the Committee, he was quite sure that could be arranged. I reviewed with him our conversation

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<sup>1</sup> For the text of Canadian-French draft resolution A/AC.31/L.27, see GA (IV), *Ad Hoc Political Committee, Annex*, vol. I, p. 68.

<sup>2</sup> For the text of Indian draft resolution A/AC.31/L.26, see *ibid.*

of yesterday afternoon and mentioned once again our conclusion that we would not ask Sir Benegal to give up the priority which he had to speak in the Committee. Sir Girja said that he understood this and asked if it was our opinion that the submission of the French-Canadian resolution first on the Committee agenda would strengthen its presentation. I said that, speaking specifically to the manner in which he had framed this question, our response would be in the affirmative. Sir Girja said that in these circumstances it was his intention to recommend to the Prime Minister that Sir Benegal yield his priority with the understanding that he would be the third person to speak in the Committee. He was quite certain that the Prime Minister and Sir Benegal would accept this recommendation but asked that I telephone him for final confirmation at 9 a. m. on Monday morning. I agreed to do this and expressed our appreciation for the cooperative thought and time which Sir Girja had given to this problem.

Later in the conversation which had gone to other matters, Sir Girja reverted to the question of timing of the presentation of the resolutions and said that it had occurred to him that a satisfactory solution might be to have the French or Canadians speak first in presenting their resolution, to have Sir Benegal speak second presenting the Indian resolution and then, perhaps, to have whichever of the French or Canadians had not spoken, speak third. I said that my offhand reaction to this suggestion was that I felt that Sir Girja had a full comprehension of our point of view on this whole subject and that we should, of course, be prepared to abide by whatever decision he and the Prime Minister and Sir Benegal reached.

Sir Girja said that one of India's concerns was the tone of the presentation speeches and that he felt that the main reason why Sir Benegal felt it important that he should speak first was to establish the approach of the Committee to the problem on what would perhaps be a "higher level" than might be the case of the French or Canadian addresses. I replied that although I had not seen a copy of the addresses which the French or Canadians expected to make and did not even know whether or not they had as yet been drafted, I was certain that they would be in consonance with the tone of the French-Canadian resolution and that as India was prepared to support this resolution, it would in all probability not find the addresses offensive. Sir Girja said that he was sure this was the case.<sup>3</sup>

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<sup>3</sup> The first speaker at the 30th Meeting of the *Ad Hoc* Political Committee on Monday, November 7, was Jean Chauvel, Representative of France who introduced Canadian-French resolution A/AC.31/L.27. He was followed by Lester Pearson, Representative of Canada. The third speaker, Sir Benegal Rau, introduced Indian resolution A/AC.31/L.26. For the record of the 30th Meeting, see United Nations, *Official Records of the General Assembly, Fourth Session, Ad Hoc Political Committee*, p. 165 (hereafter cited as GA (IV), *Ad Hoc Political Committee*).

Policy Planning Staff Files

*Memorandum of Conversation, by the Secretary of State*

TOP SECRET

[WASHINGTON,] November 7, 1949.

## MEETING WITH THE PRESIDENT

*Item 1. Atomic Energy*

I reported to the President that the Department was making a complete review of the matter of international control and expressed the strong hope that no decisions would be necessary until we had had an opportunity to give the matter real thought and give the President our best judgment.

The President assured me that he was not going to be hurried into decisions and that none would be made until he and I had a chance to discuss the matter thoroughly.

DEAN ACHESON

IO Files: US/A/AC.31/204

*Memorandum of Conversation, by Mr. Joseph S. Sparks, Adviser,  
United States Delegation to the General Assembly*

SECRET

[NEW YORK,] November 8, 1949.

Participants: Sir B. N. Rau, Indian Delegation  
Mr. M. Gopala Menon, Indian Delegation  
Mr. Charles Noyes, United States Delegation  
Mr. Joseph S. Sparks, United States Delegation

Following the meeting of the *Ad Hoc* Political Committee during which Sir Benegal presented the Indian resolution and addressed the Committee thereon,<sup>1</sup> I met him in the hall and asked if I might have a few words with him. I told him of the Nehru departure and of the crowd thereat and then referred to the address which he had made in support of the Indian resolution.

I told Sir B. N. that we had, of course, not had sufficient time to examine the address or to discuss it in a delegation meeting, but that I had had a chance to talk about it for a moment with Mr. Hickerson and thought that he might be interested in his reactions. Sir B. N. said that he was sure that Sir Carl Berendsen<sup>2</sup> had had his speech already written and had not let sufficient time pass between the Indian speech and the New Zealand comments which otherwise undoubtedly would not have been so strong. Sir B. N. said that he would be very interested indeed in our comments.

I told Sir B. N. that our off-hand reaction was one of regret that there were not either more Indians in the world or that he was not

<sup>1</sup> 30th Meeting, November 7.<sup>2</sup> Chairman of the New Zealand Delegation; Representative to the *Ad Hoc* Political Committee.

in a position to speak to the General Assembly in the name of the USSR. I said that we fully appreciated the genuine and constructive idealism out of which Sir B. N.'s suggestions had arisen and that we had the highest esteem for him personally. I made it quite clear that this was a subject which we had deliberately not presented to one of our delegation meetings as we had wished to hear his address before doing so. Accordingly, there was little, if anything, that I could say, other than that we did wonder if his resolution were not a little premature. I said we felt strongly that no channel of approach could be really productive short of complete reversal on the part of the USSR in its present position with regard to inspection and control.

Sir B. N. said that he fully recognized this difficulty but that he was concerned primarily with the opportunities for the peaceful utilization of atomic energy by the fifty or more nations which were only indirectly involved at the present time. He said that he had anticipated that it might be necessary for us to abstain on his resolution just as it might be necessary for another group to do so, but that he felt that the time had come when the nations of the world, not involved directly, should have the tremendous advantage of having atomic energy available for their development. As an example he cited India which he said lacked all of the accouterments of modern civilization and to which the utilization of atomic energy would be a great boon. He said that quite apart from the problems which confronted those nations which possessed already the atomic bomb, he was thinking primarily of the vast majority of the nations of the world which did not and for whom atomic energy might well be the answer for the lack of oil and coal in their countries.

Sir B. N. said that he did not expect us to go along with the resolution or declaration which might be produced by the International Law Commission, because of the reservations which we would be forced to make, but that he did think that if a large majority of the membership of the United Nations did support his resolution, a way might be found whereby they could enjoy the fruits of atomic energy without engaging in the production of atomic weapons.

It was quite apparent that Sir B. N. was somewhat annoyed by being termed "unrealistic" by the New Zealand delegate. He said that in point of fact he felt that the only delegations who were being unrealistic were those which advocated the type of program for which we stood. As far as he could see, our program could only involve a type of World Government which he very much doubted the United States Senate or any other responsible legislative branch of any independent government would be prepared to accept. Once one of the most difficult problems of international relations was to be solved in this manner, administered by a body of indeterminate composition, the first and most major step toward World Government would have been

taken. While Sir B. N. was a most ardent advocate of world government, he felt that this was not the appropriate time to broach the subject and that if it were broached, it would be doomed to failure.

When I asked Sir B. N. if he was sure the ILC was the appropriate body to which to refer a problem of this nature, he repeated what he had implied in his speech—that if we liked the idea but questioned the agency which he had suggested, he would be glad to present to the Committee on very short notice a draft of the type of declaration which he had in mind, and the General Assembly itself could act on it. He said that he doubted if we would question the competence of the General Assembly. He then reviewed the points which he had made in his speech which he said such an approach might accomplish. As he was finishing this, we joined Mr. Noyes and Mr. Menon, who were discussing the same general subject. Sir B. N. went back to the beginning of his arguments for Mr. Noyes' benefit.

Mr. Noyes said that he had not previously been aware that one of Sir B. N.'s goals was the making available of atomic energy for peaceful use to countries which did not currently possess it. He pointed out that the moment one of them did possess it, even on the basis of having signed an agreement never to produce weapons or to utilize them, that country too would become suspect to its neighbors and to the world just as we had. Sir B. N. failed to accept this point, saying that these countries would be in a different position as they would have foregone the production or storage of atomic weapons voluntarily, which we had not done. He said that he could understand our inability to do this at the present time, but did not think that for that reason we should abandon our faith in all other nations.

Mr. Noyes also answered Sir B. N.'s argument that the convention prohibiting the use of poison gases was a precedent. He pointed out that it was not the convention which had stopped the use of poison gases but the fear of reprisals, and that in point of fact the convention had had no influence whatsoever on the armaments race in poison gas. He said that he did not feel that Sir B. N.'s approach was apt to have very much influence either upon the armaments race in atomic weapons, and that he felt that that was the major problem which needed to be faced.

As we were leaving the building, Sir B. N. told me that he would take only so much more of being called unrealistic and that then he would have to "bite back" and ask in the Committee just who was being really unrealistic in talking about a solution which involved the evolution of a form of World Government in the present circumstances in the world. He did not say this bitterly, but in a very matter of fact tone—which seemed even more ominous to me for that very reason.

JOSEPH S. SPARKS

IO Files : US/A/AC.31/202

*Memorandum of Conversation, by Mr. John M. Cabot, Adviser,  
United States Delegation to the General Assembly*

CONFIDENTIAL

[NEW YORK,] November 8, 1949.

I asked M. de Rose what his impressions were of the Indian resolution. M. de Rose said that the resolution was not as bad in itself as the speech which had been made in support of it. He said, if he understood the Indian intention correctly, they proposed that certain principles on which the great powers were agreed would be embodied in an international agreement. This would mean, in effect, that we would have prohibition of atomic weapons without any control. It was bad enough to have to face atomic war with both sides having atomic weapons; it would be much worse to face it if only the other side had such weapons.

M. de Rose thought that our attitude should be determined in part by the Russian attitude. If they opposed it, we also could oppose it on the grounds that it was obviously worthless without Russian agreement. If, on the other hand, the Russians accepted it then we would have to fight it on its merits. He declined to be drawn out as to what he thought would happen.

IO Files : US/A/AC.31/207

*Memorandum of Conversation, by Mr. Joseph S. Sparks, Adviser,  
United States Delegation to the General Assembly*

SECRET

[NEW YORK,] November 9, 1949.

I met Sir B. N. Rau this morning prior to the opening of the *Ad Hoc* Political Committee and Mr. Hickerson's address,<sup>1</sup> to explain to him our position in connection with the Indian resolution on Atomic Energy.

I told Sir B. N. Rau that we had given the most thorough and careful consideration to his resolution, and that we had also examined very carefully Mr. Malik's address of yesterday afternoon.<sup>2</sup> I said

<sup>1</sup> For the record of the 32nd Meeting of the *Ad Hoc* Political Committee, November 9, see GA (IV), *Ad Hoc Political Committee*, p. 179.

<sup>2</sup> At the 31st Meeting of the *Ad Hoc* Political Committee, November 8, Yakov A. Malik, the Soviet Representative, submitted draft resolution A/AC.31/L.28. This proposal specifically assigned responsibility to the United States and the United Kingdom for the failure of the United Nations Atomic Energy Commission to reach agreement and read in operative part as follows: "[The General Assembly] Instructs the Atomic Energy Commission to resume its work to give effect to the General Assembly resolutions of 24 January and 14 December 1946 and forthwith to proceed to the preparation of a draft convention for the prohibition of atomic weapons and a draft convention for the control of atomic energy, it being understood that both conventions should be concluded and put into effect simultaneously." For full text, see GA (IV), *Ad Hoc Political Committee, Annex*, vol. I, p. 69. For the record of the 31st Meeting, see GA (IV), *Ad Hoc Political Committee*, p. 173.



that it was evident to us from Mr. Malik's address that the Soviet bloc had not moved in any way from its stubborn and unproductive position, and that we had reluctantly concluded that it was not possible for us to support the Indian resolution. I said that we were particularly sorry about this decision because of our great esteem and respect for Sir B. N. Rau and our recognition of the constructive motives which were behind his resolution, but that we felt that any approach to the Atomic Energy question which did not include a complete about-face in the Russian stand would be futile and perhaps even dangerously misleading. I said that because of our great personal respect for Sir B. N. Rau, Mr. Hickerson would refrain from mentioning the Indian resolution in his address this morning, and that we hoped that it would not become necessary for us to actively oppose it.

Sir B. N. Rau said that he understood our position, and that he had not really expected the United States to support the Indian resolution. He said, however, that he was convinced in his own mind that his resolution would not hurt us at all, and that it would actually help us. He said that as he would probably observe later in the debate, it seemed to him that the delegations on this question were divided between those who sought to make whatever headway they could, and those who were unimaginative and opposed to partial headway. He said that in particular he felt that the New Zealand Delegation fell in this last category. I said that I was confident that his observation of the United States in the United Nations as a whole had convinced him that we, at least, did not belong in this category. He said that that was so.

Sir B. N. Rau said that he particularly hoped that the United States would leave other countries alone to make up their minds on this question independently. He referred to an experience which he had last year, in which the Greek Delegation told him on a particular question that they had wanted very much to support it, but were not permitted to do so. I assured Sir B. N. Rau that the United States hoped to be able to avoid anything even approaching a campaign against the Indian resolution, but told him that should we be asked by other delegations what our position was, we would, of course, have to make it perfectly clear that we were in support of the French-Canadian resolution as the only measure which we felt productive at this time. Sir B. N. Rau said that this was agreeable to him, and that he very much appreciated the frankness of our discussion and the basis on which we had determined our position. He said that he had listened most anxiously to the Soviet speech yesterday, as he had been afraid that the USSR might support his resolution. Had they done so, he said that, of course, the resolution would have been killed thereby.

Sir B. N. Rau repeated the statement which he has made several times before in private conversation, that the majority plan, in effect,

contemplates a form of world government. He said that as ardent a devotee to the concept of eventual world government as he might be, he was sufficiently realistic to know that world government in any form would not come into existence during his lifetime. It was apparent that our various explanations on this point have made no impression on Sir B. N. Rau and I should be surprised if he did not at least mention this aspect of the problem prior to conclusion of the debate.

IO Files : US/A/AC.31/219

*Memorandum of Conversation, by Mr. Thomas F. Power, Jr., Deputy Secretary-General, United States Mission at the United Nations*

CONFIDENTIAL

[NEW YORK,] November 10, 1949.

When I spoke with General Romulo on other matters at his request, he referred to his appeal on atomic energy saying how pleased he was that as of the middle of the afternoon he had already received 223 congratulatory telegrams from all over the United States.

General Romulo said sadly that he regretted that the United States had been first to pour cold water on his atomic energy appeal. He said he would never have made it except that President Truman had said that we were ready to examine any suggestions for an improvement on the Assembly-approved atomic energy resolution. He recalled that he had not only accepted but had fought strongly for the Assembly's resolution on atomic energy control. He was disappointed, therefore, that the United States had been the first to indicate opposition in our press statement of November 5th.<sup>1</sup> We should have let the Russians pour cold water on his proposal first. He observed that so far he had not had any reaction from the Russians.

I explained to General Romulo that our statement to the press had not been intended to squelch his resolution nor to reject it out of hand. We still maintained the position that if a better plan for atomic energy control could be devised, we were ready to listen.

General Romulo, in remarking on the lack of Russian comment on his proposal (Mr. Vishinsky was just starting his speech at the moment),<sup>2</sup> said that they were so terribly suspicious that he was quite certain they would not react favorably to his suggestion. He said he knew they

<sup>1</sup> On November 5, a United States Delegation spokesman declined to indicate whether a letter had been received from Romulo or what the United States attitude might be on such a communication (*New York Times*, November 6, 1949, p. 1). On November 6, a USDel spokesman said that serious and objective consideration was being given to the Romulo proposal. The *New York Times* described the tone of the American announcement as cool. The *New York Times* also noted that the Soviet, British, French, Canadian, and Chinese Delegations had not yet commented on the subject. (*Ibid.*, November 7, 1949, p. 16)

<sup>2</sup> For the record of the 33rd Meeting of the *Ad Hoc* Political Committee, during which Soviet Foreign Minister Vyshinsky delivered a major address, see GA (IV), *Ad Hoc Political Committee*, p. 185.

considered him to be a stooge and would doubtless roundly berate him as a tool of the Americans.

General Romulo expounded at some length on the world's need for effective atomic energy control and the reasons he had made his appeal. While the world had no fears as long as only the United States possessed the bomb, there were now real grounds for fear that the Russians would use the bomb in a sudden attack. Everyone knew that the United States would never launch an aggressive war and that there would be no sneak attacks from us. However, Stalin had nothing to hinder him from launching a sneak attack on New York or any other city. As long as this possibility existed, the world would fear an atomic war. He commented that the Americans said that it had always been expected that the Russians would develop the atomic bomb sooner or later. However, the fact that they now had it actually changed the situation by increasing men's fears. He said that every possible avenue must be explored to find the means of forestalling atomic warfare.

I observed that the whole difficulty rested in the Russian refusal to accept reasonable and adequate safeguards and that there was no indication from them that they were willing to make the necessary concessions. General Romulo agreed. I said it must be perfectly clear to the whole world that it was the Russians who rejected every effort to achieve adequate protection against atomic warfare. In whatever action the Assembly took it was most important that this should be made clear to the world in language which the man in the street could understand. General Romulo agreed heartily and said that if the Russians continue to reject his and other proposals for atomic energy control, he himself would put the blame squarely on the Russians in a way which everyone would understand.

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#### *Editorial Note*

At the 33rd Meeting of the *Ad Hoc* Political Committee, November 10, José Gorostiza, the Mexican representative, offered certain amendments to the final paragraph of the Canadian-French resolution on atomic energy. The acceptance by the two sponsors of the Mexican suggestions was reflected in draft resolution A/AC.31/L.27/Rev.1, November 10, which was identical with the text subsequently approved by the General Assembly as Resolution 299(IV) (see page 225). Debate on atomic energy continued at the 34th and 35th Meetings, November 10 and 12; for the records of those meetings, see GA(IV), *Ad Hoc Political Committee*, pages 193, 200. For the text of the address delivered by John D. Hickerson, the United States representative, at the 34th Meeting, see *Documents on Disarmament, 1945-1959*, volume I, page 225.

At the 36th Meeting, November 14, 10:45 a. m., the Soviet representative, Yakov A. Malik, presented extensive amendments (A/AC.31/L.31) to the Canadian-French draft (A/AC.31/L.27/Rev.1) which would have rendered that proposal consistent with the established Soviet position. France and Canada did not accept the Soviet amendments. For the record of the 36th Meeting, see GA(IV), *Ad Hoc Political Committee*, page 211; for the text of the Soviet amendments, see GA(IV), *Ad Hoc Political Committee, Annex*, volume I, page 69.

At its 37th Meeting, November 14, 3 p. m., the Committee voted on the proposals before it. It rejected the Soviet amendments (A/AC.31/L.31) by separate votes on each individual amendment. It approved the Canadian-French resolution (A/AC.31/L.27/Rev.1), voted on by a show of hands, 48 to 5, with two abstentions. The Indian resolution (A/AC.31/L.26) was then voted upon by a show of hands and was defeated by a count of 24 to 15, with 18 abstentions. The Soviet proposal (A/AC.31/28) was then voted on paragraph by paragraph and by roll call at the request of the Soviet representative. It was defeated by votes of 51-5-2 (first paragraph), 50-5-3 (second paragraph), and 43-6-9 (third paragraph). For the record of the 37th Meeting, see GA(IV), *Ad Hoc Political Committee*, page 216. For the report of the *Ad Hoc Political Committee* to the General Assembly on this item, A/1119, see United Nations, *Official Records of the General Assembly, Fourth Session, Annex to the Summary Records of Meetings*, page 72 (hereafter cited as GA(IV), *Annex*).

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Policy Planning Staff Files

*Memorandum by Mr. Carlton Savage, Member of the Policy Planning Staff, and the Associate Chief of the Division of Eastern European Affairs (Hooker) to the Director of the Policy Planning Staff (Kennan)*

TOP SECRET

[WASHINGTON,] November 14, 1949.

We have set out below a summary of our tentative conclusions on problems related to the international control of atomic energy. Detailed discussions are included in the attached papers.

1. *National Commission.* We do not favor the appointment of a National commission to reassess the U.S. position on international control. We do favor continuing the investigation of the subject in the Executive Branch of the Government under the leadership of the State Department, but with the counsel of authorities outside the Government. This should produce the same results as a National commission without the dangers inherent in the naming of a public body.

2. *Truman-Stalin Meeting.* We do not favor a Truman-Stalin meeting. We do favor bilateral discussions with the Russians as the occasion may arise, and possibly the eventual meeting of a Presidential emissary with Stalin to discuss not only atomic energy but also related problems.

3. *Newman Proposal.*<sup>1</sup> We do not favor U.S. sponsorship of this proposal, which in itself does not seem practicable or desirable. We do favor investigation of variations of the proposal to ascertain whether a workable compromise on the atomic energy problem can be found.

4. *U.N. Discussions.* We favor a continuation of the U.N. atomic energy discussions, in which discussions we might present certain modifications in the majority plan. The forum for these discussions can be the Six Sponsoring Powers, the U.N. Atomic Energy Commission or any other appropriate U.N. body.

5. *Atomic Energy and Conventional Armaments.* We believe that there should be a high-level Government decision soon to determine whether U.S. security interests require conventional disarmament concurrently with the establishment of the international control of atomic energy.

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<sup>1</sup>Reference is to the position of James R. Newman, former Counsel of the Senate Special Committee on Atomic Energy, whose views were set forth in a radio broadcast on October 26, 1949, and summed up without attribution in the lead editorial of *The New Republic*, November 7, 1949. The essential feature of Newman's viewpoint was advocacy of the prohibition of the production of all nuclear fuels. In his view, there no longer existed the prospect for overridingly important peaceful uses in the foreseeable future. The elimination of the production of nuclear fuels would obviate the necessity for an international agency which was a major obstacle to universal acceptance of the United Nations plan.

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PM Files<sup>1</sup>

*The Chairman of the General Advisory Committee to the United States Atomic Energy Commission (Oppenheimer) to the Counselor of the Department of State (Kennan)*

TOP SECRET

PRINCETON, NEW JERSEY, November 17, 1949.

DEAR MR. KENNAN: You will hardly need to be told how much I appreciated the opportunity that we had yesterday to talk of the present state of the atomic problem.<sup>2</sup> To me, your visit was in all ways inspiring, not only for the important new points of which you told me, but also for the spirit in which you are approaching the problem

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<sup>1</sup>Files retained by the Bureau of Politico-Military Affairs, Department of State.

<sup>2</sup>No record of the conversation under reference has been found in the files of the Department of State.

and for the sympathetic and nondoctrinaire framework of your own views.

Nevertheless, there was one aspect of our talk which left me with some concern. That concern lies in the fear that we may try to move too fast, and with too much definiteness. Specifically, I feel convinced that it would be a mistake to ask the President to sketch in any detail at all what thoughts we may have about the immediate future of the control problem. On the one hand, to do so may again prejudice whatever discussions with the Soviet could take place within the next months. As an example, your suggestion of a moratorium on industrial power, once made by us, could prove a grave embarrassment in discussions with the Russians, though in itself it is a not unconstructive suggestion. It seems to me that the time for plans, proposals and systems unilaterally offered by our Government is past, if it ever existed; and if we ever again come up with a set of proposals, it should be on the basis of some prior agreement.

My second fear is equally grave. To me, the suggestions that you made seemed reasonable and consistent with the highest national interest.<sup>3</sup> They will not seem so to many to whom the notions of safeguards and of effective control have attained a kind of rigid and absolute quality. We must be prepared to meet and overcome the arguments which hold that your proposals are too dangerous. But it appears to me that this cannot possibly be done even within the executive branch of the Government in the present climate of opinion, and in a time short enough to conform to the necessities for a Presidential decision on the "Super". I therefore very much hope that the good work you have done will serve as an illustration of a course which we might well explore and as a proof that such a course does exist; but that it will not be necessary to formulate it explicitly or commit ourselves to it in a public Presidential proclamation of policy. An indication by the President, that without abandoning our long term objectives of international cooperation and open cooperative development, we were nevertheless interested in more modest and shorter term undertakings having the character of a moratorium would most certainly be appropriate; and there are many other things which the President could and might say to give a generally affirmative character to his remarks. On these, I think, we are in basic agreement.

With every warm good wish,

ROBERT OPPENHEIMER

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<sup>3</sup> On January 20, 1950, Kennan submitted an extensive report on the international control of atomic energy to the Secretary of State. This report, which will be treated in a subsequent volume of the *Foreign Relations* series, is described in George F. Kennan, *Memoirs, 1925-1950* (Boston: Little, Brown and Company, 1967), pp. 471-476.

Department of State Atomic Energy Files

*Mr. Gordon Dean, Member of the United States Atomic Energy Commission, to the Deputy Under Secretary of State (Rusk)*

WASHINGTON, November 17, 1949.

DEAR MR. RUSK: I am sure that during the past few weeks you have received and considered many different methods of applying a hypodermic to the United Nations' debates in the field of international control of atomic energy and I trust that I am not presumptuous if I suggest a course of action which has occurred to me within the past few days as deserving of serious consideration.

I think the statements of Andrei Vishinsky during the past week have given the United States an opening to do something rather dramatic; and I am sure that you will agree that something dramatic is needed at this point. I refer specifically to his statements to the effect that the USSR has no objection to opening wide her doors to international inspection and his statements boasting of pretentious large-scale peace-time atomic energy projects behind the Iron Curtain. I think the United States could well afford at this time to invite representatives of all the UN countries, including Russia, to inspect our atomic energy plants upon the condition that the USSR provide the same type of inspection of her plants.

Such an inspection would exclude our purely military installations such as Los Alamos and Sandia, but it would include such American atomic energy installations as Oak Ridge, Hanford, the Argonne Laboratory and Brookhaven. Many of the complicated questions involved in establishing procedures for inspection cannot be settled in the abstract and without a preliminary view of our major installations here and the Russian installations beyond the Iron Curtain. Such a trip as proposed would furnish that preliminary view. I have thought that we might, in making such an offer, stress our interests in peace-time uses, spending considerable time on our principal peace-time achievement, namely the production of radioactive isotopes for use in the fields of biology and medicine, at the same time quite frankly showing them our production centers for uranium and plutonium.

If the Russians did not accept, we would have lost nothing and at least impressed the other countries of the world with our good intentions.

In thinking about this proposal I have visualized that the entire party could be accommodated in two or three airplanes, including a wide representation from the press of the world, and that they might spend approximately two days at each one of the four installations. At each installation they would be taken on a conducted tour but admitted

to certain areas which are presently "classified". Actually, little could be learned by even a competent technician which would be of any real assistance to the improvement of an atomic energy program in any other country. Carefully prepared lectures at each installation, including displays and exhibits, could readily be provided for.

In order to secure the best possible result in this country and be completely understood in all quarters as to our purpose in making such a proposal I would think that it would be wise to explain the proposal not only to the Military Establishment but also to the Joint Congressional Committee on Atomic Energy whose concurrence would be desirable if not essential.

Respectfully,

GORDON DEAN

IO Files

*Resolution Adopted by the General Assembly at Its 25<sup>th</sup> Plenary Meeting, 23 November 1949*<sup>1</sup>

[299(IV)]

[NEW YORK,] 24 November 1949.

#### INTERNATIONAL CONTROL OF ATOMIC ENERGY

*The General Assembly,*

*Recalling* its resolutions 1 (I) of 24 January 1946, 41 (I) of 14 December 1946 and 191 (III) of 4 November 1948,

*Aware* that atomic energy, if used for peace, will lead to the increase of human welfare, but if used for war may bring about the destruction of civilization,

*Anxious* to free humanity from the dangers which will continue to exist as long as States retain under their individual control the development and operation of atomic energy facilities,

*Convinced* that an international co-operative effort can avoid these dangers and can hasten the development of the peaceful uses of atomic energy for the benefit of all peoples,

1. *Urges* all nations to join in such a co-operative development and use of atomic energy for peaceful ends;

<sup>1</sup>The General Assembly considered the report of the *Ad Hoc* Political Committee on agenda item 23, the international control of atomic energy (A/1119), at its 253rd and 254th Meetings, November 23. At the 254th Meeting, the Assembly adopted the resolution recommended by the Committee. The vote was 49-5 (the Soviet bloc), with three abstentions (Israel, South Africa, and Yugoslavia). The Soviet representative then asked for a roll call, paragraph by paragraph vote on Soviet proposal A/1120, a draft identical with document A/AC.31/L.28 which had been rejected in committee. The General Assembly rejected the Soviet text by votes of 50-5-1 (paragraph 1), 51-5-1 (paragraph 2), and 41-6-10 (paragraph 3). For the record of the 254th Meeting, see GA (IV), *Plenary*, p. 344.



2. *Calls* upon Governments to do everything in their power to make possible, by the acceptance of effective international control, the effective prohibition and elimination of atomic weapons;

3. *Requests* the permanent members of the United Nations Atomic Energy Commission to continue their consultations, to explore all possible avenues and examine all concrete suggestions with a view to determining whether they might lead to an agreement securing the basic objectives of the General Assembly in this question, and to keep the Atomic Energy Commission and the General Assembly informed of their progress;

4. *Recommends* that all nations, in the use of their rights of sovereignty, join in mutual agreement to limit the individual exercise of those rights in the control of atomic energy to the extent required, in the light of the foregoing considerations, for the promotion of world security and peace, and recommends that all nations agree to exercise such rights jointly.

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Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson<sup>1</sup> to the Secretary of State*

SECRET

[WASHINGTON,] November 30, 1949.

Subject: United States Participation in the Future Work on International Control of Atomic Energy in the United Nations

On November 23, the General Assembly passed by a vote of 49 for, 5 against, 3 abstentions and 2 absent, a resolution sponsored by France and Canada and supported by the United States (See Tab A<sup>2</sup>). This resolution, by implication, reaffirmed the plan of control and prohibition already adopted by the General Assembly and requested the Six Permanent Members of the UNAEC (Sponsoring Powers) to continue their consultations. It is important to realize that the Sponsoring Powers have been asked to find a *basis for agreement* in their consultations. This differs from the task of the UNAEC, which was to develop specific proposals for control and prohibition. If a basis for agreement can be found, the UNAEC would resume its work.

During the debate, it was made known, and France and Canada formally promised, that the various proposals and suggestions which might yield some progress toward agreement, made during the General Assembly, would be given serious and objective consideration by the Six Sponsoring Powers. In the Twelfth Meeting of the Sponsoring Powers held on November 18,<sup>3</sup> Mr. Hickerson, Chairman for that meet-

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<sup>1</sup> Special Assistant to the Under Secretary of State on atomic energy policy.

<sup>2</sup> *Supra.*

<sup>3</sup> The record of the 12th Meeting, during which discussion was confined to procedural matters, is not printed.

ing; took note of the letter sent to the Six Powers by President Romulo (See Tab B<sup>4</sup>) and indicated the intention of the group to study it at the appropriate time. Other suggestions were made by India (See Tab C<sup>5</sup>) and Argentina (See Tab D<sup>6</sup>). These latter were submitted as resolutions and rejected by the *Ad Hoc* Political Committee of the General Assembly. A Soviet resolution (See Tab E<sup>7</sup>) was rejected overwhelmingly in both the committee and plenary. A suggestion that a U.N. mediator be appointed was made by Venezuela.<sup>8</sup>

The program of work envisaged for the Sponsoring Powers in searching for a basis for agreement is, therefore, as follows:

1. Continue the consultations on the list of control principles submitted by the United Kingdom<sup>9</sup> which had not been completed prior to the submission of the Interim Report<sup>10</sup> of the Sponsoring Powers. One of the items not yet fully discussed is the question of stages. (See Tab F for the Interim Report, and Tab G for the Five Power Statement on this report,<sup>11</sup> to which is appended the United Kingdom list of control principles.)

2. Examine the various proposals and suggestions made during this General Assembly; in particular, the suggestions made by President Romulo.

3. After careful study of the Soviet statements made in this General Assembly on the subject of atomic energy control in order to determine whether there had been any modification of the Soviet position, to verify the accuracy of any such interpretation in the forum of the Sponsoring Powers. In particular, Vishinsky's statements on quotas and inspection should be probed further.

4. To determine whether, but only after consultation with the friendly powers, any modifications, elaborations or further exposition of the present plan are possible and desirable. If so, to discuss them informally in this body.

5. To consider, with the friendly powers, the advisability and desirability of coordinating the implementation of international control (stages) with the implementation of a system for the regulation and reduction of conventional armaments.

<sup>4</sup> Dated November 3, p. 207.

<sup>5</sup> For the text of the Indian proposal, A/AC.31/L.26, see GA (IV), *Ad Hoc Political Committee, Annex*, vol. I, p. 68.

<sup>6</sup> The Argentine proposal, introduced at the 34th Meeting of the *Ad Hoc* Political Committee, November 11, requested the permanent members of the Atomic Energy Commission to secure a provisional arrangement including renunciation of the use of atomic weapons for purposes of aggression; for the text of this draft, A/AC.31/L.30, see *ibid.*, p. 70.

<sup>7</sup> For partial text, see footnote 6, p. 37.

<sup>8</sup> The Venezuelan suggestion was presented at the 33rd Meeting of the *Ad Hoc* Political Committee, November 10; for the record of the remarks of Carlos E. Stolk, the Venezuelan Representative, at that meeting, see GA (IV), *Ad Hoc Political Committee*, p. 189.

<sup>9</sup> For text, see GA (IV), *Suppl. No. 15*, p. 36.

<sup>10</sup> For text, see, *ibid.*, p. 3.

<sup>11</sup> For text, see *ibid.*, p. 33.

It is anticipated that the Sponsoring Powers will meet about once a fortnight.

The above program of work is extensive, complicated and requires careful and delicate handling. Above all, it requires the presence in New York of a man who is familiar with, and competent to deal with, this problem. As you know, Mr. Osborn, for personal reasons, is reluctant to continue in this work. However, I have reason to believe that he could be persuaded to continue through this next phase of our negotiations, provided he were not asked to devote full time to the work and had a capable assistant in New York.

It is my recommendation that Mr. Frederick Osborn should be asked to continue, with Mr. John C. Ross as his assistant. I have gone over this memorandum with Mr. Hickerson and he is in full agreement.

Mr. Hickerson would, of course, continue to take part in planning our operations in the consultations as may be required, this office continuing to exercise action responsibility on this subject.

I think it important that the request that Mr. Osborn stay on as Deputy United States Representative on the United Nations Atomic Energy Commission come from you personally. If you agree with this recommendation, I could arrange for Mr. Osborn to see you at your convenience.

R. GORDON ARNESON

IO Files : US/A/2208

*United States Delegation Position Paper*

RESTRICTED

[NEW YORK,] December 3, 1949.

REGULATION AND REDUCTION OF CONVENTIONAL ARMAMENTS AND ARMED FORCES: REPORT OF THE AD HOC POLITICAL COMMITTEE (A/1151)<sup>1</sup>

1. *United States Position*

In accordance with Position Paper US/A/AC.31/8,<sup>2</sup> the United States should vote in favor of the Resolution approved by the *Ad Hoc*

<sup>1</sup>The *Ad Hoc* Political Committee considered the resolutions of the Security Council on regulation of conventional armaments (see editorial note, p. 189) at its 38th-43rd Meetings, November 15-24. At the 38th Meeting, November 15, the French Representative introduced a French-Norwegian draft resolution, A/AC.31/L.33/Rev. 1, which was adopted at the 42nd Meeting, November 19. For the report of the *Ad Hoc* Political Committee on this item, A/1151, see GA (IV), *Annex*, p. 75. For the text of the resolution contained in the report, see General Assembly Resolution 300 (IV), p. 242.

<sup>2</sup>Of September 24, p. 172.

Political Committee entitled, "Regulation and Reduction of Conventional Armaments and Armed Forces."

The United States should vote against the Soviet draft resolution (A/1169) which was rejected by the Committee and has been re-introduced for consideration by the Plenary Session.

In order to make clear that Soviet intransigence alone is responsible for the inability of the Security Council to recommend that the census and verification proposals made by the Commission for Conventional Armaments be put into effect, the United States should make a statement in the Plenary Session.

## 2. *History in the Committee*

Two draft resolutions were presented to the *Ad Hoc* Political Committee. The first of these co-sponsored by France and Norway, was, without alteration, approved by the Committee by a vote of 42 to 5 (Soviet bloc), with 5 abstentions, and is the Resolution now pending before the General Assembly in Plenary Session. The second draft resolution was introduced by the Soviet Union and merely provided that "The General Assembly deems it essential that the States should submit both information on armed forces and conventional armaments and information on atomic weapons." This draft resolution was rejected by a vote of 6 for (Soviet bloc and Egypt) and 30 against, with 14 abstentions. (A practically identical resolution had been introduced by the Soviet Union in the Security Council where it failed of acceptance by a vote of 3 in favor (U.S.S.R., Ukraine and Egypt), 1 against (China) and 7 abstentions.) In the debate on the two draft resolutions, principal statements in support of the French-Norwegian draft resolution, and in opposition to the Soviet draft resolution, were made by the representatives of France, Norway, U.K., Australia and U.S., with Canada and China submitting brief supporting statements. The five States in the Soviet bloc spoke at length in opposition to the French-Norwegian draft resolution and in support of the Soviet draft resolution. Lengthy statements were also made by Egypt, Yugoslavia, Colombia, Chile, Venezuela, and Uruguay, principally in the vein of disappointment at the inability of the larger powers to resolve their differences. Brief statements rebutting Soviet charges of U.S. influence and domination were made by Iran, Saudi-Arabia, Greece-Turkey, and the Philippines.

## 3. *Possible Developments in Plenary*

It is anticipated that the Resolution approved by the *Ad Hoc* Political Committee will receive a substantial majority in the Plenary and that the Soviet resolution will be rejected. The United States

should vote against the Soviet resolution on the two grounds noted by its spokesmen in the Security Council and the *Ad Hoc* Political Committee, viz. (1) Failure to provide for adequate verification of data submitted, and (2) Attempt to merge problems relating to conventional armaments and armed forces with those relating to atomic energy and atomic weapons.

It is possible that a question will arise in Plenary concerning the title of the pending Resolution, as well as the title or heading to be used in the future with reference to matters concerning conventional armaments and armed forces. The agenda item dealing with these matters in the Fourth General Assembly bears the title, "Prohibition of the Atomic Weapon and Reduction by One-Third of the Armaments and Armed Forces of the Permanent Members of the Security Council." This is also the principal heading on the Report of the *Ad Hoc* Political Committee (A/1151). This title is a carry-over from the Third General Assembly, where it first appeared as the title of a draft resolution introduced by the Soviet Union, and where it was thereafter used as the title of the agenda item dealing with matters relating to conventional armaments and armed forces. Despite the fact that the Soviet Resolution was overwhelmingly rejected by the Third General Assembly, which adopted in its place the Resolution of November 19, 1948, calling for the formulation of the census and verification proposals discussed above, the title of the Soviet Resolution (as the title of the agenda item) continued to be used and was actually carried over as the designation of the corresponding item on the agenda of the Fourth General Assembly. The ineptitude of the title was pointed out in the *Ad Hoc* Political Committee, where the President ruled that, since it was a part of the approved agenda, it would have to continue to be used, but that in the event the Resolution approved by the Committee were also approved by the General Assembly in Plenary, it was assumed that it would be replaced by the title of the Resolution, viz. "Regulation and Reduction of Conventional Armaments and Armed Forces."

In the plenary, a proposal may be made—as the Chair may rule—that the permanent record should carry the title of the resolution rather than that of the agenda item. Reference to this point should be made in the speech of the United States Representative. In addition, following the precedent established in the voting on the resolution entitled "Essentials of Peace", the Delegation should arrange to have a separate vote requested on the title of the French-Norwegian resolution, to ensure beyond any doubt that it will be carried in the permanent record.

Department of State Atomic Energy Files

*Minutes of a Meeting at the United States Mission at the United Nations, New York, December 5, 1949, 9:30 a. m.*

SECRET

Present: Ambassador Gross <sup>1</sup>  
 Mr. Noyes <sup>2</sup>  
 Mr. J. Hyde <sup>3</sup>  
 Mr. Maffitt <sup>4</sup>  
 Mr. B. H. Brown <sup>5</sup>  
 Lt.-General W. D. Crittenger—USA  
 Lt.-General H.R. Harmon—USAF  
 Vice Admiral B. H. Bieri <sup>6</sup>—USN  
 Brig.-General Robert M. Bathurst <sup>7</sup>—USA

Ambassador Gross opened the meeting by explaining that Ambassador Austin on Friday had asked him to review the history of developments under Article 43 and to prepare a Mission position on General McNaughton's suggestion that this question be reviewed during his presidency of the Security Council in December. Ambassador Gross said the meeting had been called to discuss the problem in the light of Ambassador Austin's view that the U.S. Government should be receptive to any developments which promised progress in this field. Ambassador Gross had spent the weekend diligently reviewing the file on the subject but felt that he still had much to do in the way of preparation. He had noted a May, 1948, SANACC memorandum <sup>8</sup> indicating that the Military establishment at that time had considered unsound a State Department proposal that the possibility be explored of the United States making an offer under Article 43. The point was made that as long as Russia was in a position to veto decisions in the Security Council, there could be little use in making forces available to the Council. It was also felt that, due to commitments undertaken by the United States to allocate forces for other purposes, the furnishing of troops under Article 43 might be difficult.

<sup>1</sup> Ambassador Ernest A. Gross, Deputy United States Representative at the United Nations.

<sup>2</sup> Charles P. Noyes, Deputy United States Representative to the Interim Committee of the United Nations General Assembly.

<sup>3</sup> James N. Hyde, Adviser, United States Mission at the United Nations.

<sup>4</sup> Edward P. Maffitt, Adviser, United States Mission at the United Nations.

<sup>5</sup> Benjamin H. Brown, Chief of the Reporting and Documentation Division, United States Mission at the United Nations.

<sup>6</sup> Vice Adm. B. H. Bieri, United States Naval Representative to the United Nations Military Staff Committee.

<sup>7</sup> Brig. Gen. R. M. Bathurst, Deputy United States Army Representative to the United Nations Military Staff Committee.

<sup>8</sup> The memorandum under reference has not been specifically identified; for documentation on the question of forces to be placed at the disposal of the United Nations Security Council, see *Foreign Relations*, 1948, vol. 1, Part 1, pp. 311 ff.

Ambassador Gross went on to say that the most recent policy statement by the State Department seemed to be in Deptel No. 6 [5], January 6, 1949, 7:00 p. m., stating that there was serious reservation as to whether it would be advantageous to press for implementation of Article 43 at that time, and whether the United States could in fact make armed forces available. The telegram concluded that under these circumstances, Security Council discussions were definitely undesirable.

More recently, Ambassador Gross continued, General McNaughton had raised the question of possible discussions during his presidency in December. The Department, in reply to the Mission's query, had stated in Deptel 621, November 29, 6:00 p. m.<sup>9</sup> that the U.S. position with respect to Article 43 forces was now under review. The telegram expressed the thought that while the United States might welcome conversations as suggested by General McNaughton, it appeared unlikely that we would be prepared to discuss the problem during the Canadian presidency.

Ambassador Gross concluded his introductory remarks by stating that he hoped to have a brief general discussion of the problem to ascertain the present position in the light of all relevant factors. He wondered whether General Crittenger might take up the matter from there.

General Crittenger said he also understood that we remained under the guidance of Deptel No. 6 [5] of January 6. He thought there might have been changes since that time, but nevertheless the instructions stood. General Crittenger had spent the past week with General Bradley,<sup>10</sup> who had remarked that if, from a political standpoint, it was desirable to discuss Article 43 in the Security Council, the safest course would be to confine the discussions to general principles, which the Council had had under discussion for some time. General Crittenger personally was of the opinion that the Military position was sound. The North Atlantic Treaty represented a large commitment and made it questionable whether forces could be made available under Article 43. If it proved to be politically desirable to undertake discussions with other members of the Council, General Crittenger saw no harm in doing so, if the conversations were private and not public, but he could not express optimism that anything realistic would be accomplished.

Admiral Bieri, agreeing with General Crittenger, remarked that when one thought of the purposes for which Article 43 forces would be used, it was plain that nothing could be gained by establishing such forces as long as the Soviet Union remained in a position to veto their use. He agreed that implementation of Article 43 had been made ex-

<sup>9</sup> Not printed.

<sup>10</sup> General Omar N. Bradley, Chairman of the Joint Chiefs of Staff.

ceedingly difficult in view of the military commitments of the United States under the North Atlantic Treaty.

General Harmon also concurred in the above analysis. He thought that to reopen the question at this time would merely stir up acrimonious debate.

Ambassador Gross asked the representatives of the Military Staff what they thought might be behind General McNaughton's suggestion. General Crittenberger replied that in his estimation General McNaughton was a sincere man acting from high motives. Something like fifty-five members of the GA had supported a declaration in favor of world peace, and in General McNaughton's mind, one of the means of making good this declaration was implementation of Article 43. General Crittenberger thought General McNaughton sincerely desired to exhaust all possibilities in this connection. General Crittenberger recalled that during the Canadian presidency in January, 1949, the question had been raised, and indeed it was that which had prompted the statement of policy in Deptel No. 6 of January, 1949.

Ambassador Gross said he wanted also to get an expression of opinion on the relationship between the work of the CCA, the AEC and efforts to implement Article 43. He wondered whether any general analysis or synthesis had been made putting these various elements in their proper relationship one to the other. Specifically, he wondered what consideration had been given to implementation of Article 43 in terms of the U.S. positions in the CCA and AEC.

Mr. Noyes remarked that the majority of the CCA had agreed on the principle that no further progress could be made toward the control of conventional armaments until the Five Powers found it possible to move forward under Article 43. The CCA had made this statement of principle at the suggestion of the United States. Unfortunately, the USSR thus was able to claim that the United States was setting up barriers which it knew in advance were insuperable. In other words, they claimed we made progress in the CCA conditional on implementation of Article 43, and at the same time we had abandoned efforts to fulfill this condition. The USSR argued that the majority should drop this stipulation in the CCA or get on with business in the MSC and Security Council with a view toward implementation of Article 43. Mr. Noyes recalled that the MSC had got two-thirds of the way through its consideration of general principles and that during this phase it was the Russians who were holding things up. Since that time, however, the effort to complete agreement on general principles had been dropped, and the Russians were asking why. Mr. Noyes said the difficulty plagued us in many ways. For example, in working out a substitute for the Soviet Peace Pact Proposal,<sup>11</sup> it had been necessary

<sup>11</sup> For documentation on the "Essentials for Peace" Resolution, see vol. II, pp. 72 ff.



to avoid reference to the implementation of Article 43, although many other instances were mentioned where the cooperation of the Great Powers might advance the cause of peace. Mr. Noyes said his point was that if the United States left a record which could be interpreted as preventing implementation of Article 43, we would not leave as good a picture as we might. He thought that if the United States went ahead and got a nine-to-two vote on general principles and then stopped, the position would be a sound one. As it was, failure to complete the effort to get agreement on general principles created an embarrassing situation which was hard to justify.

General Crittenberger agreed that from a propaganda standpoint this might be unfortunate. He observed, however, that the fact remained it was the Russians who had really blocked progress in getting full agreement on general principles.

Mr. Hyde said he had heard that a group of New York lawyers had been corresponding with Congressional leaders, urging that a string be attached to money appropriated under the North Atlantic defense arrangements so that forces supplied from these funds might be made available to the Security Council in carrying out its responsibilities under the Charter. Judging from the response they had received, the group felt that this possibility was not foreclosed.

General Harmon said he thought it was necessary to review some of the more basic questions which underlay all policy considerations with respect to implementation of Article 43. In his own personal opinion, General Harmon thought it had been a mistake to incorporate Article 43 in the Charter. He felt that implementation of this Article might conceivably create a false sense of security in the public mind. At the same time, if the Five Powers could really agree, there would be no need for an international force. General Harmon was unable to see how such an international force could have been used in any of the situations with which the Security Council had dealt, including Palestine and Indonesia. He thought the practical difficulties of organizing such an international force were well-nigh insurmountable. He wondered whether at the present time it was in the best interests of the United States to continue efforts to implement Article 43 or whether it would not be better to play it down and, instead, advance the idea that implementation was no longer necessary. General Harmon himself favored the latter course and felt that the ground should be prepared so that thought and opinion would be ready to accept this idea.

Ambassador Gross recalled that the idea of implementing Article 43 had been reaffirmed time and again by United States representatives at the very highest level. He was interested in getting a concensus on this question: Would it be advantageous or disadvantageous to discuss with the United Kingdom and France the question of general principles at this time? In other words, would there be tactical and propa-

ganda advantages (or, on the other hand, disadvantages from the military standpoint) if the three Powers were to discuss their differences of opinion with respect to general principles?

General Crittenberger said there might be political advantages and that so far as he could see there would be no military disadvantages, so long as the conversations were restricted to the Three Powers named.

Ambassador Gross said he had been struck by the thought that the signature of the Atlantic Treaty might have important implications with respect to implementation of Article 43. He wondered whether the North Atlantic Treaty arrangement, with its implied integration of armed forces, might not affect the position with respect to Article 43 in the sense that forces could now be made available on a regional basis. Under the Atlantic Pact, the armed forces of the signatories would presumably be arranged in such a way as to be able to respond to a quick call by the Council under the Treaty. Similarly, might not these pooled forces—or at least those of France, the United Kingdom and United States as the three members of the MSC who have signed the Atlantic Treaty—be made available under Article 43, if the necessary prior agreements could be reached?

Admiral Bieri said he did not see how the signature of the Atlantic Pact altered the situation. As long as Russia remained the real threat to peace, there was really no use in endeavoring to set up armed forces in company with hers.

Ambassador Gross said he had in mind how the Atlantic Treaty arrangements might affect our dealings with the United Kingdom and France. He wondered if we did not have a different problem now with respect to these two Powers and if, together with them, we might not advance a common front on Article 43 in the light of the new treaty relationship. After all, the Atlantic Pact forces would have responsibility for policing the North Atlantic area. This suggested the possibility that forces might conceivably be made available to the Security Council from this regional group. Ambassador Gross said he had not yet gone very far in his study of Article 43; he simply threw out this suggestion for discussion, wondering if it might not have something in it. He thought possibly it was an item for consideration by the Defense Committee or Council under Article 9 of the Atlantic Treaty.

General Bathurst recalled that he had raised the question some months ago with his military colleagues and it had seemed at that time impractical from a military standpoint to alter our approach to Article 43 as long as the veto existed. It was generally felt that there would be no profit in exploring this question further, and the proposal got nowhere. Perhaps this had been the wrong answer, but it was the answer arrived at at the time.

Ambassador Gross said he did not mean to suggest that this was the wrong answer. His thinking was tentative. He merely raised the question, on what basis should the US, the UK and France approach the question of Article 43 implementation? He wondered whether it was not important that the three Powers reach a solid front on general principles with respect to Article 43. He thought this was the point which Mr. Noyes had made before leaving the meeting, and he wished to invite discussion of it.

General Crittenberger asked whether the idea was to stimulate discussion in the Security Council or to promote private discussion among the three Powers. Ambassador Gross said he would judge that Deptel 621 ruled out discussion in the Security Council at the present time. The next question in his mind was, would it be of value to get a tripartite position in discussions with the UK and France—in other words, to form a common front on the question of general principles.

General Crittenberger repeated that there might be political advantages in this course and that he personally could see no corresponding military disadvantage. He asked what the other MSC representatives thought.

Admiral Bieri stated that in his opinion there would be no objection to discussion along these lines so long as it did not go beyond the three Powers named. Actually, the US, UK and France were not far apart on general principles. It might also be useful to ascertain the attitude of these powers toward the idea which General Harmon had expressed that it would be unwise, under present circumstances, to proceed with efforts to implement Article 43.

Mr. Maffitt said that so far as he could recall there were only three out of some forty-odd principles which had not yet been agreed by the US, UK and France.

Ambassador Gross said it was General Harmon's idea which had prompted him to raise the possibility of discussion with the UK and France. His question derived, in fact, from the point General Harmon had raised. He had in mind that we might sound out these two Powers as to their general attitude, from a military standpoint, on the implementation of Article 43.

General Crittenberger said it was the hard lot of the Military representatives always to carry a heavy bucket on each shoulder. One was the commitment of the United States to support the United Nations and all its works; the other was the military security of the United States. He questioned whether such a discussion as Ambassador Gross had suggested could, with propriety, be initiated in this small group or whether it was not properly a matter for the President and Congress, who might *not* be disposed to recede from the position so frequently taken in public on Article 43.

Ambassador Gross said he wanted to make it clear that he could not agree or disagree at present with the ideas advanced by General Harmon. Frankly, he was not sufficiently familiar with the matter to take a position. He had noted, however, that since 1946, when the matter had first arisen, the Mission and the Department in turn had from time to time tentatively put a foot in the water and, upon finding it too cold, had withdrawn. He referred to Deptel No. 381, August 29, 1947, to Embassy, London.<sup>12</sup> It was here stated that in pursuit of the U.S. objective of getting forces allocated to the Security Council as soon as possible, consideration was being given to proposing that the General Assembly, at its regular 1947 Session, consider accelerating the implementation of Article 43, and, specifically, that the Assembly recommend (1) to GA Members that they tender offers of forces before March 31, 1948, and (2) to the Security Council that it accept such offers as agreements, thus effectuating a provisional implementation of Article 43, pending completion of SC consideration of general principles. This suggestion had been discussed with the British Foreign Office, and Ambassador Gross understood that they had turned it down cold. Again, in 1948, the Department in Deptel No. 384, June 11, 1948, to USUN<sup>13</sup> had stated it was considering whether or not some action in the Article 43 field should be taken in the SC prior to the 1948 Session of the General Assembly. Judging from these cables, it seemed that it had been the Department of State which wished to stimulate activity in this sphere. However, Deptel 166 [5], January 6, 1949, seemed to indicate otherwise.

General Harmon said he wanted to have it understood that nothing in his previous remarks should be taken to indicate that he represented a subversive element in the meeting. He conceded that the policy question of whether or not to implement Article 43 was a matter for the President, the Secretary of State and Congressional leaders. It would have to be decided at the highest level, and not in an informal meeting such as the present one. In General Harmon's personal opinion, however, a good deal of altruistic thinking had gone into the writing of the Charter. In response to a question by Mr. Maffitt, General Harmon said he did not feel that altruistic ideas were necessarily impractical ideas. He was not a student of diplomacy, but he recalled that in the days of the League of Nations these same questions had been discussed and that many people had the mistaken idea that the League had failed because it had not been possible to supply an international force. Actually, he thought the failure of the League lay in other causes altogether.

<sup>12</sup> For the text of the telegram under reference which was sent to the Embassy in the United Kingdom as 3762 and repeated to the United States Mission in New York, see *Foreign Relations*, 1947, vol. I, p. 623.

<sup>13</sup> Not printed.

Admiral Bieri said he personally was inclined to agree with General Harmon. He had found no indication that the authors of Article 43 had given any serious thought to the important question, who was expected to upset the peace? In considering a military program, it was necessary to make certain assumptions. One always asked: from what quarter is trouble to be anticipated? If no assumption were made, the military aspects of the problem could be considered only in the abstract and not realistically.

Ambassador Gross said that without having made any historical investigation to find out what was in the minds of the authors, he thought it was pretty certain, in view of subsequent statements and developments, that there never had been any intention to use forces contemplated under Article 43 outside or beyond the veto system. The main difficulty in his mind was the relationship between Article 43 and the general question of the control of armaments. One policy statement after another had underscored the fact that in the U.S. view no control of armaments could be achieved without prior progress in implementing Article 43. Secretary Marshall, in his opening address at the 1947 GA,<sup>14</sup> had used the word "presuppose", saying that the regulation of armaments "presupposed" the implementation of Article 43. Ambassador Gross said he thought General Harmon's comment should be considered in relation to this pronouncement by the Secretary of State and similar statements by other government leaders. If U.S. policy with respect to Article 43 were reviewed and if the conclusion suggested by General Harmon were adopted, would it then be necessary to discard all hopes of armament control?

General Crittenberger asked whether the purpose of the present meeting was not to determine the attitude the United States should take in the Security Council in December on the question of Article 43 forces. The question was to talk or not to talk. If it were felt politically advisable to enter into the discussions suggested by General McNaughton, that was one thing. Senator Austin had said we would be receptive to any ideas General McNaughton or others might advance. This was a political question. From a military point of view, General Crittenberger could see no advantage in such discussions.

Ambassador Gross said the Department's November 29 telegram seemed to indicate that there would be no discussion of Article 43 in the Security Council in December. He thought it put a stopper on that. He believed it was a correct interpretation of Senator Austin's

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<sup>14</sup> For the text of Secretary Marshall's speech at the 82nd Plenary Meeting of the General Assembly, September 17, 1947, during the general debate phase of the 2nd Regular Session, see United Nations, *Official Records of the General Assembly, Second Session, Plenary Meetings*, vol. I, pp. 19-27.

view to say that we should keep an open mind, but not plunge precipitously. Ambassador Gross felt there was much of value in having a frank and open discussion of this nature by those concerned with the problem in the U.S. Mission and in the U.S. Military Staff.

Mr. Maffitt said the British apparently had told the Canadians that they did not wish to discuss the question in the Security Council at the present time. The French, he understood, were consulting their Foreign Office and did not yet have instructions.

General Crittenberger said he did not wish to take exception to Senator Austin's statement that the United States should be "receptive". He fully agreed that we should have an open mind on these questions and often had said this to Ambassador Austin. At the same time, the broader aspects of the problem should not be forgotten. It was important to know in what way Article 43 forces were to be employed. So far as he could see, there was no way to employ them to any effect as long as decisions were subject to veto. As General Harmon had observed, it was inconceivable that Security Council forces, had they been available, would have been used in Palestine or Indonesia. General Crittenberger wondered whether the United States would be willing to have SC forces employed in the Caribbean. Would the UK be willing to have them in the Mediterranean or the North Sea? Would the USSR allow them in the China Sea? These were admittedly difficult questions, but General Crittenberger wondered if Ambassador Gross had any thoughts regarding them.

Ambassador Gross said he fully realized the difficulties pointed out by General Crittenberger and that he had no thoughts to offer. In his view the question at hand was tactical and psychological. Ambassador Gross recalled that during the past week, at the Department's request, he had chaired a meeting in Washington of private citizens who were asked to come in as consultants and give their views on World Federalism and related topics and on the possibilities of amending the Charter. Hamilton Fish Armstrong,<sup>15</sup> Justice Roberts,<sup>16</sup> Harold Urey<sup>17</sup> and Robert Hutchins,<sup>18</sup> among others, had attended. It was clear from these discussions that the idea of World Federalism was gaining. A hundred and ten members of the House of Representatives had indicated their support of the principle. In this connection, the question of implementing Article 43 always came up. It was a question on which public opinion was highly sensitive. At the next

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<sup>15</sup> Director of the Council on Foreign Relations.

<sup>16</sup> Owen J. Roberts, Justice of the Supreme Court of the United States.

<sup>17</sup> Dr. Harold C. Urey, Professor of Chemistry and Member of the Staff of the Institute for Nuclear Studies, University of Chicago.

<sup>18</sup> Chancellor of the University of Chicago.

session of the Congress, both the Senate Foreign Relations Committee and the House Foreign Affairs Committee would start hearings in connection with the resolutions before the two Houses. The Department of State had already been asked to be ready to present its views. All in all, there would have to be discussion as to where Article 43 fitted in with the general question of world government and of the sacrifice of national sovereignty. Ambassador Gross hoped that a series of meetings such as the present one would help to clarify everyone's thinking, and he hoped such a suggestion would not be considered out of order.

General Crittenberger said the suggestion was not at all out of order. The MSC representatives had thought about these matters and would welcome an opportunity to discuss them with the political representatives.

Ambassador Gross said he was interested in the matter on two counts. In the first place, Ambassador Austin had asked him to handle the question of Article 43 forces if, as, and when it came up in the SC. He was also assisting the Department in formulating a position on World Federalism and related suggestions.

Mr. Maffitt asked whether it was agreed that USUN Political Advisers might discuss the question of Article 43 privately with the British, French and Canadians. General Crittenberger said he did not see how such discussions could be avoided. Ambassador Gross said that, not being familiar with procedures generally followed in New York, he wished to know whether it would not be in order for representatives of the Military Staff to accompany political officers when these conversation were conducted.

General Crittenberger said he thought each case should be decided on its own merits. The Military Staff representatives were always available. He had consistently taken the position, however, that he and his colleagues represented the military point of view and that it might not be understood by other Delegations if they stepped out of bounds to discuss political questions. For this reason, he had opposed the suggestion, which had been made at one time, that Military representatives should be used as political liaison officers.

Ambassador Gross said that this was a matter of procedure in connection with which the established pattern should be followed. He agreed with General Crittenberger that each case should be decided on its own merits.

General Bathurst said he wanted to clarify the situation by pointing out that while these questions had a political aspect which should be handled primarily by the political experts, the Military Staff repre-

representatives realized that there was a military side too and that since the dividing line was not always clear, the Military representatives were more than glad to be consulted when it was felt that their advice would be useful.

Mr. Maffitt said he took the consensus to be that the question of deciding whether or not to discuss Article 43 questions with the UK and France should be decided by USUN political officers, as well as the question whether it would be necessary to get prior Departmental clearance. It was so agreed.

General Harmon, reviewing what had been said concerning the relationship between US policy in the CCA and in the MSC, remarked that in his opinion it was important and urgent to consider whether, if the effort to form Article 43 forces were abandoned, some progress toward control of armaments might not nevertheless be made.

Ambassador Gross said that, although U.S. policy had heretofore been based on the idea that progress in the CCA presupposed progress under Article 43, he could not conceive that this formula would be applied so literally as to block all possibility of control of armament, in the event that our position on Article 43 were revised. He could not imagine that a way would not be found to continue efforts in the field of armament control. He said, however, that General Harmon's warning note was appreciated and had been noted.

General Crittenberger said he had been told that Mr. Nash on Saturday, December 3, had expressed the opinion that the U.S. Delegation should meet with the UK and France to discuss whether or not to take up the question of Article 43 forces in the month of December.

Ambassador Gross said he thought this matter was of general concern in the Mission and in the Department and that everyone involved should get in on the act in an appropriate way. In reviewing the U.S. position, Washington, in Ambassador Gross' estimation, should take into account the views expressed by those who were handling this and related matters in New York.

At the close of the meeting, General Crittenberger said he had particularly welcomed the opportunity to participate in the discussion, since on Thursday, December 8, the MSC would convene under his chairmanship and it would be helpful to him to be apprised of all developments. He said he would be grateful if he could be kept informed of any new developments that might occur before the MSC meeting.

B. H. BROWN



10 Files

*Resolution Adopted by the General Assembly at Its 268th Plenary Meeting, 5 December 1949*<sup>1</sup>

[300(IV)]

[NEW YORK,] 6 December 1949.

REGULATION AND REDUCTION OF CONVENTIONAL ARMAMENTS AND  
ARMED FORCES<sup>2</sup>

*The General Assembly,*

*Recalling* its resolution 192 (III) of 19 November 1948, and in particular its recommendation that the Commission for Conventional Armaments, in carrying out its plan of work, devote its first attention to the formulation of proposals for the receipt, checking and publication, by an international organ of control within the framework of the Security Council, of full information to be supplied by Member States with regard to their effectives and their conventional armaments,

*Having examined* the records of the discussions in the Security Council and in the Commission for Conventional Armaments regarding the implementation of the above-mentioned recommendation,

1. *Approves* the proposals formulated by the Commission for Conventional Armaments for the submission by Member States of full information on their conventional armaments and armed forces and the verification thereof, as constituting the necessary basis for the implementation of the above-mentioned recommendation;

2. *Considers* that the early submission of this information would constitute an essential step towards a substantial reduction of conventional armaments and armed forces and that, on the other hand, no agreement is likely to be reached on this matter so long as each State lacks exact and authenticated information concerning the conventional armaments and armed forces of other States;

3. *Notes* that unanimity among the permanent members of the Security Council, which is essential for the implementation of the above-mentioned proposals, has not yet been achieved;

4. *Recommends* therefore that the Security Council, despite the lack of unanimity among its permanent members on this essential feature of its work, continue its study of the regulation and reduction of conventional armaments and armed forces through the agency of the Commission for Conventional Armaments in accordance with its plan of work, in order to make such progress as may be possible;

<sup>1</sup> General Assembly Resolution 300(IV) was adopted by a vote of 44 to 5, with 5 abstentions. Also at the 268th Meeting, the General Assembly rejected 39-6, with 9 abstentions, Soviet draft resolution A/1169 which stated that the General Assembly deemed it essential that states should supply both information on armed forces and conventional armaments and information on atomic weapons. For the record of the 268th Meeting, see GA(IV), *Plenary*, p. 511.

<sup>2</sup> At the 268th Meeting, the General Assembly adopted this title by a vote of 44 to 5, with 5 abstentions.

5. *Calls upon* all members of the Security Council to co-operate to this end.

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IO Files : US/S/1028

*Memorandum of Conversation, by Mr. Edward P. Maffitt, Adviser,  
United States Mission at the United Nations*

SECRET

[NEW YORK,] December 8, 1949.

Ambassador Gross called by appointment on Baron de la Tournelle this morning and discussed General McNaughton's *démarche* regarding the possible reopening of discussion in the Security Council on implementation of Article 43. He opened the conversation with a few words regarding our position on the matter, saying that Washington is considering the present situation and the relationship of conventional armaments and atomic energy with Article 43 and that during this consideration it appeared unlikely that the United States would be prepared to discuss Article 43 in the Security Council. In the meanwhile we wanted to explore generally the views of our French and British colleagues and he was beginning with the French Delegation.

La Tournelle, speaking from notes and at times apparently reading from them, said that McNaughton had spoken to him of this matter and had been told that the French Delegation would welcome Security Council discussion of Article 43 since it is a part of the Charter which has not yet been implemented and since such implementation is a prerequisite to effective regulation and reduction of conventional armaments and weapons of mass destruction. Anything that could be done to advance toward implementation should be tried. The French would, however, not take the initiative and would not raise the matter if the British and ourselves did not want it raised.

Apropos of the United States position La Tournelle wished to ask a question. Recently some "Americans" had given him to believe that they did not favor implementation of Article 43 on the ground that it would be impossible to work with the USSR forces which would be part of the overall UN force at the call of the Security Council. He wondered if our position was changing. Ambassador Gross replied that in no way had there been a change in the position as stated by such American officials as Secretary of State Marshall and Ambassador Austin. We considered that regulation and reduction of armaments presupposed implementation of Article 43. Did the Baron think that the point of view of his American friends, who it was assumed were official, was superficial? La Tournelle immediately answered with a smiling "yes", saying he thought these people missed the essential point that if the USSR consented to cooperate in implementing the Article, the situation which they feared and which undeniably

existed, would thereby have ceased to exist. It would presuppose a basic alteration in the Russian attitude.

Ambassador Gross agreed with the logic of La Tournelle's premise but said that there was another premise which concerned some people, to wit: suspicion, and uncertainty as to our national security during what might be called a transition period from the present situation to one of cooperation. He stressed again, however, that this did not in any sense mean American policy had changed. The gentlemen in question, whoever they were, did not speak for their government.

There followed then a discussion of various factors in the inability of the Military Staff Committee to agree on basic principles and of other details connected with the Article 43 negotiations in the Council and in the Military Staff Committee over the last several years. La Tournelle spoke with seemingly great frankness and appeared more than willing to cooperate in all possible ways with the US Mission on the matter in question. He thought that informal conversations among the British, the Americans and the French might serve to bring about a unanimity of position which would materially strengthen the Western position in the Council against the day discussion would be reopened. On the matter of overall strength, on which the French position had been far more modest than the United States', he pointed out that in the beginning of the Military Staff Committee discussions on this point France had possessed no military establishment capable of supplying even two divisions of ground troops to the Security Council forces but that now, with United States assistance, she was regaining her military strength and need no longer fear embarrassment by inability to meet the obligation of furnishing substantial force under Article 43. She might now be expected to come closer to our position in this regard.

The meeting broke up with Mr. Gross telling the Baron that he proposed to call on the British and asking whether the French views might be passed on to them. The Baron readily assented.

E. P. MAFFITT

IO Files: US/S/1027

*Memorandum of Conversation, by Mr. Edward P. Maffitt, Adviser,  
United States Mission at the United Nations*

SECRET

[NEW YORK,] December 8, 1949.

Ambassador Gross called on Sir Alexander this afternoon and told him that we had been approached by General McNaughton of Canada with the inquiry whether in our view it would serve any useful purpose to bring up implementation of Article 43 in the Security Council during his presidency. Mr. Gross added that he wanted to exchange views with the British and the French on this subject and had in

fact during the course of the day spoken with Baron de la Tournelle. He believed Sir Alexander had also been approached by McNaughton and had indicated to the General that the United Kingdom preferred to have no Security Council discussion of the subject at present.

Sir Alexander confirmed that he had so informed General McNaughton, and went on to say that he thought McNaughton was only consulting the three Western Powers "to save his conscience" and to be in the clear should anyone later on attempt to charge him with being remiss on this matter during his presidency. Sir Alexander said he had told McNaughton that the British not only do not want discussion now, but do not even know how far the United Kingdom now wants implementation of Article 43. Anyway he did not think anything constructive would result from the discussion. He remarked that since the Article 43 problem was last under discussion, the Western Union arrangements had been developed. Sir Alexander said he wondered how Western Union and "the Fontainebleau thing" affected the Article 43 question. He turned to Laskey and told him to take this question up with the Foreign Office in London and incidentally to advise it of McNaughton's *démarche*, which he said had not yet been reported to Whitehall.

Sir Alexander thought the United States, United Kingdom and France were not in a strong propaganda position on principles since we had been rigid in our insistence on our comparable-contributions thesis while the USSR at least had conceded that deviations from its principle of equality might on occasion be permitted by special decisions of the Security Council. This apparent flexibility gave the USSR a propaganda advantage over the three Western Powers and in addition the United States proposal on over-all strength furnished the USSR more material which could be and already had been used against us alone.

Ambassador Gross said that La Tournelle had made it clear that France would welcome Security Council discussion of the Article 43 Forces because the Article is one part of the Charter still to be implemented and because such implementation is a prerequisite to effective regulation and reduction of conventional armaments and weapons of mass destruction. The French however would not take the initiative and if the British and ourselves did not desire the the subject discussed this month, would not themselves bring it up. Sir Alexander remarked that this willingness to discuss Article 43 in the Security Council surprisingly enough came from the French military and was not shared by some of the French Security Council staff.

Ambassador Gross wondered if an informal discussion sometime later on between the United States, United Kingdom and French Missions here might not help to iron out those differences still separating the three powers and strengthen the Western position in any

Security Council discussion which might arise. Sir Alexander thought such discussion might be useful and wondered whom the French would detail on the military side since General Billotte, their top Military Staff man, had suddenly and inexplicably departed for France a day or so ago.

Sir Alexander and Laskey had the impression that General McNaughton had by now dropped his preoccupation with the Article 43 matter and had turned to more pressing Security Council business, such as the forthcoming Kashmir case.

Ambassador Gross in summing up our position said that the United States is not abandoning its declared support for implementation of Article 43 but that Washington is considering the present situation and the relationship of conventional armaments and atomic energy with the Article. During this consideration it appeared unlikely that the United States would be prepared to discuss the Article in the Security Council.

E. P. MAFFITT

IO Files : US/AEC/47

*Memorandum of Conversation, by Mr. Charles H. Russell, Adviser,  
United States Mission at the United Nations*

SECRET

[NEW YORK] December 16, 1949.

Subject: Atomic Energy: Six Power Consultations, 13th Meeting

Participants: General McNaughton, Mr. Smith, Mr. Pierce-Goulding; Canadian Delegation

Dr. Wei; Chinese Delegation

M. Chauvel, M. de Rose; French Delegation

Sir A. Cadogan, Mr. Laskey; United Kingdom Delegation

Mr. Osborn, Mr. Russell; United States Mission.

A meeting was held at the Canadian Delegation this morning to consider plans for the 13th meeting, which will be held on December 20 and at which General McNaughton will preside.<sup>1</sup>

1. General McNaughton circulated a summary prepared at his request by the Secretariat of the proposals and suggestions for the international control of atomic energy made during the course of the fourth regular session of the General Assembly, as well as copies of letters which he had written to General Romulo and Sir Benegal Rau, and other papers relating to this subject.<sup>2</sup>

<sup>1</sup> At the 13th Meeting, the summary record of which is not printed, the six powers agreed to take note of the requests and recommendations contained in General Assembly resolution 299 (IV). It was also decided to add to the agenda various proposals submitted during the debate on atomic energy at the 4th Session of the General Assembly. (IO Files)

<sup>2</sup> The documents under reference were circulated as annexes to the record of the 13th Meeting, not printed. (IO Files)

He proposed to table these proposals at the next meeting and to request the representatives to refer them to their governments for the necessary detailed study by experts, and for comments and instructions. This was a purely procedural matter. General McNaughton felt that only after such a careful study had been made would any useful purpose be served by discussion of these proposals in the meetings of the sponsoring powers.

2. Mr. Osborn said that he had seen Mr. Hickerson and Mr. Arneson in Washington yesterday. They were in agreement with him as to the desirability of the United States making a statement as to what certain aspects of the plan actually meant. It would touch on stages, without actually using the word "stages", and possibly quotas. While it would be a United States paper, and the others present would not be asked necessarily to agree to it, it would be shown to the others in advance. The paper was in course of preparation; it would not be ready by Tuesday. Its purpose was to attempt to clarify previous misunderstandings on the part of Soviet representatives, particularly as to what the first steps would be when the plan entered into force.

3. Mr. Laskey thought that it would be unrealistic to resume the consultations at the point where they were left off and that this would be a reason why the U.S. paper would be helpful. He felt that questions should be asked at the next meeting which took into account the discussion in the fourth General Assembly.

General McNaughton agreed and said that he would have questions to ask based upon recent statements of Mr. Vishinsky. Mr. Osborn wanted to ask *inter alia* the basis for the Soviet statement that under the approved plan all industry in a country would be controlled, whereas this would apply more rather than less under the U.S.S.R. proposals.

4. General McNaughton said that the attitude of the majority towards any changes or improvements in the approved plan ought to be flexible and not hidebound. He realized that with the course of time some modifications would be necessary.

5. Mr. Laskey was asked to draft the communiqué which would state that the proposals made at the fourth General Assembly would be submitted to the respective governments and that a number of questions had been asked by the various representatives based on the discussions which had taken place in the fourth General Assembly. It was agreed that there would be no briefing of the press and that the meetings were closed rather than secret and were subject to delayed publicity, as the summary records would eventually be published. It was also agreed that simultaneous translation would be arranged for hereafter, subject to the right of any representative to request consecutive translation when he wished time for reflection before replying to previous statements.

6. General McNaughton said that he expected to see Mr. Malik that evening and would ask him whether January 19, 1950 would be satisfactory to him as the date for the 14th meeting. This would enable the Atomic Energy Staff at Lake Success, who have been working under great pressure, to arrange for their Christmas holidays.

UNITED STATES NATIONAL SECURITY POLICY: ESTIMATES OF THREATS TO THE NATIONAL SECURITY; ORGANIZATION FOR NATIONAL SECURITY; MILITARY POSTURE AND FOREIGN POLICY; MILITARY ASSISTANCE TO FOREIGN NATIONS; REQUIREMENTS FOR MILITARY BASES AND AIR TRANSIT RIGHTS IN FOREIGN AREAS; STRATEGIC STOCKPILING<sup>1</sup>

*Editorial Note*

A substantial portion of the documentation printed in the *Foreign Relations* series for 1949 concerns subjects of relevance to the national security. Documentation in the present compilation pertains to the formulation of high level, general policy. This material should be considered in connection with papers on specific issues and areas found elsewhere in the *Foreign Relations* volumes for 1949. The compilations noted below are of special interest with respect to the more general material printed here.

For documentation on United States policy at the United Nations with respect to the regulation of armaments and collective security, see pages 1 ff. Regarding United States atomic energy policy, see pages 419 ff. Documentation on the Berlin crisis appears in volume III, pages 643 ff. United States participation in the North Atlantic Treaty Organization is treated in volume IV, pages 1 ff. For documentation on consideration of United States basic security interests in the Near East, see volume VI, pages 1 ff. Compilations on the occupation and control of Japan and on United States policy toward Korea are found in volume VII, as is material on policies of the United States with respect to the East Asian-Pacific area in general. For documentation on United States policy with respect to China, see volumes VIII and IX.

To locate documentation on United States policy regarding military assistance to individual nations or areas, see the indexes of volumes II, IV, VI, VII, and IX. Material on United States policy with respect to the acquisition of bases and military air transit rights in specific areas of the world may be found by consulting the indexes of volumes IV, VI, and VII.

The following publications in the Historical Series of the Senate Foreign Relations Committee contain executive testimony on national security questions by the Secretary of State, the Secretary of Defense,

<sup>1</sup> Continued from *Foreign Relations*, 1948, vol. 1, Part 2, pp. 507-676.



the Chairman of the Joint Chiefs of Staff, and other administration officials during 1949: *Reviews of the World Situation, 1949-1950: Hearings Held in Executive Session before the Committee on Foreign Relations, United States Senate* (81st Cong., 1st and 2nd sessions) (Washington, 1974); and *Military Assistance Program, 1949: Hearings Held in Executive Session before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate* (81st Cong., 1st session) (Washington, 1974).

FACC Files <sup>1</sup>

*Policy Paper Approved by the Foreign Assistance Correlation Committee* <sup>2</sup>

TOP SECRET  
FACC D-3  
Draft No. 8

[WASHINGTON,] 7 February 1949.

## BASIC POLICIES OF THE MILITARY ASSISTANCE PROGRAM

### A. POLICIES UNDERLYING THE FOREIGN MILITARY ASSISTANCE PROGRAM

It is the policy of this Government to provide military and other assistance to free nations, whose security is of critical importance to the United States, which require strengthened military capabilities, and which make determined efforts to resist communist expansion.

<sup>1</sup> Documentation prepared by and circulated in the Foreign Assistance Correlation Committee is located in Department of State Lot File 54D5.

<sup>2</sup> The Foreign Assistance Correlation Committee was established in December 1948 by agreement among the Department of State, the National Military Establishment, and the Economic Cooperation Administration. This committee, consisting of representatives of the three agencies, had no formal terms of reference, but served as the advisory interdepartmental organization for coordination of the position of the Executive Branch on plans, policy, and legislation relating to foreign military assistance. It was initially contemplated that while FACC would meet for day-to-day and working purposes, a Foreign Assistance Steering Committee (FASC) consisting of the Secretary of State, as Chairman, the Secretary of Defense, and the Economic Cooperation Administrator, would meet to provide top level personal consideration of policy matters. In practice, FASC never met. Secretary-level approvals were obtained informally.

On January 3, 1949, the position of Coordinator for Foreign Assistance Programs (U/CFA) was established in the office of the Under Secretary of State. Ernest A. Gross, who was designated Coordinator, was charged with coordinating departmental responsibilities, activities, and programs for foreign military assistance. Gross served as State Department member and chairman of the Foreign Assistance Correlation Committee. Maj. Gen. Lyman L. Lemnitzer and Mr. Alexander I. Henderson represented the National Military Establishment and the Economic Cooperation Administration, respectively.

FACC began meeting in January with the view toward formulating policies to govern the United States foreign military assistance program and to draft enabling legislation for submission to Congress. Summary records of FACC meetings exist, beginning with the meeting of February 5.

A covering memorandum by Curtiss Murrell, Secretary of FACC, explains that the present document constituted a statement of basic policies underlying military assistance programs and that the policies set forth were consistent with policy formulated in the National Security Council and the State-Army-Navy-Air Force Coordinating Committee. The document was approved by FACC on February 8, with the exception of Section G. (FACC Files)

In light of present circumstances the military assistance program may cover direct and indirect costs of furnishing military aid to regularly constituted and recognized armed forces (or in special cases, such as Austria,<sup>3</sup> to internal security forces). The military assistance program may, in general, include:

(1) Finished armaments, munitions and implements of war, including all components and spare parts relating thereto, and any items necessary to the direct utilization of the foregoing;

(2) Personal equipment and supplies of a type peculiar to armed forces;

(3) Raw materials, machinery and other items required for the production in recipient countries, beyond approved levels existing or planned as of January 1, 1949, or articles covered by (1) and (2) above;

(4) Technical assistance and information to, and training of, armed forces;

(5) Reimbursement for costs arising out of diversion of resources, including manpower, required to implement approved military programs.

In special cases, items not covered by the foregoing may be furnished under the program, as for example food in Greece and construction equipment for roads in Turkey.<sup>4</sup>

The policy stated above and those underlying it are an essential and integral part of our basic foreign policies which derive from (1) our fundamental national ideals and interests; (2) our recognized position as the leading Power of the free world; and (3) the policies and programs of Soviet Russia and international communism. The foreign policies of this country, however, deal with a constantly changing world environment and require constant review.

The provisions of Senate Resolution 239<sup>5</sup> define as a basic policy of the U.S. "To achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest", and set forth that pursuant thereto the U.S. Government should pursue as objectives within the UN Charter:

"(2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles and provisions of the Charter.

(3) Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

(4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security."

<sup>3</sup> For documentation on United States interest in the independence and integrity of Austria, see vol. III, pp. 1206 ff.

<sup>4</sup> Documentation on United States assistance to Turkey is scheduled for publication in volume VI.

<sup>5</sup> For the text of the "Vandenberg Resolution," S. Res. 239, 80th Cong., 2nd sess., June 11, 1948, see *Foreign Relations*, 1948, vol. III, p. 135.

It is also a basic policy of this country so to act that the Soviet Government will recognize the practical undesirability of acting on the basis of its present concepts and the necessity of complying with the precepts of international conduct as set forth in the purposes and principles of the U.N. Charter.

As a part of this policy it is our purpose to help to strengthen the free nations of the non-Soviet world in their effort to resist Soviet-Communist aggression, external and internal, and to help increase the economic and political stability and the military capability of such of those nations as are willing to make an important contribution to U.S. security. In so strengthening these nations it is our purpose not only to reduce the likelihood of further Soviet-Communist aggression and to improve the ability of those nations to resist if attacked, but also to create an atmosphere of confidence and security within which the chances for success of economic recovery programs may be enhanced and a more favorable atmosphere for the accomplishment of the principles and purposes of the UN established.

Basic military security policies with respect to military assistance are to:

1. strengthen the security of the U.S. and its probable allies,
2. strengthen the morale and material resistance of the free nations,
3. support their political and military orientation toward the U.S.,
4. augment U.S. military potential by improvement of our armament industries,
5. increase through progress in standardization of equipment and training the effectiveness of military collaboration between the U.S. and its probable allies in event of war, and
6. augment our collective war potential by reciprocal assistance, economic and military.

#### B. CRITERIA FOR EVALUATING AND SCREENING FOREIGN MILITARY ASSISTANCE PROGRAMS

Each individual program must be assessed in relation to its relative contribution to the security of the U.S. and probable allies in (a) peace and (b) the event of war.

Economic and military assistance programs must be integrated into a comprehensive, world-wide program which will be kept within limits that will not weaken the basic economic strength of the U.S. and other participating nations.

The programs should not jeopardize the fulfillment of the minimum materiel requirements of the U.S. Armed Forces nor be inconsistent with our strategic concepts. The strict application of these principles may be modified when certain factors such as the need for strengthening the morale and internal security of recipient nations and protect-

ing various U.S. interests abroad become overriding political considerations.

Any U.S. military assistance program must be predicated to the maximum practicable extent upon self-help, and mutual assistance among recipient states and the United States, consistent with the purposes and principles of the UN Charter, and consistent with recovery of the basic economic health of the recipients.

Military assistance programs must be viewed from the standpoint of their effectiveness in strengthening the military capabilities of the recipient nations to resist communist expansion.

The programs, particularly those relating to the short term future, must be viewed also from the standpoint of their effect in improving the chances for the maintenance of peace, on which the emphasis of U.S. policy is placed as well as from their significance with respect to the winning of a possible war.

Each assistance program must be evaluated in terms of its relationship to other programs and to the world-wide program and assigned an appropriate priority classification.

#### C. CRITERIA FOR DETERMINING RECIPIENTS AND PRIORITIES BETWEEN THEM

No policy can yield any automatic or mathematically exact deductions about priorities among recipients or replace the need for continuous review in the light of the existing situation, political, economic, and military. The overriding political and security interests of the United States must be the determining factor in each decision.

Under existing policies the following considerations must govern the determination of priorities:

(1) The strategic relationship of the area or country to the United States, which includes:

*a. The Political Factor.* The political factor includes consideration of: the relative importance to the U.S. of keeping any given country free from Soviet communist domination; each country's inherent internal political stability; the strengthening of anti-communistic activity within each country; the strengthening of internal political conditions through improvement of the economic stability therein; and the degree of orientation of each country toward the United States in its own political philosophy.

*b. The Military Factor.* The principal elements of the military factor comprise the location and terrain of each country or group of countries and its importance to U.S. strategic plans; the economic ability of each country to support a military program; and the military capability of each country or group of countries to utilize military assistance.

(2) Since events have indicated that political or indirect aggression is most likely to succeed in the proximity of the Soviet army, general precedence in assistance should be given to those countries on the periphery of the Soviet world, subject to modifications required by

obvious politico-strategic considerations, such as keeping open lines of communication through the Mediterranean and preserving the United Kingdom for use as a source of production and as an advanced base.

(3) It is the present policy of the United States that in measures of military assistance additional to those already provided for in specific legislation or in existing governmental undertakings, first priority should be given to Western Europe. Negotiations are currently in progress looking toward a collective defense arrangement for the North Atlantic area in which the United States and certain other countries would be full participants. When such an arrangement comes into force, first priority should be extended to meeting the coordinated defense requirements of the countries participating in it.

(4) There are current military understandings with Brazil,<sup>6</sup> Canada<sup>7</sup> and Mexico which affect defense coordination with the United States.

(5) The United States is committed to providing military assistance to certain specified areas and countries, notably Greece, Turkey, Iran<sup>8</sup> and Korea.

(6) The United States is committed by its ratification of the Rio de Janeiro treaty to the general principles accepted by the signatory nations of common defense against aggression.<sup>9</sup>

It is of the utmost importance that the concept and application of priorities for furnishing military assistance to foreign nations should not be made known to the representatives of other countries. Initially, priorities should be applied with principal attention to strategic area requirements rather than to individual country requirements.

#### D. RELATIONSHIP TO ECONOMIC RECOVERY PROGRAMS

It is the policy of this government, with respect to the relationship between military and economic recovery programs, that a program of mutual aid and self-help supplemented by military assistance from the U.S. must be so designed as to enable the recipients to stand on their own feet, economically, politically, and so far as practicable, militarily. In this connection, economic recovery is basic and military assistance must facilitate recovery through the increased confidence attendant upon attaining increased security. It is our policy that economic recovery must not be sacrificed to rearmament and must continue to be given a clear priority. Exceptional situations may justify, in the light of overall U.S. interests, departures in particular cases

<sup>6</sup> For documentation on United States relations with Brazil, see vol. II, pp. 549 ff.

<sup>7</sup> For documentation on discussions between the United States and Canada on economic and military matters, see *ibid.*, pp. 393 ff.

<sup>8</sup> Documentation on United States policy with respect to Iran is scheduled for publication in volume VI.

<sup>9</sup> Reference is to the Inter-American Treaty of Reciprocal Assistance (Department of State Treaties and Other International Acts Series (TIAS) No. 1838), concluded at the Inter-American Conference for the Maintenance of Continental Peace and Security, August 15–September 2, 1947, Rio de Janeiro; for documentation on the conference, see *Foreign Relations, 1947*, vol. VIII, pp. 1 ff.

from the rigid application of the foregoing policy, but in principle rearmament expenditures and manpower diversion should not be permitted to bring about any serious reduction in the allotment of European resources to the recovery effort. Of basic importance is recognition of the limits of U.S. financial and economic aid available. A balance must be struck between the needs of our domestic economy, our own armament requirements, our contribution to the recovery of recipient states and our contribution to their rearmament.

#### E. RELATIONSHIP TO THE UNITED NATIONS

The program is designed to strengthen international security which is a major objective of the United Nations Charter. Under existing conditions the purposes and principles of the Charter will be advanced by arrangements for collective self-defense and mutual assistance designed to enable free nations which are acting in support of such purposes and principles to preserve their independence and freedom, to promote respect for human rights, and to fulfill effectively their obligations under the Charter. While the basic concept of this program is consistent with the purposes and principles of the Charter, measures for implementing the program must also conform to such purposes and principles.

In addition, in accordance with Article 103 of the Charter, measures for implementation of the program must be subject to present and future U.S. obligations with respect to actions taken by the UN to maintain or restore international peace and security, including action taken under Article 26 which deals with the regulation of armaments.

Under this program it is not contemplated that direct military assistance will be granted the UN as an organization.

Provision should be made to give the President discretion to suspend or withdraw military assistance to any state the activities of which are determined by him to be in violation of its obligations as a member of the United Nations.

#### F. SCOPE AND DURATION OF LEGISLATIVE AUTHORIZATION TO BE SOUGHT

Effective implementation of a policy of strengthening the military capabilities of free nations would be facilitated by the early enactment of legislation broadening the authority of the President to provide, suspend or withdraw military assistance in the interest of the national security and the political interests of the United States.

It is not possible to predict with any degree of exactness the period of time for which military assistance will be required nor as to the overall amounts that will be needed. The U.S. does not have control over the concepts and policies of the Soviet Union which have made the military assistance program necessary and may continue to do so for an indefinite period. Some tentative estimates of requirements can

be furnished by the NME in terms of what would probably be required first to reach and second to maintain a specified degree of military strength based upon existing strategic concepts. It is obvious, however, that neither the present accuracy nor continuing validity of these estimates can be assured.

The Congress must be advised that military assistance to foreign nations will undoubtedly be required over a period of years, but that it is not now possible to determine in what total volume or for how long a period, and accordingly, legislative authorization should be sought for an indefinite period, and appropriations should be requested for a one year period. The question of authorization for appropriations for more than one year cannot be determined at this time.

#### G. RECIPROCAL ASSISTANCE

The primary return sought by the United States is the preservation of the security of the United States and its probable allies.

(1) *North Atlantic Pact Countries.* Assuming the consummation of a North Atlantic Pact, a principal benefit in the way of reciprocal assistance from members thereof is the participation of those countries in a coordinated defense program under which each country will contribute, commensurate with its resources, economic condition, and geographic location what it most effectively can in facilities, manpower, resources, productive capacity or raw or finished materials.

In the case of those countries, the United States should require as a matter of principle, that reciprocal assistance, such as base rights, materials, labor, services or other forms, be granted, where necessary, to the United States and its allies. Should individual members prove uncooperative with respect to such reciprocal assistance this would be a highly important factor to be taken into account in the determination of military aid programs; and if the lack of cooperation was serious, this would mean no military aid at all. Negotiations for the obtaining of reciprocal assistance and of granting United States military assistance, would be carried on through such organizational mechanism as is established for this purpose.

(2) *Other Countries.* The amount of reciprocal assistance to be obtained from countries which do not participate in such a coordinated defense program but to whom it is determined that military assistance should be provided is not anticipated as likely to balance in tangible material values the amounts we may give them. Nevertheless, it is the policy of the United States in each such case to determine what reciprocal assistance in the way of material benefits such as base rights, materials, labor, services or other forms, is vital to the security of the United States and in so far as practicable in the light of political and

strategic considerations, to require the recipients to grant such benefits as a condition of our assistance.

(3) Among the principal benefits in all cases as a result of military assistance are an increase in the determination of these countries to withstand communist pressures, an increase in their confidence that they can successfully do so, and a decrease in the tendency to temporize with communism, or to withhold support from efforts at resistance to communism, out of fear that communist pressures may prove irresistible. This does not mean that the desired results will flow automatically from aid granted to the respective countries; but these are major purposes of the program; and, if achieved, should be regarded as a most valuable return.

(4) Decisions with respect to the acquisition of critical materials should be made only after correlation with the ECA program for the acquisition of critical materials.

S00.24/3-1649

*Memorandum by the Chairman of the State-Army-Navy-Air Force  
Coordinating Committee (Rusk) to the Secretary of State*

TOP SECRET  
SANA-6333

WASHINGTON, March 16, 1949.

Forwarded herewith for the information and guidance of the Department of State is a copy of SANACC 360/11 as amended by SANACC 360/12 and 360/13 and approved by the State-Army-Navy-Air Force Coordinating Committee on 15 March 1949.

Copies of the approved paper have also been forwarded to the Secretary of Defense and the Departments of Army, Navy and Air Force for information and guidance, and to the National Security Council for information.

For the State-Army-Navy-Air Force Coordinating Committee:

DEAN RUSK

[Annex 1]

*Note by the Secretaries of the State-Army-Navy-Air Force  
Coordinating Committee*

TOP SECRET

[WASHINGTON,] March 15, 1949.

1. By informal action on 15 March 1949 the State-Army-Navy-Air Force Coordinating Committee approved SANACC 360/11 as amended by SANACC 360/12 and SANACC 360/13.



2. Holders of SANACC 360/11 are requested to substitute the attached revised pages 385, 386, 387, and 394 for the ones contained therein and destroy the superseded pages by burning.

3. In considering SANACC 360/11 the Joint Chiefs of Staff made the following comments on points of particular interest from a military viewpoint which were transmitted through the Office of the Secretary of Defense to SANACC:

"1. The Joint Chiefs of Staff have considered SANACC 360/11, a report by the State-Army-Navy-Air Force Coordinating Subcommittee for Rearmament on the subject of Military Aid Priorities, and are of the opinion that the report is generally sound and will form a basis for decision and action with respect to military aid priorities in peacetime.

"2. The following comments are offered on points of particular interest from the military viewpoint:

"a. Although the principles regarding priorities are well reasoned and logically set forth, the Joint Chiefs of Staff view with concern the fact that so many countries are listed. It is appreciated, of course, that the report does not undertake to determine whether military supplies should be transferred to foreign countries, but examines only the relative priorities of requests coming within the principles of present and future policies on the subject. It is also appreciated that 'substantial' military aid is listed only for the Benelux countries, Canada, France and the United Kingdom and that 'limited' and 'token' aid naturally would not in practice be given to all of the other countries listed. Nevertheless, even consideration of substantial military aid for six countries, limited aid for sixteen other countries, and token aid for thirty-seven more can result, in terms of granted requests, in tremendous commitments. There cannot be too much emphasis, therefore, on the necessity for the most careful consideration of the great potential overall scope of military aid commitments in relation to our national financial and industrial limitations and our own military requirements before specific decisions are made. Also, it must be borne in mind that limited military aid may well prove difficult to limit once it has been begun and that token aid, by definition, bears to the recipient the implication of more to come. Further, aid spread too thin may not be adequate anywhere, whereas concentrated aid where it will best serve the ultimate objective of our own security may be all or even more than we can provide.

"b. The following additional comments are offered in support of the views set forth above and in support of the portions of the report that give recognition to the practical aspects of the military aid problem:

"(1) Paragraph 22 of the Conclusions and paragraph 14 of the Discussion state, correctly, that it will be necessary to consider the existing situation when decisions are made regarding military aid, so that priorities proposed in the report must be subject to flexibility in their application. There should be, further, periodical review of any aid pro-

gram to assure its continuation only so long as this is in our national security interest.

- “(2) Paragraph 14 of Facts Bearing on the Problem and paragraph 15 of the Discussion are correct as to the magnitude and importance of the problem of adequate expansion of our production of war materiel and supplies. Without such expansion the furnishing of military assistance will, as stated in the report, be impracticable on any significant scale.”

G. H. HASELTON  
M. BAUMGARTNER  
J. B. CRESAP  
M. V. BROKAW  
*Secretariat*

[Annex 2]

*Report by the SANACC Subcommittee for Rearmament*

SANACC 360/11<sup>1</sup>

[WASHINGTON,] August 18, 1948.

## MILITARY AID PRIORITIES

### THE PROBLEM

1. From the viewpoint of national security of this country in the present world conditions, to determine an order of priority for United States military aid to foreign nations.

### FACTS BEARING ON THE PROBLEM

2. The United States is engaged in political, economic and ideological conflict with Soviet-dominated world Communism.

3. Requests for United States military assistance are being received from many nations.

4. The United States is committed to assist in the economic recovery of Western Europe.

5. The United States is committed to provide military assistance to certain foreign countries:

*a.* By Congressional authorization: To Greece, Turkey, China.<sup>2</sup>

*b.* By governmental bilateral agreements on a reimbursement basis: To Iran.

In addition, training and advisory missions are being furnished to fourteen Latin American countries<sup>3</sup> and to Greece, Turkey, Iran, the

<sup>1</sup> As amended by SANACC 360/12 and SANACC 360/13.

<sup>2</sup> For documentation on United States aid to China, see vol. ix, pp. 599 ff.

<sup>3</sup> Regarding agreements providing for U.S. military missions in certain American republics, see vol. ii, pp. 470 ff.

Philippine Republic,<sup>4</sup> China and Saudi Arabia,<sup>5</sup> and arrangements for missions are pending for five other Latin American countries (Annex to Appendix<sup>6</sup>).

6. The President has approved the recommendation of the National Security Council that

"In measures of military assistance additional to those already provided for in specific legislation or in existing governmental undertakings, first priority should be given to Western Europe." (Par. 13, NSC 14/1)<sup>7</sup>

7. The United States Senate in the "Vandenberg Resolution" has advised that this country should pursue as an objective

"Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security." (subpar. (3) S. Res. 239)

8. United States occupation forces are stationed in Germany, Austria, the Free Territory of Trieste,<sup>8</sup> Japan and Korea (evacuation of Korea by United States forces is foreseen in the near future).

9. There are current military understandings with Brazil, Canada and Mexico which affect defense coordination with the United States.

10. By its ratification of the Rio de Janeiro Treaty the United States is committed to the general principle accepted by the signatory nations of common defense against aggression.

11. Present reduced war surplus stocks can not support substantial balanced military assistance programs.

12. United States war reserve stocks are insufficient to meet mobilization demands.

13. The conversion of United States wartime industry to peacetime production precludes immediate supply of many military items from new manufacture.

14. United States industry will not reconvert to substantial production of war materiel and supplies without one or more of the following:

a. Appeal to patriotic motives; and

<sup>4</sup> For documentation on United States cooperation with the Republic of the Philippines, see vol. VII, Part 1, pp. 591 ff.

<sup>5</sup> Documentation on Saudi Arabia is scheduled for publication in volume vi.

<sup>6</sup> Not printed.

<sup>7</sup> For text of NSC 14/1, "The Position of the U.S. with Respect to Providing Military Assistance to Nations of the Non-Soviet World," July 1, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 585.

<sup>8</sup> For documentation on United States policy regarding the Free Territory of Trieste, see vol. IV, pp. 497 ff.

- b. Assurance of reasonable profit; or, most effectively,
- c. Institution of mobilization of industry plans.

15. The President has approved the recommendation of the National Security Council that

“The United States should at the earliest feasible time:

- a. Enact legislation which will broaden the authority of the President to provide military assistance for foreign states under appropriate conditions. Title VI (not enacted) of the Foreign Assistance Act of 1948 would be a suitable basis for such legislation.
- b. Under this authority, appropriate funds for military assistance to selected non-communist nations to meet urgent requirements consistent with an over-all program.” (par. 10, NSC 14/1)

16. The supply and demand relationship with respect to military assistance as set forth in the foregoing statement of facts (paragraphs 2-15) necessitates careful consideration of the priority in which military assistance should be furnished to applicant nations.

17. The President has approved the conclusion of the NSC that any United States military assistance program should be predicated to the maximum practicable extent upon the self-help and mutual assistance of recipient states. (par. 11, NSC 14/1)

#### DISCUSSION

18. See Appendix.

#### CONCLUSIONS

19. The needs of the National Military Establishment normally should be accorded continuing highest priority. An essential step in reaching decision as to projected military aid for any country should be an evaluation by the Joint Chiefs of Staff of that project with reference to the minimum materiel requirements and operations of the National Military Establishment.

#### PRIORITY OF AREAS

20. From the long-term military point of view the order of priority for United States military aid to various areas should be as shown in Column A below.

21. From the long-term political point of view the order of priority for United States military aid to various areas should be as shown in Column B below.

22. The relative weights of the military and political factors vary from area to area and within the same area from time to time. Therefore, any combined appraisal must be considered in the light of the existing situation, political and military, when decisions are made. The areas shown in Column C are arranged in the over-all order of priority at the time of this paper.

<i>Column A</i>	<i>Column B</i>	<i>Column C</i>
Military (long term)	Political (long term)	Combined (as of 1948)
1. Europe, Near and Middle East	1. Europe, Near and Middle East	1. Europe, Near and Middle East
2. Far East	2. Western Hemisphere	2. Far East
3. Western Hemisphere	3. Far East	3. Western Hemisphere
4. Southern Africa	4. Southern Africa	4. Southern Africa

## PRIORITY OF COUNTRIES

23. Certain countries, based on their capacities for self-help and on strategic location, should be extended substantial assistance. Others, not so capable of self-help, should nevertheless be extended limited assistance, either for purposes of strengthening internal security and will to resist Soviet aggression or to enhance their capabilities of performing limited, but important missions. The order of priority of such countries, by groups, is at the present time as shown below (listing is alphabetical within groups).\*

<i>Priority</i>	<i>Countries</i>	<i>Degree of Assistance</i>
1	Benelux Canada France United Kingdom	Substantial
2	Greece Italy Turkey	Limited
3	Denmark Norway Portugal Spain } when and if political orientation Sweden } is with Western Europe	Limited
4	Iran India Pakistan Saudi Arabia } after lifting of arms restrictions	Limited
5	China	Limited
6	Brazil Mexico	Limited
7	Union of South Africa	Limited

24. Countries presently occupied by United States troops have been omitted from the priority list. In case it appears necessary to allot

\*Negotiations are currently in progress looking toward a collective defense arrangement for the North Atlantic area in which the United States, the countries in Category 1 and certain other countries would be full participants. When such an arrangement comes into force first priority should be extended to meeting the coordinated defense requirements of the countries participating in it. [Footnote in the source text.]

other than token military aid to such a country, that country will be assigned a place in its geographic priority grouping of countries.

25. Certain factors, such as the need for strengthening the morale and internal security of recipient nations and protecting various United States interests abroad may in exceptional cases become overriding political considerations modifying the strict application of the above priorities. The decision as to whether a case falls within this exceptional category should be approved by SANACC, which may refer the problem to the National Security Council.† Likewise, there will probably occur cases in which a small amount of aid will be particularly remunerative to the interests of the United States. All free nations should be considered eligible for such token aid without regard to priorities and whether or not they are listed above.

26. *Countries Without Priority Within Areas* (arranged alphabetically).

*Europe, Near and Middle East*

Afghanistan  
Eire  
Egypt  
Ethiopia  
Iceland  
Iraq  
Israel  
Lebanon  
Switzerland  
Syria  
Transjordan  
Yemen

*Far East*

Australia  
Burma  
Ceylon  
New Zealand  
Philippines  
Siam

*Southern Africa*

Liberia

‡ *Western Hemisphere*

Argentina  
Bolivia  
Chile  
Colombia  
Costa Rica  
Cuba  
Dominican Republic  
Ecuador  
El Salvador  
Guatemala  
Haiti  
Honduras  
Nicaragua  
Panama  
Paraguay  
Peru  
Uruguay  
Venezuela

27. Foreign nations should not be informed of this Government's concept of military assistance priorities or of any priority status which may be accorded to them in these projects.

† In view of the current project for the preparation and presentation to Congress of the military assistance program, and the limited time schedule available to complete that project, any such decision during the period of work on that project should be made through the mechanism of the *Ad Hoc* Committee on Foreign Assistance [*Foreign Assistance Steering Committee*], consisting of the Secretary of State, as Chairman, the Secretary of Defense and the Administrator for Economic Cooperation Administration. [Footnote in the source text.]

‡ See Appendix, par. 11. [Footnote in the source text.]

## RECOMMENDATIONS

28. It is recommended that:

*a.* This paper be forwarded by SANACC to the Joint Chiefs of Staff for comment from a military point of view.

*b.* SANACC approve this paper after consideration of the views of the Joint Chiefs of Staff.

*c.* After approval by SANACC this paper be submitted to the Secretaries of State, Defense, Army, Navy and Air Force for information and guidance and to the National Security Council for information.

## Appendix

## DISCUSSION

1. Many factors and various definitions of specific factors are applicable in a study of this problem. Selection of guiding factors is dictated by the purpose of the present consideration, which stripped to its essentials is to answer this question: *To what country or combination of countries, and in what priority, should United States military aid be accorded to enable them to further the security interests of the United States by military, political, or economic action.*

2. This paper does not undertake to determine whether military supplies of United States origin should be transferred to foreign countries but examines only the problem of the relative priorities to be granted to requests from foreign countries once those requests have been determined to come within the principles of SANACC 382/6,<sup>9</sup> NSC 14/1, the Vandenberg Resolution, and subsequently approved policies of over-riding importance.

3. *Definitions*

For purposes of this paper, the term "Military Assistance" includes:

*a.* Procurement of materials from any source, including government stocks;

*b.* Manufacturing, processing, storing, transporting, repairing, or rehabilitating materials or performing any other services, including provision of technical assistance and information.

*c.* Transfer of materials or services.

4. *Assumptions*

*a.* The only nations of the world with whom any likelihood of war exists are the U.S.S.R. and its satellites.

*b.* The outbreak of a war in which this country may be involved might occur at any time but is improbable in the immediate future.

*c.* At this juncture, in view of the complex interdependence among nations and specifically the interdependence between the United States and nations linked to it by their common cause against Soviet-

<sup>9</sup> For text of SANACC 382/6, "Policy Concerning Transfers to Non-Soviet Countries of Military Supplies of U.S. Origin," June 18, 1948, see *Foreign Relations*, 1948, vol. 1, Part 2, p. 577.

inspired Communist expansion, a workable approach to the problem must include consideration of all countries outside the Soviet orbit, from the viewpoint of their strategic relationship to the United States. Strategic determinations include military, economic and political considerations.

*d. The Military Factor.* Military operations of undetermined magnitude may take origin without warning in one or more of several areas vital to or closely bound to our national interest by reason of their geographic position, economic importance or political relationship. United States military aid will enhance the capabilities of the recipient countries to resist armed aggression.

*e. The Political Factor.* Foreign nations which apply to the United States for military assistance, or accept such assistance, will strive to preserve their governments against inroads of Communism, will cooperate with the United States vis-à-vis the U.S.S.R., and will use such assistance as is furnished in accordance with the purposes and principles of the Charter of the United Nations. Foreign nations which receive such assistance will derive therefrom substantial support in their determinations to resist direct and indirect Communist aggression.

*f. The Economic Factor.* The European Recovery Program will meet the economic requirements of the participating countries for assistance. The United States will meet its commitments under this program. The participating countries will achieve a major portion of the goals set for themselves, with resultant significant accomplishment towards rehabilitation of the Western European economy within four years and steady progress throughout the interim period unless interrupted by hostilities.

5. The United States is now engaged in the political phase of a conflict with the Soviet-dominated world. Under these conditions, the security interests of the United States, insofar as action by other countries is involved, may be advanced most effectively by preventing Soviet Communist expansion, which may take place either by political means or by direct military action. The purpose, then, of military aid is to prevent indirect and to deter direct Soviet-inspired aggression. Politically, United States military aid will strengthen the determination of recipient countries to resist aggression. By strengthening internal security forces, such aid will act as a preventive of Communist political expansion. Further, United States military aid will enhance the capabilities of the recipient countries to resist armed aggression. Events have indicated that political or indirect aggression is most likely to succeed in the proximity of the Soviet Army. These concepts suggest a broad approach to the problem by giving general precedence in assistance to those countries on the periphery of the Soviet world, subject to modifications required by obvious strategic considerations, such as keeping open lines of communications through the Mediterranean and preserving the United Kingdom for use as a source of production and as an advanced base.



6. The criteria to be used in arranging a list of areas and countries in order of priority to receive United States military assistance apply three major factors, namely military, political and economic, to each group and country. Consideration of these criteria makes it apparent that the economic factor is so closely related at times to both the military and political factors that it is not feasible to consider the economic factor separately. Consequently, the military and political factors here include economic considerations where and when such considerations are believed to affect these two major factors.

7. *a.* Political conflict exists between the Soviet Union and the United States as a result of basic differences in ideology. United States success in this political conflict will strengthen the position of this country and may preclude general military conflict. Therefore the elements of the political factor include consideration of each country's inherent internal political stability and doctrine; the prestige of the United States on the political front; the strengthening of anti-Communist activity within each country through its own political effort; the strengthening of internal political conditions through improvement of the economic stability therein; and the degree of orientation of each country toward the United States in its own political philosophy.

*b.* On the assumption that, essentially, Russia is our only enemy, the principal elements of the military factor comprise the strategic location of each area and each country therein; the terrain within each country; the economic ability of each country to support a military program; and the purpose of the military assistance program.

8. To avoid unprofitable scattering of effort and so that conclusions may be arrived at on the basis of general reasoning, it is necessary first to apply the foregoing factors to geographical areas. The resulting priority of areas is shown under Conclusions (par. 22). Having arrived at the priority of areas, the countries within the areas are then subjected to the same analysis (par. 23).

9. When all countries within each area are considered and arranged according to priority, it is apparent that the lower portion of each list is either of indistinguishable priority between the several countries or of little importance. Such countries are therefore shown separately in the Conclusions (par. 27).

10. In determining the priority positions assigned to certain countries, consideration was given to current United States Government commitments, implied or actual, such as support of Western Union countries and aid programs to Greece and Turkey.

11. In the recital of pertinent facts, understandings with Brazil, Canada and Mexico as to defense problems have been noted (paragraph 9). Under the United States policy of according equal treatment to all of the other American Republics no differentiation of the Latin American nations into categories of primary or secondary

political importance is feasible. With respect to efficient Western Hemisphere defense coordination and the corollary policy of arms standardization, continuing procurement by the other American countries of United States type material is essential. The priority position of countries outside the Western Hemisphere should not exclude relatively small transfers of United States arms and equipment from commercial sources or from available government surplus to the other American countries. See paragraph 25, page 387.

12. Some countries are more logically considered in groups, such as Benelux, or in sequence priority, as in the cases of Norway and Denmark, Spain and Portugal. This has been done in the light of political, economic, geographic, or cultural affinities relating to the concerned nations.

13. Autonomous states or dominions in the British Commonwealth, such as Canada and New Zealand, are considered separate countries. Countries with a colonial status do not appear in the priority lists; their needs will be reflected in those of the mother countries.

14. The considerations set forth in this paper have been thoroughly weighed as of the present, with attention to reasonably foreseeable future trends. It must be strongly emphasized that the course of economic and political developments and their potential turbulences cannot be satisfactorily charted in advance, and that the projection of an economic or political analysis cannot be sufficiently dependable to warrant present decision beyond setting up a flexible general planning framework in determining the practicability or advisability of military aid to other nations. The balance of factors must be studied in the light of conditions at the time of determination with respect to the recipient nations.

15. Careful consideration is being given by the National Military Establishment to the industrial coordination problems involved in increased production of military supplies and materiel. Without expansion of production the furnishing of military assistance as envisaged in this paper will be impracticable on any significant scale.

16. For reasons of national security it is desirable that the needs of the National Military Establishment be accorded continuing highest priority, to the extent that approval of foreign aid proposals should be secondary to the minimum procurement and training requirements of our own services.

17. It is most undesirable that foreign nations be informed of this government's concept of military assistance priorities or of any priority status which may be accorded to them in these projects. Such information to other countries would be a source of embarrassment to this government.

811.20 Defense (M) / 2-349

*The Assistant Secretary of State for Economic Affairs (Thorp) to the Director of the Staff of the Munitions Board (Lutes)*

WASHINGTON, March 16, 1949.

MY DEAR GENERAL LUTES: I refer to a letter of February 3, 1949 which you addressed to the Secretary of State<sup>1</sup> and in which you requested a statement of the programs and actions being carried on by the Department of State with respect to stockpiling and an agenda of the policy and program issues which the Department will be taking up in the near future.

The stockpile program is associated with foreign relations and foreign policy in numerous and varied ways. The activities of the Department of State which relate to stockpiling occur principally in connection with the conduct of negotiations with foreign governments and the participation by the Department in interagency organizations concerned with the stockpile program. The Department undertakes programs and actions relating to stockpiling in the course of interdepartmental action, or as a result of interdepartmental consultation, or as an assistance to programs undertaken by other departments or agencies.

The Secretary of State is a member of the National Security Resources Board, and the Department of State participates in the Interagency Staff Group of the National Security Resources Board. The Department also provides the Chairman of the Strategic Materials Working Group. This is a subcommittee of the Executive Committee on Economic Foreign Policy and was established by interagency agreement in response to a suggestion of the Chairman of the Munitions Board in April 1948. This Working Group considers problems of access to, and availability of, strategic materials of foreign origin and submits recommendations to appropriate agencies in connection with procurement for the stockpile.

The Department is represented on the Strategic and Critical Materials Committee which makes recommendations to the Munitions Board concerning stockpiling; and also participates in the Advisory Committee on Requirements which makes recommendations to the Department of Commerce and has on occasion undertaken consideration of problems related to stockpiling progress. The Department is represented on the Manganese and Chrome Task Group, the Interdepartmental Manganese Coordination Committee, and the Manganese Stockpile Committee.

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<sup>1</sup> Not printed.

In addition to participating in continuing interdepartmental organizations concerned with stockpiling, the Department has a continuing program of close consultation and collaboration with the departments and agencies whose activities related to stockpiling involve considerations of foreign policy or foreign relations. These activities pertain chiefly to the programs of the Munitions Board, Federal Bureau of Supply, Economic Cooperation Administration, Reconstruction Finance Corporation, Export-Import Bank and the Departments of Commerce, Interior and Agriculture.

The Department conducts negotiations with foreign governments, or participates in such negotiations, for the purpose of facilitating production in other countries of materials needed for the stockpile and the transfer of such materials to the United States. The Department represents the United States, or participates in such representation, in a number of international organizations whose activities affect stockpiling progress. Such organizations include the International Emergency Food Committee, the International Rubber Study Group, the International Tin Study Group, and the Combined Tin Committee. The Department takes an active part in connection with multilateral intergovernmental arrangements which affect stockpiling, such as the proposed commodity agreement on tin, and in bilateral intergovernmental arrangements related to stockpiling. Some of the latter, as in connection with the procurement of manganese, involve negotiations with a number of foreign governments and include a variety of problems and considerations.

Through the Foreign Service Reporting System the Department makes available to interested agencies information of an economic and political nature which has a current bearing on stockpile progress. United States missions abroad are periodically informed regarding the status and progress of the stockpile. They are instructed to assist the stockpiling program by furnishing information concerning availabilities abroad and by arranging direct communication between foreign suppliers and United States procurement agencies. Recently four new minerals attaché posts were established to increase the coverage in this important field.

Additional detail can be supplied if it is desired with respect to specific programs or actions of the Department which relate to stockpiling. The views of the Department with respect to stockpile policy and program issues are presented currently through established arrangements for interdepartmental consultation as such views emerge in accordance with developments. At this time the Department has no agenda of such issues pending for future presentation but will continue to cooperate in all possible ways to promote stockpiling progress.

Sincerely yours,

WILLARD L. THORP

Policy Planning Staff Files<sup>1</sup>

*Report by the Policy Planning Staff*<sup>2</sup>

TOP SECRET  
PPS/50

[WASHINGTON,] March 22, 1949.

PREMISES AND CONCLUSIONS RELATING TO PEACE AND U.S. SECURITY

PREMISES

1. U.S. security and welfare are closely bound up with the peace and security of the world community. Aggression, anywhere, may jeopardize the security of the U.S. Such aggression may be direct, i.e. through armed force, or indirect, i.e. through measures short of armed force by one nation to deprive another of its independence.

2. Another world war would probably be a crippling blow to civilization.

3. Even with sincere and determined efforts to settle international differences by peaceful means, aggression, direct or indirect, may occur which would present such a critical threat to the security of the United States as to require the use of armed force.

CONCLUSIONS

4. The policies of the United States should be directed to the promotion of conditions of peace, the prevention of armed aggression, and the countering of indirect aggression.

5. The United States should seek security not only through its own national strength but also through the United Nations and collective and other arrangements consistent with the Charter.

6. Collective arrangements should ensure immediate and effective counter measures against those who violate the peace by armed attack.

7. It should be borne constantly in mind that, as a result of acts of indirect aggression, the U.S. may be presented with a critical threat to its security, or to the integrity of nations whose security is vital to our own. In such event the U.S. should consult with other countries whose security is similarly menaced with a view to taking appropriate action.

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<sup>1</sup> Lot 64D563, files of the Policy Planning Staff of the Department of State, 1947-1953.

<sup>2</sup> This statement was prepared as the basis for an attached revision, not printed, of Section 2 of draft military assistance legislation which the Policy Planning Staff had been asked to prepare. The Under Secretary's staff meeting of March 23 examined PPS/50 and approved it without major modification. (Regarding the composition and objectives of Under Secretary Webb's regular staff meetings, see footnote 2, p. 283.) The attached revision differed substantially, however, from the Section 2 of the legislation ultimately submitted to Congress. Regarding the latter, see footnote 2, p. 361.

Policy Planning Staff Files

*Draft Report by the National Security Council Staff*<sup>1</sup>

TOP SECRET

[WASHINGTON,] March 30, 1949.

MEASURES REQUIRED TO ACHIEVE U.S. OBJECTIVES WITH RESPECT TO  
THE USSR

1. *Introduction.* To counter the threats to our national security and well being posed by the USSR and to achieve our general objectives with respect to Russia, the following measures are deemed essential. In implementing these measures, care must be taken to avoid unduly impairing our economy and the fundamental values and institutions inherent in our way of life. (See paragraph 11 below.)

2. *Military readiness.* The United States should develop a level of military readiness adequate as a basis for immediate military commitments and for rapid mobilization should war prove unavoidable. This

<sup>1</sup> In NSC 20, a report to the National Security Council circulated on July 12, 1948, Secretary of Defense James Forrestal requested the formulation of a comprehensive statement of national policy regarding the degree and character of military preparedness required by the world situation. For text of NSC 20, see *Foreign Relations*, 1948, vol. I, Part 2, p. 589.

At its 17th Meeting, August 5, 1948, the National Security Council

a. Agreed that the Department of State will prepare for Council consideration the following studies:

(1) A current estimate of the existing or foreseeable threats to our national security, with particular reference to the USSR, including the probable nature and timing of these threats.

(2) A statement of the objectives which this nation should pursue in the foreseeable future in order to safeguard its national security and to counter the existing or anticipated threats to that security.

b. Directed the NSC Staff to prepare the following study after completion of the above studies:

A program of specific measures which, in the light of our existing commitments and capabilities, should and can be planned at this time to promote the achievement of our current national security objectives, with particular reference to those measures which should be included in our planning for the fiscal year 1950. (Department of State Executive Secretariat Files: NSC Action No. 88)

Pursuant to Part A of Action 88, the NSC adopted report NSC 20/4, "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security," November 23, 1948. That report, approved by President Truman on November 24, 1948, is printed *ibid.*, p. 662.

The draft report printed here was prepared by the NSC Staff in accordance with Part B of Action 88. An earlier version, dated January 11, 1949, not printed, was circulated to the Consultants of the NSC (representatives of the constituent government agencies concerned) with the suggestion that if the report were concurred in by the Consultants and adopted by the Council, it be submitted to the President with the recommendation that he approve the report and direct its implementation by appropriate Departments and agencies. The Secretary of State was to be particularly responsible for paragraphs 6, 7, 8, and 9 a and b (Department of State Executive Secretariat Files). The Consultants met on January 17 to consider the January 11 version of the draft report; regarding that meeting, see Kennan's memorandum of April 14, p. 282. The present text was circulated to the Under Secretary of State's Meeting as document UM D-28, April 14, and was considered by that body on April 15 (see p. 283).

level should be such that it can be maintained as long as it is necessary for United States forces to act as a deterrent to Soviet aggression.

In essence, the basic objectives should be to meet at least the requirements for effective emergency action and, to every practicable extent, to provide for extension of the scope of such measures to all-out war effort without avoidable delay.

To this end the National Military Establishment should, to the extent permitted by budget limitations, provide for the following:

a. Forces in being or capable of prompt activation for the accomplishment of the following tasks:

(1) To insure the integrity of the Western Hemisphere and to promote and develop its war-making capacity.

(2) In conjunction with our allies to secure such base areas as are essential for the projection of offensive operations.

(3) To secure, maintain, and defend in conjunction with our allies such bases, land and sea areas, and lines of communication as are required for the prosecution of the war.

(4) To conduct, at the earliest practicable date, a strategic air offensive against the vital elements of the Soviet war-making capacity, and other air offensive operations as are required for the prosecution of the war.

(5) To initiate development of the offensive power of the armed forces for such later operations as may be necessary for achievement of the national war objectives.

(6) To support the war efforts of our allies by the provision of all feasible military assistance.

(7) To exploit at the earliest practicable date the psychological warfare plans developed under the provisions of the NSC 43 series<sup>2</sup> and the activities planned under the NSC 10 series,<sup>3</sup> and to conduct other special operations.

(8) To fulfill our occupational functions and other international commitments.

b. Improvement of our strategic potential to the extent practicable under existing or future agreements by arranging for the coordination of military effort between the United States and nations likely to be associated with us, and through appropriate reciprocal assistance.

c. Improvement and exploitation of our technical potential through development of new or improved material and methods.

3. *Economic potential and mobilization.* The United States should develop and maintain a constant state of peacetime economic preparedness, a prerequisite for which is the continuous balancing of military, war-supporting industrial, and civilian requirements against the re-

<sup>2</sup> NSC 43, "Planning for Wartime Conduct of Overt Psychological Warfare," approved by the NSC on March 23, 1949, and NSC 43/1, "General Principles Governing the Conduct of Overt Psychological Warfare in the Initial Stages of War or Emergency," August 2, 1949, upon which the NSC took no final action, are not printed.

<sup>3</sup> No documents in the NSC 10 Series have been found in the files of the Department of State.

sources to be available for meeting them. Policies should be shaped toward the following essentials:

a. Economic stabilization measures designed to strengthen the U.S. peacetime economy plus readiness measures which can be quickly invoked in the event of emergency.

b. Industrial facilities and essential utilities sufficient to meet immediate requirements in the event of war, plus plans for additional capacity to meet peak war requirements and to offset estimated losses caused by sabotage or direct enemy action.

c. Strengthening of the U.S. industrial potential thru encouragement of scientific research and technological improvements.

d. Development of transportation and communication facilities adequate to serve current needs, plus planned reserves for estimated war requirements. Elimination of present bottlenecks where practicable.

e. Dispersion of industries, services, governmental and military activities now dangerously vulnerable, without undue detriment to essential operations.

f. Development of dependable sources of critical and strategic materials.

g. Stockpiling in appropriate areas of essential quantities of critical and strategic materials.

h. More efficient utilization through conservation, substitution, and limitation in use, of materials in short supply.

i. More effective utilization and expansion where necessary of the nation's health resources.

j. Preparations for the provision and efficient utilization of manpower which will be capable of satisfying contemplated civilian and military requirements in the event of war.

k. A program for housing and community facilities which will meet the requirements for economic mobilization and provide in so far as practicable for the relief of war-damaged areas.

l. A program for economic warfare and related wartime economic activities.

m. Organization of the Executive Branch of the Government to provide for efficient transition from peace to war and war to peace.

n. Standby emergency powers legislation and executive orders required in the event of war.

4. *Intelligence.* The United States should increase and improve U.S. intelligence and counter-intelligence activity, and in particular assure that activities both at home and abroad are closely coordinated.

5. *Internal security.* In accordance with the provisions of the NSC 17 series,<sup>4</sup> the United States should establish and maintain the highest practicable state of domestic security preparedness, recognizing that further measures will be required in the event of war. The essential minimum requirements include:

a. Establishing and maintaining more effective controls to prevent the penetration of the United States by potentially or actually dangerous persons through legal or illegal entry.

<sup>4</sup> None of the documents in the NSC 17 Series, which dealt with the internal security of the United States, is printed.



b. Providing closer controls of imports and exports as well as of incoming and outgoing travellers for the purpose of:

(1) Preventing the introduction into the United States of sabotage and espionage devices.

(2) Preventing the removal from the United States of information, materials and equipment which if in the possession of potentially hostile powers would adversely affect the national security.

c. Scrutinizing, curtailing, and counteracting, to the maximum extent possible, the open and clandestine activities of communists and other subversive groups, whether party members or not.

d. Safeguarding critical governmental, industrial and other installations and utilities, affording priority to those considered absolutely essential.

e. Readyng for application in the event of war, civil defense machinery to aid existing agencies in the protection of the nation's population and resources.

f. Insuring that the various statutes in the United States Code pertaining to internal security, particularly the Espionage Act of 1917, provide an adequate legal basis for the internal security of the United States in the light of present and probable future conditions.

g. Readyng a program for controlling the activities, in the event of a war-related emergency, of U.S. citizens and aliens who constitute threats to the nation's internal security, by apprehension and detention or by other appropriate measures, this program to provide the greatest practicable procedural safeguards to the individual.

h. Preparation of a censorship program to be invoked in the event of war or at such time as the Congress may authorize.

6. *Collective strength of non-Soviet nations.* The United States should take the lead in increasing the collective strength of non-Soviet nations by:

a. Effectively implementing the provisions of the North Atlantic Pact.

b. Seeking both through measures to increase production and prevent inflation and through the development of favorable trade, credit, and exchange relations, to facilitate economic recovery and promote multi-lateral commercial and financial relations among all parts of the non-Soviet world, to the end that their economic strength shall be mutually increased and self-sustained.

c. Developing a balanced and coordinated program of economic and military assistance to selected nations of the non-Soviet world able and willing to make important contributions to our security. Such a program should include:

(1) Continuing the Economic Cooperation program so long as U.S. security is thereby enhanced, to the extent that recipient nations demonstrate their ability and willingness by self-help and mutual cooperation to utilize U.S. assistance in establishing political and economic stability and thereby increasing the overall potential of the non-Soviet world.

(2) Providing a flexible and comprehensive program of military assistance in the form of supplies, equipment and technical advice in accordance with the approved conclusions of the NSC 14 series.<sup>5</sup>

(3) Coordinating the economic and military assistance programs and establishing flexibility of transfer between them, with a view to furnishing each recipient over-all assistance balanced to conform to changing circumstances and the requirements of U.S. security.

d. Engaging in economic mobilization planning with selected nations when appropriate.

e. To the extent that it increases world stability and U.S. security:

(1) Strengthening world organization by encouraging development of the United Nations and other international organizations, both regional and functional.

(2) Wherever practicable, utilizing international organizations for the handling of international problems and disputes.

f. Securing, as soon as politically feasible, timely access to and use of those areas throughout the world considered strategically essential to U.S. security.

7. *Political and economic activities.* The United States should by all available means conduct an intensified campaign to:

a. Encourage in all appropriate ways the political and economic unification of Europe.

b. Seek to make the Kremlin fear that it is ideologically dangerous to keep an army abroad.

c. Develop internal dissension within the USSR and disagreements among the USSR and Soviet orbit nations.

d. Encourage, develop and support anti-Soviet activist organizations within the Soviet orbit.

e. Defeat communist activities in countries outside the Soviet orbit where such activities constitute a serious threat to U.S. security.

f. Minimize the export of strategic materials and equipment from the United States and other non-Soviet nations to areas within the Soviet sphere, and conversely, increase the flow of strategic materials now needed for U.S. production and stockpiling purposes.

g. Prevent the USSR from achieving a dominant economic or political position in countries in which trade with the United States is essential to our national security.

8. *Foreign information program.* The United States should strengthen, maintain and intensify for as long as necessary, a vigorous coordinated foreign information program directed primarily toward the USSR and its armies, Soviet satellites, countries where there is

<sup>5</sup> For text of NSC 14/1, July 1, 1948, "Report by the National Security Council on the Position of the United States with Respect to Providing Military Assistance to Nations of the Non-Soviet World," approved by President Truman on July 10, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 585.

a serious communist threat, and countries not sufficiently aware of real Soviet objectives. This program should :

*a.* Stress the fact that the Western way of life increasingly offers the greatest and most enduring benefits to the individual, and is therefore destined to prevail over the communist ideology with its inevitable police state methods.

*b.* Strive to eradicate the myth by which people remote from direct Soviet influence are held in a position of subservience to Moscow, and to cause the world at large to see and understand the true nature of the USSR and the world communist party, and to adopt a logical and realistic attitude toward them.

*c.* Endeavor to strain the relationships between Moscow and satellite governments by encouraging the latter to take independent action within the United Nations and elsewhere.

*d.* Encourage the revival of the national life of major national groups within the USSR without committing us to irrevocable or premature decisions respecting independence for national minorities.

*e.* Discreetly convey to the Russian and Satellite peoples and soldiers the feeling that Americans are friendly to them, though not to their governments.

9. *Psychological warfare.* In accordance with the provisions of the NSC 43 series, the United States should plan and make preparations for the conduct of foreign information programs and overt psychological operations abroad, in the event of war or threat of war as determined by the President. Such plans and preparations should be consistent with U.S. policy and be coordinated with related planning under the NSC 10 series and with approved plans for military operations.

10. *Domestic information.* The United States should establish programs to :

*a.* Keep the United States public fully informed of Soviet aims and tactics and the threats to our national security arising therefrom, so that the public will be prepared to support measures which we must accordingly adopt.

*b.* Explain and support the need of :

(1) U.S. world leadership and U.S. willingness to assume the responsibilities arising therefrom.

(2) Non-partisan support of our foreign policy.

*c.* Keep the U.S. public informed of the specific nature and types of domestic security threats existing, and of the measures which should be adopted to counteract them.

*d.* Provide for a wartime domestic information service in accordance with the provisions of the NSC 43 series.

11. *Economic soundness.* In carrying out the above measures, the greatest possible attention must be paid to evaluating essential military, foreign aid, and other national security requirements in the light of the ability of the United States to support such requirements, with

the realization that military preparedness and foreign aid on a scale larger than we have been accustomed to may have to be continued indefinitely. The relative share of government in the total national product and the direction of investment at home and abroad must be carefully scrutinized. The size, timing, and distribution of drafts on materials, facilities, and manpower must be articulated with the operating needs and practices of industry, commerce, and finance so as not to fan inflation, demoralize markets, or weaken incentives to production, any one of which would eventually impair our military capability.

The United States should endeavor to restrict national security programs from going beyond the level at which fiscal and monetary measures, selective voluntary allocation and standby mandatory allocations meet the needs. If it should be decided to raise expenditures beyond this sensitive zone, this should be done with the full awareness that more comprehensive controls, including price and wage controls may be required, which if long continued might develop resistance to decontrol.

12. *Postwar objectives.* In the event of war the National Security Council should, as soon as possible after the outbreak thereof, formulate measures to accomplish the postwar objectives indicated in paragraphs 22 and 23 of NSC 20/4.

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711.00/4-1449

*Memorandum by the Counselor (Bohlen)*

TOP SECRET

[WASHINGTON,] April 14, 1949.

CONSISTENCY OF U.S. POLICY

American policy, as General Bradley said in a speech a year ago, "must be guided by the stars" and not by the lights of a passing ship. (The exact quote and date can be ascertained from PL.)<sup>1</sup>

Our foreign policy is based upon the best estimate we possibly can make of the permanent interests of this country, our national security and the well-being of our people, and our responsibilities in the world for the development of conditions of stability and health under which the peace of the world can be made progressively more secure. It must be a wise blend of realism and idealism. Realistic in the sense that it must deal with the world as it is and not with the world as we

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<sup>1</sup> The substance of the quotation appears in Department of the Army press release entitled, "Notes for an Address by General Omar Bradley, Chief of Staff, United States Army, at the Memorial Day Interment of Corporal Edward G. Wilkin, Medal of Honor, Company 'C', 157th Infantry Regiment, 45th Division, Killed in Action in Germany, April 18, 1945, at Longmeadow, Massachusetts, May 30, 1948, at 2:45 P.M. (EDT)."

would like it to be. Idealistic in the sense that its direction must always be towards the furtherance of the goals which represent the aspirations of our people and those of mankind.

In the case of the continent of Europe, our policy has been to assist the free nations of the European community to recover from the damages of the war, to help them to create conditions whereby the free institutions which are their tradition as well as ours can survive and flourish, to help them to create a community that will be in a position to give their people a sense of security and confidence in the future and thereby to make their individual and collective contribution to the maintenance of world peace and security.

If we are to have any hope of achieving these goals our policy must be a calm and consistent pursuit of these aims and not subject to the temporary fluctuations in the international situation. Governments, organizations and even individuals who do not wish to see recovery, stability and tranquility return to the continent of Europe will seek through propaganda and other devices to deflect the United States and the countries associated with us in this endeavor from these purposes. We must not allow these maneuvers to succeed. We must not be stampeded into unwise or hysterical action because of a "war scare" or other type of crisis deliberately stimulated, nor must we be lulled to sleep by any propaganda "peace offensive". To do so would be to put our foreign policy at the mercy of foreign-inspired propaganda. If this were to happen, the masters of the greatest propaganda machine in the world could cause American policy to fluctuate as they saw fit. We must pursue the course we have set ourselves, consistently, calmly, and not allow propaganda to mold our foreign policy.

CHARLES E. BOHLEN

[Annex]

*Memorandum by the Counselor (Bohlen)*

TOP SECRET

[WASHINGTON, undated.]

CHARGE THAT OUR POLICIES ARE UNDERMINING THE UNITED NATIONS

The charge is frequently made that the measures for the assistance of Europe which the United States Government has undertaken, such as the Marshall Plan, the North Atlantic Pact and the Arms Assistance Program will tend to undermine and weaken the authority of the United Nations.

It is important to see clearly what is involved in many of these criticisms. While there are undoubtedly many honest people who feel

concerned on this point, it is interesting to note that this charge is only directed against those measures which run counter to the designs of the Soviet Government and to the interests of international communism. It is in relation to such measures that the charge was first advanced, assiduously propagated and thereby inevitably affects many people whose interest in the United Nations is wholly genuine and who have no connection whatsoever with any communist-inspired organization.

For example, the charge of bypassing or undermining the United Nations was first raised in the Greek-Turkish aid program.

It was repeated with even greater emphasis in the case of the Marshall Plan.

It is now being directed at the North Atlantic Pact and the Arms Assistance Program.

It has not been raised in anything like the same volume in connection with any agreement—economic, political or military—which the Soviet Union has taken in regard to the countries of Eastern Europe.

It was not raised in the case of the British or French loans which were concluded in 1945.

This, in itself, would indicate that actions in foreign affairs taken outside the United Nations do not in themselves bring forth this charge, but there must be some other element—namely, the fierce opposition of the Soviet Union and international communism.

It is worthwhile pondering this feature of the charge of undermining the United Nations in order to ascertain whether, in effect, the origin of the charge is genuinely one based upon concern for the United Nations or whether it finds its origin and inspiration from totally different considerations.

In relation to the North Atlantic Pact and the Arms Assistance Program there are, however, unquestionably people who are worried on this point and who are motivated solely and genuinely by concern for the United Nations.

In order to understand the relationship of the Pact to the United Nations and its conformity with the purposes of the United Nations organization, it is necessary to have clearly in mind what the United Nations is, and more particularly what it isn't.

The United Nations is not a thing in itself. It is not an end in itself. It is a means to an end. The end is progressive development of a peaceful and stable world order where law rather than force and anarchy will govern the conduct of nations in their foreign relations. In addition, it sets forth a guide of international conduct to which all its members solemnly subscribed as one of the means of furthering this end.

The mechanism established under the Charter was designed to be a further means to the achievement of this end and specifically, in matters of peace and security, to control and, if necessary, punish the would-be disturber of the peace.

No one can deny that four years after the end of hostilities in World War II that security and tranquility have not returned to the world. This is not the fault of the ideal expressed in the Charter of the United Nations which remains as valid as the day it was conceived, nor is it primarily the fault of the mechanism set up under the Charter. The truth is, the United Nations has not been permitted to operate in the manner for which it was designed due to the attitude and policies adopted towards the United Nations on the part of one of the great powers which was given special voting privileges in the Security Council. It is the abuse of the veto, the defiance of the clearly expressed will of the majority of the General Assembly on the part of this great power and the countries it directs which have stalled the machinery of the United Nations.

But, the problem of peace and security remains; and those who have genuine concern, as I think we all do in this country, for the inability up to the present of the United Nations to deal effectively with this problem should recognize where the fault lies.

It is these policies and attitude on the part of one of the great powers—the Soviet Union—that have undermined and frustrated the United Nations. Until those policies and attitude basically change, the United Nations will not be able to function in the manner intended.

Therefore, the United States and the other countries who have genuinely supported in the conduct of their foreign affairs the principles upon which the United Nations was founded were confronted with a condition and not a theory.

It is not the North Atlantic Pact or any other measures undertaken by these likeminded countries with long records of law-abiding and pacific conduct in foreign affairs, with democratic institutions which in themselves preclude calculated plans of aggression, which is damaging the prestige and effectiveness of the United Nations.

It could hardly be expected that they were to stand idly by and see the peace and well-being of their peoples and of the world continually menaced by the abuse of a voting procedure in the Security Council of the United Nations.

Anything that contributes to peace and security in the world contributes to the United Nations. The North Atlantic Pact which twelve

nations have signed is a contribution to peace and stability in a vital area of the world and hence to world security as a whole.

No tortuous hair splitting or wording of this or that article of the Charter can obscure that simple fact. Article 51 is unequivocal in its general recognition of the inherent right of individual and collective self-defense—and that is what the sabotage of the machinery of the United Nations has forced the nations signatories to the North Atlantic Pact to invoke.

Because an all-community fire department could not be set up because of the obvious unwillingness of one of the more powerful members of the community to have any fire department, there is certainly no reason why as much protection against fire as is possible should not be developed by those members of the community who do not wish to see any fire started in their neighborhood; or if one should start despite their best efforts, not to be in a position to put it out as quickly as possible.

There is absolutely no valid reason for believing that without the North Atlantic Pact the United Nations was about to be permitted to establish the universal system of security for which it was designed. On the contrary, it is more probable that the determination of the nations associated in the North Atlantic Pact to do what they can to further the peace and security within the general framework of the Charter, by necessity of their own efforts, will materially enhance the possibility of creating in the world the conditions under which the United Nations was designed to function.

It was never in the minds of the framers of the Charter that the organization set up under it should be so distorted as to become an international instrument which paralyzed the pacific nations of the world, the possible victims of aggression, while leaving a would-be aggressor with completely free hands to deal with them one by one.

It is an act of great irony for the country which has consistently sabotaged the function of the United Nations to charge that a Pact composed of the nations which have done most for the United Nations with bypassing or undermining the United Nations. It is well in considering this aspect of the matter to ask once when the charge "undermining the United Nations" is advanced the old Latin saying "cui prodest"—"Who benefits?"



Policy Planning Staff Files

*Memorandum by the Director of the Policy Planning Staff (Kennan) to the Secretary of State and the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] April 14, 1949.

There is attached a draft of a report prepared by the NSC Staff on "Measures Required To Achieve U.S. Objectives With Respect to the U.S.S.R."<sup>1</sup>

During the early stages of this project, the State Department representative on the NSC Staff consistently advanced the view that no useful purpose would be served by attempting to draft a detailed paper of this kind. Moreover, at a meeting of the NSC Consultants on January 17, 1949, Mr. Butler<sup>2</sup> took the position that such a report would lead to rigidity of U.S. position rather than to the flexibility of operations which is essential under present world conditions. However, in view of the feeling of the other Consultants that the Council had instructed the NSC Staff to prepare such a paper, no further effort was made by State to stop the preparation of the report on the understanding, concurred in by the other Consultants, that the final document would be distributed to interested Departments and Agencies merely as a check list and not for implementation.

However, on seeing the final document, I think it dangerous to give State Department approval to it, and feel that we must make an issue of it in the NSC—rather on a point of principle concerning the basic approach to foreign policy problems than on the merits of the provisions of this particular document.

For this, I would like a wider background of authority than my own opinion, and suggest that the matter be placed on the agenda of the Under Secretary's Staff meeting.<sup>3</sup>

GEORGE F. KENNAN

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<sup>1</sup> Of March 30, p. 271.

<sup>2</sup> George H. Butler, Deputy Director of the Policy Planning Staff.

<sup>3</sup> The following marginal notation by Butler appears opposite the last paragraph on the source text: "Mr. Souers was requested not to put report on NSC agenda pending a discussion of it among Mr. Webb, Mr. Kennan and Mr. Souers." References are to Sidney W. Souers, Executive Secretary of the National Security Council and James E. Webb, Under Secretary of State.

Under Secretary's Meetings<sup>1</sup>

*Record of the Under Secretary's Meeting, Department of State,  
April 15, 1949<sup>2</sup>*

TOP SECRET

1. *Measures Required To Achieve U.S. Objectives With Respect to the  
U.S.S.R. (D-28) (Top Secret)*<sup>3</sup>

(1) *Mr. Kennan* pointed out that the Military, because of the nature of its own planning, seems to be unable to realize that in a field of foreign policy specific planning cannot be undertaken as they propose in the above paper. He said he had all along raised objection to this approach. He felt that once the President had approved the broad objectives paper, no further detailed programming was necessary or desirable. He criticized the paper because of its assumption that a war with Russia is necessary, whereas the Department has drawn the assumption that some *modus vivendi* was possible.

(2) *Mr. Webb* recognized the merit of *Mr. Kennan's* comment but asked whether it was adequate. If this is not the paper that the President needs, what then is the character of the paper that the President

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<sup>1</sup> Lot 53D250, retired by the Department's Executive Secretariat, contains the records of the Under Secretary of State's Staff Meetings for the years 1949-1952.

<sup>2</sup> Under Secretary of State James E. Webb held regular staff meetings beginning in February 1949, attended by the principal officers of the Department. It was decided at the first meeting, February 3, that meetings would generally be held on Monday, Wednesday, and Friday mornings and would be confined to one hour. Webb explained that he expected the meetings to provide him with a closer relationship with those attending, to permit examination of problems at an early stage, to make certain that lines of responsibility were clearly understood, and where practicable to reach agreement on policy matters. (Under Secretary's Meetings: Lot 53D250)

The following Department officers attended the meeting of April 15: Webb; Rusk; Bohlen; Kennan; George V. Allen, Assistant Secretary of State for Public Affairs; W. Park Armstrong, Jr., Special Assistant to the Secretary of State for Research and Intelligence; W. Walton Butterworth, Director of the Office of Far Eastern Affairs; Paul C. Daniels, Director of the Office of American Republic Affairs; Ernest A. Gross, Assistant Secretary of State for Congressional Relations and Chairman of FACC; John D. Hickerson, Director of the Office of European Affairs; Robert D. Murphy, Director of the Office of German and Austrian Affairs; Walter A. RADIUS, Director of the Office of Transport and Communications; Charles E. Saltzman, Assistant Secretary of State for Occupied Areas; Joseph C. Satterthwaite, Director of the Office of Near Eastern and African Affairs; Jack B. Tate, Assistant Legal Adviser; Paul Nitze, Special Assistant to the Assistant Secretary of State for Economic Affairs; Carlisle H. Humelsine, Director of the Executive Secretariat; and James Q. Reber of the Executive Secretariat.

The record was prepared by Reber.

<sup>3</sup> Same as Draft Report by the National Security Council Staff, March 30, p. 271.

needs? Can it not be pointed out to the **Military** that the Department has in fact had some very specific programs in implementation of the objectives papers; for example, Yugoslav Economic Relations, Korea, Formosa, The Pact, Military Assistance.

(3) *Mr. Bohlen* generally criticized the constant reference to objectives in foreign policy. He damned "peace" as an objective and said it is not an objective. Rather, in foreign policy it is a question of direction and method. Particularly important is the estimate of time periods. We are not now in the military phase in our relations with the Russians. But we must look ahead. Certain things must be done now in terms of a long-range projection. He cited hypothetically that if in 1953 we should find that the Russian war wounds are healed, her industry re-established, her military on a firm footing and in possession of the atom bomb, we might be in a position to say: "What should we have done in 1949?[" Will it be a question of too little and too late? Furthermore, whereas he would agree that the present paper must be rejected, he seemed to agree with *Mr. Webb's* approach that there should be, taking into account the time phasing, a flexible blueprint or method.

(4) *Mr. Rusk* cautioned that the NSC procedure may be getting into the condition which confronts us in the UN, namely, that no question can be talked about unless there is a resolution on the problem. He argued that there is considerable merit in discussing objectives (or direction, as *Mr. Bohlen* prefers) without necessarily signing a document on means of implementation.

(5) The *Staff* generally and roundly condemned the paper as being extremely dangerous and one which could be pointed to by agencies in the future saying: "See, the President has given his approval for this or that action".<sup>4</sup>

(6) [Here, as in other recent instances, the Staff reflected the uncertainty of the purpose and use of the National Security Council. However, *Mr. Webb* threw in an interesting point, that he felt it necessary for the Department to work with Admiral Souers in order that the State Department could give direction to the use which the President would make of the NSC. . . . ]<sup>5</sup>

[Here follow an informal expression of *Reber's* opinion inserted by him when drafting the record of the meeting, and discussion of other subjects.]

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<sup>4</sup> According to the Action Summary of this meeting, not printed, it was decided that Kennan would request NSC Executive Secretary Souers to remove the draft report from the agenda of the NSC. Kennan was also to arrange a conversation between Webb, Souers, and himself to discuss why the Department of State did not consider the paper the proper approach and what type of paper was actually required. (Under Secretary's Meetings: Lot 53D250)

<sup>5</sup> Brackets appear in the source text.

S/S-NSC Files: Lot 63D351: <sup>1</sup> NSC 45 Series*Report by the National Security Council to President Truman*

TOP SECRET

[WASHINGTON,] April 15, 1949.

NSC 45/1

AIRFIELD CONSTRUCTION IN THE UNITED KINGDOM AND THE CAIRO-SUEZ  
AREA

## NOTE BY THE EXECUTIVE SECRETARY

The National Security Council has considered and adopted the enclosed report on the subject.<sup>2</sup>

The National Security Council recommends that the President approve the recommendation contained in paragraph 3 of the enclosed report.<sup>3</sup>

It is requested that this matter be handled with special security precautions.

SIDNEY W. SOUERS

[Enclosure]

*Report by the National Security Council*

TOP SECRET

[WASHINGTON,] April 15, 1949.

NSC 45/1

AIRFIELD CONSTRUCTION IN THE UNITED KINGDOM AND THE CAIRO-SUEZ  
AREA

1. The National Security Council has considered the enclosed memorandum on the subject from the Secretary of Defense, dated March 17, 1949, together with the views of the Joint Chiefs of Staff thereon contained in the attached memorandum dated March 26, 1949.

2. The National Security Council has agreed that the development of adequate airfields in the United Kingdom and in the Cairo-Suez area, required for emergency war plans, is in the interests of national security.

3. The Council accordingly recommends that the President direct the Secretary of State to undertake negotiations with the British Government, on the highest levels necessary, regarding the provision of funds required for the construction of the airfields envisaged in the enclosed memoranda.

<sup>1</sup> Serial master files of National Security Council documentation and related Department of State material for the years 1947-1961, retired by the Executive Secretariat of the Department of State.

<sup>2</sup> Adopted by NSC Action No. 204, April 15, 1949 (S/S-NSC Files: Lot 66D95: NSC Actions).

<sup>3</sup> On April 18, President Truman approved this report and directed the Secretary of State to initiate negotiations with the British Government.

[Subenclosure 1]

*Memorandum by the Secretary of Defense (Forrestal) to the Executive Secretary of the National Security Council (Souers)*<sup>4</sup>

TOP SECRET

WASHINGTON, 17 March 1949.

Subject: Airfield Construction in the United Kingdom and the Cairo-Suez Area

1. I wish to submit the following problem for consideration by the National Security Council at its next meeting. It relates to discussions between the United States and British Governments regarding airfield construction in the United Kingdom and the Cairo-Suez area.

2. As you know, current emergency war plans require the delivery of a powerful strategic air offensive as soon as possible after hostilities commence. Current plans envisage the utilization of air bases in the United Kingdom and in the Cairo-Suez area in connection with the strategic air offensive. Air bases in the United Kingdom presently suitable for this purpose are situated in East Anglia, and are extremely vulnerable to successful attack by low-flying aircraft. The Abu Sueir airfield in Egypt is presently unsuitable for bomber operations. There is, in fact, no airfield in Egypt suitable for bomber operations.

3. Joint study by the R.A.F. and the U.S.A.F. revealed that in the United Kingdom, at least four more air bases of medium bomber standard were required. To avoid the vulnerability of the East Anglia locations, it was determined that the four additional air bases should be sited . . . . The Air Ministry agreed to initiate development of these bases as soon as funds were secured.

4. In the case of Abu Sueir, the development needed has been agreed upon between the R.A.F. and the U.S.A.F., and arrangements have been made with the Egyptian Government for the necessary materials. In this instance, also, the initiation of work will immediately follow the securing of funds.

5. The funds, during Fiscal Year 1950, which are needed for the development work on the four . . . air bases is 1,000,000 pounds, according to R.A.F. estimates. For the Abu Sueir air base 800,000 pounds is needed. The total ultimate cost of these developments is estimated to be 7,717,000 pounds, or \$31,000,000.

6. Efforts have been made without success to secure the use of Economic Cooperation Administration funds for the air base development required. Alternatively, the Air Ministry proposed to the British Treasury that 1,800,000 pounds be included in the British

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<sup>4</sup> Subenclosure 1 was originally circulated as NSC 45.

budget for the forthcoming fiscal year with which to finance the subject air base development. This the British Treasury declined to do, on the grounds that it could not support an appropriation of funds for U.S.A.F. requirements without agreement between the Governments of the United States and the United Kingdom as to the source of funds, i.e., whether the funds would come from U.S. Air Force, E.C.A., or U.K. sources.

7. Advices received from Ambassador Douglas and from General Johnson, Air Force Commander in the United Kingdom,<sup>5</sup> are to the effect that no favorable action may be expected from the British Government, either in respect to E.C.A. funds or their own budget, without pressure from high quarters in the United States.

8. I wish to request, therefore, that this problem should be considered by the National Security Council at its next meeting with a view to determining whether the development of four airfields in the United Kingdom and one in the Cairo-Suez area is in the national interest, and, if so, whether the Department of State should be authorized to undertake negotiations with the British Foreign Office regarding the provision of required funds.

9. It is requested that this matter be handled with special security precautions.

JAMES FORRESTAL

[Subenclosure 2]

*Memorandum by the Secretary of Defense (Forrestal) to the Executive Secretary of the National Security Council (Souers)*

TOP SECRET

WASHINGTON, 26 March 1949.

Subject: Airfield Construction (NSC 45)

In reply to your memorandum of 23 March 1949,\* requesting, pursuant to NSC Action 197, the views of the Joint Chiefs of Staff with respect to NSC 45, I wish to inform you that the Joint Chiefs of Staff agree that the development of the four airfields in the United Kingdom and the one airfield in the Cairo-Suez area is in the national interest.

JAMES FORRESTAL

<sup>5</sup> Major General Leon W. Johnson, Commanding General, U.S. Third Air Division.

\*Requesting the views of the Joint Chiefs of Staff, pursuant to NSC Action No. 197 a. [Footnote in the source text.]

840.20/4-2249

*Record of Discussions at the Meeting of the Senate Foreign Relations Committee, Washington, April 21, 1949*<sup>1</sup>

SECRET

Following are off the record discussions at the meeting of the Senate Foreign Relations Committee, Thursday, April 21, 1949. All members were present except Senators Green<sup>2</sup> and Wiley.<sup>3</sup>

*Need for Information on MAP.* Senator Vandenberg<sup>4</sup> began by asserting that the temper of the Congress concerning funds proposed for MAP was "damned bad" and that a breakdown of the whole amount would be needed before favorable action could be taken. He said that the demand for much more information than was current still existed, and that the Department had to tell Congress a good deal more than was already known if the bill was expected to pass. Senator Lodge<sup>5</sup> added that information would be required on what the program proposed not for only a year but for the next four to five years. Secretary Johnson then declared that the Joint Chiefs of Staff would argue that a breakdown was necessary [*unnecessary?*], saying that to admit what was being sent to each country was bad strategy from a military sense. In this view he was supported by Secretary Acheson who, on a question from Senator Vandenberg asking how far the State Department was prepared to go on public cross-examination in public about nation-to-nation allocations, answered that it would go fairly far, of course, but that it was a mistake to announce a nation by nation breakdown, since this put many of the participating countries "on the spot". Senator Vandenberg then read from Article 54 of the United Nations Charter concerning the reporting to the UN of world arms movements, and after being told that this Government had never re-

<sup>1</sup> Drafted on April 22 by Darrell St. Claire, Congressional Liaison Officer, Department of State.

This discussion occurred in the following context. On April 4, the North Atlantic Treaty was signed in Washington. On April 5, the Brussels Treaty Powers entered a request with the United States for military assistance. The same day, the United States replied that the Executive Branch of the U.S. Government was prepared to recommend to Congress that the United States extend military assistance to the countries signatory to the Brussels Treaty. The North Atlantic Treaty text, the request for military aid, and the United States response are printed in vol. iv, pp. 281, 285, and 287.

At the present closed meeting, Secretary of State Acheson and Secretary of Defense Louis A. Johnson informed the Committee that Congress would soon be requested to authorize \$1,450,000,000 for military assistance, \$1,130,000,000 of which would go to Western Europe under the North Atlantic Treaty. These figures were released to the press and were repeated by Secretary Acheson in testimony before the Senate Foreign Relations Committee on the North Atlantic Treaty and the role of the military assistance program, April 27; for the text of the April 27 statement, see Department of State *Bulletin*, May 8, 1949, pp. 594-599 (an extract appears in vol. iv, p. 296).

<sup>2</sup> Senator Theodore Francis Green of Rhode Island.

<sup>3</sup> Senator Alexander Wiley of Wisconsin.

<sup>4</sup> Senator Arthur H. Vandenberg of Michigan.

<sup>5</sup> Senator Henry Cabot Lodge, Jr., of Massachusetts.

ported strategic information to the UN, Vandenberg said he was glad to hear of such a precedent.

*Designation of Countries Receiving MAP Assistance.* Senator Smith<sup>6</sup> wished to know if the Department, in public hearings, would name the recipient countries and was told that it would. When Vandenberg pointed out that this would lead to specific questions as to amounts of aid promised, i.e., how much would Great Britain get, Secretary Acheson declared that again to make such information known, for tactical reasons, would be unwise. Vandenberg then declared that the Atlantic Treaty presupposes self-activity and self-help and he would like to know, as it would be asked in public hearings, how much self-help was contemplated under MAP, and if this could be mentioned in the public hearings. The Secretary thought that in some measure this would be possible.

*Methods and Contributions Under MAP.* The Chairman of the Armed Services Committee, Senator Tydings,<sup>7</sup> questioned Secretary Johnson closely on what amount of the total appropriation would be used for rehabilitation of arms, and what would be old weapons drawn from stocks available in the United States. To these questions he was told there had not been time to provide answers but that they would be forthcoming from the Secretary of Defense in forty-eight hours. Senator Tydings also pointed out that the United States is superior in heavy bombers and other such weapons, that the UK is better known for its fighter planes, and so on. He hoped that the defense plan proposed under MAP would be completely integrated and useful, in which no nation would receive weapons from this country in order to satisfy its national pride but only those arms which would fill its defense needs and fold in with strategic concepts of our Joint Chiefs of Staff. In this Secretary Johnson said he was thinking "right down his alley"; that naturally only those weapons which the Joint Chiefs of Staff here felt would fit into a pattern of mutual support and world defense would be shipped or procured abroad under the Program. Senator Tydings again wondered how much of the requirements would be provided out of the stocks here and how much of those abroad. Secretary Johnson replied that the figures he had were too new to give an accurate reply.

Senator Tydings then declared that France would have a standing army of 410,000 this year and after and that certainly could be held typical as a problem under MAP, this army because of wartime depletion, needed arms. Secretary Johnson, in response to a suggestion from Senator Lodge, thought that many of the 1943 arms given France by the Allies were still in use, and that therefore the case was not exactly typical. When Senator Tydings, pressing the point, asked that in the case of France how much would be filled of its requirements by

<sup>6</sup> Senator H. Alexander Smith of New Jersey.

<sup>7</sup> Senator Millard E. Tydings of Maryland.



us and how much by France, Secretary Acheson said that he had considered that the Committee had agreed not to release actual country-by-country figures. Senator Tydings then returned to his first hope—that we had an over-all plan into which our heavy bombers and tanks and European fighters and divisions would figure in a regular, useful pattern, and that if he could not rest assured that such was the case, he then thought he might have to vote against MAP. Secretary Johnson said that he could have that assurance, and that he personally could say that the prime aim of MAP was ultimately to secure military security and peace up to a point where this nation might begin reducing its arms program and taxes. All US contributions were to these ends, he said. Senator Connally,<sup>8</sup> the Chairman, hoped that they would be if the other nations do their part.

In agreeing, Senator Tydings declared the main issue with him was that all the nations were not able to supply themselves in all categories, and that therefore they ought to, and must willingly, accept those which we designate for them as the best way universally to resist the Soviet Union. Even if this meant a greater commitment by them of men than the United States is ready to furnish, these nations must go along and play the role fitted for them by the United States. Senator Lodge interjected by saying that even the most optimistic intentions for MAP, whatever its world strategy, did not equip Western Europe for offensive operations but made it capable of holding the lines until this country got moving. He then asked why we were pulling troops out of Korea<sup>9</sup> and was told that it was in accordance with a UN resolution. He made the same inquiry, why our complements were being reduced in Japan,<sup>10</sup> and Secretary Johnson thought that since this represented a tactical problem in the United States military establishment, and had several secret angles, he would like to talk to Lodge alone about it.

*Atomic Warfare.* Senator McMahon<sup>11</sup> brought an atomic warfare note into the discussion with the mention of the recent Churchill statement at Boston<sup>12</sup> that it was the threat of the United States atomic weapon which had so far held Russia in leash. He visualized the MAP as a program which stiffened morale as it tentatively rearmed many nations, but he questioned what security it gave these nations so far. He said that the next war, being atomic, would submerge and might

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<sup>8</sup> Senator Tom Connally of Texas.

<sup>9</sup> Documentation on United States policy respecting Korea appears in volume VII, Part 2.

<sup>10</sup> Documentation on United States policy with respect to the occupation and control of Japan appears *ibid.*

<sup>11</sup> Senator Brien McMahon of Connecticut, Chairman of the Joint Committee on Atomic Energy.

<sup>12</sup> Reference is to an address delivered by Winston S. Churchill, Prime Minister of the United Kingdom, 1940-1945, and leader of the opposition since 1945, at the Massachusetts Institute of Technology, March 31, 1949; for text, see the *New York Times*, April 1, 1949, p. 10, col. 1.

even waste all the programs undertaken by MAP, and that we would have ended up making the European countries feel better with MAP rather than doing them any real good. He, like Senator Vandenberg, also was not too sure of the impact of the MAP on the economy of the United States. At this point, Senator Vandenberg desired for the record it to be known that there was danger of the Pact being made over into a vast military alliance, rather than using it as an instrument of peace, and he wanted Secretary Johnson in particular to know, and acknowledge, that its basis was a hope of peace, and not the prospect of inevitable war. Senator McMahon returned to the appropriations scheduled by the program, and said he questioned their efficiency unless it was foreseen that atomic warfare would change future tactical concepts. This Secretary Johnson construed as being criticism of the planning of the program and also an attempt by the Senator to gain classified information. He rebuffed the Senator on several answers, declining to continue to answer points raised by Senator McMahon, saying that his oath as Secretary of Defense forbade him from making public any more information. Senator McMahon declared that he was not attempting to make public classified material, but only, in the name of the American taxpayer, trying to make a determination of what the U.S. defense forces proposed as wise spending. Again he was rebuffed, and Senator McMahon ended by saying that if Johnson would not furnish answers then, this would not keep the Senator from asking the identical questions at the Pact hearing.

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Under Secretary's Meetings : Lot 53D250

*Action Summary of the Under Secretary's Meeting, May 2, 1949,*  
10 a. m.<sup>1</sup>

TOP SECRET

[WASHINGTON,] May 2, 1949.

1. *U.S. Objectives With Respect to Russia* (D-30<sup>2</sup>) (Top Secret)

No action on the above paper is necessary. It was submitted to the Meeting for discussion in connection with the views which had been expressed by the Staff (April 15) on the paper entitled "Measures Required to Achieve U.S. Objectives with Respect to the U.S.S.R." (NSC 35<sup>3</sup>).

<sup>1</sup> No more detailed record of this meeting has been found.

<sup>2</sup> Document UM D-30, not printed, consisted of a brief summary memorandum and the full text of document PPS 38, August 18, 1948, "U.S. Objectives with Respect to Russia." For an extract of PPS 38, printed as NSC 20/1, setting forth its principal recommendations, see *Foreign Relations*, 1948, vol. 1, Part 2, p. 609.

<sup>3</sup> The draft paper entitled "Measures Required to Achieve U.S. Objectives with Respect to the U.S.S.R.," March 30, 1949, appears on p. 271 NSC 35, November 17, 1948, a report to the NSC by the Secretary of Defense, transmitted a memorandum by the Joint Chiefs of Staff on "Existing International Commitments Involving the Possible Use of Armed Forces." NSC 35 was submitted by Secretary of Defense Forrestal in connection with the preparation of the report on "Measures." For text, see *Foreign Relations*, 1948, vol. 1, Part 2, p. 656.

With a view to assembling material for the National Security Council on the general requirement of U.S. foreign policy which will meet the needs of the President and member agencies :

a. Mr. Kennan will re-examine a paper entitled "Factors Affecting the Nature of the U.S. Defense Arrangements in the Light of Soviet Policies" (PPS 33, June 23, 1948<sup>4</sup>) which was noted by the NSC. This paper will be submitted to the Under Secretary's Meeting for consideration with the possibility of sending it to the NSC again.<sup>5</sup>

b. Mr. Kennan will submit to the Under Secretary an outline of a project (which his Staff will undertake in cooperation with the necessary personnel in the Department) to set forth the foreign policy framework which the Department anticipates for 1951. The paper produced through this project, it is anticipated, will provide the basis for the President to appraise, among other things military and domestic needs in terms of budgetary requirements.

<sup>4</sup> For text, printed as NSC 20/2 of August 25, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 615.

<sup>5</sup> There is no indication in the available files that the Under Secretary's Meeting subsequently considered PPS 33.

Policy Planning Staff Files

*Memorandum by the Deputy Director of the Office of European Affairs (Thompson) to the Director of the Policy Planning Staff (Kennan)*<sup>1</sup>

TOP SECRET

[WASHINGTON,] May 3, 1949.

In order to save time and to give you an independent judgment, I submit my comments on your paper, *Factors Affecting the Nature of the United States Defense Arrangements in the Light of Soviet Policies*. EE will submit comments separately.<sup>2</sup>

In general, this appears to me to be an excellent statement of the situation, and I believe about as far as we can go officially in estimating the likelihood of war.

Paragraph (h) on page 5<sup>3</sup> is now out of date and could be eliminated.

On page 7, the sentence in parenthesis under paragraph (c)<sup>4</sup> is to

<sup>1</sup> In a memorandum of May 2 to Thompson, not printed, Kennan stated that before submitting document PPS 33 to Under Secretary Webb, he desired an appraisal of the paper from Thompson and "the people in the Russian Division". (Policy Planning Staff Files) For text of PPS 33, June 23, 1948, printed as NSC 20/2 of August 25, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 615.

<sup>2</sup> See Reinhardt's memorandum, *infra*.

<sup>3</sup> The paragraph under reference commented upon possible Soviet calculations regarding the forthcoming 1948 national elections.

<sup>4</sup> The sentence under reference read as follows :

"In this connection there is always the possibility that the Soviet leaders may miscalculate the determination of this Government and its willingness to resort to force to protect the integrity of existing international agreements."

my mind an extremely important point and deserves to stand on its own feet and not be related merely to Berlin or Vienna. I personally think there is more danger of war from the Soviet miscalculation than from any other cause.

The sentence at the top of page 10<sup>5</sup> is somewhat questionable in my mind, since nearly all of the essential Soviet services were transferred to the provinces during the war at one stage.

In the section on Atomic Weapons, I believe that the Soviet gambit, in the event they were about to manufacture a few bombs, would be to press us to accept their present proposition, namely, to outlaw the bomb and to destroy all stocks. This might have strong popular appeal and would be as difficult for us to resist as it would be fatal to accept.

If the paper is to be revised, it seems to me that mention should be made of the Atlantic Pact. The steps we are endeavoring to take to implement the Pact will surely increase the danger that the Russians may consider it advisable to strike before the steps can be effective. While this is a calculated risk we feel well worth taking, it is a factor which has developed since your paper was written.

While possibly not necessary in such a brief paper, mention might be made of the difficulties the Russians are experiencing in Eastern Europe because of the hope the peoples in these countries receive from our actions and from the progress being made in building up Western Europe.

LLEWELLYN E. THOMPSON

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<sup>5</sup> The reference here is to the sentence that began in the paragraph reading:

"Russia has few cities to lose. Only Moscow and Leningrad could conceivably house the highly centralized administrative services of the Soviet Government for any length of time."

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Policy Planning Staff Files

*Memorandum by the Chief of the Division of Eastern European Affairs (Reinhardt) to the Director of the Policy Planning Staff (Kennan)*<sup>1</sup>

TOP SECRET

[WASHINGTON,] May 4, 1949.

With reference to PPS/33 dated June 23, 1948, EE is of the opinion that the conclusion reached in the study is still valid. The conclusion, furthermore, is supported by the most recent report of the Moscow Embassy JIC entitled "Soviet Intentions" and transmitted under

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<sup>1</sup> Regarding the circumstances leading to the preparation of this memorandum, see footnote 1 to the memorandum from Thompson to Kennan, *supra*.

cover of Embassy Top Secret despatch no. 202, April 6, 1949,<sup>2</sup> which summarizes the results of its study in the following terms:

"The Soviet Union will not resort to direct military action against the West in the near future and expects and counts on a period of several years of peace."

Although the conclusions of PPS/33 are still valid, the evidence and data on which they are based have been modified somewhat by events since its publication. With a view to bringing the general substance of the argument up to date, EE makes the following suggestions:

In the list of factors militating against the likelihood of Soviet armed action include:

(a) The growth of western unity and strength under the aegis of the ERP, the North Atlantic Pact and US rearming and armed assistance to Western Europe.

(b) The possession of the atomic bomb by the United States together with a growing capacity to deliver it and a growing stockpile of bombs.

(c) Communist successes in China would seem to reduce the possibility of Soviet initiative in that area which might start a war without materially increasing the likelihood of such an initiative in other areas.

(d) The defection of Yugoslavia, while it may increase the likelihood of local armed actions within the "Iron Curtain" would seem to reduce the likelihood of overt Soviet aggression in the West outside the Iron Curtain.

(h) on page 5 should be eliminated.

In the list of factors militating for the likelihood of Soviet armed action in the near future it might well be pointed out that despite the traditional preference of the Kremlin for subversive political and economic aggression rather than overt military aggression to obtain its objectives, the only areas outside its frontiers which the Soviet Union has succeeded in communizing have been areas which have experienced the occupation of Soviet armed forces. It would not be unreasonable if this historical fact effected some modification in the Kremlin's point of view.

The statement at the top of page 6 that "a certain revival of armed strength will also take place in western Europe" should be pointed up in view of the North Atlantic Pact and the impending arms assistance program.

In paragraph (c) on page 7<sup>3</sup> a reference to Yugoslavia should be substituted for the reference to Berlin and Vienna. The possibility of a miscalculation, mentioned in the sentence in brackets in the same

<sup>2</sup> For partial text of despatch No. 202, see vol. v, p. 603.

<sup>3</sup> See footnote 4 to Thompson's memorandum to Kennan, *supra*.

paragraph, is materially reduced by the North Atlantic Pact and other evidences of US determination.

With reference to the first paragraph at the top of page 10, EE agrees with LET's comment.<sup>4</sup> This comment equally applies to the next to the last sentence in this long bracketed passage.

The final sentence in the long bracketed passage on page 10 seems to imply, and it is believed would in any event be taken by the military to imply, that the atomic bombing of urban populations would be effective in destroying the Soviet will to resist. EE is of the opinion that this hypothesis is questionable.

In the second sentence of the bracketed paragraph on page 11 the statement that our international positions must seem to the Soviets to contain a margin of excessive demand implies an extreme lack of objectivity on the part of the Soviets in assessing what we must regard as our national interest and thus a failure to note that our international positions do not in fact contain any margin of excessive demand over what our interests require. Possibly the passage of time and the growth of experience in dealing with the US has reduced the Soviet tendency to credit the US with placing such a margin of excessive demand in its international position.

In Section D, pp. 16-18, Part 1<sup>5</sup> seems to be less successful in defining what the US defense effort should be than Part 2 is in stating what it should not be. It is felt that this lack of definiteness together with the language of the first full sentence on page 16 and of the conclusion at the bottom of page 18 may be interpreted by the military as endorsing an effort to maintain a higher degree of sustained readiness for immediate war than either the international situation or our resources would justify. It is therefore suggested that it would be well to reword the first full sentence on page 15, perhaps along the following lines: ". . . we will require an establishment in an optimum posture to wage war successfully if it should be forced upon us, considering both the long term nature of the struggle for power in which we are engaged and the factor of limited resources."

With respect to Part 1 (page 16) it is suggested that the following ideas might be incorporated:

Taking into account the limitations imposed on the size of the US NME by both political and economic considerations, as well as the impossibility of sustaining a maximum measure of preparedness in time of peace, the optimum level for the US defense effort would seem to be one sufficiently high (1) to retain the confidence of our friends and allies and enable the US to fully play its role as a great power, and (2) to provide sufficient guarantee that no sudden and unan-

<sup>4</sup> See Thompson's memorandum, *supra*, and footnote 5 thereto.

<sup>5</sup> PPS 33, Section D, Part 1, was entitled "A U.S. defense effort founded on the principle of a long-term state of readiness".

nounced attack could paralyze the US and preclude the full expansion and exploitation of the US war potential.

Finally it is suggested that the last paragraph on page 18<sup>6</sup> be reworded by substituting for the word "adequate" some phraseology less susceptible of misinterpretation by the military.

[G.] F[REDERICK] REINHARDT

<sup>6</sup>The paragraph under reference is the final paragraph in PPS 33. It commented upon the need for the "maintenance of a permanent state of adequate military preparation."

Policy Planning Staff Files

*Memorandum of Conversation, by the Under Secretary of State  
(Webb)*

SECRET

[WASHINGTON,] May 4, 1949.

Subject: State Department Participation in the NSC.

Participants: *State:*

*National Security Council:*

Mr. Webb

Admiral Souers

Mr. Kennan

Mr. Lay<sup>2</sup>

Mr. Butler

Mr. McWilliams<sup>1</sup>

I arranged a meeting with Admiral Souers and Mr. Kennan in order that we might have a discussion on the Department's participation in the NSC. I opened the discussion by saying that the State Department was interested in reaching an agreement on how we could best furnish the President with what he needed to carry out his duties relating to the National security. Mr. Souers agreed that we all had the same objective (i.e. giving the President what he needs) and that we only needed to agree on the procedures by which we could accomplish this. I stated that I would like to discuss four subjects regarding Council procedure on which I felt that agreement was essential to achieve our common objectives. The four follow:

1. *Consideration by the Council of Measures to Implement Policies.*

I stated that the State Department has been concerned because of the tendency of the Military Establishment to agitate for specific "measures" papers designed to implement broad policies. I stated that it was the State Department's belief that "measures" papers generally

<sup>1</sup> William J. McWilliams, Assistant to the Director of the Executive Secretariat, Department of State.

<sup>2</sup> James S. Lay, Jr., Assistant Executive Secretary of the National Security Council.

should not be considered in the NSC. I cited the cases of the "measures" paper<sup>3</sup> designed to implement NSC 20/4 (U.S. Objectives Toward the USSR)<sup>4</sup> which was drafted over State protests. I asked Admiral Souers if we could not have that paper removed from the agenda. Admiral Souers agreed with our position as to consideration of "measures" papers by the NSC. He said that he would take appropriate action to remove the paper in question from the agenda.

## 2. *Role of the NSC Staff.*

I informed Admiral Souers that the Department had some doubts as to the desirability of continuing the NSC contributed staff in its present role (each member agency contributes one staff member and the State Department supplies an additional officer known as the Staff Coordinator). I pointed out that the role of the Staff had never been clearly defined and that we doubted that it served a useful purpose. Admiral Souers agreed that the accomplishments of the staff had not been impressive but stated that he believed it would be a worthwhile unit if it were used as a forum for analysis of problems and a bringing together of military and political views to be taken into consideration by State in its drafting of papers. He agreed that the staff should not generally attempt to draft papers and that State should not have to submit its papers to the Council through the Staff. Admiral Souers then explained General Gruenther's<sup>5</sup> role as set up by Secretary Johnson in handling NSC business. Contrary to the former arrangement when the Secretary of Defense was not represented on the working levels in the Council, General Gruenther will have responsibility for the Secretary of Defense for all working level participation by the National Military Establishment.

Admiral Souers agreed with our suggestion that State needed only one man on the Staff and not two. He agreed that if we placed one good man in this role he could serve as Staff member and coordinator. I asked Mr. Kennan, Mr. Butler and Mr. McWilliams to give their attention to finding a suitable officer for this role. They are to consult with Mr. Peurifoy<sup>6</sup> and forward recommendations to me.

Mr. Kennan and I agreed that Admiral Souers' conception of the role of the Staff seemed to have merit and stated that we would be willing to give the suggestion a thorough trial.

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<sup>3</sup> Of March 30, p. 271.

<sup>4</sup> NSC 20/4 is identified in footnote 1, p. 271.

<sup>5</sup> Maj. Gen. Alfred M. Gruenther, Director of the Joint Staff, Joint Chiefs of Staff.

<sup>6</sup> John E. Peurifoy, Assistant Secretary of State for Administration.



### 3. *Implementation of NSC Papers.*

I stated that the State Department was concerned that whereas we were required to submit reports of progress of our implementation of NSC papers, no action was taken when we reported failure of other agencies to carry out their assigned responsibilities. The case in point is NSC 13/2 (U.S. Policy Toward Japan)<sup>7</sup> on which State has reported failure by the Military Establishment and General MacArthur<sup>8</sup> in carrying out the provisions of the paper. I asked Admiral Souers how he thought this should be taken care of. Admiral Souers said he had not been aware of this problem but thought that there were several ways which it might be handled. We agreed that Mr. Lay and Mr. McWilliams would get together and prepare a paper suggesting ways of handling this issue.

### 4. *Objectives.*

I stated that we were aware of the President's need in having an overall summary of our objectives in the field of foreign relations to help him with the many decisions he has to make. We recognize the need of the Military to have an estimate of our objectives so that they can plan their budget; of the Budget Director so that he can plan an overall budget; of all the other government agencies so that their programs can be tied in to our foreign program. I asked Mr. Kennan to outline what we planned in this regard.

Mr. Kennan said that the Policy Planning Staff planned to draw up annually a review of our Foreign Policy to cover where we have been and where we are going. The paper, which would be an estimate, would attempt to forecast the areas and projects to which we should give primary attention. It would attempt to give some broad dollar estimates in needs for specific programs such as European Recovery Program. It will attempt to present a framework within which all government agencies could make plans for the following twelve months. Mr. Kennan said that his staff was starting preliminary work on this project and estimated that it would take two or three months to complete. Admiral Souers thought this was an excellent idea and believed that it would be a great help to the President.

Admiral Souers and I agreed that Mr. Lay and Mr. McWilliams would get up a paper putting in writing the agreements which we reached in this meeting.

JAMES E. WEBB

<sup>7</sup> For text, see *Foreign Relations*, 1948, vol. VI, p. 858.

<sup>8</sup> General of the Army Douglas MacArthur, Commanding General, United States Army Forces in the Pacific; Supreme Commander, Allied Powers in Japan.

S/S-NSC Files : Lot 63D351 : NSC 25 Series

*Memorandum by the Executive Secretary of the National Security Council (Souers) to the Council*

CONFIDENTIAL

WASHINGTON, May 11, 1949.

Subject: Interim Terms of Reference of SANACC

References: A. Memo for NSC from Executive Secretary, same subject, dated April 13, 1949<sup>1</sup>  
B. NSC 25/1<sup>2</sup>

In response to the memorandum request (Reference A) for Council members to indicate their action with respect to the recommendation on the subject contained in NSC 25/1, the following replies have been received:

Secretary of State: Agree

Secretary of the Treasury: Agree

Secretary of Defense: Disagree, as stated in the attached memorandum

Secretary of the Army: Disagree, and concur in the position taken by the Secretary of Defense in the attached memorandum

Secretary of the Navy: Disagree, and concur in the position taken by the Secretary of Defense in the attached memorandum

Secretary of the Air Force: Disagree

Chairman, National Security Resources Board: Agree

These views, including the recommendation of the Secretary of Defense in paragraph 3 of the enclosed memorandum, that a decision be taken immediately to dissolve SANACC as an independent entity, are accordingly submitted herewith for the further consideration of the National Security Council.

SIDNEY W. SOUERS

[Annex]

*The Secretary of Defense (Johnson) to the Executive Secretary of the National Security Council (Souers)*

CONFIDENTIAL

WASHINGTON, 4 May 1949.

DEAR ADMIRAL: This is with reference to your request of 13 April 1949 for action on the recommendations contained in NSC 25/1 regarding the future of SANACC.

<sup>1</sup> The memorandum of April 13, not printed, was directed to the Members of the Council, requesting that they indicate their agreement or disagreement with the recommendation contained in document NSC 25/1. See footnote 2, below.

<sup>2</sup> NSC 25/1, a Report to the National Security Council by the State-Army-Navy-Air Force Coordinating Committee on the Interim Terms of Reference of SANACC, April 13, 1949, is not printed. The Committee recommended that its terms of reference be extended for a further period of six months from February 19, 1949. At its 18th Meeting, August 19, 1948, the Council had approved document NSC 25 which delineated terms of reference to govern the activities of SANACC for a six-month period. For text of NSC 25, August 12, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 605.

Although SANACC and its predecessor, SWNCC, have performed a useful and creditable service in the past, it is my opinion that there is no longer any justification to keep SANACC in existence. For a variety of reasons, including the development of the National Security Council and the removal of occupied area matters from SANACC's jurisdiction, SANACC has been very inactive during recent months. The Committee itself has met only twice and has processed only ten papers in the last nine months. Matters pending on its agenda on 28 February 1949 have been under consideration for an average of over nine months and in single cases for a period of as long as twenty-three months. Practically no new questions have been placed before SANACC and a number of important ones have been or are being taken over by other agencies.

For these reasons, I am disapproving NSC 25/1 and wish to recommend that a decision be taken immediately to dissolve SANACC as an independent entity. This decision should go into effect after a delay of sixty days, during which period the affairs of SANACC should be disposed of by their abolition or their transfer to the departments having primary responsibility for them or their transfer to other interdepartmental agencies such as the National Security Council. I recommend that responsibility for liquidation of SANACC be assumed by the National Security Council and assigned by it to a subcommittee comprising the Executive Secretary of the National Security Council and one representative each from the Secretary of State and the Secretary of Defense.<sup>3</sup>

Sincerely yours,

LOUIS JOHNSON

<sup>3</sup> In a memorandum of May 25, not printed, Deputy Under Secretary of State Peurifoy advised Under Secretary Webb that he and Deputy Under Secretary Rusk agreed that SANACC had outlived its usefulness and should be dissolved (Department of State Administrative Files, 1949-1960: Lot 54D291). At its 41st Meeting, June 2, the National Security Council "Agreed to recommend to the President that the State-Army-Navy-Air Force Coordinating Committee be dissolved as of June 30, 1949 and that, in the interim, with the advice and assistance of a representative of the Secretary of Defense, SANACC conclude or transfer its affairs to other executive departments or agencies" (S/S-NSC Files: Lot 66D95: NSC Action No. 220). In a memorandum of June 3, not printed, Souers informed the Members of Council that President Truman had approved the recommendation (S/S-NSC Files: Lot 63D351: NSC 25 Series).

811.24500/5-1949

*The Secretary of Defense (Johnson) to the Secretary of State*<sup>1</sup>

TOP SECRET

WASHINGTON, 19 May 1949.

MY DEAR MR. SECRETARY: The National Military Establishment has made a comprehensive review of its requirements for military

<sup>1</sup> In a letter of May 31 to Secretary Johnson, Acting Secretary of State Webb acknowledged receipt of this letter and indicated that a careful analysis of the enclosed JCS study had been initiated in the Department of State (811.24500/5-1949).

rights in various foreign areas and the Joint Chiefs of Staff have prepared a study of the military rights and privileges which we desire to obtain. Copies of this study are forwarded herewith. We believe that prompt action should be taken to acquire military rights that are urgently required and measures should be initiated to obtain the other rights which are required as well as those considered desirable.

Since the war the military forces have from time to time requested the Department of State to obtain, through diplomatic channels, various military rights, including base rights in foreign territories. Some of these negotiations have been successful; others have not made available to U.S. Forces the military facilities which are considered essential for national security. With the thought in mind that a complete review and survey of what we require in the way of foreign military rights would be extremely useful to the Department of State, Secretary Forrestal several months ago requested the Joint Chiefs of Staff to study the matter and place in one broad pattern the various requirements and desires of the military forces. This project has just been completed and the requirements stated supersede all previous requests for military rights which have been submitted by the military departments.

A careful analysis of the attached JCS paper reveals that all of the stated requirements are from countries with which the United States has satisfactory diplomatic relations. Some of them are located in nations which are prospective recipients of our military assistance; others have recently joined with us as signatories of the North Atlantic Treaty or the Rio Treaty. All have a community of interests in the effective defense of freedom-loving nations all over the world.

The National Military Establishment is charged with the responsibility of providing an adequate defense for the United States, to assist in preserving international security, and if war comes, to wage war successfully. In planning our strategy for carrying out these functions we require suitable positions from which to employ the manpower and materials which make up the national military effort. We must have certain positions available and adequately developed prior to any attack. In some cases the continental defense of the United States will require foreign facilities. In other cases, our capability for retaliatory action, which may be one of the indispensable elements of our strategy in a future war, will depend importantly on foreign bases. I am sure that it is not necessary to belabor the point, but I do wish to urge upon you a thorough study of this document which has been strongly recommended by the Joint Chiefs of Staff as a basis for your action.

You will note in one portion of the JCS study that certain specific proposals, including suggested terms of bilateral agreements, have been made. These are forwarded in the hope that they may be helpful

to you in contriving the most effective means of acquiring the desired rights and privileges. From the political point of view, there may be other far better ways of achieving our objectives, but these proposals appear to be worthy of your consideration.

With regard to the security of the strategic information contained in the JCS study, I want to tell you that we are giving this paper only a very limited distribution within the NME and trust that it will be possible for you to take special precautions appropriately restricting the distribution and use of the five copies which are enclosed.

In the light of the foregoing and the strong recommendation of the Joint Chiefs of Staff, I would like to suggest that after you and your staff have had an opportunity to study these recommendations that you may desire to define the general principles and to outline a course of procedure to be followed in the acquisition of military rights for the United States.

We in the Military Establishment recognize the need for the closest correlation of our strategic planning with matters of U.S. foreign policy. In this instance we regard prompt and effective cooperation to be particularly important and, for this reason, we are planning to coordinate in my office the handling of matters connected with these requirements, including such review and revision as may become necessary. It is anticipated that a specific agency or individual will be assigned to cooperate with your representatives in working out the details in each case. Thus, if you would outline a course of action, I will immediately arrange for the expeditious performance of whatever functions need to be performed by the Military Establishment.

Sincerely yours,

LOUIS JOHNSON

[Enclosure]

*Study Prepared by the Joint Chiefs of Staff*<sup>2</sup>

TOP SECRET

[WASHINGTON, undated.]

IEWS OF THE JOINT CHIEFS OF STAFF ON MILITARY RIGHTS IN  
FOREIGN TERRITORIES

1. The Joint Chiefs of Staff have prepared this study to serve as a basis for their recommendations as to required and desired military rights. They consider that the matter of base rights is inseparably related to that of military rights of all types, and have covered, therefore, the broader requirement in their over-all review. Accordingly, they

<sup>2</sup> This enclosure does not accompany Secretary Johnson's covering letter in the central files of the Department of State. The source text is located in the Policy Planning Staff Files.

have reviewed the over-all situation with respect to military \* rights, including base rights, in foreign † territories.

2. *Categories.* For clarity in determining and analyzing the rights requirements of the National Military Establishment, these are summarized on Chart, Annex "A",<sup>3</sup> in three categories as defined below:

a. *Category I: Normal Peacetime Conditions:* Those rights, the exercise of which is required or desired for the fulfillment of the continuing peacetime commitments and responsibilities of the National Military Establishment.

b. *Category II: Wartime Requirements:* Those rights, the exercise of which is required or desired for the implementation of war plans, subsequent to the outbreak of hostilities.

c. *Category III: Peacetime Implementation of Plans:* Peacetime rights required or desired for the implementation of war plans. These rights consist of a prewar extension in selected instances of wartime rights above.

3. *Priorities.* For purposes of indicating priorities the rights have been regrouped, regardless of category, into three general priorities: those *required as a matter of urgency*, those *required*, and those *desired*. No priority is indicated or considered necessary between items in each class priority.

4. *Explanation of Priorities.* Required peacetime rights are limited to those which are needed in the performance of assigned missions. No rights have been shown as required unless the need has been established and an interested Service (or Services) has indicated intent to exercise them subject to the availability of funds, where pertinent, or *quid pro quo* arrangements in lieu thereof. Conversely, desired rights are furnished for guidance only. Desired rights are of less importance than those set forth as required; and the interested Service (or Services) has not necessarily indicated an intent to exercise these rights within a specified time. The Joint Chiefs of Staff consider that it is most important to obtain all required rights listed in this study at the earliest practicable date and by the most propitious means. All required rights set forth, however, are not needed as a matter of urgency, timewise. Military rights required as a matter of urgency include only

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\* The word "military" when used in this report, as a modifier, is a descriptive adjective referring to any or all of the military Services. Its use in connection with bases, missions and rights is intended to permit exercise or participation in such bases, missions or rights by any two or more of the Services and such other governmental agencies as may operate with or in support of the Services in peace or in war. For example, in accordance with the above, "Military air" is used to include Air Force and Naval Air. When it is intended that only one Service exercise rights referred to, that Service will be so indicated. [Footnote in the source text.]

† Areas occupied by, or mandated to, the United States are not considered herein since they are still subject to treaty agreements and should be studied separately at the appropriate time. [Footnote in the source text.]

<sup>3</sup> Entitled "Summary of the National Military Establishment Position with Respect to Military Rights in Foreign Territories"; not reproduced.

those which have been determined, in the military view, to be essential in the national interest, and those considered necessary in the light of current joint war planning or for the discharge of peacetime responsibilities for which no satisfactory provision has been or is likely to be made through temporary agreements or alternate arrangements.

5. *Military rights which are required as a matter of urgency, timewise:*

a. A firm, recognized agreement assuring, at minimum, United States long-term rights in Greenland equivalent to those now exercised, and in addition, the right to install and operate a Loran Navigation facility.

b. The right to supplement the British effort to improve the medium bomber bases of Abu Sueir, Suez Canal Zone; Khormaksar, Aden; and such other air bases in this area as may be necessary to implement current emergency war plans; and the following bases in the U.K.: Brize Norton, Upper Heyford, Fairford, and one additional base, in the United Kingdom.

c. Unlimited landing rights at Port Lyautey, Morocco.<sup>4</sup>

d. The right to use, jointly or on a lodger basis, and improve the French North African naval air bases of Karouba/Sidi Amed, Thiersville, and Tafaraoui/Lartigue.

e. The right to develop and use an amphibious training base, in French North African territory, preferably at Arzeu Bay near Oran.

f. The right to additional space at or near that currently granted at Lagens Field, Terciera Island, Azores, and to erect and operate Air Force and Navy communication facilities thereon.<sup>5</sup>

g. The right to erect, maintain, and operate Air Force and Navy communication facilities on the Island of Ceylon.

h. The continuation of present U.S. rights in Saudi Arabia on a long-term basis.

i. The right to conduct security and defense planning at military level with the Dutch Colonial authorities in Aruba and Curacao, Dutch West Indies.

j. The right to install, maintain and operate an Air Force communication facility in Aden.

6. *Required Military Rights.* The Joint Chiefs of Staff consider that the following *required* military rights, although not required as a matter of urgency, timewise, are of equal importance as those in paragraph 5 above, and should be obtained on the highest priority with due regard to the appropriateness of the means and timing of negotiations.

<sup>4</sup> For documentation on U.S. interest in military rights in French territory, see vol. iv, pp. 626 ff.

<sup>5</sup> For documentation on the question of military rights in the Azores, see *ibid.*, pp. 1 ff.

a. *Greenland, Iceland,<sup>6</sup> and Azores*: Interim rights to establish, occupy, maintain and operate military installations and facilities as considered essential to the security of the United States and the defense of these areas.

b. *Canada*:

(1) Continuation on a firm basis of rights presently exercised at Goose Bay, Labrador.

(2) Reaffirmation on change of sovereignty of the *military* rights held in Newfoundland under 99-year base agreement.<sup>7</sup>

(3) The right to develop, maintain, and operate a heavy bomber base and a jet fighter base in Newfoundland.

(4) Additional rights as necessary to cover the use, operation, and maintenance of communication facilities (pole lines) to and between leased bases in Newfoundland.

c. *Eritrea*:<sup>8</sup> A firm long-term agreement assuring the continued right to maintain and operate existing communication facilities at Asmara, Eritrea.

d. *Libya*: Right to maintain, develop, occupy and use an airfield and military base at Tripoli on a long-term basis.

e. *United Kingdom*:

(1) Indefinite continuation of rights to base and maintain United States Air groups in the United Kingdom.

(2) Right to supplement British effort to maintain and improve communication, port, and logistics facilities.

(3) Rights to provide by cooperative effort a long-range proving ground in and over the territory and territorial waters of the Bahama Islands to be utilized by the United States and the United Kingdom for the flight-testing of, and training with, guided missiles and other equipment.

f. *French Territories*:

(1) Limited development and use of a military base in the Casablanca-Port Lyautey area.

(2) Unlimited rights of air transit and technical stop throughout North Africa.

(3) Clarification of the application of rights granted in the Civil Affairs Agreement with respect to French Pacific Island possessions.

g. The right to maintain stockpiles of Avgas, navy fuels, materiel, and ammunition as necessary, is required in the following areas. This right is currently being exercised under local agreements at those sites

<sup>6</sup> For documentation on the matter of military rights in Greenland and Iceland, see vol. iv, pp. 1 ff., pp. 618 ff., and pp. 693 ff.

<sup>7</sup> For texts of agreements signed in London, March 27, 1941, providing for the establishment by the United States of naval and air bases in areas leased from the United Kingdom, and for the defense of Newfoundland, see Department of State Executive Agreement Series No. 235, or 55 Stat. (pt. 2) 1560, 1595, 1599. For related documentation, see *Foreign Relations, 1941*, vol. III, pp. 53 ff.

<sup>8</sup> For documentation on United States interest in military rights in the former Italian colonies in Africa, see vol. iv, pp. 526 ff.



underlined below, in which cases long-term confirmation of the rights is necessary.

Ceylon	(Trincomalee)
Greenland	(Selected bases)
Iceland	(Meeks Field and Reykjavik)
Italy	(Amendola, Naples, Pozzuoli)
Labrador	(Goose Bay)
Azores	(Lagens, Ponta del Gada, Horta)
Turkey	(Selected air bases)
United Kingdom	(As mutually agreed)
Malta	(As mutually agreed)
Gibraltar	(As mutually agreed)
Eritrea	(As mutually agreed)
Morocco	(Massawa, Asmara)
Algeria	(Casablanca, Port Lyautey)
Tunisia	(Mers el Kebir, Oran, Algiers)
Libya	(Bizerte, Tunis)
Saudi Arabia	(Wheelus Field)
Egypt-Suez Canal Zone and Aden Protectorate	(Dhahran) (As mutually agreed)

*h. Saudi Arabia:* Rights as necessary to the limited development, manning, and stockpiling of a military base in this area to include the stationing of defensive forces thereat. (In the event these rights are denied at Dhahran, they should be obtained at Bahrein Island.)

*i. Egypt:*

(1) Right to base fleet units, including carrier and patrol aircraft in the Alexandria Harbor-Abu Qir Bay area, and to make necessary improvements to naval and naval air facilities in that area.

(2) Renewal of 1947 rights of air transit and technical stop to include unlimited rights of overflight as necessary for access to British bases in the Suez Canal Zone.

(3) Right to survey the Alexandria-Cairo-Suez area for Army garrison and base facilities.

*j. Belgium, Luxembourg, Metropolitan France and Netherlands:*

(1) Continuation of present rights for the duration of occupation of Germany and Austria is a minimum requirement.

(2) French governmental confirmation is required of military plans for the utilization of ports and Line of Communications<sup>‡</sup> facilities necessary to establish a LOC through France for the support of occupation forces in Germany and Austria, should its use become necessary.

<sup>‡</sup>Line of Communications (LOC) is defined as: Land, water and air routes which connect an operating military force with its base of operations, and along which supplies and reinforcements move. Terminal and inter-route facilities are a part of the line of communication. In a broad sense LOC's include trade and supply routes necessary to support the war economy. [Footnote in the source text.]

*k. India, Pakistan, Dutch Guiana, Iraq, Transjordan, Burma, and Ceylon:* Continuation on a long-term basis of air transit rights and technical stop.

*l. China:* Continuation of present rights in Nationalist China.

*m. Italy:*

(1) The right to supplement, if necessary, Italian Air Force efforts to maintain and stockpile Amendola air base, Foggia, Italy.

(2) Continuation of present rights for duration of U.S. occupation of Trieste and Austria.

(3) Italian governmental confirmation is required of military plans for the utilization of ports and LOC facilities necessary to establish a LOC through Italy for the support of occupation forces in Trieste and Austria should its use become necessary.

*n. Christmas and Canton Islands:*<sup>9</sup> Permanent rights for the use of military facilities on these islands are required regardless of the settlement which may be made with respect to sovereignty claims.

*o. Greece and Turkey:*

(1) Continuation of present rights for the duration of aid programs.

(2) Right to supplement through the current Turkish aid program Turkish effort in the development of a military base in the Iskenderon-Adana area.

*p. Latin American Republics:*

(1) Continuation of current agreements with Central American countries, relative to air transit and technical stop on the air route between the United States and the Canal Zone.

(2) Continuation on a long-term basis of military rights, privileges and arrangements with Brazil equivalent to those provided under present agreements.<sup>10</sup>

(3) Rights to conduct security and defense planning with Venezuela as necessary to assure the protection of oil areas.<sup>11</sup>

*7. Desired Military Rights.* The Joint Chiefs of Staff consider that certain additional rights of lesser immediate importance than those above, are desirable in peacetime. These, together with the military rights required or desired in wartime, have not been included above, but are summarized on Chart, Annex "A". These desired military rights are set forth as guidance to indicate the lesser immediate needs of the National Military Establishment which should be met whenever the political opportunity presents itself and which may be introduced, where pertinent, within the machinery of regional defense agreements when established.

<sup>9</sup> For documentation on discussions between the United States and the United Kingdom concerning the sovereignty of Canton, Christmas, and other islands in the Pacific, see *Foreign Relations*, 1948, vol. vi, pp. 16 ff.

<sup>10</sup> For documentation on the United States position respecting military rights in Brazil, see vol. ii, pp. 549 ff.

<sup>11</sup> For information on this subject, see *ibid.*, editorial note, p. 794.

8. *Present Military Rights.* The military rights currently enjoyed, other than 99-year leases, consist principally of rights obtained for the support of occupation forces. It is not considered that these rights can be materially reduced at this time.

9. *Standardization.* Existing rights of air transit, technical stop, naval visit, and for the functioning of military missions are not uniform among the several countries with which such agreements are in effect. To date, these rights have been negotiated through agreements varying from treaties to informal understandings. The provisions of agreements for rights of this nature vary widely with different countries, and the limitations imposed by, and limited duration of, many of these agreements necessitate constant correspondence, negotiations and modifications by the National Military Establishment and the Department of State. The provisions of all of these rights should be standardized in nature, scope and duration to the greatest extent possible. These rights should be on a reciprocal basis wherever pertinent in order to reduce the barriers to friendly intercourse with signatory nations.

10. The Joint Chiefs of Staff recommend, therefore, that the Department of State review existing agreements for rights of air transit, technical stop, naval visit, and the functioning of military missions. The North Atlantic Pact, military aid agreements, and existing regional agreements appear to provide a suitable basis for the adoption by signatory nations, where pertinent, of standard, long-term, reciprocal agreements for rights of this nature. As practicable, existing agreements with other nations should be revised and opportunity taken to reach such agreements when none exist. The form and provisions of standard agreements proposed by the Joint Chiefs of Staff are set forth in Annexes "B", "C", and "D".<sup>12</sup> These are provided as a suggested form for use by the Department of State in obtaining, from foreign nations, acceptance of the principle of standardizing these rights.

11. *Negotiation for Military Rights.* The Joint Chiefs of Staff have considered the opportunity which may be presented by the North Atlantic Pact and military aid programs to obtain military rights of all categories. Cognizance has been taken of the comments of Mr. Lovett, the Acting Secretary of State, with respect to the desirability of bilateral and multilateral negotiations for rights, as set forth in his letter of January 17, 1949, to the Secretary of Defense.<sup>13</sup> The Joint Chiefs of Staff have also considered the proposed state-

<sup>12</sup> Entitled "Air Transit and Technical Stop (including Proposed Terms of Multilateral Air Transit and Technical Stop Agreement)"; "International Reciprocal Agreements Covering Visits of Naval Vessels (including draft Items of Agreement)"; and "Proposed Terms of Agreement for Assignment of Missions to Foreign Nations", respectively. None printed.

<sup>13</sup> For text of the letter of January 17, see vol. iv, p. 37.

ments of United States policy concerning the foreign military assistance programs (FACC D-3<sup>14</sup> and FACC D-3/1<sup>15</sup>) as forwarded on February 8, 1949, for their comments by the Secretary of Defense.

12. In general, military rights required should be obtained by the most propitious means available. Bilateral agreements are desirable for the achievement of required rights and are essential for the achievement of rights required as a matter of urgency or wherever it may be subsequently determined that sole rights are desired. The negotiation of military rights through the machinery of regional defense agreements has not been successful under past agreements of this nature. The use of this means, therefore, in the future must be contingent on recognition, in regional defense agreements, that military rights will be considered, and on the establishment of adequate machinery to assure that negotiations are undertaken promptly.

13. Rights currently required should be negotiated bilaterally insofar as possible, utilizing as appropriate the principle of *quid pro quo* in all countries where military or economic aid is provided. Even though the interested Service (Services) has (have) indicated an intent to exercise any required peacetime right (as listed herein) obtained, subject to the availability of funds, the Joint Chiefs of Staff wish to emphasize that the principle of *quid pro quo* or of mutual assistance should be applied wherever possible, not only to the obtaining of rights, but also to the fulfillment of U.S. requirements envisaged under those rights. Wherever possible the provision and maintenance of facilities for the use of U.S. military forces as envisaged herein should be undertaken by the country of sovereignty.

14. The Joint Chiefs of Staff consider that henceforth provisions must be made in military aid agreements and regional defense agreements for the continuing consideration of military rights. Such provisions should take the form of articles recognizing the principles involved and providing the necessary terms of reference to bind the signatory nations to positive action. The following draft articles are set forth as being indicative of the nature of guarantees required. It is not intended that the exact wording of these articles be adopted, but it is considered that provisions in each treaty of agreement should provide the equivalent of these guarantees.

*a. Category I: Normal Peacetime Conditions:*

*Article:* The signatory nations agree that peacetime rights of air transit and technical stop of military aircraft and for visit and anchorage of naval vessels (and provision for military missions and advisory groups where pertinent) should be set forth and standardized (under the terms of this pact or in long-term,

<sup>14</sup> Of February 7, p. 250.

<sup>15</sup> FACC D-3/1, a draft paper on the application of basic MAP policies to programming and designation of recipients, is not printed.

reciprocal, collective agreements). In recognition of this requirement, the several nations agree to institute talks, at a military level, as necessary, to develop mutually satisfactory agreements for consideration of their respective governments. (Proposed provisions for such an agreement are furnished as a guide, Annexes "B", "C" and "D".)

*b. Category III: Peacetime Implementation of Plans:*

(1) In collective defense pacts.

*Article:* The several nations recognize that implementation of Article \_\_\_\_\_ (mutual defense or support article) in the event of war will require, in certain selected instances, peacetime preparation of a military nature, for the maintenance of an acceptable degree of readiness for defense. To assure that the forces of said nations can be suitably employed in any or all of their territories for the common defense, it is agreed that any nation may grant to another military rights in its sovereign territories in peacetime, subject to the collective approval of such agreements, by signatory nations.

(2) In bilateral aid agreements.

*Article:* The signatory nations agree that in furtherance of the common defense interests, each nation recognizes the need which the other may have from time to time to effectuate preparations within the territory of the other, in time of peace to permit the rendering of timely aid to each other. In recognition of this interest, the signatory nations agree to conduct talks, at military level, as necessary to develop mutually satisfactory agreements for military rights to fulfill this requirement.

15. The Joint Chiefs of Staff recognize that the Department of State cannot be expected to negotiate for pertinent military rights on foreign soil on a blank-check basis. The nature of these rights necessitates that the United States set forth, in each instance, its intentions with respect to exercising these rights should they be granted. The National Military Establishment, however, cannot commit itself to the budgetary expenditure requisite to the use of such rights without approval from the legislative branch and the legislative branch cannot be expected to grant such approval unless adequate security for the investment, in terms of rights, can be assured. Hence, it is considered that diplomatic negotiations must be directed toward obtaining initially, in each instance, the rights desired in broad terms, indicating for bargaining purposes what the National Military Establishment hopes to accomplish. Within these broad terms detailed planning can and will be conducted at military level or within the machinery of regional defense agreements if pertinent. A general outline of the actions envisioned as being taken to implement the more important rights requested is set forth in Annex "E"<sup>16</sup> as guidance for negotiating such rights.

<sup>16</sup> Entitled, "Facilities Envisioned for Category III—Required"; not printed.

16. If further background information is required by the Department of State, the Joint Chiefs of Staff are prepared to furnish the necessary information on specific areas to selected representatives of the Department of State.

17. The Department of State may be advised that the requirements herein supersede all previous requests for military rights submitted by the National Military Establishment.

FACC Files

*Policy Paper Approved by the Foreign Assistance Correlation Committee*<sup>1</sup>

SECRET

[WASHINGTON,] May 20, 1949.

MAP D-G/14

MILITARY RIGHTS QUESTION

*Problem:*

What is the relationship of the Military Assistance Program to the obtaining of military rights for the United States?

*Answer:* (Unclassified)

In this connection, it is important to remember that in the North Atlantic Pact, member nations are pledged by Article III, by means of continuous and effective self help and *mutual aid*, to maintain and develop their individual and collective capacity to resist aggression. Each member understands and contemplates that under this provision, military facilities essential for the defense of the area will be established and maintained. The exact manner of establishment, operation and maintenance will be evolved through the Pact mechanism.

In accordance with the provisions of the North Atlantic Pact, member nations are pledged by Article III by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective capacity to resist aggression. It is clear that through the operation of the Pact mechanism each country will contribute to the common defense.

*Answer:* (Secret—for use in Executive session)

The Department of State and the National Military Establishment are jointly examining the long-range strategic defensive requirements of the United States and, insofar as they concern countries to which military assistance is proposed, seeking to satisfy these requirements

<sup>1</sup> This document, approved by FACC on May 20, was included in Part G of the Hearing Book employed by the Executive Branch in presenting the Military Assistance Program to Congress.

through bilateral negotiation to the maximum practicable degree prior to the extension of military assistance to them. Congress may be assured that the attitudes and actions of recipient countries in this respect will be taken into account prior to extending military assistance to them.

In order to satisfy these requirements in the case of North Atlantic Pact countries, it may be most feasible in some cases to utilize the Atlantic Pact mechanism. Article III of the North Atlantic Pact provides:

“In order more effectively to achieve the objectives of this Treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist aggression.”

Under this Article it is clearly understood by all parties that mutual aid means the contribution by each party consistent with its geographic location and resources of such mutual aid as it can reasonably be expected to contribute in the form in which it can most effectively furnish it, e.g., facilities, manpower, productive capacity for military equipment.

Certain military facilities which are essential to the defense of the North Atlantic area and which for local political reasons could not be provided by certain Pact countries to the United States as such, will be provided by those countries as their contribution under the Treaty to the collective capacity to resist aggression. It is expected, for example, that Denmark, as part of its contribution to the collective capacity to resist aggression, would contribute the use of certain facilities in Greenland for this purpose. In this manner, the security interests of the United States will be protected and improved.

An important factor in securing military rights for the United States in foreign countries is the necessity of taking into account the objective of stimulating other nations toward the maximum self-reliance and the minimum dependence on the United States. It is also important to avoid the concept that such military rights as are essential for common defense should be purchased or paid for by the United States since this inevitably involves greater expenditures on our part and a lesser assumption of responsibility by other nations. A third important factor in this connection is to avoid an association between military assistance programs and United States strategic requirements which will furnish a basis for Soviet propaganda charges that the Pact and the Military Assistance Program are parts of a plan of aggression against the Soviet Union. Failure to do so could well give the Pact and the Program a provocative rather than the desired and intended defensive aspect in the eyes of the world.

Policy Planning Staff Files

*Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council (Souers)*<sup>1</sup>

TOP SECRET

WASHINGTON, May 24, 1949.

Pursuant to NSC Action No. 88-b, the NSC Staff has prepared a draft report on measures required to achieve the US objectives with respect to the USSR, as stated in NSC 20/4, which is now before the NSC Consultants for concurrence.<sup>2</sup>

Examination of this draft report within the Department of State has confirmed the Department's previous feeling that this project is not a proper function of the National Security Council. The statutory function of the NSC is clearly stated to be the integration of policies relating to the national security, rather than the determination of the measures required to implement those policies. Under established procedures such measures are left to the determination of the responsible Departments and Agencies under the coordination of the Department or Agency having primary responsibility in each case as designated by the President. Use of the NSC for the determination of these measures would be contrary to the principles under which the Executive Branch of the Government operates, and would limit the flexibility in the conduct of operations which is essential in the rapidly changing world situation.

It is recognized that the NSC will from time to time be called upon to advise the President as to specific measures which are of such major significance to the national security as to require his personal consideration. Such instances, however, should be considered the exception rather than the rule, and should not be interpreted as changing the basic concept of the NSC as an advisory body on policies.

On the other hand, the Department of State appreciates the fact that it has the responsibility for furnishing guidance as to US foreign policies to the other Executive Departments and Agencies to assist them in the conduct of their operations, including the formulation of programs and the preparation of budgets therefor. The Department of State therefore intends to prepare, about September of each year, for the information of the other Executive Departments and Agencies, a paper which will furnish such guidance for the following fiscal year.

It is therefore recommended that the National Security Council:

- a. Cancel the directive to the NSC Staff contained in NSC Action No. 88-b.

<sup>1</sup> This memorandum was circulated in the National Security Council by Souers on May 25.

<sup>2</sup> Of March 30, p. 271.



- b. Note that the Department of State will transmit to the members of the NSC and other appropriate Executive Departments and Agencies, about September of each year, a review of the existing trends of international life, in their relation to US foreign policy, with a corresponding estimate of their projection into the future and with an indication of our probable national requirements in the foreign affairs field for the next fiscal year.

JAMES E. WEBB

FACC Files

*Policy Paper Approved by the Foreign Assistance Correlation Committee*<sup>1</sup>

SECRET

[WASHINGTON,] May 25, 1949.

MAP D-D/1

### OBJECTIVES OF THE MILITARY ASSISTANCE PROGRAM

#### GENERAL STATEMENT

Military objectives are derived from U.S. national policy which may be briefly stated as the intent of the United States, in order to fully safeguard its own security, to assist all free nations in the protection of their sovereignty.

The general military concept on which the Military Assistance Program is founded is derived from the following broad strategic estimate, which recognizes that the United States will, by the nature of its form of government and lack of aggressive intent, be forced initially on the defensive in the event that the strengthening of Allied military power, at a sufficiently early date, fails to deter enemy aggression.

It is the long-range United States military objective to be able to prevent the loss or destruction of Western European and Middle East nations and by securing the natural approaches to the enemy sources of power to facilitate conduct of offensive operations. The short-range military objective is to improve to the maximum extent practicable, and at the earliest date practicable, the capability of Western European nations to provide for their own defense and to increase the capabilities of the Middle Eastern Countries to impose a delay on enemy operations directed toward their areas.

The Scandinavian countries have a special significance in that they border on the Atlantic and their geographical position is astride a direct natural approach leading to the primary sources of Soviet power; similarly, Italy and Turkey are important for their strategic locations astride a natural sea approach to areas from which air power

<sup>1</sup> This document, approved by FACC on May 25, was included in Part D of the MAP Hearing Book.

may be projected toward an important segment of the industrial capacity of Soviet areas. Together with Scandinavia, Germany, Austria, and Italy, the Brussels Treaty Powers constitute the present bulwark of Western civilization.

A further factor in the concept of the Military Assistance Program is that an improvement in the internal security situation accrues as a result of military assistance and hence increases the ability of the recipient countries to oppose the "cold war" techniques presently being used by the Soviets.

#### THE BRUSSELS TREATY POWERS

(United Kingdom, France, Belgium, Netherlands, and Luxembourg)

##### (1) *Military Objectives*

The long-range military objectives of the United States towards the Brussels Treaty Powers is to assist them in the development of their defensive capabilities, to act as a deterrent to outside aggression and, if aggression nevertheless occurs, to enable the Brussels Treaty Powers to resist strongly the overrunning or destruction of home territories.

##### (2) *Objectives of the FY 50 MAP*

In the face of the existing situation in Europe, it is obviously impossible to achieve these long-range objectives in one year. Hence, the objective of the FY 50 MAP is to take a first step toward the ultimate aims. Specifically, this program provides for bringing ground units which will be in existence in FY 50 to the highest practicable state of combat efficiency; provides maintenance for these forces to enable them to fight for a limited period in the defense of their home territories; provides additional maintenance for these forces at peace-time rates of consumption, so that they will not lose their combat effectiveness; provides limited training equipment for units which can be mobilized between M and M+3; provides limited naval forces to improve the capability of the Brussels Treaty Powers to defend their harbors, protect and keep free of mines their coastal sea lines of communication and, in the case of France, to improve her capability in conjunction with the Allies of defending the sea line of communication from southern France to Algeria.

##### (3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to meet net deficiencies of the Army with respect to the approximate equivalent of 12 ground force divisions and a limited number of regimental size combat units and supporting units; the Navy with respect to mine-sweeping vessels and equipment and patrol vessels; the Air Force with respect to air defense and medium bomb aircraft and maintenance equipment for training aircraft.

## NORWAY

(1) *Military Objectives*

The long-range military objectives in Norway include assistance in the development of sufficient military strength to enable her to deter outside aggression and, in the event aggression nevertheless occurs, to ensure sufficient force to enable her to provide the most effective defense of vital portions of her home territory.

(2) *Objectives of the FY 50 MAP*

The FY 50 MAP is designed specifically to bring Norway's existing land, air, and coastal defense forces to the highest practicable state of combat efficiency in order that they may defend, at least for a limited period, vital portions of their home territory; provide limited protection for their coastal sea lines of communication, and to assist the Allies in the control of the water route between the Baltic and the North Seas.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to meet net deficiencies of the Army with respect to the approximate equivalent of 1 ground force division; the Navy with respect to patrol craft, radar equipment and mines; the Air Force with respect to reconnaissance aircraft and transport aircraft, communications equipment and maintenance equipment.

## DENMARK

(1) *Military Objectives*

The long-range military objectives in Denmark include assistance in the development of sufficient military strength to enable her to deter outside aggression and, in the event aggression nevertheless occurs, to ensure sufficient force to enable her to provide the most effective defense of vital portions of her home territory.

(2) *Objectives of the FY 50 MAP*

The FY 50 MAP is designed specifically to bring Denmark's existing land, air, and coastal defense forces to the highest practicable state of combat efficiency in order that they may defend, at least for a limited period, vital portions of their home territory; provide limited protection for their coastal sea lines of communication, and to assist the Allies in the control of the water route between the Baltic and the North Seas.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to meet net deficiencies of the Army with respect to the equivalent of approximately one-half of a ground force division; the Navy with respect to patrol craft, radar equipment and mines; the Air Force with respect

to fighter aircraft and training aircraft with maintenance equipment and communications equipment.

## ITALY

(1) *Military Objectives*

The long-range military objectives in Italy include assistance in the development of sufficient military strength to enable her to resist strongly external aggression against her home territory (it is recognized that the forces which might be generated are specifically limited by the existing treaty), and to contribute to Allied control of contiguous areas.

(2) *Objectives of the FY 50 MAP*

The specific objective of the current program is to improve the operational efficiency of existing Italian air and ground units; to improve her capability for harbor defense and the control of her coastal sea lines of communication; and to increase the capability of the Carabinieri to cope with internal disorder. The equipment proposed for the Italian forces is within that authorized by the Italian peace treaty.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to meet net deficiencies of the Army with respect to the approximate equivalent of 10 Ground Force divisions, and provide small arms for the Carabinieri; the Navy with respect to small combat and patrol craft, radar and mines; the Air Force with respect to maintenance spares for U.S. type aircraft now in the possession of Italy.

## TURKEY

(1) *Military Objectives*

To assist the Turks in developing sufficient military strength to deter outside aggression and, in the event aggression nevertheless occurs, to enable them to control the Turkish Straits, and protect their sovereign interests in the Middle East.

(2) *Objectives of the FY 50 MAP*

The objective of the FY 50 MAP is to maintain and enhance the significant progress already made toward the long-range goal. Specifically: to increase the modernization and the combat effectiveness of existing Turkish Army forces including extension of existing tactical and technical training facilities, to improve the capability of Turkish naval forces to maintain their interests in the Turkish Straits and the Black Sea, and to increase Turkish air defense capabilities.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of complete equipment, maintenance and spares, with respect to the approximate equivalent of 2 Armored Divisions and supporting units, and to fill the net deficiencies of the approximate

equivalent of 5 Ground Force divisions and supporting units, to include tactical and technical training facilities; the Navy with respect to submarines and maintenance equipment for the upkeep of existing naval forces; the Air Force with respect to maintenance spares for U.S. type aircraft now in possession of Turkey, medical supplies and equipment, and communications equipment.

## GREECE

(1) *Military Objectives*

The long-range military objective in Greece is the development of sufficient military strength to establish and maintain internal security.

(2) *Objectives of the FY 50 MAP*

The specific objective is the provision of sufficient military aid to prevent dissident elements from achieving dominance and to make maximum practicable progress toward the long-range objective. It must be recognized that the United States national objectives in Greece are fundamentally political.

However, the strategic importance of Greece might be materially enhanced in the event of Yugoslavian defection from the USSR and thus require a review of the military position in that area.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of arms and ammunition, equipment, maintenance spares and general supplies to support the Greek Army, Navy, and Air Force in its military effort against the dissident elements in Greece.

## IRAN

(1) *Military Objectives*

The long-range military objectives in Iran include the development of an Iranian military force which will discourage external aggression and which will ensure internal security. In the event of aggression, this force should be of such magnitude that it can contribute to the delay of such an aggressive force.

(2) *Objectives of the FY 50 MAP*

The specific objectives of the FY 50 MAP are to improve the combat effectiveness of the existing units of the Iranian Army, and to enhance the efficiency of the Iranian Gendarmerie in the maintenance of internal security.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment and maintenance spares to balance assistance provided under the previous program (FY 49).

## AUSTRIA

(1) *Political Objective*

The political objective of Military Assistance Program is to provide a means of security in Austria after the withdrawal of the four-power

occupation forces, ninety days subsequent to the coming into force of a peace treaty. Steps must be taken to create an Austrian constabulary regiment and to provide for the basic planning required for the establishment of the armed security force permitted by the Treaty. Military Assistance Program will be used to reduce the time lag between the withdrawal of the occupation forces and the organization and operation of the Austrian security forces to prevent any vacuum which might be used to advantage by the Communists.

Aside from the long range military objectives, Military Assistance Program is necessary in Austria to prevent in the future any Communist subversive tactics, the infiltration of subversive agents or minor guerilla activity originating in the neighboring satellite states. Moreover, Military Assistance Program is necessary in providing the Austrian Government with a sense of security in continuing its successful opposition to the Communists in knowing that it will have a means of safeguarding internal order after the Treaty becomes effective and that the withdrawal of the Western occupation forces will not create any political advantage for Communist activity.

#### (2) *Military Objectives*

In consonance with the United States policy to establish a free and independent Austrian State, the long-range military objective is the provision of sufficient military assistance to enable her to maintain internal security in the face of subversive tactics by dissident elements and to enable her to contribute to denying an aggressive force the use of avenues of approach through the important passes lying within her territory.

#### (3) *Objectives of the FY 50 MAP*

In order to expedite the withdrawal of United States occupation forces from Austria, the objective of the current program is the provision of security forces capable of maintaining internal order and of providing local protection of the frontiers.

#### (4) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to enable the establishment of an Austrian Constabulary Regiment.

### KOREA

#### (1) *Political Objectives*

The primary political objective of the U.S. with respect to Korea is to strengthen the democratically-elected Government of the Republic of Korea to the point where it can (1) successfully contain the threat of expanding Communist influence and control arising out of the existence in north Korea of an aggressive Soviet-dominated regime,

and (2) serve as a nucleus for the eventual unification of the entire country on a democratic basis. In view of the fact that the effective maintenance of the armed forces upon which that Government must depend for its security following the withdrawal of U.S. occupation forces is and will continue for the foreseeable future to be wholly dependent upon U.S. aid, it is clear that the foregoing objective cannot be attained without a continuing program of military assistance to Korea.

(2) *Military Objectives*

The long-range military objective in Korea is the development of sufficient military strength to enable her to maintain internal security.

(3) *Objectives of the FY 50 MAP*

The military objective with respect to the legally constituted South Korean Government is to provide sufficient equipment and supplies to continue to maintain their internal security forces to a degree which will enable the government to build and maintain internal security and which will allow the withdrawal of American forces by 30 June 1949.

(3 [4]) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to meet net deficiencies of the Army with respect to the approximate equivalent of 3 ground force divisions, and a Korean Coast Guard.

THE PHILIPPINES

(1) *Military Objectives*

The long-range military objective in the Philippines is the development of sufficient military strength to enable her to maintain internal security.

(2) *Objectives of the FY 50 MAP*

The specific objective of the FY 50 MAP is the provision of limited amounts of equipment to improve the existing capability of the Philippine Government to deal with dissident element inspired internal disorders and to maintain control of their archipelagic waterways.

(3) *Equipment Furnished to Meet the FY 50 Objectives*

The provision of equipment, maintenance and spares to meet net deficiencies of the present Philippine Army and Constabulary and the provision of maintenance spares for patrol vessels and aircraft previously transferred.

Policy Planning Staff Files

*Memorandum by the Deputy Director of the Policy Planning Staff  
(Butler)*

TOP SECRET

[WASHINGTON, May 31, 1949.]

NOTES ON THE JCS PAPER<sup>1</sup>

There is full sympathy with the concern of the JCS about the military security of the United States. Any real security for the American people can be achieved only under conditions of peace. If war should come, we naturally must overlook no measures that would assure victory in a military sense. However, it is very probable that even military victory, because of the nature of modern war, would mean defeat in terms of the welfare of the American people and a preservation of their way of life.

If this line of thought is accurate, the broad foreign policy of the United States must not be based substantially upon considerations of purely military security requirements. It must be based, as the Secretary of State has pointed out, on our determination "to wage peace vigorously and relentlessly".

Many of the requirements and recommendations in the JCS paper appear to require a reversal or a substantial modification of approved policy decisions included in NSC papers. The following paragraphs summarize some of these policy decisions.

*NSC Action 13*<sup>2</sup>

The basic objective of the foreign policy of the United States is the maintenance of world peace in accordance with the principles of the Charter of the United Nations. Before resorting to the actual employment of force (referring to the Eastern Mediterranean and the Middle East), the United States should exhaust political and economic means, including recourse to the United Nations. Any resort to force should [be] in consonance with the Charter of the United Nations and, so far as possible in cooperation with like-minded members of the United Nations. It should be the policy of this government to make evident in a firm but non-provocative manner the extent of the determination of the United States to assist in preserving in the interest of world peace the security of the area (Eastern Mediterranean and Middle East).

<sup>1</sup> Reference is to the JCS study on U.S. requirements for military rights in foreign territories, transmitted by Secretary of Defense Johnson to the Secretary of State on May 19, p. 300.

<sup>2</sup> The memorandum approved by the National Security Council in Action No. 13, November 21, 1947, is printed in *Foreign Relations*, 1947, vol. v, p. 575.



*NSC 9/3*<sup>3</sup>

Senate Resolution 239 should be implemented to the fullest extent possible insofar as its provisions apply to the problem discussed in this paper (Western Union). In the Resolution 239 the Senate reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest; and records the sense of the Senate that the United States should seek the progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter and should associate itself, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid and as affect its national security.

*NSC 9/4*<sup>4</sup>

In the memorandum of guidance for United States military representatives for London Military talks on Western Union, it is observed that the political framework for U.S. participation in the London talks is evident in the NSC 9 series, in Senate Resolution 239, and in agreements respecting Western Germany reached between the U.S. and the Western Union nations in the recent London Conference. It is observed that actual negotiations for military rights should not be initiated, since the matter lies in the diplomatic rather than in the military sphere.

*NSC 9/6*<sup>5</sup>

This JCS memorandum regarding developments with respect to Western Union observes that the basic objective of the Western Union defense policy is to convince Russia that war would not pay.

*NSC 13/3*<sup>6</sup>

In connection with naval bases in Japan, it is stated that the retention of a naval base at Yokosuka does not preclude if, at the time of finalizing the United States position concerning the post-treaty arrangements for Japanese military security, the prevailing situation makes such action desirable and if it [is] consistent with United States political objectives.

<sup>3</sup> For partial text of NSC 9/3, "The Position of the U.S. with Respect to Support for Western Union and Other Related Free Countries," June 28, 1948, see *Foreign Relations*, 1948, vol. III, p. 140.

<sup>4</sup> NSC 9/4, "Guidance for U.S. Military Representatives for London Military Talks on the Western Union of Nations," July 20, 1948, is not printed as such. However, an undated antecedent version which differs slightly from NSC 9/4 as circulated is printed *ibid.*, p. 188, under a covering memorandum dated July 16, 1948.

<sup>5</sup> For text of NSC 9/6, "Developments with Respect to Western Union," November 29, 1948, see *ibid.*, p. 289.

<sup>6</sup> NSC 13/3, "Recommendations with Respect to U.S. Policy Toward Japan," May 6, 1949, is printed in volume VII, Part 2.

NSC 14/1<sup>7</sup>

Any United States military assistance program should be predicated to the maximum practicable extent upon the self-help and mutual assistance of recipient states.

NSC 20/4<sup>8</sup>

Soviet capabilities and the increases thereto would result in a relative increase in Soviet capabilities vis-à-vis the United States and the Western Democracies unless offset by factors such as: (a) the success of ERP, (b) the development of Western Union and its support by the United States, (c) the increased effectiveness of the military establishments of the United States, Great Britain, and other friendly nations. While the possibility of planned Soviet armed actions which would involve this country cannot be ruled out, a careful weighing of the various factors points to the possibility that the Soviet Government is not now planning any deliberate armed action calculated to involve the United States and is still seeking to achieve its aims primarily by political means, accompanied by military intimidation. In addition to the risk of war, a danger equally to be guarded against is the possibility that Soviet political warfare might seriously weaken the relative position of the United States, and hence strength[en] and either lead to our ultimate defeat short of war or force us into war under dangerously unfavorable conditions. To counter threats to our national security and to create conditions conducive to a positive and in the long-term mutually beneficial relationship between the Russian people and our own, it is essential that this government formulate general objectives which are capable of sustained pursuit both in time of peace and in the event of war. The political, economic and psychological warfare which the U.S.S.R. is now waging has dangerous potentialities for weakening the relative world position of the United States and disrupting its traditional institutions by means short of war, unless sufficient resistance is encountered in the policies of this and other non-communist countries. The capability of the United States either in peace or in the event of war to cope with threats to its security or to gain its objectives would be severely weakened by a lessening of United States prestige and influence through vacillation or appeasement or lack of skill and imagination in the conduct of its foreign policy or by shirking world responsibilities. Attainment of the alliance by which we

<sup>7</sup> For text of NSC 14/1, "The Position of the U.S. with Respect to Providing Military Assistance to Nations of the Non-Soviet World," July 1, 1948, see *Foreign Relations*, 1948, vol. 1, Part 2, p. 585.

<sup>8</sup> For text of NSC 20/4, "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security," November 23, 1948, see *ibid.*, p. 662.

should endeavor to achieve our general objectives through methods short of war requires, among other things, that the U.S.:

(a) develop a level of military readiness which can be maintained as well as necessary as a deterrent to Soviet aggression, as indispensable support to our political attitude toward the U.S.S.R., as a source of encouragement to nations resisting Soviet political aggression, and as an adequate basis for immediate military commitments and for rapid mobilization should war prove unavoidable;

(b) strengthen the orientation toward the United States of the non-Soviet nations, and help such of those nations as are able and willing to make an important contribution to U.S. security, to increase their economic and political stability and their military capability.

*NSC 36/1*<sup>9</sup>

It would be unwise at this time to seek an arrangement with the Turkish Government for the construction of airfields or for the stockpiling of aviation gasoline. The reason for this decision is that the construction of these airfields and the stockpiling of aviation gasoline would be regarded by the Soviet Government as a threat to the security of the U.S.S.R. and would stimulate further Soviet pressure on Turkey and perhaps Iran. Furthermore, it is clear that the Soviet Union is watching carefully for any developments which could be exploited to support the Soviet thesis that the North Atlantic Treaty is aggressive in intent and operation. The construction at this time of forward air bases in Turkish territory might be an important factor in leading the Soviet Government to the erroneous conclusion that the treaty is not solely defensive in character. It would also cause doubts among a considerable number of persons in other countries as to whether the treaty has a truly defensive character.

*NSC 39*<sup>10</sup>

This directive to the Commander-in-Chief, European Command is another example of collective rather than unilateral action in military security planning.

*NSC 41*<sup>11</sup>

One of the policy decisions regarding China is that the effective cooperation of other friendly governments should be sought wherever necessary to carry out U.S. policies.

*FACC D-3*<sup>12</sup>

This paper regarding basic policies underlying military assistance programs has been cleared at the working level in State, NME and

<sup>9</sup> The text of NSC 36/1, "Construction of Airfields and Stockpiling of Aviation Gasoline in Turkey," April 15, 1949 is scheduled for publication in volume vi.

<sup>10</sup> Not printed.

<sup>11</sup> NSC 41, "U.S. Policy Regarding Trade with China," February 28, 1949; for text, see vol. ix, p. 826.

<sup>12</sup> Of February 7, p. 250.

ECA. It is stated that these underlying policies are an essential and integral part of our basic foreign policies. In strengthening the free nations of the non-Soviet world, it is our purpose not only to reduce the likelihood of further Soviet-communist aggression and to improve the ability of those nations to resist if attacked, but also to create an atmosphere of confidence and security within which the chances for success of economic recovery programs may be enhanced and a more favorable atmosphere for the accomplishment of the principles and purposes of the United Nations established. The programs, particularly those relating to the short term future, must be viewed also from the standpoint of their effect in improving the chances for the maintenance of peace, on which the emphasis of U.S. policy is placed, as well as from their significance with respect to the winning of a possible war. It is our policy that economic recovery must not be sacrificed to rearmament and must continue to be given a clear priority. While the basic concept of this program is consistent with the purposes and principles of the Charter, measures for implementing the program must also conform to such purposes and principles.

*FACC D-3/1*<sup>13</sup>

This paper applies the principles and policies of FACC D-3: (a) to produce general guidance for programming; (b) to list those recipients for whom military assistance should be programmed for Fiscal Year 1950, in groups, generally according to their political and strategic importance to the United States; and (c) to indicate United States objectives with respect to eligible recipients.

Mr. Lovett's letter of January 17, 1949, to the Secretary of Defense<sup>14</sup> calls attention to important political considerations involved in the question of military rights. It is pointed out that the unilateral maintenance of military bases by this country on the territory of other countries involves considerable disadvantage from the political point of view. A collective approach to the problem may result in the selection of the U.S. in many cases to man and maintain bases for the group in peacetime. Furthermore, the countries in which base rights are most important are not necessarily those most anxious to obtain military equipment. We do not envisage that the U.S. would unilaterally demand such rights from other members of the North Atlantic Treaty. This would be inconsistent with the spirit of the pact and would encourage the assumption of the very thesis we are trying to avoid: namely, that it is only the U.S. which has a real interest in thwarting Russian expansion and that the others are entitled to expect us to bargain with them to induce them to take measures essential to the defense of the North Atlantic community.

<sup>13</sup> See footnote 15, p. 309.

<sup>14</sup> See footnote 13, p. 308.

711.00/6-249

*Memorandum by the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON, undated.]

## MEETING WITH PRESIDENT, THURSDAY, JUNE 2, 1949

## PLANS FOR IMPROVING OUR POLICY DETERMINATION

On several occasions recently I have had an opportunity to say a word or two to the President about our plans for improving our policy determination, and have explained the background of thinking which is along the line that the next two or three years are going to be ones of radical readjustment with many difficulties. I have indicated that the approach at the highest levels in the State Department will be to place before this session of Congress those matters which we believe to be best and press for action, because we do not wish the President, when the difficulties which we foresee arise, to be in the position of not having presented a program which would at best have eliminated some of the difficulties and at worst would have ameliorated them. This program means that the President will put forward what he genuinely feels to be necessary, and the responsibility for inaction, if that should materialize, will be that of Congress. Also, this is a useful medium for getting before the country those matters which will require considerable debate, and increases the possibility of receiving favorable action in future Congresses.

It has been my endeavor to let the President understand that the Department will participate fully in any effort he chooses to make to have a thorough reevaluation of the programs of the Government related to foreign policy, with an idea to reducing our commitments in any areas where this is possible and planning progressive pulling in of our horns as the post-war recovery begins to materialize in other countries.

In this connection, I pointed out that one of the great values of the Military Assistance Program and the Point IV Program <sup>1</sup> is that they can form the basis for building cooperative relations with other nations on a basis considerably less expensive than the continuation of such programs as ECA.

JAMES E. WEBB

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<sup>1</sup> For documentation on this program, see pp. 757 ff.

Policy Planning Staff Files

*Memorandum by the Deputy Director of the Policy Planning Staff  
(Butler)*

TOP SECRET

[WASHINGTON, June 9, 1949.]

SUGGESTED APPROACH BY DEPARTMENT REPRESENTATIVES DURING INFORMAL TALKS WITH REPRESENTATIVES OF NME REGARDING THE JCS PAPER ON MILITARY RIGHTS <sup>1</sup>

1. We should first explore the basic estimates on which U.S. Government planning depends, in order to make sure that State and NME are starting from the same point. Such questions include:

(a) Is war inevitable? The public statements of the highest responsible U.S. Government officials indicate that the U.S. answer at the present time is in the negative.

(b) While it is admitted that the risk of war exists, the present approved U.S. estimate is that while the possibility of planned Soviet armed actions which would involve this country cannot be ruled out, a careful weighing of the various factors points to the possibility that the Soviet Government is not now planning any deliberate armed action calculated to involve the U.S. and is still seeking to achieve its aims primarily by political means, accompanied by military intimidation. If the NME feels that this estimate should be modified, it is essential that the question immediately be considered by the National Security Council.

(c) If war is not believed to be imminent, in the sense of the next two or three or four years, we are faced with an essentially political problem and political factors should receive primary emphasis. Political action naturally takes into account as essentials the security and the welfare of the United States.

2. The Department should express its desire to be helpful in the matter of obtaining essential military rights in foreign countries. Illustrations, taken from the JCS paper, can be given to show what has already been accomplished and then indication can be given of what additional action is possible.

3. The possibilities of a collective rather than a bilateral approach should be further explored. Specific references would be to the North Atlantic Treaty, the Rio treaty, and the U.N. There should be a statement, also, regarding the effect that an immediate and comprehensive bilateral approach would have on the U.S. position toward the U.N.

<sup>1</sup> *Ante*, p. 302.

4. Specific cases, which have been prepared, among those cited in the JCS paper, should be discussed to illustrate political, economic, financial and military cost of bilateral negotiations. It is pertinent to emphasize the following statement which appears on page 12 of the JCS paper: "The National Military Establishment, however, cannot commit itself to the budgetary expenditure requisite to the use of such rights without approval from the Legislative Branch and the Legislative Branch cannot be expected to grant such approval unless adequate security for the investment, in terms of rights, can be assured."

5. The NME representatives should be asked, in the light of the foregoing presentation, if some less comprehensive, less urgent and more feasible approach to the problem of military rights in foreign countries is not possible.

6. It seems to the Department that the JCS may wish to review parts of their estimate in the light of very recent developments. For example, is it likely that we should count upon any rights or bases of value in China, and, if not, how will that affect requirements in South and Southeast Asia?

7. The Department would like to explore further with the NME the questions of categories and of standardization. Again, a purely political and a purely military approach would not lead to the same conclusions.

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FACC Files

*Policy Paper Approved by the Foreign Assistance Correlation  
Committee*<sup>1</sup>

RESTRICTED  
MAP D-F

[WASHINGTON,] June 15, 1949.

OUTLINE OF TOTAL INTERIM ORGANIZATION OF THE MILITARY  
ASSISTANCE PROGRAM (MAP)

GENERAL

1. Agencies of the U.S. Government having a primary interest in the Foreign Military Assistance Program (MAP) are the Department of State, the National Military Establishment, and the Economic Cooperation Administration. Other agencies will participate when their interests are involved.

The basic doctrines set forth in FACC D-9/7<sup>2</sup> to which this paper is subject, establish the relationship among these agencies in the administration of MAP.

<sup>1</sup> This document, approved by FACC on June 15, became a portion of Part F of the MAP Hearing Book. Upon enactment of the program, MAP D-F served as the basis for its initial organization.

<sup>2</sup> FACC D-9/7, a paper which did not receive the final approval of the Committee, is not printed.

2. As stated in the letter of April 13, 1949, from the President to the Secretary of State (Appendix A) <sup>3</sup> primary responsibility and authority for direction of the Foreign Military Assistance Program is lodged in the Secretary of State. This decision was made with due regard to the fact that the program is an integral part of both U.S. foreign policy and national security. The acknowledgment of the Secretary of Defense to the President's letter is also attached (Appendix B).<sup>3</sup>

3. The proposed broad distribution of MAP activities among the three participating agencies, is:

*a. Department of State:* Primary authority and responsibility for direction of the program; formulating, through interdepartmental coordination, the policies governing MAP; coordinating interests and assigned responsibilities of agencies involved in MAP including chairing special interdepartmental committees established; negotiating international agreements; directing the use and allocation of funds appropriated for MAP; and reporting on the program.

*b. National Military Establishment:* Advising from the military viewpoint on broad policy; formulating strategy and military policy relating to matters involved in MAP; carrying out the assigned responsibilities of detailed programming, procurement, supply, delivery, training, observation of end-use, and other military aspects of the program.

*c. Economic Cooperation Administration:* Advising, at policy levels, mainly on the problems of securing a proper balance between foreign economic recovery through ECA and military assistance plans and programs, including impact of MAP in foreign nations where both US economic and military assistance are being given; advising on additional military production, intra-European transfers, and similar matters; assisting in limited operations where the use of its organization is best adapted to MAP purposes (e.g. authorizing the procurement of certain common use items).

#### ORGANIZATION FOR MAP IN THE UNITED STATES

##### *Foreign Military Assistance Steering Committee*

4. The Secretary of State, as Chairman, the Secretary of Defense and the Economic Cooperation Administrator constitute the "Foreign Military Assistance Steering Committee". (FMASC).

5. The Steering Committee will meet as required, particularly in connection with policy matters requiring their personal approval or consideration, or those which must be referred to the President.

##### *Foreign Military Assistance Coordination Committee (FMACC)*

6. For day-to-day consultative and working purposes a "Foreign Military Assistance Coordination Committee" will be established and consist of designees of the Secretary of State, Secretary of Defense, and the ECA Administrator.

<sup>3</sup> Not printed.



7. The Director (for Foreign Military Assistance) in the Department of State will be the designee of the Secretary of State and will serve as Chairman. The designees of the Secretary of Defense and the Economic Cooperation Administrator will be the principal representatives for the MAP within their respective agencies.

8. The FMACC will serve as the advisory interdepartmental organization for coordination of problems relating to the MAP. The Committee will have the following functions:

a. To make recommendations as to basic policy to the Secretary of State.

b. To consider and advise the Secretary of State on plans for the development and execution of the program.

c. To review all military assistance programs and make recommendations to the Secretary of State.

When appropriate, representatives of other Federal agencies may be invited to participate in the deliberations of the Committee.

*Director for Foreign Military Assistance (Department of State)*

9. A Director for Foreign Military Assistance, appointed by the Secretary of State as a Special Assistant to the Secretary, will be responsible for the direction of the Foreign Military Assistance Program.

10. He will have the following functions:

a. To serve as the Secretary of State's representative on, and as Chairman of, the Foreign Military Assistance Coordination Committee.

b. To determine and distribute appropriately among participating agencies the functions necessary to be performed to carry out MAP.

c. To assure that provision is made for carrying out the functions so distributed, and to assure their effective execution.

d. To provide the necessary policy direction within the Department of State for MAP and to assure the necessary correlation and coordination of other matters affecting the formulation or implementation of such policies.

e. Within the framework of the established organization of the Department of State, to establish and direct the overseas organization for MAP.

f. To authorize and control the allocations of all MAP funds, including reallocation of unexpended balances when appropriate.

g. To direct the preparation of such reports as may be required to provide information concerning the activities of the Department and of other collaborating departments and agencies of the Government.

h. To assure the preparation by the several agencies of the instructions and manuals of procedure, and the necessary review thereof.

11. It is proposed that the Office of the Director for Foreign Military Assistance be organized as shown in Appendix C.<sup>4</sup>

<sup>4</sup> Not printed.

*Top Organization for MAP in NME and ECA*

12. *National Military Establishment*: An "Assistant to the Secretary for MAP" will be designated by the Secretary of Defense. He will be the principal focal and contact point for MAP within NME.

13. His functions in connection with such MAP functions as are assigned NME will be:

- a. Represent the Secretary of Defense on the FMACC.
- b. Comprise the formal administrative channel between Director and NME.
- c. Provide the unified direction and authoritative coordination on behalf of the Secretary of Defense.
- d. Arrange for immediate availability to himself and the Director of periodic and special reports together with supporting data showing as currently as possible the status of supply flow under approved programs.

14. *Economic Cooperation Administration*: An Assistant to the Economic Cooperation Administrator will be appointed by the Administrator of ECA. He will be the principal focal and contact point for MAP within ECA.

15. His functions in connection with such MAP functions as are assigned ECA will be:

- a. Represent the ECA Administrator on FMACC.
- b. Coordinate the formulation of program and policy within ECA with particular emphasis on the economic effects of MAP in ERP-participating countries.
- c. Coordinate the activities of ECA in connection with the procurement of common use items for MAP.

INTERIM ORGANIZATION FOR MAP AT THE REGIONAL LEVEL

*European Coordinating Committee*

16. The Secretary of State will designate the Ambassador to the Court of St. James's as the Chairman of the European Coordinating Committee (ECC).

17. The European Coordinating Committee will consist of the Ambassador to the Court of St. James's, as Chairman, the ECA Special Representative for Europe, the Senior U.S. Military Representative for MAP in Europe as designated by the Secretary of Defense. The ECC will consult with the Ambassadors to Western European countries receiving military assistance on MAP matters which are of direct concern to the countries to which such Ambassadors are accredited.

18. The ECC shall be responsible for formulation of recommendations to the Secretary of State on the operations of MAP in Western Europe. Issues may be referred to the ECC by any member of the ECC or by the Executive Director for MAP Overseas. The ECC will also consider and advise the Secretary of State on plans for the development of MAP operations in Western Europe, and will review

all requests for military assistance submitted by Western Union and other Western European countries and make recommendations thereon to the Secretary of State. It will also periodically review MAP operations in Western Europe for the purpose of advising the Secretary of State.

*Responsibility of Chairman of ECC and Executive Director*

19. The Chairman of the ECC shall serve as the "Overseas Representative for MAP in Europe". In that capacity he shall be charged with general responsibilities for assuring development of MAP policies in Western Europe, acting within the scope of the authority delegated, and policies established, by the Secretary of State (or the Director for Foreign Military Assistance acting for him). He shall also be responsible for assuring satisfactory operations of MAP in Western Europe.

20. In order to carry out the operating functions associated with the responsibilities of the ECC, there shall be appointed by the Secretary of State an Executive Director to the ECC, acceptable to the ECC, who shall be responsible for the planning, direction and coordination of MAP operations in the Western European area from a management viewpoint. The Executive Director will perform the functions set forth in paragraph 21 below on behalf of the ECC and will be responsible to the Chairman of the ECC. The Executive Director will also act for the Chairman of the ECC in his absence.

21. The Executive Director for MAP Overseas, within the framework established in paragraph 20 above, will have the following functions:

- a. To plan, direct and coordinate the MAP operations in Europe.
- b. To determine working policy within Western Europe.
- c. To provide for the initiation of recommendations to the Secretary of State with regard to self-help and mutual aid aspects of the Program.
- d. To develop recommendations for the country requests for aid and to supervise generally the refinement of such requests. This will include:

- (1) Establishment of criteria for preparation and presentation of requests for aid.

- (2) Reviewing for the ECC supply and production programs formulated by Western Union and other Western European MAP recipient countries.

- (3) On basis of Western Union and other country requests, developing for the ECC recommendations on requirements for ECC submission to the Secretary of State.

- (4) Checking requests submitted by participating countries for adherence to quotas previously set; and proposing to the ECC recommendations on shifts in quotas.

e. To inspect, evaluate, and stimulate U.S. MAP activities in countries assigned to ECC.

f. To maintain the necessary over-all reporting of overseas MAP activities, including coordination of such reporting on behalf of ECC.

g. To assist in resolving or securing the resolution through ECC of major MAP problems arising in participating countries.

h. To perform other functions assigned by the ECC or its Chairman.

22. The Executive Director for MAP Overseas will be served by a small staff, including persons detailed to him by State, ECA and NME with the approval of the Chairman of the ECC. The Office of the Executive Director for MAP Overseas will be organized and related to the total organization for MAP overseas as shown by the chart, Appendix D.<sup>5</sup>

#### *Temporary Personnel for Developing Country Requests for Aid*

23. To the extent necessary there will be attached for temporary periods to the Office of the Executive Director for MAP Overseas or to the appropriate regional organization especially selected military officers and civilian specialists to assist country MAP sections in developing country requests for aid. Members of this group, augmented by political and economic aid specialists, will be assigned to a participating country with the approval of the U.S. Ambassador. Such personnel will assist the MAP Section in the completion of the country's request for aid, and will be subject to the Ambassador's general supervision while in a country, and will remain no longer than their assistance is necessary. The number of U.S. MAP personnel permanently assigned to a given country will be kept as low as possible in consideration of such temporary help available from the Regional Level.

24. In view of the fact that on policy issues Western Union will generally be dealt with as a single entity, it is anticipated that the country level functions within a WU member country will be concerned primarily with matters of implementation such as details for supply, training, observation of end use, and similar implementing functions—recognizing always that in particular policy cases it may be desirable to deal directly with the country. This will serve to keep MAP personnel permanently assigned to a Western Union country at a minimum.

#### *Non-Western European Participating Countries*

25. MAP matters with respect to Greece, Turkey, Korea, Iran and any other non-Western European participating countries will be handled directly from Washington unless and until it is determined to be administratively desirable to channel these through the ECC. No immediate change will be made in present arrangements for current programs of military assistance, although as soon as feasible the same

<sup>5</sup> Not printed.

MAP standards and regulations will be applied uniformly throughout the world to the extent possible.

*Coordination of United States Representation to Western Union*

26. The terms of reference stated above for the ECC will supersede those currently established for the Correlation (Coordination) Committee in Europe on United States Foreign Assistance Programs (FACC D-6/3<sup>6</sup>). In view of the fact that on policy issues Western Union will generally be dealt with as a single entity, all MAP matters with Western Union shall be channelled through the Executive Director and, where necessary, the ECC. The Executive Director shall be responsible for assuring application of MAP policy, as developed by the Secretary of State and the ECC, by the United States representation and staffs at Western Union. Staff functions will continue to be performed primarily by existing agencies and staffs (OSR, DELWU, and appropriate Embassies) under existing responsible officers. To the extent necessary, therefore, the Director for Foreign Military Assistance, in consultation with the FMACC, will determine the terms of reference with respect to MAP matters for representation to all Western Union organizations.

27. The channel of transmission of non-Western Union country requests will be from the United States Ambassador in the country concerned to ECC through the Executive Director. The ECC and the Executive Director may, if found desirable, utilize the staffs of existing U.S. organizations to Western Union for handling MAP matters of other Western European recipients at the regional level.

ORGANIZATION FOR MAP AT THE COUNTRY LEVEL

*U.S. Representation for MAP for each Individual Participating Country*

28. The Chief of the U.S. (Diplomatic) Mission in each participating country will be the executive director of the Military Aid Program in that country and will coordinate the political, military and economic aid staffs to the extent that they are concerned with MAP.

29. In this capacity, the Chief of the U.S. (Diplomatic) Mission will perform the following MAP functions. Where necessary for this purpose, he will be provided with a Special Assistant for MAP:

*a.* Represent the Department of State in carrying out the Department's field coordinative responsibilities in connection with MAP, including the making of policy decisions within the framework of established policy.

*b.* Arrange the necessary liaison with foreign nations on MAP matters.

<sup>6</sup> Not printed.

- c. Direct local negotiations in connection with military assistance.
- d. Perform such other functions in connection with MAP as directed by the Secretary of State.

30. The ECA Chief of (Country) Mission will act as principal advisor to the Ambassador on the relation of the Military Assistance Program to economic recovery, including amount of additional military production that can be undertaken, internal financing of military expenditures, and intra-European transfers of items in connection with MAP. The Chief of the ECA Mission will designate a member of his staff as assistant for MAP to work on these matters with the Special Assistant for MAP designated by the Ambassador.

31. The U.S. Ambassador in each participating nation, except Luxembourg, will be assigned a MAP staff as an additional MAP Section. A senior military officer will be in charge of the MAP Section and serve as military advisor on MAP matters to the Ambassador.

32. MAP activities at the individual participating country level will be organized as shown in Appendix F.<sup>7</sup> The functions of each of the Sections thereinunder are shown in Appendix G.<sup>7</sup>

*Policy for the Performance of MAP Functions at the Country Level*

33. The functions and responsibilities of the Sections at the country level of the MAP organization, as set forth in Appendix G, will be performed in accordance with the following policies:

*a. Initiation and Development of Country Requests for Aid:*

Sufficient personnel will be attached to the U.S. Ambassador's MAP Section in a participating country to advise foreign military staffs on the initiation and development of requests for aid, as well as to perform other duties. To meet peak workloads and to advise on documentation of requests so as to facilitate completion of its work and later review in London, assistance will be available from Office of the Executive Director for MAP Overseas or other appropriate regional organization as provided for in paragraph 23.

*b. Requisitioning:*

Requisitions against an approved program will generally be prepared by technicians of the participating country working under the direction and with the assistance of the country MAP Section. Requisitions will be reviewed by MAP Section for technical compliance prior to forwarding to Washington.

*c. Training:*

U.S. Personnel may be assigned to a country MAP Section for specific approved MAP training purposes for the time required. U.S. training assistance, in a foreign country or in the U.S., will be made available only upon specific request of the foreign nation.

*d. End Use Observation:*

End use observation will be accomplished by the following means: (1) through review of reports of the participating country on utiliza-

<sup>7</sup> Not printed.

tion of aid; (2) through sample inspections made by U.S. Officials; (3) through regular U.S. reporting channels.

*e. Reporting:*

Reporting will be accomplished by the regular staff in conjunction with their MAP functions, and summary reports developed by the Special Assistant to the Ambassador for MAP.

S/P-NSC Files: Lot 62D1:1 NSC 33 Series

*The Chairman of the National Security Resources Board (Steelman)  
to the Secretary of State*

TOP SECRET

WASHINGTON, June 17, 1949.

MY DEAR MR. SECRETARY: The attached staff paper, designated NSRB Doc. 114, and entitled "First Compilation of Basic U.S. Security Resources Assumptions," is presented for your information as a progress report.

The background of this first report is explained fully in a memorandum to me, dated June 1, 1949, from Mr. Daniel Cox Fahey, Jr., of the NSRB staff, who served as chairman of the interdepartmental group established to assist the NSRB in the preparation of this report. Mr. Fahey's communication is attached as the covering memorandum to this document and includes a list of all agency designees.

Mr. Edwin M. Martin of your staff was designated, by your letter of November 15, 1948,<sup>2</sup> as your representative in this effort, in accordance with our request, and is in a position to advise you concerning the formulation of this first compilation of Basic Security Resources Assumptions.

The document is being hand carried to you by our Security Officer. Because of the security implications inherent in the document, it is requested that if possible it be returned within one week. Arrangements will be initiated through our Security Officer to that end.

Sincerely yours,

JOHN R. STEELMAN

[Enclosure]

*Memorandum to the Chairman of the National Security Resources Board (Steelman)*

TOP SECRET

[WASHINGTON,] June 1, 1949.

Subject: Background Information on Basic Security Resources Assumptions.

1. During October 1948, the Chairman of the National Security Resources Board, in a letter to the National Security Council, pointed

<sup>1</sup> Serial and subject files of National Security Council documents and correspondence and related Department of State material for the years 1948-1961, retired by the Policy Planning Staff.

<sup>2</sup> Not printed.

out that integrated basic security resources assumptions in the politico-military and in the domestic and foreign economic fields were a prerequisite to effective mobilization planning by the NSRB (NSC 33<sup>3</sup>). The Chairman of this Board proposed that the NSC assume responsibility for the formulation, continuing review and revision of such basic assumptions. This proposal was favorably considered by the NSC (NSC Action 135<sup>4</sup>), but with the proviso that the NSRB should assume responsibility for the sponsorship and monitorship of such assumptions.

2. The Chairman of this Board requested and obtained the designation of seventeen representatives from other departments and agencies to assist the NSRB Staff designee in the formulation, review and revision of security resources assumptions. (See Annex to this memorandum.) Sufficient progress has been made to warrant presentation of a first compilation of the results of this effort to the NSRB and the NSC. Integration of the points of view of the several designees has been effected through consultation by the NSRB Staff designee. It should be noted that the assumptions contained in this first compilation do not have formal agency concurrences, but have nevertheless received some degree of coordination within the agencies concerned, and do stem from the considered judgment of each of the designees in the respective areas of their special competence. The assumptions themselves are stated in the briefest possible form. For most of them, analyses are attached as appendices.

3. Insofar as the Staff of the NSRB is concerned, this document should be strictly limited to key members of the Staff. For NSRB purposes, the document will be used as a basis for the formulation of more detailed planning assumptions for each of the many areas of mobilization planning, such as steel, aluminum, copper, petroleum, manpower, transportation, communications, civilian defense, etc. It is considered that these basic assumptions will, if used in this manner, assist the Board and the Staffs of cooperating agencies in developing coordinated plans for resources mobilization.

4. Insofar as the Staffs of the Departments represented on this Board are concerned, it is urged that the availability of this document be strictly limited. However, the facilities of the NSRB Staff are available to appropriate members of the Staffs of the Departments represented on this Board, should the occasion arise where the application or interpretation of these basic assumptions may be helpful in the resolution of problems faced by them. Possibly the Departments represented on the Board may care to avail themselves of the

<sup>3</sup> For text of NSC 33, a report by the Chairman of the National Security Resources Board titled "Outline of Basic United States Security Resources Assumptions, 1948 through 1952, and 1953 through 1965," October 13, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 636.

<sup>4</sup> This decision was taken at the 25th Meeting of the Council, October 21, 1948. (S/S-NSC Files: Lot 66D95).



facilities of the NSRB Staff concerned with Assumptions just as the specialists on the NSRB Staff, for each of the several areas of mobilization planning, will relate their planning activities to these basic assumptions.

5. The Chairman of the NSRB (under NSC Action 135) should assume responsibility for taking appropriate steps to insure review and revision of this first compilation of basic security assumptions. In order that significant changes in national or international affairs may be promptly reflected in appropriate additions or modifications to the first compilation of assumptions, it is considered desirable to retain the simple organizational relationships that have thus far been established.

6. It is contemplated that revisions or additions to this first compilation of basic assumptions will be presented as subsequent progress reports to the NSRB, the NSC, and the President for their information.

7. This document has not been distributed to those assisting the NSRB Staff designee, although they have all seen the portions of special interest and concern to them.

DANIEL COX FAHEY, JR.

#### Annex

#### AGENCY DESIGNEES ON BASIC SECURITY RESOURCES ASSUMPTIONS

Central Intelligence Agency	—L. L. Montague
National Military Establishment (Office of the Secretary of Defense)	—N. E. Halaby*
Munitions Board	—Colonel E. J. O'Neill
Research and Development Board	—S. D. Cornell†
Joint Staff	—Maj. Gen. W. E. Todd
Council of Economic Advisers	—Paul T. Homan
Economic Cooperation Administration	—James A. McCullough‡ Walter A. Woodruff§
Atomic Energy Commission	—James T. Bray
Bureau of the Budget	—Wilbert G. Fritz
Federal Reserve Board	—Frank R. Garfield Kenneth Williams
Federal Bureau of Investigation	—L. Whitson
Department of State	—Edwin M. Martin
Department of Commerce	—William H. Shaw
Department of Agriculture	—Oris V. Wells
Department of the Interior	—James Boyd
Department of the Treasury	—Robert P. Mayo
Department of Labor	—Charles D. Stewart
National Security Resources Board	—Daniel Cox Fahey, Jr.

\*Replaced Robert Blum 6/7/49 [Footnote in source text.]

†Replaced Robert F. Rinehart 2/18/49 [Footnote in source text.]

‡Replaced Arthur Smithies 6/9/49 [Footnote in source text.]

§Replaced James A. McCullough 6/9/49 [Footnote in source text.]

[Subenclosure]

*Staff Paper Prepared for the National Security Resources Board and the National Security Council by an Interdepartmental Working Group*

TOP SECRET

[WASHINGTON, June 1, 1949.]

## BASIC U.S. SECURITY RESOURCES ASSUMPTIONS

## First Compilation

*Note:* For purposes of this document an assumption is defined as a supposition without proof, stemming from the considered judgment of competent authority, based upon probable, but not conclusive evidence.

## I. ASSUMED PROBABILITIES OF WAR AND THE TIMING THEREOF—THROUGH 1952

1. *The US vs the USSR:*

*Note:* See Appendix A<sup>5</sup> for analysis.

a. The only appreciable danger of war before 1953 is that of war with the USSR.

b. The present Soviet regime is essentially and implacably hostile toward the United States.

- (1) No change in the character of the Soviet regime is to be expected during this period.
- (2) Although the regime may alter its tactics from time to time, for reasons of expediency, its ultimate objectives will remain unchanged.

c. The USSR has an overwhelming preponderance of immediately available military power on the Eurasian continent and a consequent ability to resort to war at any time as a means of imposing its will in that area. The principal deterrent is the superior war potential of the United States.

d. A deliberate Soviet resort to war before 1953 is improbable. Moreover, the USSR is likely to exercise care to avoid an unintended outbreak of hostilities with the United States.

e. The USSR, however, will endeavor to accomplish its own purposes, and to frustrate U.S. efforts to stabilize the situation, by every political, economic, and psychological means at its disposal, including the threat to resort to military force.

- (1) The "cold war" will continue.
- (2) Any Soviet resort to negotiation will have as its object, not an equitable and enduring settlement, but tactical advantage in the "cold war".

<sup>5</sup>The appendices to this staff paper, Appendices A-O, are not printed.

*f.* No change in existing power alignments is probable.

- (1) The USSR cannot extend the area of its domination in Europe and the Near East by political or subversive means, but only by the use of military force at probably unacceptable risk of war with the United States.
- (2) The USSR can maintain its domination of Eastern Europe by force of arms without risk of war.
- (3) Communist domination of China is conceded, but years will be required to consolidate it.

*g.* In these circumstances, with international tension acute and both sides preparing against the contingency of war, there is continuing danger of an undesired outbreak of hostilities through miscalculation by either side.

*h.* The U.S. will probably not consider the present risk of war sufficiently great to undertake the building up of its armed forces much above the levels presently authorized or the conversion of industrial facilities to war production.

## II. ASSUMED CONDITIONS SHORT OF WAR—THROUGH 1952

### 1. *External U.S. politico-military objectives and outlook:*

*Note:* See Appendix B for analysis.

*a.* The U.S. will continue its efforts toward the attainment of a peaceful world family of nations. Increasing U.S. participation in world affairs is probable.

*b.* The net foreign investment, including all government aid and loans and private investment, will probably continue at a high level.

*c.* Basic U.S. objectives vis-à-vis Russia will remain substantially unchanged—tempered only by positive indications of a more reasonable Russian approach.

*d.* Continuing military aid in the form of dollars, equipment and raw materials to selected nations is probable.

*e.* Economic and military aid to Western Europe and Eastern Mediterranean areas will probably have a continuing priority over economic and military aid to Pacific-Asiatic areas.

### 2. *U.S. internal economic conditions:*

*Note:* See Appendix C for analysis.

*a.* A marked inflation is improbable.

*b.* There is a possibility of substantial recession, but a severe depression, of the type that began in 1929, is improbable.

*c.* The ending of the post-war boom has created some tendency toward lower levels of economic activity—which appear likely to continue.

*d.* A gradual increase from two to three percent annually in the aggregate industrial potential is probable.

3. *Critical and strategic materials:*

*Note:* See Appendix D for analysis.

a. The present list of critical and strategic materials prepared by the Munitions Board will remain substantially the same.

III. ASSUMED CONDITIONS IN THE EVENT OF WAR—THROUGH 1952

1. *Internal Security of the U.S.:*

*Note:* Assumptions *a* and *b* that follow were initiated by a member of the Joint Staff based upon best available intelligence estimates. They were received in NSRB on December 31, 1948, and reviewed with representatives of the NME and CIA on April 1, 1949. No supporting analysis on paras *a*, *b*, and *d* is available.

a. The use of mass destruction weapons (atomic, BW, chemical), on a major scale against the continental U.S. is improbable.

b. Any air attacks on the continental U.S. would be on a small scale and sporadic. The total lack of capability of the Soviet Union to mount a successful large scale overseas amphibious-airborne assault combines with the foregoing to insure that areas within the continental U.S. would not become active theaters of operation.

c. (An assessment of the U.S. internal security from the standpoint of enemy subversive activity and/or sabotage is currently under consideration by the MB Staff, CIA, FBI, and the Joint Staff.)

d. In the light of paras *a* and *b* above, civilian defense manpower requirements, during this period, will probably not be significant.

2. *Potential enemies, allies, and neutrals—without reference to subsequent political and military developments:*

*Note:* See Appendix E for analysis.

a. *Probable enemies:*

- |                    |                    |                  |
|--------------------|--------------------|------------------|
| (1) USSR           | (5) Rumania        | (9) Communist    |
| (2) Poland         | (6) Bulgaria       | China            |
| (3) Czechoslovakia | (7) Albania        | (10) North Korea |
| (4) Hungary        | (8) Outer Mongolia |                  |

b. *Marginal areas:*

- |             |                |                   |
|-------------|----------------|-------------------|
| (1) Finland | (3) Austria    | (5) Sinkiang      |
| (2) Germany | (4) Yugoslavia | (6) Non-Communist |
|             |                | China             |

c. *Allied and associated states:*

(1) Participants in the Rio Treaty:

- |                    |            |           |
|--------------------|------------|-----------|
| Dominican Republic | Cuba       | Peru      |
| El Salvador        | Costa Rica | Colombia  |
| Bolivia            | Venezuela  | Mexico    |
| Guatemala          | Chile      | Haiti     |
| Panama             | Honduras   | Argentina |
| Paraguay           | Uruguay    | Brazil    |

- (2) Participants in the Atlantic Pact (with their colonial possessions):

Canada	Netherlands	Iceland
United Kingdom	Luxemburg	Portugal
France	Norway	Italy
Belgium	Denmark	

- (3) Other recipients of U.S. military aid:

Greece	Iran	Korea
Turkey	Philippines	

- (4) British Dominions:

South Africa	Australia
Ceylon	New Zealand

- (5) British Arab allies:

Egypt	Transjordan	Iraq
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*d. Other potential allies:*

(1) Ireland	(4) Ethiopia	(7) Lebanon
(2) Spain	(5) Saudia Arabia	(8) Japan
(3) Liberia	(6) Syria	

*e. Probable neutrals:*

(1) Sweden	(5) Afghanistan	(9) Burma
(2) Switzerland	(6) Pakistan	(10) Siam
(3) Israel	(7) India	
(4) Yemen	(8) Tibet	

3. *Potential battle areas as related to sources of strategic materials:*

*a.* Potential battle areas are essentially those on or within the present perimeter of Soviet influence.

*b.* The U.S. and its potential allies will probably have effective commercial access to the Western Hemisphere and other parts of the world south of 20° N. (See Appendix F for the probable capabilities of our potential enemies for denying or limiting access of the U.S. and its principal allies to areas containing strategic materials.)

*c.* Commercial transportation risks within the Western Hemisphere and to other world areas south of 20° N. will probably not exceed .7% per month over the most vulnerable combined sea and air route to the various accessible areas. (See Appendix G for probable risks to accessible areas.)

*d.* Based on Assumptions *b* and *c* above, the potential production of critical and strategic materials from the Western Hemisphere, Africa (south of the equator), India, Australia, and New Zealand is sufficient to meet probable wartime requirements for all *essential* materials that cannot be supplied from U.S. domestic production or from planned

stockpile withdrawals when present stockpile goals are reached. (See Appendix H for tabulations of commodities to which U.S. access is essential.)

*e.* Also based on Assumptions *b* and *c* above, the U.S. will probably have access to Southeastern Asia, Indonesia and the Philippines. The potential production of critical and strategic materials in these areas is sufficiently large, varied, and economically practical as to provide a *desirable*, though not essential, source of *alternate* supply for many critical and strategic materials. (See Appendix I for list of commodities by areas to which access by the U.S. is desirable as an alternate supply for many critical and strategic materials.)

#### 4. *Local interference with the production and movement of strategic materials of foreign origin:*<sup>6</sup>

*Note:* The assumptions below relate only to the probability of local interference, by Communists or others, with the production and movement of the strategic materials listed in Appendices H and I. For supporting analysis, see Appendix J.

*a.* The USSR, through the apparatus of international Communism, has made extensive preparations to interfere with the production and movement of strategic materials required by the United States. It must be expected to exert to the full its capabilities in this regard in the event of war.

*b.* According to local circumstances, such interference might take the form of Communist seizure of local control, or of public disorder, work stoppage, slowdowns, or sabotage.

*c.* A significant possibility of local interference with the production or movement of listed commodities (not necessarily resulting in long term denial) is considered to exist in the following cases:

- (1) Canada: iron ore, lead, lumber, pulpwood, zinc.
- (2) Mexico: antimony, cadmium, copper, fluorspar, graphite, lead, manganese, mercury, mica, petroleum, zinc.
- (3) Cuba: molasses and sugar, chromite, nickel oxide.
- (4) Colombia: petroleum.
- (5) Venezuela: petroleum.
- (6) Ecuador: balsa, cocoa beans.
- (7) Peru: lead, vanadium.
- (8) Bolivia: antimony, lead, tin, tungsten.
- (9) Chile: copper, crude iodine, sodium nitrates, iron ore.
- (10) Brazil: castor beans, coffee, emetine, manganese, sisal.
- (11) Argentina: beef, hides, skins.
- (12) Sardinia: talc.
- (13) Iraq: petroleum.
- (14) Burma, Siam, Malaya: rubber, teak, tin.
- (15) Indonesia: palm oil, pepper, quinine, rubber.
- (16) China: antimony, duck feathers, hog bristles, tungsten.

<sup>6</sup> Paragraph 4 of Part III is dated May 27, whereas all other component parts of the body of the study (Parts I-IV) are dated May 6.

*d.* With respect to other listed commodities, no significant interference is likely, although sporadic strikes and sabotage are probable.

5. *Duration and character of war as related to requirements:*

*a.* The weight of evidence at this time indicates a possible duration of at least five years. (See Appendix K for analysis.)

*b.* A war would, in its initial stages, conform to the general pattern of World War II weapons, tactics, and techniques as of the end of that war, with some modification toward an increased use of air power. (This assumption was initiated by a member of the Joint Staff and received by NSRB on January 3, 1949. No analysis is available.)

*c.* In the light of the requirements of present strategic plans, a total war effort would be required entailing the use of human, natural, and industrial resources in excess of those required during World War II. (See Appendix L for analysis.)

*d.* In the light of military requirements for present strategic plans (including preliminary estimates of the capabilities of the potential war-supporting economy) and present readiness measures, a maximum of two years will probably suffice to reach an average maximum production level, adequate for virtually all essential military and essential civilian purposes. Adequate production for many end items is probable in less than two years. (See Appendix M for analysis.)

6. *Degree of control over U.S. economy:*

*Note:* See Appendix N for analysis.

*a.* More stringent controls on the use of manpower, materials, facilities, and services—and more stringent fiscal controls—than those in effect during World War II are probable.

IV. ASSUMED CONDITIONS IN THE EVENT OF WAR—1953 THROUGH 1965

1. *Capabilities of the USSR against the U.S.:*

*Note:* Subparas *a*, *b*, and *c* were initiated by a member of the Joint Staff and received by NSRB on February 18, 1949. They were prepared in consultation with the three Services, R&DB, and the Armed Forces Special Weapons Project. These subparas were reviewed with representatives of the NME and CIA on April 1, 1949. No analysis of these assumptions is available.

*a.* The USSR will be able to launch limited attacks against the U.S. with conventional explosives, biological, and chemical warfare. This capability will increase in the latter part of this period.

*b.* The USSR may be capable of launching attacks against the U.S. with atomic weapons during the period 1953–1955. After 1955, the Soviets will probably have the capability of launching effective attacks of this nature.

*c.* The use of long range guided missiles against the U.S. is considered unlikely during the entire period. Minor attacks with V–1 and

V-2 type missiles launched from submarines against coastal targets and attacks with air-to-surface guided missiles, are within Soviet capabilities and will become an increasing threat throughout this period.

## 2. Capabilities of the U.S.:

*Note:* Subpara 2 *a* was initiated by a member of the Joint Staff and received by NSRB on February 18, 1949. It was prepared in consultation with the three Services, R&DB, and the Armed Forces Special Weapons Project. Subpara 2 *b* was initiated by the MB Staff and concurred in by R&DB and AEC. It was received by NSRB on January 17, 1949. Subparas *a* and *b* were reviewed with representatives of the NME on April 1, 1949. No analysis of these assumptions is available.

*a.* Development of defensive measures in comparison with offensive capabilities of potential enemies will make reasonable security for critical areas within the U.S. possible.

*b.* The U.S. will be capable of delivering effective quantities of mass destruction weapons (e.g., atomic, bacteriological, and chemical agents) at ranges of 4500 nautical miles or more by:

- (1) Inhabited aircraft—by 1951;
- (2) Inhabited aircraft launching guided missiles of 100 mile range or more—by 1956–1958;
- (3) Guided missiles of 4500 nautical mile range—by 1958–1961.

## 3. Future requirements:

*a.* Any war during this period will require substantially more industrial manpower, industrial facilities, and raw materials than those required during World War II. (See Appendix O for analysis.)

*b.* The ratio of non-military to military manpower requirements will probably increase.

*c.* Civilian defense manpower requirements will probably increase substantially over those of World War II.

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### Policy Planning Staff Files

*Memorandum by the Secretary of Defense (Johnson) to the Executive Secretary of the National Security Council (Souers)*<sup>1</sup>

TOP SECRET

WASHINGTON, 20 June 1949.

I agree with the Acting Secretary of State that in general the adoption of specific measures for the implementation of national policy is properly a function of the executive departments at the direction of the President rather than a function of the NSC.<sup>2</sup> The

<sup>1</sup> This memorandum was circulated in the National Security Council by Souers on June 21.

<sup>2</sup> Reference is to Webb's memorandum to Souers, May 24, p. 313.



application of that doctrine to the subject draft report, however, appears to have been misconstrued. There seems to be considerable confusion in the use of the term "measures" in this connection. Its use in the draft evidently springs from the language of the directive (NSC Action No. 88-b). The directive itself, however, appears to be an inaccurate expression of the intent of NSC 20.<sup>3</sup> It is evident in that text that Mr. Forrestal had reference, not to "specific measures of implementation", but to a needed "integration of domestic, foreign, and military policies in relation to the national security", which is precisely the function of the National Security Council. I believe that the directive should be corrected rather than cancelled, and the report when completed should be considered on its merits as a result of the "integration of domestic, foreign, and military policies".

The report which the Department of State proposes to make at about September of each year would be a welcome contribution to the work of the Council. This report, however, could not be accepted as a substitute for that integration of domestic, foreign, and military policy which it is the duty of the Council itself to provide for the guidance of all of its constituent departments. It should, therefore, be clearly understood that the Council, in noting the intention of the Department of State, in no sense thereby delegates any of its statutory functions.

The continuing and progressive formulation of national security objectives in the broadest sense is a project essential to sound planning in the National Military Establishment. Therefore, the members of the Council should give serious consideration to the adoption of extraordinary means for its accomplishment.

In summary, I recommend that the National Security Council:

a. Amend the directive to the NSC Staff in NSC Action No. 88-b, for the purpose of correcting the record, by substituting the following:

*Provision of the policy guidance* which, in the light of our existing commitments and capabilities, is required to promote the achievement of our current national security objectives.

b. Amend the subject NSC Staff report<sup>4</sup> as indicated in the Appendix hereto (to conform to the amended directive) and place the report on an early agenda for the consideration of the Council.

c. Note that the Department of State will submit, about September of each year, a report such as that described by the Acting Secretary of State in his Memorandum for the Executive Secretary, NSC, May 24, 1949, but note that this Action does not constitute a substitution for the formulation of policies and the provision of the policy guidance, short of directing specific operational methods, that is the statutory function of the Council.

LOUIS JOHNSON

<sup>3</sup> NSC 20 is described in footnote 1, p. 271.

<sup>4</sup> For the text of the March 30 draft NSC Staff Report, see p. 271.

## Appendix A

*Report by the National Security Council*MEASURES REQUIRED TO ACHIEVE POLICY GUIDANCE TO ASSIST IN  
ACHIEVING U.S. OBJECTIVES WITH RESPECT TO THE USSR

1. *Introduction.* To counter the threats to our national security and well being posed by the USSR and to achieve our general objectives with respect to Russia, the following measures are policy guidance is deemed essential. In implementing these measures utilizing this policy guidance, care must be taken to avoid unduly impairing our economy and the fundamental values and institutions inherent in our way of life. (See paragraph 11 below.)

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FACC Files

*Policy Paper Approved by the Foreign Assistance Correlation  
Committee*<sup>1</sup>

MAP D-G/7

[WASHINGTON,] July 1, 1949.

RELATIONSHIP OF THE MILITARY ASSISTANCE PROGRAM TO U. S.  
STRATEGIC INTERESTS

1. The Military Assistance Program for FY 50 is based on a studied appraisal of U.S. world-wide strategic interests, giving full consideration to the political, military, economic and psychological factors. In most instances, the basic consideration is the military factor with the assistance designed to strengthen the military posture of free nations to resist aggression and thus strengthen U.S. security. In other instances, however, political considerations are paramount, leading to the provision of military aid to withstand Communist inspired internal disorders and to enhance political stability. In all cases, the psychological factor is of major significance in that military assistance will increase the determination to resist and will raise the level of confidence in all countries stimulating them to greater efforts in their economic and military recovery and enabling them to diminish their dependence on the United States. The economic factor receives major consideration particularly in those countries included in the programs administered by the Economic Cooperation Administration. Countries in the process of recovery, particularly those devastated by war, recognize that recovery and security are closely interrelated. Most of these countries fully appreciate that it will avail them little to have revitalized their economies under conditions where at any time they may fall to an

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<sup>1</sup>This document, approved by FACC on July 1, was included in Part G of the MAP Hearing Book.

aggressor. Military assistance enables these countries to continue with economic recovery without being forced to divert much needed resources of manpower and material to meet their vital security requirements.

2. The military assistance programmed for FY 50 is based upon carefully studied appraisal by the Joint Chiefs of Staff of the present and future security needs for our own country. They agree that our strategy, in case we are attacked, must rely on adequate integrated forces of land, sea and air power to carry the war back to the aggressor, ultimately destroying or controlling the sources of his military and industrial power. The United States cannot, without dealing a mortal blow to the civilized world, and risk of vastly increased U.S. and Allied casualties and cost, abandon Western Europe to enemy occupation with the later promise of liberation. Military strategy, in the long view, must, in the event of war, envisage the containment and thereafter the defeat of any aggressor. Since any aggression into Western Europe would threaten the security of the nations of the existing free world and expose them to the terrors of another enemy occupation, the current program aims to provide these nations at the earliest possible date with the urgently required means to modernize and balance the equipment of their relatively small forces.

3. With regard to military assistance to countries outside Western Europe, the political factor assumes rising importance. The Truman Doctrine of 1947 established the policy of the United States to assist free nations to maintain their independence. Outside of Western Europe, this doctrine has had its principal application in Greece and Turkey, and the reasons which led the United States to undertake the Greek-Turkish aid programs are still valid today. Our policy and our interests require continued military assistance to those countries. This assistance enhances the capabilities of Greece and Turkey to maintain their national integrity which is essential to the preservation of order in the Near and Middle East. Both these nations with assistance can contribute to stability in this important area with consequent long-range strategic benefits to the United States.

4. The United States, through its adherence to the Cairo Declaration<sup>2</sup> and the Potsdam Agreement,<sup>3</sup> joined with the other great powers in declaring that, in due course, liberated Korea should become free and independent enabling it to ultimately join the world community of nations. In implementing its share of the responsibility for the resurgence of a Korean nation, the United States, despite the

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<sup>2</sup> For text, see *Foreign Relations, The Conferences at Cairo and Tehran, 1943*, p. 448.

<sup>3</sup> Reference is to paragraph 8 of the proclamation issued by the Heads of Government of the United States, China, and the United Kingdom at Potsdam on July 26, 1945; for text, see *Foreign Relations, The Conference of Berlin (The Potsdam Conference), 1945*, vol. II, p. 1475.

unnatural conditions occasioned by the division of Korea at the 38th parallel, is sponsoring an economic aid program and the provision of sufficient military assistance to enable it to effectively deter aggression and to maintain internal stability. Likewise, the continuation of military assistance to the Philippines is also predicated primarily on the political responsibilities the United States has borne on behalf of its former dependency. Stability in both these countries contributes to the long-range security interests of the U.S. in the Far East.

5. On balance, therefore, a summary of the strategic implications of the Military Assistance Program for FY 50 shows that its major portion is devoted to considerations of military and psychological aspects of strategy significantly contributing to the security of the United States both in the short and long views. The remainder of assistance provides primarily political benefits which contribute indirectly to the security of the United States in the long view through the enhancement of political stability and the fostering of the will to resist aggression. In all the recipient nations the United States reaps the economic and psychological benefits of increased confidence in the future stimulated by military assistance which contributes to a sound basis of security.

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S/S-NSC Files : Lot 63D351 : NSC 52 Series

*Report to the National Security Council by the Executive Secretary  
(Souers)*

SECRET  
NSC 52

WASHINGTON, July 5, 1949.

GOVERNMENTAL PROGRAMS IN NATIONAL SECURITY AND INTERNATIONAL  
AFFAIRS FOR THE FISCAL YEAR 1951

At a meeting in the White House on July 1, 1949, the President discussed the budgetary outlook for the fiscal year 1951 with interested officials, including all Council members, and presented the enclosed letter requesting the advice of the National Security Council on the subject.

Arrangements for the preparation of a draft response for Council consideration prior to September 1, 1949, are being made with designated representatives of the Secretaries of State, the Treasury, and Defense, the Chairman, National Security Resources Board and the Economic Cooperation Administrator, in appropriate consultation with the Director, Bureau of the Budget and the Chairman, Council of Economic Advisers.

SIDNEY W. SOUERS

[Enclosure]

*President Truman to the Executive Secretary of the National Security Council (Souers)*

SECRET

WASHINGTON, July 1, 1949.

MY DEAR MR. SOUERS: The National Security Act places upon the National Security Council the function of advising the President with respect to domestic, foreign, and military policies relating to the national security. The Act provides that it shall be the duty of the Council—

“(1) to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith; and

“(2) to consider policies on matters of common interest to the departments and agencies of the Government concerned with the national security, and to make recommendations to the President in connection therewith.”

The advice of the Council is being requested to assist me in arriving at recommendations to the Congress with respect to the size and nature of governmental programs in the field of national security and international affairs for the fiscal year 1951.

The Director of the Bureau of the Budget has developed for me an analysis of existing expenditure programs for the Federal Government which, in relation to estimated revenues, presents such a serious fiscal and economic problem that a complete re-evaluation of current and proposed programs is required. Large increases in expenditures in the face of declining revenues are developing. Strenuous efforts will be necessary to contain prospective deficits within a sound fiscal and economic program.

This analysis of expenditure programs clearly indicates that sizeable reductions are possible only in a few major areas, and there only by reducing or delaying programs which have heretofore been considered essential to national security or foreign policy. This condition is intensified because the currently authorized programs for the National Military Establishment show an increasing trend of expenditures in 1950 and subsequent years.

The analysis indicates that the levels contemplated for military and international aid programs in fiscal year 1950 are substantially above the levels which we can hope to maintain consistent with a sound fiscal and economic program.

The extent to which domestic programs have been held down to minimum levels and below during the war and post-war years is not generally understood. Significant reductions in this area at this time, therefore, are not feasible and we cannot ignore the possibility that

the maintenance of a sound economy may even require some increases in this area.

At the same time we have entered upon international commitments pointed towards bringing the world back to a normal peacetime level by strengthening the economic and political conditions in many areas. We have also made substantial increases in our own military forces as indicated in the following figures:

	1948		1950	
	Military Strength	Obligational Authority (Billions)	Military Strength	Obligational Authority (Billions)
Army.....	584, 623		679, 397	
Navy.....	530, 608		530, 654	
Air Force.....	345, 107		412, 273	
Total.....	1, 460, 338	\$9. 9	1, 622, 324	\$14. 5*
Civilian Components (Army, Navy, Air) in drill status.....	374, 847		949, 113	

A strong domestic economy is essential to the maintenance of a high level of military and international programs. With this in mind, and in the light of the prospective fiscal situation, I feel that it is necessary to re-evaluate the following national defense and international aid programs:

	New Obligational Authority Which Has Been or Will Be Requested in Fiscal Year 1950
NME.....	\$14, 500, 000, 000
AEC.....	792, 000, 000
Stockpiling of Critical and Strategic Materials....	525, 000, 000
ECA.....	4, 198, 200, 000
GARIOA.....	1, 000, 000, 000
MAP.....	1, 450, 000, 000
Philippine.....	185, 000, 000†
Korea Recovery.....	150, 000, 000
Arab Refugee.....	25, 000, 000‡
Point IV.....	25, 000, 000‡
International Refugee Organization.....	70, 000, 000

It is my intention to establish within the near future tentative fiscal limits for the above areas which the Departments and Agencies will be asked to use for planning purposes in developing their budget pro-

\*Includes \$279 million Navy ship construction. [Footnote in the source text.]

†Includes \$20 million immediately available in fiscal year 1949. [Footnote in the source text.]

‡Estimated—specific amount not yet approved by the President. [Footnote in the source text.]

grams for fiscal year 1951. The Director of the Bureau of the Budget will provide these limitations to the Council at the time they are established.

It is requested that the National Security Council initiate a review of the above programs with the objective of determining their relative priority and where the relative emphasis should be placed in adjusting these programs to meet the limitations established.

The Council should appraise the military and international programs under the tentative limitations in the light of current conditions so as to determine by September 1, 1949:

1. The extent to which the proposed limits for the preparation of tentative plans will require adjustment in strategic and diplomatic planning, if any.
2. The evaluation of the effect of these actions on our national security, and any alternative suggestions which the Council might wish to make.
3. The character of adjustments required to obtain balance in this politico-military area within the total of the limits established.
4. The comparative effects of a substantial governmental budgetary deficit for the indefinite future and a reduced expenditure level for national security and international programs.

I have also requested the Council of Economic Advisers to furnish me with an appraisal of the ceilings that have been established. In order that the work of the Council of Economic Advisers and the National Security Council can be best related, I believe that it would be advisable for the Chairman of the Council of Economic Advisers to be invited to the meetings of the National Security Council at which this subject is under consideration.

Sincerely yours,

HARRY S. TRUMAN

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S/S-NSC Files : Lot 63D351 : NSC 52 Series

*Report to the National Security Council by the Acting Executive Secretary (Lay)*

CONFIDENTIAL  
NSC 52/1

WASHINGTON, July 8, 1949.

GOVERNMENTAL PROGRAMS IN NATIONAL SECURITY AND INTERNATIONAL AFFAIRS FOR THE FISCAL YEAR 1951

The President, in his letter requesting the advice of the National Security Council on the subject, which was circulated as NSC 52,<sup>1</sup>

<sup>1</sup> *Supra.*

stated that he would establish tentative fiscal limits for planning purposes in developing budget programs for the Fiscal Year 1951, which would be provided to the Council by the Director of the Bureau of the Budget.

A summary tabulation of these planning limits (Enclosure A), as provided by the Director of the Bureau of the Budget, is circulated herewith for the information of the National Security Council and referred to the special staff committee designated to draft a Council response to the President's letter.

Also enclosed, for reference purposes (Enclosure B), are pertinent extracts from the letters by the Director of the Bureau of the Budget to the respective Departments and Agencies responsible for preparing budget estimates for each of these programs.

JAMES S. LAY, JR.

[Enclosure A]

*Summary Tabulation of New Obligational Authority, Provided by the Director of the Bureau of the Budget (Pace)*

CONFIDENTIAL

[WASHINGTON, July 8, 1949.]

	<i>Requested or to be Requested in Fiscal Year 1950</i>	<i>Planning Limits for Fiscal Year 1951</i>
NME.....	\$14, 500, 000, 000	\$13, 000, 000, 000
AEC.....	792, 000, 000	720, 000, 000
Stockpiling of Critical and Strategic Materials..	525, 000, 000	500, 000, 000
ECA.....	4, 198, 200, 000	3, 000, 000, 000
GARIOA.....	1, 000, 000, 000	350, 000, 000
MAP.....	1, 450, 000, 000	
Philippine.....	185, 000, 000	
Korea Recovery.....	150, 000, 000	
Arab Refugee.....	25, 000, 000	
Point IV.....	25, 000, 000	
International Children's Emergency Fund.....	15, 000, 000	200, 000, 000
International Refugee Organization.....	70, 000, 000	
Institute of Inter-American Affairs.....	4, 751, 000	
<b>Total.....</b>	<b>\$22, 939, 951, 000</b>	<b>\$17, 770, 000, 000</b>



[Enclosure B]

*Extracts From Letters Prepared by the Director of the Bureau of the Budget (Pace)*

CONFIDENTIAL

[WASHINGTON, July 8, 1949.]

1. *General Policies and Assumptions.*

The price assumptions to be used in preparing budget estimates are: (a) prices will be at approximately the July 1949 level, (b) construction costs on new contracts will decline about 5 percent from the July 1949 level. (Agencies should be prepared to discuss at the time of their budget hearings the effect of any price or cost trends which are contrary to these assumptions and which will affect their estimates.)

Estimates for 1951 should plan for operations at or below the 1950 appropriation level unless exceptional circumstances clearly make this impossible. Wherever possible, reductions should be made below the 1950 level, even where some reduction in service or increase in backlog is involved.

Expansion of existing activities or initiation of new activities should not be included, unless required by law or to meet urgent public needs. Estimates for existing activities should omit work of low priority and provide for the most efficient performance of necessary work.

As a general policy, estimates for civil public construction and improvement projects already under way should allow only for the minimum rate of progress with due regard to logical order and timing of the work. Projects involving the production and transmission of power *in critical shortage areas* should be planned at an economical rate which will meet the demand at the earliest possible date. New authorized projects should be started only where the public need for them is so urgent that it is not in the national interest to postpone them. Sufficient allowances should be made for advance planning of public works to provide for the future progress of public works on a sound basis.

2. *National Military Establishment.*

After a careful review of the probable fiscal resources and requirements of the Government, the President has approved the ceiling set forth below for the National Military Establishment. This ceiling represents the maximum amount, consistent with the President's over-all fiscal policy, upon which the National Military Establishment may at this time base its budgetary plans for the fiscal year 1951. It is expected that its estimates will be submitted within this ceiling and will reflect the best balanced program possible within this amount.

## Ceiling:

New obligational authority . . . . . \$13,000,000,000

This ceiling limitation for new obligational authority shall be allotted so as to make provision for the following:

*a.* The regular appropriations of the Army, Navy, Air Force, and the Office of the Secretary of Defense, including special accounts for which limitations may be specified in the appropriation bill.

*b.* Supplementals and deficiencies for fiscal year 1950 and prior year appropriations, except for requirements based on authorizing legislation enacted after submission to the Congress of the 1950 Budget.

*c.* Appropriations and contract authorizations required in fiscal year 1951 for all proposed and pending legislation.

*d.* Ship construction:

(a) Obligational authority for any 1951 shipbuilding program, and

(b) Amounts of program increases in obligational authority for shipbuilding programs for 1950 and prior years which are approved, or to be approved, during fiscal year 1950 or which will be proposed for approval in fiscal 1951.

*e.* Obligational authority, if desirable, for the repair of military auxiliaries of the Reserve Fleet of the Maritime Commission.

The tentative ceiling limitation of \$13 billion will exclude cash appropriations required to liquidate prior year contract authorizations, and the permanent appropriations of the National Military Establishment.

In view of the desire of the President to reflect in the 1951 Budget every effort for the development of an efficient, economic, integrated and unified military establishment, it is requested that the budget submission include statements as to the policies and programs which will be pursued to accomplish these aims.

3. *Atomic Energy Commission.*

In view of the national security aspects of the program of the Atomic Energy Commission, the National Security Council has been requested to include this program in the scope of its considerations. For this purpose, the President has established a tentative planning figure of \$720,000,000 of new obligational authority within which the Commission should develop its budgetary requirements for fiscal year 1951.

This planning figure is based upon the existing budget structure of the Commission and does not at this time provide for a possible amendment to the statutory determination made by the President last April.

4. *Stockpiling of Critical and Strategic Materials.*

After a careful review of the probable fiscal resources and requirements of the Government, the President has approved the ceilings set

forth below for your budget estimate for the stockpiling program. These ceilings represent the maximum amounts, consistent with the President's over-all fiscal policy, upon which budgetary plans for the fiscal year 1951 for stockpiling of strategic and critical materials, may, at this time, be based. It is expected that your estimates will be submitted within these ceilings and will reflect the best balanced program possible within these amounts.

The ceilings are as follows:

Appropriations for new obligation . . . . .	\$200,000,000
Contract authority . . . . .	300,000,000
	<hr/>
Total net new program . . . . .	\$500,000,000

These ceilings include total procurement, administrative, handling, storage, and other costs for stockpiling strategic and critical materials under Public Law 520, 79th Congress.<sup>2</sup>

It is requested that July 1949 prices be used in preparing the estimates. The effect of any price or cost trends which are contrary to this basis and which will affect the estimates may be discussed at the time of the budget hearings.

In developing these ceiling determinations, it has been assumed that:

a. The present stockpile list and objectives will be reappraised as a basis for budget recommendations, and the revision for that purpose will represent a minimum feasible goal consistent with the over-all national security program.

b. Programmed acquisitions of materials will be limited to supplies in excess of current industrial demand, except in cases of unusual urgency.

c. The rate of acquisition of materials will be adjusted to achieve maximum balance and continuity within the existing and proposed budget authorizations.

##### 5. *European Recovery Program.*

A budget ceiling has not been established for the European Recovery Program for 1951. However, the President is requesting the Security Council and the Bureau of the Budget to use approximately \$3 billion in any planning in which the 1951 costs of the European Recovery Program must be taken into account. That figure is to include, in addition to the present European Recovery Program base, the United States costs of prevention of disease and unrest in occupied Germany and any dollar costs for increased European military production arising under the proposed program of foreign military assistance.

<sup>2</sup>The Strategic and Critical Materials Stock Piling Act of 1946, 60 Stat. 596.

In addition, and without prejudice to the use of \$3 billion as a planning figure for 1951, it is the President's wish that you undertake a complete reappraisal of the European Recovery Program outlook for 1951 and to advise me by September 1, 1949, whether program adjustments can be made which would make it possible to support the European Recovery Program with a lesser amount for 1951. This appraisal should take into account such factors as the effect of present trends in our own economy on the recovery goals, particularly on European export prospects; the relative importance of continuing aid to countries whose dollar trade position is in or near balance; possible changes in the political status of participating countries or their dependent overseas territories; and any other considerations which you consider of major importance. Any conclusions you may reach on these points should, of course, be reflected in your advice to the National Security Council as well as in your report to me.

#### 6. *Government and Relief in Occupied Areas.*

A formal budget ceiling for GARIOA has not been established. However, in firming up the program to be reflected in the 1951 budget, the President has asked the National Security Council for advice upon a number of important matters affecting our national security. For this purpose a tentative planning amount of \$350 million has been established for GARIOA, excluding Germany.

#### 7. *Other Foreign Programs.*

The President desires that you give special attention to the relationships and aggregate requirements in 1951 for the following programs, not included in the budget ceiling of the Department of State, for which the Department is directly responsible or serves as the focal point of responsibility to the Government: Foreign Military Assistance; Aid to Korea; Aid to Arab Refugees; International Refugee Organization; International Children's Emergency Fund; Point IV; and the Institute of Inter-American Affairs.

No 1951 budget ceilings have been set for these programs, either individually or in total. The President is, however, asking you and the Security Council to use for planning purposes a figure of approximately \$200 million to cover total obligational authority required in 1951 for the programs named above, and for any similar foreign aid or assistance programs which may be contemplated for 1951. For this purpose, no distinction need be made between programs presently authorized and those for which authorizing legislation is yet to be secured.

FACC Files

*Policy Paper Approved by the Foreign Assistance Correlation Committee*<sup>1</sup>

SECRET

[WASHINGTON,] July 19, 1949.

MAP D-D/2

## STRATEGIC OBJECTIVES OF THE MILITARY ASSISTANCE PROGRAM

To achieve peace and security by assisting to create world conditions that make it possible for the United States to preserve and continue to develop its way of life is the primary objective of our foreign policy. Military assistance is but one of the courses of action which must be pursued toward this aim. Its principal contribution to attain our ends will result from the extent to which it serves to deter aggression and to promote that sense of security which is essential to the establishment and maintenance of economic and political stability.

Thus, to obtain the maximum contribution from military assistance it is necessary that it be furnished in those amounts and kinds and to those countries where it will produce the sort of defensive strength which is capable of withstanding and thus deterring aggression from whatever quarter. This aim must of course be adjusted to the practical, political, economic and military realities of the world situation. We cannot attempt to create in every area and in every nation defensive forces which alone would be capable of withstanding an assault by the huge Soviet armies. To do so would involve economic burdens which neither we nor any other country can or should attempt to assume. Likewise, this would involve not only imperiling economic recovery and stability, but would provide a temptation for the use of military assistance for purposes other than defense against aggression. It is, however, practical and desirable to increase the collective defensive strength of those nations which are associated with us in collective defense areas and whose security is essential to our own.

The Military Assistance Program is carefully designed to provide the maximum defensive strength possible within the limits of existing resources and without adversely affecting the economies of the countries involved which must be defended for our own security and which contain the basic sources of power upon which an effective defensive strength can be built. It is designed to provide to each such nation that kind and amount of aid which will enable that nation to perform its logical and necessary role in a coordinated collective defense effort in the event of armed attack.

It is true that there does not presently exist any multi-lateral agreed strategic plan of defense to which these free nations have subscribed. It is probable that much time will be required to reach such agree-

<sup>1</sup> This document, approved by FACC on August 1, was included in Part D of the MAP Hearing Book.

ment insofar as the North Atlantic area is concerned, even though the North Atlantic Treaty provides a basis for the evolution of such an agreement. Nevertheless, in the final analysis, a strategic plan for the most effective use of the available resources of the free nations for defense against attack must be predicated upon the basic facts of geographic location and power sources. The United States as the present primary foundation of the strength of the group can be expected to have a major part in the determination of strategic planning. Our military assistance is planned to conform to these realities and to the basic strategic factors inherent in the situation.

Thus, the program is concentrated on providing defensive strength in Europe. It is based upon a concept of division of labor consistent with the capabilities and situation of the free European nations. For example, it envisages the provision of air warning equipment in the most forward areas, the assignment of major sea defense to the main naval powers, the assignment of harbor and coastal defense to local naval forces, the development of tactical air defense on the Continent by the Continental powers and primarily supplied from British sources, the development of strategic air defenses by the United States and Canada, and the development of land forces primarily where ground strength must be immediately available. Thus, a foundation is being provided which should ease the work of the North Atlantic Defense Council and which will make possible the development of a collective defensive strength in which all parties will have greater security at less cost than it would be possible for any one of them to achieve alone.

In areas outside Europe the same basic considerations must be and have been applied. Thus military assistance for other countries is proposed to conform in amount and kind to their requirements for added strength, the practical possibilities of its employment for defense, the relative necessity for immediate help, and the ability of the United States to provide aid in the light of other needs and total availabilities.

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FACC Files

*Policy Paper Approved by the Foreign Assistance Correlation  
Committee*<sup>1</sup>

CONFIDENTIAL  
MAP D-F/1

[WASHINGTON,] July 25, 1949.

WHY THE MILITARY ASSISTANCE PROGRAM SHOULD BE ADMINISTERED  
BY THE STATE DEPARTMENT

The expansionist pressures of the Soviet Government to dominate and control and integrate into the Russian communist orbit other

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<sup>1</sup>This document, approved by FACC on August 1, was included in Part F of the MAP Hearing Book.

parts of the world has forced the U.S. to engage in what has been aptly described as a "cold war." Our resistance to these Soviet pressures is primarily political, but necessitates the use of a variety of methods, including these which are economic, military and informational in character. It is obvious that to achieve maximum effectiveness in utilizing all these methods, there must be effective coordination among them.

The Military Assistance Program is conceived as an essential and integral part of our foreign policy designed to be effective in this sort of cold war. Its fundamental purpose is to deter war by making clear that the determination to resist aggression, expressed in the North Atlantic Pact, will be backed up by an improvement in the ability to resist, and by the strengthening of the morale of nations now under threat of Soviet domination. The Military Assistance Program thus constitutes a major measure to supplement and support United States foreign policy and is not a substitute for our foreign policy or any part of it. Consequently, its over-all policy direction as an integral instrument of our foreign policy should be in the hands of the Secretary of State. Furthermore, the nature of our relationships with the other participating governments is highly political and insofar as these governments are concerned, they will expect to handle all important military assistance problems of policy through the normal diplomatic channels of the Department of State. This would include, of course, the negotiation of agreements and other terms and conditions to be applicable to the transfer of assistance under the Program. Although all political matters will be handled through diplomatic channels of the Department of State, this does not preclude, and the proposed organization expressly provides for, the handling of the technical aspects of the Program directly through the appropriate channels of the NME and ECA, respectively. Similarly, implementation of the Program must take into account, insofar as Atlantic Pact countries are concerned, the positions of the United States Government as they may be developed with regard to organization under the Pact and the common defense plans which it is anticipated will be developed through the Pact. Many other aspects of our foreign policy could be mentioned which must be considered in the evolution and implementation of the Military Assistance Program in each particular country.

In order that the Military Assistance Program may achieve its desired military effect it must also be conceived and executed so as to achieve a real and convincing improvement in the military strength of the participating nations. In other words, the Program must make military as well as political sense if it is to have the desired political effect.

By the same token it is equally necessary that the Program be so conducted as to aid rather than interfere with the achievement of economic recovery and the maintenance of sound economies in the participating nations. Thus the Program must also make economic sense.

Accordingly, MAP has been a joint endeavor in its development and will necessarily continue to be so in its implementation, the State Department, NME and ECA each having a vital and inseparable interest in substantially all MAP problems and decisions. Therefore the very closest coordination must be maintained in all aspects of MAP and it is the considered conclusion of the Executive Branch of the Government that the most satisfactory method of achieving this coordination is to assign primary responsibility for the Program to the Secretary of State. Although the three participating agencies have joint interest in almost all MAP policy matters, the Program is nonetheless predominantly and basically an instrument of our peacetime foreign policy. It therefore follows that its direction should be subject to the primary responsibility and authority of the Secretary of State. However, the State Department will not undertake operational responsibilities, for the proposed organization contemplates and provides for the utilization of the Military Establishment, the ECA and other existing agencies and machinery of our Government to the maximum degree. Although the State Department need not and will not undertake operational responsibilities, it is nevertheless the logical focal point where all of the policy aspects of MAP as well as all of the various other aspects of our foreign policy are, not only in fact, but should continue to be normally coordinated and integrated. The Secretary of State should therefore be given appropriate responsibility to enable his performance of this function with respect to the Military Assistance Program.

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840.20/7-2949

*Memorandum of Conversation, by the Secretary of State*

SECRET

[WASHINGTON,] July 26, 1949.

Senator Dulles<sup>1</sup> called at his request. He said that he wished to talk about MAP and that he was reflecting Senator Vandenberg's views as well as his own.<sup>2</sup>

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<sup>1</sup> John Foster Dulles, Senator from New York.

<sup>2</sup> This discussion occurred against the background of the following developments. On May 12, President Truman approved the suggestion of Secretary Acheson that the Military Assistance Program should not be presented to Congress until the North Atlantic Treaty had been ratified. The memorandum recommending the course of action approved by the President is printed in vol. IV, p. 298. On July 25, President Truman ratified the North Atlantic Treaty, the Senate having given its consent on July 21. Also on the 25th, the President



He thought that in order to put MAP through at this session it would be necessary for the Administration to accept what he called an interim program on a less ambitious basis. He divided his views into two main parts: One the practical or political considerations; the other the merits of the program.

As to the first, he thought that the Administration did not have a sufficiently reliable Democratic majority to put the bill through in its present form. He thought that the Republicans would be almost solidly against it and there would be many Democratic defections. Such a result, he thought, would be disastrous in its far-reaching implications as breaking up the non-partisan approach to foreign policy. It would be hard to reconstruct the non-partisan group on future issues. He conceded that many members of the Senate had made up their minds on the bill without a hearing, on account of the debate on the Treaty.

He thought that from the political point of view, in addition to opposition on the merits which grew out of many factors—(a) the isolationists' dislike of assisting European countries, (b) the argument that it was futile any way, (c) the argument that we ought to go into the Pact machinery, (d) the amount—there was another tactical obstacle. This was that we were in a bad position to argue that there was great urgency or an emergency situation; because, although the President had discussed the matter of arms for Europe, since his Inaugural Message<sup>3</sup> one measure after another had been put before the MAP legislation, and the matter was now coming before the House in its closing months, so that the charge would be made that, while the Executive Branch could take plenty of time to consider the matter, the Legislative Branch was not permitted to do so.

On this branch of the argument he thought it highly desirable that some common ground should be found on which the non-partisan group and the Administration could meet.

The second part of the argument had to do with the merits of the bill. Here he thought that in order to build up over a period of time arms strength in Western Europe it was quite as important to start right as to start quickly. By "starting right" he meant that we should use to the fullest extent possible the North Atlantic machinery. A little delay in time, he thought, would pay dividends in the end by getting

Footnote continued from preceding page.

transmitted legislation to Congress authorizing the Military Assistance Program. For the text of the President's letter of transmittal, see the Department of State *Bulletin*, August 8, 1949, pp. 186-189.

The Administration's proposal, H.R. 5748, contained authority for the President to provide \$1,450,000,000 in military assistance to foreign nations. For the text of the bill, see *The Mutual Defense Assistance Act of 1949: Hearings Before the Committee on Foreign Affairs of the House of Representatives* (81st Cong., 1st sess.), pp. 1-5. The original proposal of the Executive Branch is described in Department of State Publication 3563, *The Military Assistance Program* (Washington: Government Printing Office, 1949), released on July 25.

<sup>3</sup> For text, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1949* (Washington: Government Printing Office, 1964), pp. 112-116.

more constant support for a program which would, he was sure, have to last over several years.

He, therefore, thought that the program should contain the funds required for the non-Atlantic Pact countries, as already provided. In regard to the Atlantic Pact countries, we should have sufficient funds to get the program in operation and to keep it operating until, say, February or March, 1950, at which time it should be possible to have recommendations from the Atlantic Pact machinery on which Congress could take definitive action. From this point of view he thought that the bill could include the surplus and the \$77,000,000 required for its rehabilitation, such amounts as were necessary to provide the immediate need for electronic warning equipment and the equipment for mining the Skagerrak, etc., and possibly some funds for placing orders for other materials which needed to be started at once or which could be delivered before or soon after the beginning of 1950.

He said that he was fully aware of the attitude of our European allies, was sympathetic to it, and was most anxious not to disturb them. He thought that his suggestions would have a minimum effect in this direction.

I said to the Senator that I appreciated that he and Senator Vandenberg were not opposed to the program, but were advising me on their sincere conviction about the soundest way to proceed. I wanted to give their advice most careful study and to cooperate with them in every way possible.

Those who had worked on the program believed that it was exactly the sort of program which Senator Dulles outlined—it was an interim program, and, while the amount seemed large, it was because of the fact that the cost of comparatively small assistance was large in this field. The program was devised, as General Bradley would explain at the hearings, in accordance with the strategic concept which fitted into the concept of the North Atlantic Treaty and which had been worked out after close consultation with our European allies. I went over the various major items and explained why I thought they fell into the sort of a program which Senator Dulles approved.

The Senator said that he was not taking a final attitude on the amount and, as the result of evidence, might considerably increase his present ideas as to what would be proper. He had mentioned to me the sum of \$300,000,000, in addition to the non-Atlantic Pact countries, plus the surplus material.

The Senator then agreed to the necessity of proceeding with the bill as drafted and with the hearings as planned. He said that he asked only for an open mind on our part as the bill progressed through the Congress. I assured him that we would maintain an open mind and urged that he and Senator Vandenberg should not make their position

more rigid, but should leave the matter with what they had already said until the testimony developed further. I understood from him that they were inclined to do this. He assured me that he and Senator Vandenberg would be available and glad to consult with us at all times as the bill proceeded.

811.20 Defense M/7-2049

*The Secretary of State to the Acting Chairman of the National Security Resources Board (Steelman)*

SECRET

WASHINGTON, July 29, 1949.

MY DEAR MR. STEELMAN: The Department of State is greatly concerned with the developing situation in stockpile policies and programs. There will be most serious consequences if Congress rescinds \$300,000,000 or more of the \$835,000,000 new obligational authority recently appropriated for stockpile purposes and if the Munitions Board is directed to favor further the purchase of domestic materials in order to support domestic industry.

The Department of State recommends that the Administration use every effort to prevent a cut in the current appropriation. Any reduction in the planned level of stockpile procurement would be unfortunate in the light of the United States security requirements. It is only recently that strategic materials have been sufficiently abundant that real progress could be made toward stockpile goals without injury to private industry. In the next year we have an outstanding opportunity to advance the security of the United States which we should not fail to grasp.

However, with respect to the diversion of stockpiling funds from the present expenditure pattern based on strategic considerations and market prices in order to increase the support to domestic industry, it is the State Department position that a directive to purchase in the United States is not in the public interest from the point of view either of national security or our foreign relations.

A decision to reduce foreign buying in favor of domestic procurement would simultaneously impair our efforts to solve the current dollar difficulties which vitally affect United States interests abroad and injure United States security at home by hindering the conservation of our own non-renewable resources and by retarding the building up of our supplies of resources not produced in the United States.

It is hoped that before any action is taken to alter the present stockpile policy on this matter, the Department of State will have an opportunity to present fully its views on the problems involved.

Sincerely yours,

DEAN ACHESON

S/S-NSC Files: Lot 63D351

*Memorandum by the Secretary of Defense (Johnson)*<sup>1</sup>

[WASHINGTON,] 3 August 1949.

## Memorandum for:

The Secretary of the Army  
The Secretary of the Navy  
The Secretary of the Air Force  
The Chairman, Munitions Board  
The Chairman, Research and Development Board  
The Joint Chiefs of Staff  
The Chairman, Personnel Policy Board  
The Chairman, Military Liaison Committee

Subject: Organization for the Handling of Politico-Military Matters in the National Military Establishment.

1. This memorandum is designed to assign and delineate functions for the handling of politico-military matters within the National Military Establishment.

2. *Coordination of Politico-Military Matters in General.* In order to provide an agency which can effectively and continuously coordinate and supervise planning, and the execution of approved policies, in the politico-military field (exclusive of foreign military assistance and matters relating to the occupied areas) within the National Military Establishment, I am hereby establishing the Office of Foreign Military Affairs in my office. Under the direction of the Secretary of Defense and with the advice of the Joint Chiefs of Staff and the Munitions Board, respectively, on the military and economic aspects thereof, the Office of Foreign Military Affairs will perform the following functions with respect to all politico-military matters except those relating to occupied areas and military assistance:

a. Keep the Secretary of Defense and other appropriate authorities advised of the status of major matters of a politico-military character which are under consideration or which require attention.

b. Consistent with the functions and responsibilities of the several departments and agencies of the National Military Establishment, as heretofore or hereafter approved by me, assign responsibility for the handling of particular problems or areas of problems in the politico-military field to such departments and agencies, and monitor their progress.

c. Coordinate planning within the National Military Establishment with respect to politico-military affairs.

d. Supervise and coordinate the execution within the National Military Establishment of approved politico-military policies of the National Security Council or of other authority.

e. Assist the Secretary of Defense in coordinating the activities of the National Military Establishment in the politico-military field with

<sup>1</sup> Copy received by Deputy Under Secretary of State Rusk on August 5.

those of the National Security Council, the Department of State and any other agencies of government that may be concerned.

In discharging its functions the Office of Foreign Military Affairs will make the maximum use of the facilities of the several departments and agencies of the National Military Establishment which are concerned with politico-military matters.

3. *Responsibility for Matters Affecting the Occupied Areas.* Mr. Tracy Voorhees, Assistant Secretary of the Army, is hereby designated as my deputy to handle all policy matters affecting the occupied areas and to represent the National Military Establishment with the Department of State and other agencies of the Government in connection therewith. In performing these duties, he will obtain the advice of the Joint Chiefs of Staff with respect to the military aspects thereof. In addition, his office will keep the Office of Foreign Military Affairs generally advised with respect to occupation matters of outstanding importance and of other matters relating to the occupied areas which have important politico-military implications extending beyond those areas themselves. In this connection, my memorandum to the Secretary of the Army, dated 27 April 1949, and entitled "Responsibility for the Development and Approval of NME Policy with respect to Military Government and Civil Affairs in the Occupied Areas"<sup>2</sup> is hereby rescinded.

4. *Responsibility for Military Assistance Matters.* Major General Lyman Lemnitzer, Assistant to the Secretary of Defense for Foreign Military Assistance, will continue to perform those functions with respect to military assistance which have heretofore been delegated to him, including the representation of the National Military Establishment with the Department of State and other governmental agencies. In performing these duties, he will obtain the advice of the Joint Chiefs of Staff and the Munitions Board, respectively, with respect to the military and economic aspects thereof. In addition, he will keep the Office of Foreign Military Affairs generally advised concerning important matters in this area and coordinate with that office on problems which have politico-military implications extending beyond the field of military assistance itself.

5. *Responsibility for Advising on Military Aspects of Politico-Military Matters.* The Joint Chiefs of Staff are charged with the duty of advising all officials having cognizance over politico-military affairs on the military aspects of such affairs.

6. *Responsibility for Advising on the Economic Aspects of Politico-Military Matters.* The Munitions Board is charged with advising all officials having cognizance over politico-military affairs on the economic aspects of such affairs. In addition, and subject to any further

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<sup>2</sup> Not found in the files of the Department of State.

instructions from me, the Munitions Board will continue to discharge those functions with respect to foreign economic matters which it is currently performing. In this connection, it will keep the Office of Foreign Military Affairs generally informed concerning important matters in this area.

7. *Role of the War Council.*<sup>3</sup> Politico-military problems of major importance, and particularly those which are before, or are to be submitted to, the National Security Council, will, whenever appropriate, be submitted to the War Council for consideration.

8. *Special Consultant on Politico-Military Matters.* Major General James H. Burns, U.S.A. (Retired), has agreed to be available as a special consultant to me on politico-military matters. He is prepared, from time to time as circumstances may require, to serve as a policy advisor on important issues in this field (except as they relate to the occupied areas) and, on such occasions and in such capacity, to discuss the policies relating to such issues, if required, with the ranking officials of the National Security Council, the Department of State and other government agencies which may be concerned. As and when called upon to perform these duties, he will have the status of a deputy to the Secretary of Defense in the field of politico-military matters. General Burns will have no administrative or executive duties and will not be responsible for the handling of the many day-to-day problems of mutual concern to the National Military Establishment and the Department of State, or for the coordination of such matters within the National Military Establishment, or between the two agencies. On the other hand, I am sure he will be glad to give his advice and guidance to those who are working on such matters whenever he can be available and the occasion warrants, and I request, except as to matters affecting the occupied areas, that major policy matters in the field of politico-military affairs be brought to him for consideration whenever he is available. In addition, I request that all agencies of the National Military Establishment provide him with such information and assistance as he may require in handling assignments which he undertakes at my request, and, in particular, I charge the Office of Foreign Military Affairs with keeping him generally abreast of developments in the politico-military field and with preparing materials which he may need.

9. I am hereby designating Mr. N. E. Halaby as Director of the Office of Foreign Military Affairs.

10. The term "politico-military matters" as used herein means matters of a military character which are affected with a foreign

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<sup>3</sup> The membership of the War Council consisted of the Secretary of Defense (Chairman) and the Secretaries and military chiefs of the three services. Later in the year, this body was renamed the Armed Forces Policy Council, with the new positions of Deputy Secretary of Defense and Chairman of the Joints Chiefs of Staff added to its membership.

relations interest, foreign relations matters affected with a military interest, and any other matters which are of mutual concern to the Department of State and the National Military Establishment or over which the National Security Council has jurisdiction, exclusive of matters relating to internal security.

LOUIS JOHNSON

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Policy Planning Staff Files

*Report by the Policy Planning Staff*

TOP SECRET  
PPS/56

[WASHINGTON,] August 4, 1949.

PROGRESS REPORT ON THE DEPARTMENT'S STUDY OF "VIEWS OF THE JOINT CHIEFS OF STAFF ON MILITARY RIGHTS IN FOREIGN TERRITORIES"

Under date of May 19, 1949, the Secretary of Defense transmitted to the Secretary a study entitled "Views of the Joint Chiefs of Staff on Military Rights in Foreign Territories".<sup>1</sup> Mr. Johnson stated that the National Military Establishment believes that prompt action should be taken to acquire military rights that are urgently required and measures should be initiated to obtain the other rights which are required as well as those considered desirable. He urged that the Department of State make a thorough study of the JCS views; he suggested that after the Department had had an opportunity to study the JCS recommendations the Secretary of State may desire to define the general principles and to outline a course of procedure to be followed in the acquisition of military rights for the United States; and he stated that arrangements were being made in his office for the handling of matters connected with these requirements, including such review and revision as may become necessary, and for the performance of whatever functions need to be performed by the Military Establishment in connection with a course of action which might be outlined by the Department.

The Acting Secretary of State designated the Policy Planning Staff to coordinate the Department's study of the JCS document; and in a letter dated May 31, 1949<sup>2</sup> informed the Secretary of Defense that the Department's study of the JCS paper had been initiated and that when the analysis had been completed he would communicate further regarding the suggestion that the Department of State outline a course of action for the further handling of this matter.

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<sup>1</sup> *Ante*, p. 302.

<sup>2</sup> The letter is described in footnote 1, p. 300.

A working group including members of S/P, representatives of the four geographical offices and UNA undertook a preliminary analysis of the JCS paper. After informal exchanges of views with Mr. Halaby (Office of the Secretary of Defense) and Colonel Richardson<sup>3</sup> (one of the officers who had worked on the JCS paper) memoranda were prepared on each of the specific rights mentioned in paragraphs 5 and 6 of the JCS paper.<sup>4</sup> Several copies of these memoranda were handed to Mr. Halaby and Colonel Richardson on August 1. It was explained to them that these memoranda represent preliminary working papers and are not the Department's official response to the letter from the Secretary of Defense. It was suggested to Mr. Halaby and Colonel Richardson that the next step might be a meeting of Mr. Rusk, General Burns (Mr. Rusk's opposite number in the NME) and the working groups from State and the NME.

At this suggested meeting, there would be discussion both of the JCS paper and State's memoranda, and a consideration of the course of action for the future handling of this matter.

The draft memoranda are on file in S/P. There is attached a brief summary of the tentative conclusions set forth in the memoranda.

[Annex]

*Study Prepared by the Policy Planning Staff*

TOP SECRET

[WASHINGTON, undated.]

SUMMARY OF PRELIMINARY ANALYSIS OF THE VIEWS OF THE JCS ON  
MILITARY RIGHTS IN FOREIGN TERRITORIES  
(Paragraph numbers correspond to those in the JCS paper)

5. *a. Greenland*: When U.S. long-term rights in Greenland were discussed with the Danes a few months ago, the Danes were unwilling to give the U.S. permanent rights through a new bilateral agreement, but indicated that so long as the world crisis continues the 1941 Defense of Greenland Agreement<sup>5</sup> will remain in effect. It should be possible to make a more permanent and precise arrangement through the defense organization set up under the North Atlantic Treaty.

5. *b. Airfield at Abu Sueir, Suez Canal Zone*: Bilateral conversations with the British were held about two months ago. Shortly thereafter orders were issued by the British to proceed with work on the

<sup>3</sup> Lieutenant Colonel Robert C. Richardson, III, USAF, assigned to the Joint Strategic Plans Group, Joint Staff.

<sup>4</sup> The memoranda are not printed.

<sup>5</sup> For text of the agreement for the defense of Greenland concluded between Denmark and the United States, April 9, 1941, see Department of State Executive Agreement Series No. 204, or 55 Stat. (pt. 2) 1245. For documentation regarding the agreement, see *Foreign Relations*, 1941, vol. II, pp. 35 ff.



airfield. The British have suggested that the U.S. should be prepared to assume at least one-third of the cost for this field.

5. *b. Medium Bomber Rights at Khor Maksar, Aden:* The Department is not aware of any negotiations on this question. It is believed that the rights in question could be more advantageously negotiated with the British on a bilateral basis rather than on any collective basis. It is believed that the British would welcome a development of this bomber base.

5. *b. Air Bases in the UK:* Specific bases already have been agreed upon between the U.S. and UK. It is expected that negotiations will continue, both on a bilateral basis and on a joint basis within the framework of the North Atlantic Treaty. The problem is a current one which is mainly financial in nature and which is under active consideration.

5. *c. Unlimited Landing Rights at Port Lyautey, Morocco:* These rights at present are limited by the top secret agreement of September 15, 1947 between the U.S. and French Governments concerning the use of the air base at Port Lyautey by American armed forces.<sup>6</sup> It is believed that these rights could be extended in the manner required more advantageously on a collective basis arranged with the French but within the spirit and for the general purposes of mutual defense outlined in the Atlantic Pact.

5. *d and 5. e. Naval Air Bases and Amphibious Training Base in French North Africa:* There have been no negotiations since the termination of the wartime Clark-Darlan Agreement,<sup>7</sup> but it is the Department's understanding that there have been top secret and most informal talks between opposite numbers in the French and American navies. The Department believes that conversations on negotiations should be pursued on a collective basis, dealing with the French but within the spirit and for the general purposes of mutual defense under the North Atlantic Treaty.

5. *c, d and e. Acquisition by the United States of Urgently Required Military Rights in French North Africa:* It is pointed out that the exact scope and nature of military rights in French North Africa are of great importance in determining whether or not the French reply would be favorable. The French Government will be obliged to justify the granting of such rights before the French Parliament and French public opinion. It is believed that the French Government would have to be in a position to make clear that sovereignty, jurisdiction and operational control over the bases in question would remain French. The timing of our request to the French will be of great im-

<sup>6</sup> For an editorial note containing information on arrangements for continued use by the U.S. Navy of air base and communications facilities at Port Lyautey, French Morocco, see *Foreign Relations*, 1947, vol. III, p. 825.

<sup>7</sup> For text of the Clark-Darlan Agreement, signed at Algiers, November 22, 1942, see *ibid.*, 1942, vol. II, p. 453.

portance, particularly with reference to the North Atlantic Treaty and the Military Aid Program.

5. *f. Azores*: The existing agreement of February 2, 1949 [1948] with the Portuguese Government<sup>8</sup> provides for U.S. use of the Lagens airfield. The State Department understands that the Air Force will not be ready to proceed until 1951 with respect to additional space and communication facilities at the Lagens airfield.

5. *g. U.S. Air Force and Navy Communications Facilities in Ceylon*: The U.S. Ambassador at Colombo initiated discussions on January 5, 1949 with the Prime Minister of Ceylon regarding Navy communications facilities. The Prime Minister stated that he did not feel able to give his assent in this matter until clarification and more specific definition had been given to the terms of the Defense Agreement of November 11, 1947 between the U.K. and Ceylon. The Department currently is studying an additional statement to be presented to the Prime Minister within the next few weeks. The Department is of the opinion that if we try to apply pressure for an early grant of the privileges we seek, we would probably encounter resentment on the part of the Government of Ceylon and lay ourselves open to vigorous attack from the anti-Western elements in Parliament.

5. *h. Long-Term Rights in Saudi Arabia*: There have been extensive negotiations during the past five months between the American Ambassador to Saudi Arabia, the Commanding Officer of the Dhahran Airbase, and the Government of Saudi Arabia in regard to landing and other rights on the Dhahran Airbase. A new one-year agreement was filed on June 23.<sup>9</sup> The Saudi Arabian Government was unwilling to sign an agreement for a longer period at this time. It is possible that in exchange for a continuation of the present rights the Government of Saudi Arabia may request defense guarantees and assistance from the U.S.

5. *i. Security and Defense Planning with the Dutch Colonial Authorities in the Dutch West Indies*: An exchange of military liaison officers between the Governor of the Netherlands West Indies and the Commander in Chief, U.S. Caribbean Command was completed in December 1948. The Netherlands Ambassador in Washington was approached on November 30, 1948 concerning the initiation of military planning talks regarding Caribbean defenses. The Netherlands Government has not yet replied, probably due to the resentment felt by the Netherlands of the part played by the United States in the Indonesian affair.<sup>10</sup> The Department, however, is willing to raise the matter again

<sup>8</sup> For documentation on the negotiation of this agreement, see *Foreign Relations*, 1947, vol. III, pp. 1019 ff.

<sup>9</sup> Documentation on this subject is scheduled for publication in volume VI.

<sup>10</sup> For documentation on the interest of the United States in nationalist opposition to the restoration of Netherlands rule in the East Indies, see vol. VII, Part 1, pp. 119 ff.

with the Dutch if the Department of National Defense so desires. Any such arrangements may merge into joint planning by the Defense Committee to be established under Article 9 of the North Atlantic Treaty.

5. *j. Air Force Communication Facilities at Aden:* The Department is not aware of any negotiations regarding this question. A bilateral arrangement with the British should be acceptable to the latter.

6. *a. Military Installations and Facilities in Greenland:* Comment under paragraph 5 *a* also is applicable to 6 *a*. Approval by the Danish Government probably will be dependent upon the passage of MAP and the transfer by the U.S. of substantially the arms already requested.

6. *a. Military Installations and Facilities in Iceland:* In October 1945 the U.S. began negotiations with Iceland for a long-term lease of two air bases and one naval base which had been constructed by the occupying forces. The proposal was made public in April 1946, when the Icelandic Prime Minister announced that Iceland could not consider such an arrangement. On October 7, 1946, the U.S.-Icelandic Airport Agreement<sup>11</sup> was signed whereby the 1941 Defense Agreement was terminated, Keflavik Airport was transferred to the Government of Iceland, and the U.S. was granted landing rights there. In May 1949 there was a further exchange of notes<sup>12</sup> implementing the agreement of October 7, 1946. Icelandic relations with the U.S. are significantly influenced by Iceland's jealous regard for its absolute independence and sovereignty which gives rise to a fear of "Americanization", and a determination not to become a military base of the U.S. Reciprocal requests by Iceland that might be made in connection with efforts to obtain additional U.S. rights will be conditioned by Iceland's status as a signatory of the North Atlantic Treaty. Bilateral negotiations for additional rights beyond those now being enjoyed are almost certain to be self-defeating as well as to have unfortunate effects upon public opinion in the island and upon its relations with the U.S.

6. *a. Military Installations and Facilities in the Azores:* See comment under paragraph 5 *f*. The Department believes that the most orderly and expeditious procedure for obtaining additional rights would be through negotiations in the Defense Committee to be established under Article 9 of the North Atlantic Treaty.

6. *b. Canada—Various Base Rights and Communication Facilities:* As a result of past negotiations, we already are enjoying on an informal basis most of the facilities for which formal rights now are desired. Canada will have to consider its joint responsibilities to other

<sup>11</sup> For text, see TIAS No. 1566, or 61 Stat. (pt. 3) 2426. For information on the agreement, see editorial note, *Foreign Relations*, 1946, vol. v, p. 824.

<sup>12</sup> Not printed.

members of the North Atlantic Treaty as well as to ourselves and the U.K. Subject to this, there should be no difficulty in carrying on bilateral negotiations with the Canadians. As conditions for granting rights to the U.S., Canada will wish to have a general review and revision of the basis of existing rights under the 99-year agreement of 1941.

6. *c. Communication Facilities at Asmara, Eritrea:* The Department believes that the U.S. will be able to obtain the necessary rights; although in view of the delicate and complicated nature of the problems involved in the disposition of the former Italian Colonies, negotiations should not begin until the area in question actually has been ceded to Ethiopia.

6. *d. Airfield and Military Base at Tripoli:* In 1947, before the Air Force had completely deactivated the wartime airfield at Tripoli, an informal agreement was obtained from the British Government for the U.S. to continue to use the base as long as the British administration continued. Tripolitania, however, is one of the former Italian Colonies whose ultimate disposition still is pending. Until that question is disposed of, it is impossible to give any definite answers to questions regarding negotiations for long-term base rights.

6. *e. Airfield and Other Rights in the U.K. and the Bahama Islands:* Substantially all of the rights required are being enjoyed now on a current basis and presumably will continue to be available in the future, as circumstances may require, both on the basis of bilateral arrangements and on the basis of joint planning under the North Atlantic Treaty. The British do not wish to make formal public arrangements to give a foreign power "permanent" military rights in the U.K. It would be difficult to obtain broad and general rights from the British without specifying individual projects. Economic and financial problems are probably more important than problems of military rights as such. It is recommended that any further formalization of military arrangements be considered initially in the Defense Committee under Article 9 of the North Atlantic Treaty.

6. *f. Military Base, Air Transit Rights, and Stockpiling in French North Africa:* The comment made under paragraphs 5 *c*, *d* and *e* is pertinent. In general, it is believed that these rights can best be dealt with in connection with the Defense Committee under the North Atlantic Treaty.

6. *g. Stockpiling in Ceylon:* The U.S. Ambassador reported in March 1949 that arrangements had been worked out with the British Admiralty, subject to Ceylon's approval, for U.S. Navy tankers to unload fuel oil into the Royal Navy storage tanks. It was agreed that this operation would be carried out without the use of U.S. Navy personnel on shore. The Navy is operating under this informal arrangement and has advised us that this arrangement is adequate for the

time being. No mention has been made of the storage of avgas under this arrangement. The Navy has never requested nor has the Department ever negotiated for the right to maintain stockpiles of material and ammunition at Trincomelee.

6. *g. Stockpiling in Greenland, Iceland, Italy, Labrador, Azores, U.K., Malta, Gibraltar and Algeria*: Negotiations for this right in the areas named have not been initiated, except in the case of the underscored sites.<sup>13</sup> Each of these areas is within the territory of signatories of the North Atlantic Treaty. It is recommended that negotiations for these rights be initiated in the Defense Committee to be established under Article 9 of the North Atlantic Treaty.

6. *g. Stockpiling at Massawa-Eritrea*: Facilities established under wartime agreements have continued. If the area in question is granted to Ethiopia, in connection with the disposition of the former Italian Colonies, negotiations will have to be conducted on a bilateral basis with the Ethiopians. Oral assurances with regard to the right to continue these facilities have been given by the Emperor of Ethiopia. Negotiations should not be commenced until and unless Eritrea actually is ceded to Ethiopia.

6. *g. Stockpiling in Tunisia*: Comment under 6 *f* and *g* is pertinent. It is believed that negotiations should be conducted in connection with the Defense Committee under the North Atlantic Treaty.

6. *g. Stockpiling in Saudi Arabia*: See comment under paragraph 5 *h*.

6. *g. Stockpiling in the Suez Canal Zone*: The Department is not aware that any peace time rights have been granted to the U.S. for such stockpiling. This matter would most probably be bilaterally negotiated with Great Britain. Negotiation of the rights would be affected by the problem of military relations between Great Britain and Egypt.

6. *g. Stockpiling in Aden*: The Department is not aware of any negotiations regarding these rights. The rights probably could be negotiated bilaterally with the British.

6. *h. Stockpiling and Troop Maintenance in Saudi Arabia*: Comment under paragraph 5 *h* is pertinent.

6. *i. Rights in the Alexandria Harbor-Cairo-Suez areas*: There are no current negotiations on the question of these rights. The rights in question could be negotiated more advantageously on a collective (U.S., U.K., Egypt) than a bilateral basis. Egypt has not been too favorably inclined toward the U.S. because of the latter's support of Israel for admission into the United Nations. The Egyptians also are quite nationalistic in their viewpoint and are currently opposed to subjecting their sovereignty to any major power on a bilateral basis.

<sup>13</sup> Printed in italics in this document.

It is anticipated that the Egyptians would make many requests in exchange for the granting of these rights.

6. *i. Air Transit and Other Rights in the Suez Canal Zone:* Air transit and technical stop rights granted to the U.S. by the Egyptian Government terminated on June 15, 1948. Additional renewals were unobtainable owing to Egyptian resentment over our Palestine policy. Our Embassy at Cairo is under instructions to renew the request for blanket military air rights whenever it considers that there is a reasonable chance of its being granted. The rights in question could probably be negotiated more advantageously on a collective rather than on a bilateral basis. Egyptian requests in exchange for these rights probably would be substantial.

6. *j. Rights in Belgium, Luxembourg, Metropolitan France and Netherlands in Connection with our Occupation Forces in Germany and Austria:* No new negotiations have been initiated. The rights probably should be negotiated through the Defense Committee to be established under the North Atlantic Treaty.

6. *k. Air Transit Rights in India:* An agreement between the U.S. and India providing for continuation on a long-term basis of air landing and transit rights was concluded by an exchange of notes at New Delhi on July 4, 1949.<sup>14</sup>

6. *k. Air Transit Rights in Pakistan:* Our military air landing and transit right agreement with Pakistan expired on July 5, 1949 and was extended for one month by the Pakistan Government. A draft of a new agreement<sup>15</sup> on a long-term basis was presented to the Pakistan Government on June 6, 1949 and was provisionally approved by the Secretary of Defense. However, formal action by the Pakistan Government has not been completed. It is believed that there is a good prospect for early approval of the draft by Pakistan.

6. *k. Air Transit Rights in Iraq and Transjordan:* There would appear to be no serious obstacle to securing military air transit rights from the British or Jordanian Governments. In Iraq, nationalist feeling and lingering resentment of U.S. Palestine policy may create some difficulties. A more serious consideration, however, may be some form of Iraqi desire for a military or strategic *quid pro quo*.

6. *k. Air Transit and Landing Rights in Burma:* Air transit and landing rights in Burma granted prior to Burma's achievement of independence were terminated on March 1, 1948. On April 15, 1948 the U.S. Ambassador at Rangoon left with the Foreign Minister a draft<sup>15</sup> consisting of a series of paragraphs which represented an understanding rather than a formal agreement, and which recognized the Burmese Government's authority over its own air. The Embassy's efforts

<sup>14</sup> For text, see *United States Treaties and Other International Agreements (UST)*, vol. 3, p. 575.

<sup>15</sup> Not printed.

to obtain further action have been unsuccessful. Pressure for the extension of these rights to the United States under present circumstances would probably put a strain on our relations with Burma and would increase the antagonism of left wing Socialists and Communists toward the U.S.

6. *k. Air Landing and Transit Rights in Ceylon*: The Department has supplied the U.S. Ambassador at Colombo with details concerning military air landing and transit rights which we desire in Ceylon, but it has not been considered advisable thus far to initiate negotiations with the Government of Ceylon on these matters. Comment under paragraph 5 *g* is pertinent.

6. *l. Continuation of Present Rights in Nationalist China*: So far as the Department knows these rights are still available in so far as the contracting territory of the Nationalist Government is concerned. There would appear to be no need to re-negotiate these rights or otherwise to discuss the subject with the Nationalist Government in Canton.

6. *m. Air Bases and Other Rights in Italy*: Negotiations have not yet been initiated. It is believed that they could be undertaken either directly through diplomatic channels or in the Defense Committee to be established under the North Atlantic Treaty.

6. *o. [sic] Military Rights in Greece*: The Department believes that no rights in addition to those now being enjoyed in Greece are necessary in connection with the Military Aid Program, and no request for additional rights is contemplated. Bilateral negotiations could be conducted should reason therefor arise.

6. *o. Military Rights in Turkey*: The Agreement on Aid to Turkey was concluded July 12, 1947.<sup>16</sup> It defines the duties, immunities and privileges of the American Mission for Aid to Turkey. The Agreement continues in force until terminated by mutual consent. The NSC has decided that it would be unwise at this time to seek an arrangement with the Turkish Government to accord rights for the construction of airfields and stockpiling of aviation gasoline in Turkey, and for an aerial mapping survey of Turkey.<sup>17</sup>

6. *p. Transit Rights in Central America*: Diplomatic permission must be obtained from Panama with the exception of the area adjacent to the Canal Zone airspace before the flight of a U.S. military aircraft into the interior of Panama. In the other Central American countries, the privileges granted to the U.S. for transit and technical stop of its military aircraft are at present considered valid; although the privileges granted are temporary and the duration is uncertain. It is believed that long-term rights could best be negotiated on a multi-

<sup>16</sup> For text, see TIAS No. 1629, or 61 Stat. (pt. 3) 2953. For additional documentation on the subject, see *Foreign Relations, 1947*, vol. v, pp. 1 ff.

<sup>17</sup> The text of NSC 36/1, April 21, 1949, summarized here, is scheduled for publication in volume vi.

lateral basis. However, if the multilateral plan should not succeed the rights should be acquired through bilateral arrangements.

6. *p. Long-Term Military Rights in Brazil*: There are the secret agreements of May 27, 1942<sup>18</sup> and June 14, 1944<sup>19</sup> covering military and air base rights. Both agreements are effective. The 1942 agreement has no fixed term and the 1944 agreement is effective for ten years.

6. *p. Security and Defense Planning with Venezuela*: There have been no negotiations since the end of World War II with a view to planning military operations with Venezuela. In connection with the safety of the strategic petroleum installations in Venezuela, the U.S. Ambassador stated in reply to a Department communication: "It is, in my opinion, virtually certain that the Venezuelan Government would, at this time, reject any suggestion that the United States, in the event of an emergency furnish military assistance in protecting strategic Venezuelan oil installations. It is too much to expect that the Administration's political party would so far depart from its emphasis on nationalism, sovereignty and independence as to concede in advance its inability to settle its own problems without foreign aid." The possibility of initiating discussions with the Venezuelan authorities has been mentioned to the Ambassador informally since the exchange of correspondence referred to but the Ambassador did not feel that the time for such negotiations had arrived.

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<sup>18</sup> The agreement, not printed, is described in *Foreign Relations*, 1942, vol. v, p. 662, editorial note.

<sup>19</sup> For text, see *ibid.*, 1944, vol. vii, p. 561.

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840.20/8-649

*Memorandum by the Assistant Secretary of State for Congressional Relations (Gross) to the Secretary of State*

CONFIDENTIAL

[WASHINGTON,] August 6, 1949.

Subject: Strategy on Military Assistance Program

Redrafting the MAP bill<sup>1</sup> has for all practical purposes reduced our problem to one of amount. The concentrated fire of the opposition

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<sup>1</sup> In response to Congressional objections to H.R. 5748, the bill originating with the President's message of July 25, the Executive Branch redrafted the legislation. The revised version, H.R. 5895, was introduced on August 5. This legislation authorized the expenditure of \$1,400,000,000 in military assistance and made aid to Western European nations contingent upon the creation of a unified defense command. The Foreign Affairs Committee reported H.R. 5895 on August 15; for the text of H.R. 5895 and information regarding the proceedings of the House Foreign Affairs Committee, see *The Mutual Defense Assistance Act of 1949: Hearings Before the House Committee on Foreign Affairs*, pp. 227 ff. and House Report No. 1265, Part 2, *Supplemental Report of the House Foreign Affairs Committee on the Mutual Defense Assistance Act of 1949* (Washington, Government Printing Office, 1949). For the statement made by

Footnote continued on following page.



will now be directed toward reducing the authorization amount. Their technique will be to urge the Administration to "cut the program down so as to make it an interim program." Under heavy pressure from Taft,<sup>2</sup> Wherry,<sup>3</sup> and other Republican policy leaders, Vandenberg and Dulles will find it difficult to back down from their publicly announced position in this regard, even if they should become persuaded to do so by the factual presentation which is yet to come.

Illustrative of the problem we will face is the talk I had today with Cabot Lodge, who is one of the best friends of the MAP on the Hill. Lodge had just seen Berkner<sup>4</sup> and Lemnitzer and had received from them information concerning the details of the Program. Lodge had also gotten into a discussion with them about the amount of the Program and, I gather from Berkner's report of the conversation, he understood Lodge to suggest that we might get a RFC advance of something close to a billion dollars. This sounded so good that I thought it desirable to follow it up immediately by discussing details with Lodge.

However, I found Lodge quite confused on this subject. What he was clear on was that "we should give very serious consideration to reducing the amount." I asked him whether he meant the amount of the authorization or of the appropriation, and he replied he meant both. He said that Senator Taft and others who were really against the Program were going to make much of the argument that we should wait until the Atlantic Pact Council has been organized and has made recommendations and that, in view of what Vandenberg and Dulles had already said publicly, it would be difficult for them to change their position. He asked whether we could not limit our request to an amount sufficient to cover an "interim program until April 1," then come up in January for the balance. I told him of the rate of expenditure projected under the Program as it is now drawn up and he said he recognized that this would, of course, make it difficult to follow his suggestion.

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Footnote continued from preceding page.

Secretary Acheson before the Committee on July 28, see the Department of State *Bulletin*, August 8, 1949, pp. 189-194. See also *Military Assistance Program, 1949: Hearings Held in Executive Session before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate* (81st Cong., 1st sess.).

<sup>2</sup> Senator Robert A. Taft of Ohio.

<sup>3</sup> Senator Kenneth S. Wherry of Nebraska.

<sup>4</sup> Lloyd V. Berkner, Special Assistant to the Secretary of State; Coordinator for Foreign Military Assistance Programs (S/CFA). Berkner, Acting Director of the Department of Terrestrial Magnetism of the Carnegie Institution since 1948 and occupant of various positions in the United States Government during the period 1927-1947, became Special Assistant with the creation of the post on April 6, 1949. With Berkner's appointment, the position of Coordinator for Foreign Assistance Programs (U/CFA) was discontinued. Gross thereafter devoted full time to his duties as Assistant Secretary of State for Congressional Relations. Berkner succeeded Gross as Chairman of the Foreign Assistance Correlation Committee.

I told Lodge that it was your view, which you had expressed to Vandenberg, that the amount depended upon the nature of the Program and that until this had been explored, it was impossible for anyone not familiar with the Program to make up his mind about the proper amount. Lodge agreed. I also asked Lodge what he had in mind about the possibilities of an RFC advance. He said he did not know very much about this but thought it would be very difficult to get a substantial advance unless it were cleared with the Appropriations Committee. He suggested that we elicit the support of members of the Joint Committee<sup>5</sup> who are also members of the Appropriations Committee. (These are Senators Russell,<sup>6</sup> Bridges,<sup>7</sup> Gurney,<sup>8</sup> and Saltonstall.<sup>9</sup>) I shall follow this up at an appropriate time.

I think it very important that the Joint Chiefs of Staff be in the forefront in the "Battle of the Amount." This should be handled essentially as a logistical presentation. Those who favor cutting the amount should be brought into head-on clash with actual logistical planning so that they are in the position of having to take responsibility for either reducing the amount of the armed force of Europe which is to be reactivated or for slowing down its rate of activation. The FACC and the military spokesmen on the Hill should have in mind at all times that it is imperative that a "climate of disclosure" be created and maintained on this subject.<sup>10</sup>

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<sup>5</sup> On July 28, legislation respecting the Military Assistance Program had been referred to a Committee consisting of the joint membership of the Senate Foreign Relations Committee and the Senate Armed Services Committee.

<sup>6</sup> Senator Richard B. Russell of Georgia.

<sup>7</sup> Senator Styles Bridges of New Hampshire.

<sup>8</sup> Senator Chan Gurney of South Dakota.

<sup>9</sup> Senator Leverett Saltonstall of Massachusetts.

<sup>10</sup> On August 8, the Department of State transmitted a report on military assistance rendered to foreign countries since the Second World War to Representative John Davis Lodge of Connecticut. That report and an exchange of letters between Representative Lodge and Secretary Acheson (July 17 and August 15) are printed in the Department of State *Bulletin*, September 26, 1949, pp. 476-482.

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### *Editorial Note*

Public Law 216, 81st Congress (63 Stat. 578), the National Security Act Amendments of 1949, was signed by President Truman on August 10. This measure, largely the result of recommendations by the Hoover Commission on Organization of the Executive Branch, and its task force on the National Military Establishment headed by Mr. Ferdinand Eberstadt, included the following provisions. The National Military Establishment created by the National Security Act of 1947 was converted into the Department of Defense which incorporated the Departments of the Army, Navy, and Air Force, each administered separately by a Secretary operating under the direction, authority

and control of the Secretary of Defense. The law also provided for a Deputy Secretary of Defense, three Assistant Secretaries, a Comptroller, and a non-voting Chairman of the Joint Chiefs of Staff. Composition of the National Security Council was modified by elimination of the three service Secretaries from membership and adding the Vice President. For the statement delivered by President Truman on the occasion of signing this measure, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1949* (Washington: Government Printing Office, 1964), page 417.

The organization of the United States Government for national security affairs was further modified by Reorganization Plan No. 4 of 1949, which came into effect on August 20. This plan (63 Stat. 1067), provided for the transfer of the National Security Council and the National Security Resources Board to the Executive Office of the President. For President Truman's message transmitting the plan to Congress, June 20, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1949*, page 316.

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811.20 Defense (M)/8-2549

*The Acting Chairman of the National Security Resources Board  
(Steelman) to the Secretary of State*

TOP SECRET

WASHINGTON, August 25, 1949.

MY DEAR MR. SECRETARY: The problems discussed in your letter of July 29, 1949, concerning the threatened modification of the stockpile program have been under serious consideration by the NSRB, the Bureau of the Budget, and the Munitions Board for the past several weeks. We feel that both the rescission of \$275 million in contract authorization, and particularly the length of term of foreign contracts recommended in Senate Report No. 745, would be most unfortunate, and we have been working with the various agencies and the Congress in an attempt to secure appropriate changes therein.

In regard to the question of placing greater emphasis on domestic procurement of strategic and critical materials, we recognize that a healthy domestic mineral industry is a necessity, both for security in an emergency, and for the maintenance of a high level of the national economy. We also recognize the fact that most strategic and critical materials must, of necessity, be purchased abroad. Therefore, we feel that the present Munitions Board purchase program should continue in effect, thereby reducing our dependence in an emergency on sources of strategic and critical materials that could easily be denied to us by political changes or war.

Sincerely yours,

JOHN R. STEELMAN

Policy Planning Staff Files

*Memorandum by the Director of the Policy Planning Staff (Kennan)  
to the Deputy Under Secretary of State for Political Affairs  
(Rusk)*

TOP SECRET

[WASHINGTON,] September 7, 1949.

The following are my objections to the draft entitled "Report by the NSC Staff on Suggestions for Policy Integration to Assist in Achieving U.S. Objectives with Respect to the U.S.S.R."<sup>1</sup>

### I. GENERAL

A. The basic assumption apparently underlying this paper: namely, that it is possible to describe in a few pages a program designed to achieve U.S. objectives with respect to the U.S.S.R., gives a misleading impression of the nature of our foreign policy problems. In particular, it implies that the problem of resistance to Soviet policies is a static problem, the answer to which is susceptible of determination all at one time and all in one piece. This is of course not the case. The Russian question will never be entirely solved. Our approach to it must be determined currently, and be subject to constant alteration and revision in the light of our major objectives and of world developments.

B. The paper is not specific in its allotment of responsibilities, and contains numbers of statements which are only vague generalities or statements of unattainable ideal conditions. For this reason, most of the paper, as now drafted, will have no practical effect on the conduct of the U.S. Government. To my mind it is wrong in principle for the NSC to produce papers of this sort.

C. Many of the "measures" enumerated in this paper are conflicting. In these cases our problem is really one of priorities; yet this problem is not treated in the paper at all.

D. While the paper is addressed only to "The Achievement of U.S. Objectives with Respect to the U.S.S.R.", the matters of which it treats are so broad—with respect to both domestic and foreign policy—that it appears by implication that the achievement of our objectives with respect to the U.S.S.R. is of overwhelming importance in both our foreign and domestic programs—so important, in fact, that other factors need not be taken into consideration at all. The paper contains recommendations affecting our relations with non-communist countries; development of industrial facilities and essential utilities within our own country; encouragement of scientific research and technological improvements; development of transportation and communication facilities; dispersion of industries, services, governmental

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<sup>1</sup>The subject paper, an undated revision of the NSC staff draft report of March 30 (p. 271), is not printed.

and military activities; stock piling; public health; manpower mobilization; housing; wartime reorganization plans for the Executive Branch; controls on entry of persons into the U.S.; export controls on certain items; domestic counter espionage; domestic physical security; civil defense; plans for wartime controls over individuals and censorship; economic assistance to foreign nations; strengthening and using the U.N.; securing of bases; domestic information programs; etc. Obviously what is done in many of these fields must be affected by many considerations other than just relations with Russia.

While the threat imposed by the Kremlin is of course enormous and of outstanding importance as a direct danger to our society, the countering of it is not the sum-total of either foreign or domestic policy. The paper should at least contain a reservation to the effect that while these are measures called for by the requirements of an adequate policy with respect to the Soviet Union, there are many other considerations which bear upon them and which may in some cases be conflicting.

Again, if such a reservation were to be included, to be really useful the paper ought to distinguish these conflicts, reduce them to concrete form, and to allot priorities. But in this case, the report would be expanded into an attempt to define in a single document the total policy of the U.S. Government, which is an impossible project.

## II. SPECIFIC

A. The description of the tasks of our armed forces includes the insurance of the integrity of the Western Hemisphere, but not of the U.K. or any western European countries.

I should think our military authorities would wish to question whether it is useful to attempt to describe the tasks of our armed establishment in terms of the "insurance of the integrity" of given areas.

But even if this is considered to be useful, I would question whether there are not areas of western Europe more important to our security than parts of South America below the bulge of Brazil.

B. What is meant by "other air offensive operations" in point 2a(4) on page 2? Is this going to commit the State Department to the atomic or other strategic bombing of civilian residence or occupational areas? If so, there should be a searching inquiry and discussion in this Department before we go any farther along these lines. There is a question as to whether we should sanction in advance any shedding of civilian blood by our forces which would not be substantially justified by letter and spirit of the Hague Convention, except possibly by way of retaliation. For this reason, we may question whether we ought even to undertake strategic bombing of Soviet industrial targets except after due warning to Soviet civilians; and I am not at all sure that we should

*inaugurate* use of atomic bombs, in particular, on any targets, unless due warning can be given to civilians and the loss of civilian life kept to very small figures.

C. In point 2a(5) on page 2, I question the use of the phrase "national war objectives". Would it not be better just to say "national objectives"?

D. Section 3, beginning on page 3, contains a number of examples of *dicta* which will be meaningless without further definition in concrete terms, without a definite assignment of responsibility within the Executive Branch of the Government, and without a firm allotment of priorities. Take point c, page 4, for example: what priority should be allotted as between the encouragement of scientific research suggested in this paragraph and the later recommendations on page 6 that we strengthen internal security controls? Most of these controls have the tendency to cripple freedom of scientific research in this country.

E. I cannot quite envisage the practical implication of point d, on page 4. How does the Federal Government proceed to develop reserves of transportation facilities for estimated war requirements or to eliminate present bottlenecks?

F. Paragraph 4, page 5 ("Intelligence"), seems to me to be purely redundant. Is it the implication that if it were not for the necessity of achieving our objectives with respect to Russia, U.S. intelligence and counterintelligence activities would *not* need to be increased and improved, and that the activities at home and abroad would *not* need to be coordinated?

G. Has the section (paragraph 5) on "Internal Security" been entirely thought through? Of what importance is it to the Soviets to be able to introduce individuals into this country? They have the tens of thousands of members of the communist party and the further thousands who are not party members but effective communist agents in the labor movement and many other key activities in this country. With this enormous fund of largely native-trained and resident agents what need is there for them to try to introduce into our midst for espionage or subversive purposes individual foreigners, obviously less qualified by training, speech and experience to conduct such work here. And could our controls be made really effective without the establishment of something resembling the Soviet iron curtain? The Soviet Government has, for purposes of infiltration of individuals into foreign countries, not only unlimited funds at its disposal but also the services of other foreign communist parties, plus extensive penetration of the seamen's unions all over the world, plus a counterfeiting center in Moscow which is surely capable of reproducing any foreign identification document with sufficient plausibility to pass the average border controls. How much more restrictive would our controls have to be to be effective?

H. The same applies to controls of imports and exports. Our customs formalities are already more burdensome and irritating than those of most European countries. In what way do we suggest that they should be made still tighter? How are we to prevent the removal from the U.S. of information in view of the freedom of the mails alone, to say nothing of the stand we have taken in international organizations on freedom of information?

I. With respect to point 6*b*, on page 7, about economic assistance, is there a recognition in the NSC Staff that existing approaches and measures will be quite insufficient to solve the British problem and that in order to develop trade credit and exchange relations sufficiently favorable for this purpose we would have to take many measures quite contrary to our own traditions and the apparent present temper of Congress?

J. In paragraph 7, on page 9, is the National Military Establishment aware of the relationship between the recommendation that we try to drive a wedge between the Soviet Government and satellite governments, on the one hand, and the question of the blooming mill for Yugoslavia, on the other? <sup>2</sup>

K. In paragraph 8, "Foreign information program", the list of matters to be taken into account in this connection, which appears on page 11, should be headed, I think, by an item along the following lines:

"Endeavor to communicate to the Soviet orbit countries the impression that the United States is a strong and formidable country, capable of acting with firmness and ruthlessness—a country which it is dangerous to provoke and which must be treated with respect and caution."

L. The wording at the foot of page 13, namely: ". . . the level at which fiscal and monetary measures, selective voluntary allocation and standby mandatory allocations meet the needs . . .", is some sort of governmentese which would be obscure to the average person. I question whether such language should be included in an NSC paper.

My conclusion, based on the foregoing comment, is that we should uphold the decision of Mr. Webb's staff committee that this measures paper should be dropped from the NSC agenda. The paper in its present form is neither realistic nor helpful. I will be glad to discuss with you what type of paper the Department might prepare as political policy guidance to the NME to supplement the papers on the U.S.S.R. that were prepared in S/P.

GEORGE F. KENNAN

<sup>2</sup> For documentation on this subject, see vol. v, pp. 854 ff.

S/S-NSC Files : Lot 63D351 : NSC 52 Series

*Report by the National Security Council to President Truman*TOP SECRET  
NSC 52/3

WASHINGTON, September 29, 1949.

GOVERNMENTAL PROGRAMS IN NATIONAL SECURITY AND INTERNATIONAL  
AFFAIRS FOR THE FISCAL YEAR 1951

The National Security Council, at its 46th Meeting,<sup>1</sup> considered a draft report on the above subject (NSC 52/2<sup>2</sup>) and adopted it in the revised form enclosed herewith.

The Acting Secretary of the Treasury, the Economic Cooperation Administrator, and the Chairman of the Council of Economic Advisers attended this meeting and participated in the discussion. The Economic Cooperation Administrator concurred in the enclosed report as adopted by the National Security Council. The views of the Acting Secretary of the Treasury and of the Chairman of the Council of Economic Advisers with respect to the enclosed report, which were considered and discussed by the National Security Council prior to the adoption of the report, are contained in Annexes A and B hereto.

The National Security Council also considered and discussed the suggestions by the Secretary of Defense contained in Annex C hereto. The Council agreed that these proposals should be submitted for the President's consideration, concurrently with the enclosed report, as suggestions by the Secretary of Defense in response to the President's request, in his letter of July 1, 1949 (NSC 52, page 4, sub-paragraph 2<sup>3</sup>), for any alternative suggestions with respect to this problem.

The National Security Council, together with the Acting Secretary of the Treasury, the Economic Cooperation Administrator, and the Chairman of the Council of Economic Advisers, accordingly submit the enclosed report, together with the attached Annexes, for the consideration of the President as a response to his letter of July 1, 1949 (NSC 52<sup>4</sup>).

SIDNEY W. SOUERS

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<sup>1</sup> September 29.

<sup>2</sup> NSC 52/2, September 26, not printed.

<sup>3</sup> Of July 5, p. 349.

<sup>4</sup> This report did not receive the formal approval or disapproval of President Truman. It remained the subject of White House consideration until superseded by studies undertaken by the National Security Council in 1950.



[Enclosure]

*Report by the National Security Council*

TOP SECRET

[WASHINGTON, September 29, 1949.]

GOVERNMENTAL PROGRAMS IN NATIONAL SECURITY AND INTERNATIONAL  
AFFAIRS FOR THE FISCAL YEAR 1951

## THE PROBLEM

1. To review and appraise governmental programs in national security and international affairs for the Fiscal Year 1951, in accordance with the President's letter of July 1, 1949.

## ANALYSIS

2. The position of the United States in world affairs is based upon the premise that our security and welfare are inextricably related to the general security and welfare, and upon an acceptance of the responsibility for leadership in world affairs which is called for by that premise. We therefore seek, by unilateral action and through collective effort with other like minded peoples, to establish world conditions under which we can preserve and continue to develop our way of life. Toward that end we have taken such actions as (a) U.S. activities in the United Nations; (b) our programs of aid to Greece, Turkey, and other countries; (c) the European Recovery Program; (d) the North Atlantic Treaty; (e) the proposed overall program for military cooperation with other countries; (f) the Point IV program.

3. Experience since the war has made it obvious that the USSR neither intends nor desires to cooperate in establishing world conditions which we seek in the interest of the general security and welfare. The USSR seeks only the maintenance and extension of Soviet power through all means at its disposal, including a resort to armed force if necessary or desirable to gain its ends. The USSR ruthlessly exploits every weakness of those who oppose its domination, but adjusts its tactics when it encounters effective strength.

4. Faced by this situation, the United States is forced to adopt and effectively maintain programs which will both safeguard its security and welfare against the threats posed by the USSR, and lead to the establishment of the world conditions which we seek. These programs include a fundamental effort on the part of the United States to develop and maintain an adequate level of military readiness, to assure its internal security, and to maximize our economic potential. Recognizing, however, that we do not have the resources unilaterally to defend, direct and support the entire non-Communist world, we are also assisting and encouraging those nations which are willing and able to

contribute toward the same results we deem essential, to increase their economic and political stability and their military capabilities. Beyond that, we are endeavoring to place the maximum strain on the Soviet structure of power and particularly on the relationships between Moscow and the satellite countries. By these programs we are attempting to develop and maintain the political, economic and military strength of the entire non-Communist world, to the end that the government in power in Russia will eventually be convinced that it should conduct its international relations in conformity with the purposes and principles set forth in the United Nations Charter. In carrying out the above programs we must take due care to avoid permanently impairing our economy and the fundamental values and institutions in our way of life. This will require a careful balancing of budgetary requirements for national defense, international affairs, and civilian domestic activities in the light of their relative urgency and importance at any given time to our over-all security and welfare.

5. Budgetary requirements for governmental programs in national security and international affairs should therefore be analyzed in the light of the above considerations. The department or agency responsible for each of these programs, after such an analysis, has made a current estimate of the new obligational authority for FY 1951 which it deems desirable in order that the program may make its maximum contribution at minimum cost to the achievement of our objectives. A comparison of these currently estimated requirements with the planning limits established for FY 1951, is shown in the Appendix hereto. The extent to which the proposed limits for the preparation of tentative plans, as compared with the currently estimated requirements, will require adjustment in strategic and diplomatic planning, if any, is briefly discussed for each program in the following paragraphs:

6. *Department of Defense.* With the economies which can be effected by 30 June 1950 and during the ensuing year, the Department of Defense can, under the \$13 billion ceiling allocated to it in NSC 52/1, maintain substantially the same degree of military strength, readiness and posture during FY 1951 which it will maintain in FY 1950. However, any further reduction below this ceiling would probably require reductions in forces, combat capabilities and minimum mobilization base, which, from a military standpoint, would entail grave risks.

7. *Atomic Energy Commission.* The planning limit of \$720 million would apparently enable the AEC to continue production of weapons and fissionable material in accordance with the currently approved production schedule.

8. *Stockpiling.* There is general agreement that present stockpile goals are inadequate for a large-scale, five-year war. Even these limited objectives are not going to be reached by 1951 as originally planned

because of the unavailability of materials and the inadequacy of appropriations in the last few years. The proposed limit of \$500 million for stockpiling in FY 1951 (rather than \$835 million which would maintain the program at the level proposed for FY 1950) would materially reduce the current rate of progress toward present stockpile objectives (to some 40% below the rate possible under the President's budget request for FY 1950), and would thereby postpone once again, and appreciably, the date when these objectives can be met. If the Congress finally rescinds, as proposed by the Senate, \$275 million in contract authorization heretofore provided for FY 1950, this date will be further postponed. The seriousness, from a national defense standpoint, of a reduction in FY 1951 to \$500 million, turns largely on whether a current reexamination of present stockpile goals, in terms of up-to-date military requirements and current strategic assumptions, indicates a need for their drastic upward revision. From the standpoint of the important secondary benefit of stockpiling, as a stimulus to foreign economies, the proposed limit would reduce stockpile purchases during FY 1951 in areas which are presently receiving substantial dollar aid from the United States by as much as \$100 million.

9. *Economic Cooperation Administration.* The limit of \$3 billion should prove adequate assuming a level of U.S. economic activity sufficient to support imports into the U.S. at a level above that of 1948. If this favorable assumption does not prove correct, however, ECA aid may become inadequate to accomplish its objectives by 1952/53 unless it is increased in FY 1951 to approximately \$4 billion. Even if the limit for FY 1951 proves sufficient, it should be noted that other actions, possibly including the following, will be required to maximize the longer run benefits of ERP:

a. Encourage the rapid creation of a free trade area and realistic exchange relationships in Western Europe, as steps toward raising productivity and putting Europe on a better competitive position in the world.

b. Help to cover Western Europe's post-ERP dollar deficit through:

- (1) Continuing direct aid to Greece, Austria, and probably Western Germany and Italy;
- (2) Promoting greatly increased foreign investment by both private investors and public institutions;
- (3) Aiding some parts of the sterling area which are now dependent on Britain for dollars;
- (4) Reducing obstacles to imports into the United States from the countries now participating in the ERP and their overseas territories and from the rest of the world.

c. Find some method of restoring adequate gold and dollar reserves in Western European countries, before the end of the ERP period.

10. *GARIOA*. The limit of \$350 million, rather than the currently estimated requirement of \$400 million, would require in Japan a reduction of food and cotton imports, and transportation. This would mean economically in Japan a reversal of a recovery process and a retrogression toward a disease and unrest program unless some way can be found to make available to Japan U.S.-owned surplus wheat and cotton without requiring new appropriations. A deterioration in our position in Japan, when coupled with events on the continent of Asia, might ultimately require an increased period of occupation in order to offset increased Communist influence. The effect of the planning limit upon the Ryukyus, an area of great strategic significance to the U.S., would be to eliminate imports of consumer goods and reduce urgently needed reconstruction programs. This will increase existing problems and long-range cost to the U.S., and will prove detrimental to our current policy with respect to the Ryukyus (NSC 13/3<sup>5</sup>).

11. The remaining programs all fall within the planning limit of \$200 million for which the Department of State is primarily responsible. The Department of State has made the allocations within this total, as shown in the Appendix hereto, for the following reasons and with the following estimated effects:

*a. Military Assistance Program.* It would be unwise to make any provision for MAP within the \$200 million limit, since any possible allocation within that amount would necessarily be of insufficient size to achieve the desired results and might have an adverse psychological effect. At the same time, it is believed that an MAP program of between \$1 billion and \$1,500,000,000—the exact amount being dependent on estimates which are still to be made and upon planning under the North Atlantic Pact—is essential from the standpoint of national security, and that failure to provide such a program will have a very serious effect upon our strategic and diplomatic planning. From a military standpoint, this program as it applies to Western Europe, represents an indispensable step toward converting these nations into military assets rather than military liabilities in the event of war in the long-range period. Only through such a program will the nations under the North Atlantic Pact be enabled to reach a position in which the Western European Continent can successfully be held against armed aggression, thus obviating the necessity for an extremely costly, and by no means surely successful, invasion of the continent in the event of war. Politically, MAP will bolster the psychological attitudes and morale of our allies and make them willing to strive more energetically toward the objectives we deem essential. Furnishing arms under an MAP is a prerequisite to implementing our obligations and establishing an effective organization under the North Atlantic Pact. Economically, MAP would make Western European countries more

<sup>5</sup> Dated May 6, vol. VII, Part 2, p. 730.

willing to take the risks that are necessary in solving their economic problems and thus enable them to move forward toward recovery after ECA aid terminates.

*b. Philippines.* An allocation of \$40 million is necessary to make it possible to complete payments under the original \$400 million authorization already made in the Philippine Rehabilitation Act of 1946. The Department of State is now considering the advisability of establishing a Joint United States-Philippine Economic Commission. It is hoped that such a commission would find that measures such as Export-Import Bank loans and allocation of assistance under the Point IV program would meet the requirements of Philippine economic developments during FY 1951 without the necessity for a further authorization of U.S.-appropriated funds during that fiscal year. However, it is likely that grants will be needed to meet an acute temporary crisis which will probably arise in the Philippines in FY 1952 or 1953.

*c. Korea Recovery.* An allocation of \$70 million for aid to Korea is the minimum required to maintain that nation on a bare relief level. An increase to \$115 million is necessary to achieve the objectives of the planned three-year program to assist the Koreans toward becoming self-supporting. The \$70 million allocation not only offers no prospects of achieving these objectives, but may place such a strain upon the political stability of the Korean Government that South Korea may be lost to Communist influence. While strategically acceptable as far as Korea alone is concerned, this loss would be detrimental to our national interests as a further step toward loss of U.S. influence in Asia as a whole.

*d. Arab Refugee.* The allocation of \$20 million for this program will be sufficient to provide only simple subsistence relief for the refugees, without any provision for the resettlement measures designed to end the need for such direct relief. It is estimated that \$40 million is the minimum necessary under a three-year plan beginning January 1, 1950, of repatriation, resettlement, direct relief, work relief, and economic development projects. This plan is designed to effect a permanent solution of this problem within a minimum period of time and at a minimum cost, in order to remove this major threat to the stability and friendship of the strategic Near Eastern area.

*e. Point IV.* Under the \$200 million limit, \$45 million is the most that can be made available for the technical assistance aspects of this program, which has such great prospects of contributing to major U.S. objectives in a permanent and inexpensive manner, particularly in the post-ECA period. This allocation falls \$7,500,000 short of the funds estimated to be required to hold this part of the modest program to the same level as planned in FY 1950.

*f. International Refugee Organization.* \$25 million has been allocated to this program of an international organization of which the U.S. is a member and to which we have already made commitments. Allocation of a lesser amount would not only be an act of bad faith, but would defer the completion of this program at still greater ultimate cost to the U.S.

*g. Probable New Programs.* The \$200 million limit, in view of the preceding allocations, makes it impossible to provide for new programs which it is anticipated will have to be considered prior to the presen-

tation to the Congress of the FY 1951 budget. These programs, which it is believed will require at least \$200 million, will be necessary:

- (1) Because the United Kingdom will not be able to cover the immediate dollar requirements of India, Pakistan, and other parts of Southeast Asia and the Middle East.
- (2) To facilitate the establishment of the Indonesian Republic, which will no longer be eligible for ECA aid.
- (3) To cover other new programs which may result from the current survey of Far Eastern policy.

#### CONCLUSIONS

12. The allocation indicated in the Appendix hereto represents as balanced a program in this politico-military area in the interests of our national security as is possible within the planning limits established by the President. Any reductions in the planning limits for the Department of Defense and the Economic Cooperation Administration to take care of the urgent requirements of the Military Assistance Program and some of the smaller programs would so seriously threaten the success of the Defense and ECA programs as to present a grave risk to our national security.

13. These allocations within the established planning limits, however, would require adjustments in current strategic and diplomatic planning in the form of reductions, deferments, or elimination of certain programs, as indicated in the preceding Analysis, which are not only in themselves important elements in our over-all program for national security, but make significant complementary contributions to the successful conduct of the programs provided for in the established planning limits.

14. The most significant adjustment in our over-all program for national security required by the established planning limits, would be the inability to provide for the Military Assistance Program. Provision for this program will necessitate an addition to the planning limits of \$1 billion to \$1,500,000,000—the exact amount being dependent on estimates yet to be made and upon planning under the North Atlantic Pact—for the reasons indicated in paragraph 11-*a* above.

15. Other extremely serious adjustments in our national security program which would be necessitated by the established planning limits are those which involve reductions in certain current and projected international programs making significant contributions to our national security program. These reductions will not only postpone the completion of the specific programs in question but may jeopardize their success or require still greater subsequent expenditures by the United States to achieve their objectives. The increases in planning limits required for each of these programs in order to prevent these serious adjustments are as follows:

- a.* GARIOA—\$50 million (see paragraph 10).

- b. Korea Recovery—\$45 million (see paragraph 11-*c*).
- c. Arab Refugee—\$20 million (see paragraph 11-*d*).
- d. Point IV—\$7,500,000 (see paragraph 11-*e*).
- e. Probable New Programs—\$200 million (see paragraph 11-*g*).

16. In indicating the critical need for the above increases in the established planning limits to maintain governmental programs in national security and international affairs during FY 1951 at an adequate level of well-balanced effort, the National Security Council is fully cognizant of the necessity, as expressed by the President in his letter of July 1, 1949, "to contain prospective deficits within a sound fiscal and economic program." The Council also recognizes that "A strong domestic economy is essential to the maintenance of a high level of military and international programs." Toward these ends significant reductions have been made during this study in the estimated budgetary requirements for FY 1951 in the foreign and military field. Reductions in these programs, however, must be made in an orderly progression that will not jeopardize the position in international affairs which we have so dearly won. Many of these programs, if carried through to their completion in an orderly fashion, will liquidate outstanding commitments or overcome conditions which now threaten our national security, so that expenditures for such purposes may be reduced or eliminated in the next few years. Too great reductions in expenditures for these programs at this time not only will require, in almost every case, greater total expenditures to solve the problems involved, but may, by the continued existence of these problems create new situations adversely affecting our national security which will require still heavier future expenditures in this politico-military area. The National Security Council therefore believes that it is desirable in the interests of our national security that the reductions in expenditures for foreign and military programs be restricted to a level which will provide for the increases above the established planning limits indicated in paragraphs 14 and 15 above, with the prospect that such a level of expenditures, even though it may result in an increased deficit at this time, should without jeopardy to our national security permit further reductions in this politico-military area in the next few years.

17. With respect to the stockpiling program the National Security Council further believes that, if Congress should finally rescind (as proposed by the Senate) some or all of \$275 million from the FY 1950 stockpile budget, the FY 1951 planning limit should be increased by the amount of such rescission, taking into account the considerations set forth in paragraph 16 above regarding increases in certain other planning limits. In addition, the Council considers that, if the current re-examination of stockpile objectives (which is being expedited) should indicate the necessity of substantial upward adjustments in

existing goals, immediate consideration should then be given to the desirability of an appropriate increase in the planning limits existing at that time, again taking account of the considerations set forth in paragraph 16 above. Pending possible increases as a result of the two contingencies noted above, the Council has been unable to reach unanimous agreement with respect to the current planning limit of \$500 million. The Secretary of Defense feels that it is premature to propose an increase in the \$500 million limit until the current re-examination of stockpile objectives indicates the amount, if any, by which this limit should be increased. On the other hand, the Chairman, NSRB, anticipating from a tentative study that the current re-examination of objectives will undoubtedly indicate substantial upward adjustment of these goals, believes that the planning limit of \$500 million should be increased by \$335 million in order to maintain the program at the level proposed for FY 1950.

## Appendix

*Summary Tabulation of New Obligational Authority*

TOP SECRET

[WASHINGTON, September 29, 1949.]

	<i>Planning Limits for FY 1951</i>	<i>Currently Estimated Requirements for FY 1951</i>
Department of Defense.....	\$13, 000, 000, 000	\$13, 000, 000, 000
AEC.....	720, 000, 000	720, 000, 000*
Stockpiling of Critical and Strategic Materials.....	500, 000, 000	500, 000, 000 (Defense) 835, 000, 000 (NSRB)
ECA.....	3, 000, 000, 000	3, 000, 000, 000
GARIOA.....	350, 000, 000	400, 000, 000
MAP.....	0	1, 000, 000, 000- 1, 500, 000, 000
Philippine.....	40, 000, 000	40, 000, 000
Korea Recovery.....	70, 000, 000	115, 000, 000
Arab Refugee.....	20, 000, 000	40, 000, 000
Point IV.....	45, 000, 000	52, 500, 000
International Refugee Organization.....	25, 000, 000	25, 000, 000
Probable New Programs....	0	200, 000, 000
Totals.....	\$17, 770, 000, 000	\$19, 092, 500, 000- 19, 927, 500, 000

## Annex A

*Views of the Acting Secretary of the Treasury*

TOP SECRET

[WASHINGTON, September 29, 1949.]

The Treasury Department finds that, with the exception of MAP, it cannot concur with the recommendations for the raising of the

\*Not estimated, except as to adequacy for military purposes in accordance with currently approved production schedule. [Footnote in the source text.]



over-all planning limits for the fiscal year 1951 above the Budget Bureau total of \$17,770 million. It also believes that the requirements for MAP should be kept to as low an amount as is feasible within what now appears to be the likely range of \$1.0 billion to \$1.5 billion.

The Treasury Department's position is not based on a detailed analysis of each program requirement—some of which will be reviewed further from an economic and financial viewpoint by the National Advisory Council on International Monetary and Financial Problems in the next few months—but rather on a general concern about the trend of the Federal Government's budget deficit.

#### Annex B

*Memorandum by the Chairman of the Council of Economic Advisers  
(Nourse) to the National Security Council*

TOP SECRET

WASHINGTON, September 30, 1949.

Subject: Domestic Impact of Budget Ceilings for the Fiscal Year 1951

The draft Report by the National Security Council on Governmental Programs in National Security and International Affairs for the Fiscal Year 1951\* presents a careful and objective appraisal of the consequences of the restrictions on strategic and diplomatic planning which would be entailed by the budget ceilings proposed for fiscal 1951. The Council present it as their conclusion that the budget ceilings would have to be raised by amounts running up to or even exceeding 2 billion dollars, if the minimum strategic and diplomatic requirements were to be met. I have been asked to comment on the impact on the domestic economy of a budget deficit of the amount to be expected under the proposed budget ceiling of \$17,770 million or under the increased level of expenditure here recommended by the National Security Council. The President's letter of July 1, 1949 very correctly refers to this fiscal situation as "a substantial governmental budgetary deficit for the indefinite future."

The National Security Council's report is in the main limited to other aspects of the expenditure problem, but Section 16 explicitly recommends raising the ceiling from \$17,770 million to \$19,092 million or to \$19,927 million "even though it may result in an increased deficit at this time." The Council does not examine or even comment on the economic results of such enlargement of deficits—a task which in the nature of the case lies outside the province of the National Security Council. I suggest, however, that their recommendation cannot safely be accepted before such examinations have been made.

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\*NSC 52/2 [Footnote in the source text. NSC 52/2, September 26, not printed.]

On the basis of my studies, I believe that incurring a budget deficit of the size contemplated for 1951 would have such adverse effects on the functioning of the domestic economy as to threaten total national security in ways which must be weighed seriously against whatever gains for national security in the strategic and diplomatic sense would result from those levels of expenditure.

It is of course essential that we prepare ourselves to meet whatever strains may be placed upon our national security and the security of the non-Soviet society of nations with as strong a joint military force as is feasible and that we should do anything reasonably within our power to strengthen the political and industrial situation of the nations associated with us in this joint security effort. But it is no less essential that we put ourselves in as strong a fiscal position as we can to meet the strains of a possible war or an indefinitely sustained defense effort and that we maintain economic conditions in the United States which will promote maximum industrial strength and political and social stability.

It is my judgment that we are already seeing threats to these essential conditions at home which would be aggravated by the continuation of budget deficits such as are emerging during Fiscal '50 and would be in prospect in Fiscal '51 and thereafter under proposed fiscal policies.

The threat of nation-wide strikes in basic industries and the menace of Communistic elements in the unions are in part manifestations of the industrial strains engendered by the drag on real wage levels which results from the allocation of so large a part of the national product to purposes which do not contribute except in remote and indirect ways to domestic well-being. No less do these drains, expressed either as tax burden or as higher operating costs or lower market demand, threaten the willingness or ability of employers to offer jobs or to expand and improve plant. Likewise, the stable adjustment of agriculture to its functional place in the economy is complicated by the fiscal disruption caused by a budget of the proposed size.

Concretely, I would call attention to the fact that we incurred a deficit of 1.8 billion dollars in Fiscal '49, which was the culminating year of the postwar inflationary boom. Only its last few months were affected by moderate recessionary influences. Under assumptions of reasonably full employment and maintenance of the present price level, there would be an estimated deficit of 5 billion dollars or more in Fiscal '50. In other words, even on a prosperity plateau, we would have erased the small debt reduction of 7 billion dollars effected at the peak of the boom and have put ourselves back in a situation of growing national debt. This would stultify the whole doctrine of a budget balanced over the period of the full economic cycle.

I regard the implications of such a development for taxation, for debt management, for capital formation, for labor relations, for social services and developmental expenditures and for the position of the fixed income class as serious, if not ominous. The relative ease with which we met the fiscal strain of World War II, with the national debt rising from 43 billion to 259 billions gives no assurance as to how we would meet the fiscal strains of a probably more wasteful World War III, starting from a national debt of 265, 270, or 290 billion dollars.

Obviously our country is faced by a true economic dilemma, with neither solution of our problem anywhere near satisfactory. Decision as to the total budget figure and its allotment among strategic, diplomatic, and industrial efforts toward national security must be taken only after careful weighing of the inescapable consequences of withdrawing strength from any one of the three seriously vulnerable fronts.

The economist as such has no technical competence to weigh the absolute needs or dangers on the strategic or diplomatic front. He should have some competence for identifying and appraising at least roughly the magnitude of needs and dangers on the economic front. As this third basic factor of the problem is weighed in the making of final decisions, recognition must be given also to the manner in which the policy chosen is to be carried out.

We must admit frankly that the totalitarian system with which we are in conflict has one element of competitive advantage in that it can control natural resources, mobilize manpower, and administer finances with a directness and simplicity that free nations cannot. The autocracy can marshal almost any predetermined amount of military power or politico-economic pressure by squeezing it out of a lowered standard of living for the masses. But our statecraft, as it comes to its final decisions on what we shall try to do simultaneously on the strategic, the diplomatic, and the economic fronts, cannot avoid the question of the economic behavior of free men and how soon and in what ways that free behavior will have to be curtailed if we are to meet the commitments we undertake and at the same time avoid a collapse of the financial machinery, public and private, on which our total security program rests.

#### Annex C

##### *Alternative Suggestions by the Secretary of Defense (Johnson)*

TOP SECRET

[WASHINGTON, September 29, 1949.]

1. The Secretary of Defense considers that further thorough study should be made of a proposal which, if feasible and consistent with other U.S. policies, might make possible some reduction in the recom-

mended limits for GARIOA and certain other programs designed to furnish dollar aid to foreign areas. This proposal relates to the fullest possible utilization in support of our foreign policies of U.S. Government-owned surpluses of commodities such as cotton, wheat, and, to a lesser extent, corn—that is, quantities beyond the ceiling amounts which the Commodity Credit Corporation considers it reasonable and desirable for it to retain in storage in the United States. If these surpluses (which remain doubtful assets if simply held in this country, require money to store, and tend to depress the domestic market) could be employed—for example, through their sale in part or in whole for soft currencies—to provide Japan and other countries with materials for whose purchase they would *otherwise* require appropriated dollar aid, planning limits could be adjusted downward accordingly. Recognizing that this proposal involves considerations beyond the province of the National Security Council, it is therefore suggested that the President direct the Director of the Bureau of the Budget, in consultation with the Departments of State, Defense, the Treasury, Agriculture, the Economic Cooperation Administration, and any other appropriate departments and agencies, immediately to study, and submit recommendations concerning, the desirability, feasibility and manner of utilizing such surpluses in furtherance of total U.S. objectives and with a minimum of appropriated funds in FY 1951.

2. The Secretary of Defense is of the further opinion that additional savings may be possible, with a resultant ultimate reduction of certain of the planning limits, if an effective method can be found to coordinate the use of all United States funds which involve either (a) expenditures abroad to provide dollar aid or (b) expenditures to purchase goods or services which are required by the United States in areas receiving such aid. The possibilities in this regard can best be illustrated by the following concrete though oversimplified example: If supplies or services required by the United States forces in Japan could be purchased within Japan with the dollars which in any event must be appropriated for such purchases, such dollars would redound to the benefit of the Japanese economy and would reduce the amount of dollar aid required by Japan and, consequently, the size of necessary GARIOA appropriations. In other words, one dollar is made to serve the purposes of two—*first*, to provide the United States with materials or services; and, *second*, to furnish dollar aid. Numerous similar examples might be given, examples involving not merely the intelligent coordination of two programs or two objectives within a single area, but the coordination of such programs and objectives as among two or more areas—the relating, by way of illustration, of the foreign aid programs for Japan, the Philippines and the Ryukyus, so that, through trade among them, certain dollars furnished to one

might be also of aid to one or more of the others. Recognizing that any proposal of this character involves considerations beyond the province of the National Security Council, it is therefore suggested that the President direct the Director of the Bureau of the Budget, in consultation with the appropriate departments and agencies, immediately to study, and submit recommendations concerning, the desirability, feasibility and best method of coordinating, in order to minimize dollar expenditures while still achieving desired objectives, all programs which involve either (a) expenditures of U.S. funds abroad, or (b) the purchase of goods or services which are to be used abroad.

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### *Editorial Note*

President Truman signed the Mutual Defense Assistance Act of 1949 on October 6, Congress having approved the legislation after two months of consideration. On August 18, the House of Representatives passed HR 5895, the military assistance legislation reported by the Foreign Affairs Committee. However, the House first voted to amend the bill by eliminating all contract authority and by trimming an additional \$75,000,000. The approved measure authorized the expenditure of \$819,505,000.

Between August 8 and September 12, the Senate Foreign Relations and Armed Services Committees conducted joint hearings (both open and executive) on the question. These proceedings are described in *The Military Assistance Program: Joint Hearings Before the Committee on Foreign Relations and the Committee on Armed Services of the United States Senate* (81st Cong., 1st sess.) and Senate Report 1068, September 13, 1949, the report of the joint committee. Secretary Acheson's prepared statement before the committee on August 8 appears in the Department of State *Bulletin*, August 22, 1949, pages 264-269.

The combined committee favorably reported the bill (HR 5895) on September 12 in an amended form. The sums agreed to were those ultimately enacted: \$1,000,000,000 for the North Atlantic Treaty states; \$211,370,000 for Greece and Turkey; \$27,640,000 for Iran, Korea, and the Philippines; and \$75,000,000 for the general area of China. The total amount authorized was thus \$1,314,010,000. The Senate passed the measure on September 22 by a vote of 55 to 24. House conferees accepted the Senate figures. The conference report, House of Representatives Report No. 1346, 81st Congress, 1st Session, September 27, was approved by the House on September 28 (224-109) and by voice vote in the Senate.

On October 6, President Truman signed the Act (PL 329, 81st Cong.). For the text of the Act, President Truman's statement on the

occasion of signing it, and a Presidential press release of October 10 requesting Congress to appropriate the full amount authorized, see the Department of State *Bulletin*, October 24, 1949, pages 603-608. On October 28, Congress approved legislation appropriating all funds authorized (PL 430, 81st Cong.).

Policy Planning Staff Files

*Minutes of the 148th Meeting of the Policy Planning Staff, Tuesday, October 11, 1949, 11 a. m. to 1 p. m., Department of State*<sup>1</sup>

TOP SECRET

Present: George Kennan      Dorothy Fosdick  
           Paul Nitze            Robert Hooker  
           Ware Adams          Robert Joyce  
           Lampton Berry        Carlton Savage  
           George Butler        Harry Schwartz  
           John Davies          Robert Tufts

                  Lucius D. Battle, S/S  
                   Carlisle H. Humelsine, S/S  
                   Richard M. Scammon, R  
                   Walter Schwinn, P  
                   Robert D. Murphy, GA  
                   The Secretary

Mr. Kennan started the discussion with a general description of what he considers the major issues facing the U.S. today:

The situation is high-lighted by the differences between the East and the West—at least to the extent that you can start a consideration of the situation with this factor. It is the most serious of all individual factors, although it is not the sum total of our difficulties.

In general, both sides have somewhat over-extended lines and are attempting to consolidate their positions. The best evidence available to us indicates that the Russians are not planning to start a war but that they are, on the contrary, too preoccupied with Tito and the Far East. As for the U.S. the question can be phrased: Are we holding our own? In attempting to arrive at an answer there are several major aspects of the general problem, which can be arbitrarily divided as follows:

1. British adjustment to the economic realities which confront her, the necessity for which has not been materially changed by devaluation.<sup>2</sup> As regards "a Policy" to guide the U.S. in facing and handling this problem, it is perhaps more logical to speak of a series of devices by which we will have to handle the continuous repercussions which can be expected during the period of adjustment. One of the most im-

<sup>1</sup> These minutes were prepared by Harry H. Schwartz of the Policy Planning Staff.

<sup>2</sup> For documentation on U.S. interest in the British financial crisis, see vol. iv, pp. 781 ff.

portant devices is the continuing group which we must set up with the British as a piece of long-term machinery through which to work out mutual problems and to study the advisability of closer association.

2. The question of the type of association which the Western World should and/or can form. This involves the related problems of European Union and the closer association of the U.S., U.K., and Canada. The Policy Planning Staff is presently attempting to refine PPS/55<sup>3</sup> as a general guide for this group of problems.

3. The problems that arise in connection with Germany and Japan as occupied countries. The pattern of these problems was largely set by the manner in which the war was concluded and by the fact that we are committed to handle these problems in cooperation with our allies. Things are not going too well in either of these countries, the gravest future danger probably being that inherent in a rise of ugly German nationalism. The Secretary at this point said that he believed that the French would have to take the leadership in the solution of this problem and that the rate of progress of any solution would depend upon the speed with which the French were willing to proceed. He said that he had made this point to Mr. Schuman<sup>4</sup> when he was in Washington at the time they were discussing the dismantling of German industry.<sup>5</sup> The Secretary pointed out that it was obvious that sooner or later we were going to have to stop dismantling. He raised the question of whether it were not better to do it before German pressures increased any further. Mr. Kennan added that in his view if the French could not face up to this problem today when Germany is divided, occupied, and weak, it can hardly expect to do so later when the Germans have recovered. He felt that any idea of lining up everyone against the Germans was basically a poor one as it would simply mean that the Russians would more easily be able to take advantage of the situation.

4. Mr. Kennan expressed his opinion that in the Far East the problem is not one primarily of Russians but of the basic relations of Americans with Asiatics. He quoted the historian, Bemis, who went so far as to call the open-door the "great aberration".<sup>6</sup> He considered personally that a hands-off policy is probably better than the kind of meddling in which we have indulged to date.

5. The whole relationship between military and political policies in the light of the announcement that the Russians possess the atom bomb.<sup>7</sup> In this general connection, Mr. Kennan said that he had drafted an article which, if properly cleared throughout the Government,

<sup>3</sup> PPS/55, July 7, 1949, a study of the U.S. position with respect to European Union, is not printed; for documentation on that subject, see vol. iv, pp. 1 ff. and pp. 367 ff.

<sup>4</sup> Robert Schuman, French Foreign Minister.

<sup>5</sup> For documentation on German reparations and the dismantling of German industry, see vol. iii, pp. 546 ff.

<sup>6</sup> Chapter XXVI of *A Diplomatic History of the United States* (New York: Henry Holt and Company, 1936) by Samuel Flagg Bemis is titled "The Great Aberration." That chapter discussed the Spanish-American War and its aftermath. Chapter XXVII, "The Open Door and the Far East (1899-1914)" is also critical of American policy.

<sup>7</sup> For documentation concerning President Truman's announcement on September 23 that an atomic explosion had occurred in the Soviet Union, see pp. 1 ff. and pp. 419 ff.

might with the Secretary's approval be published by *Reader's Digest*.<sup>8</sup> Mr. Nitze suggested that Mr. Kennan's outline which had been arranged on a geographic basis could also be profitably examined on a functional arrangement, i.e., problems examined from the military, economic and political points of view.

The Secretary said that we need our own analysis of what is happening and where we are heading, an analysis made independently of economists. Mr. Nitze pointed out that economists in general are leery of making projections into the future, as they felt it was a very difficult field in which to predict the future and that their professional reputations were at stake. The Secretary said that one of the best men he knew of who might undertake a study of the kind he had in mind was Kyriakos Varvaressos, who is presently connected with the International Bank and was once Greek Minister of Finance. The Secretary said that Mr. Varvaressos published two studies of the ECA, one before passage and one after, which in retrospect were the best he had seen on the subject. The Secretary stated that we must consider what present societies are capable of doing given the nature of their organization. He suggested that what is needed is a thorough study of the history of the last 35 or 40 years. During that time we have been holding a concept that if something "abnormal" happened, it was a temporary thing and that we would shortly return to "normality"; whereas, in actuality, during that entire period the realities of the situation confronting us forced us to do nothing but "abnormal" things. In the Secretary's view, the prevailing interpretation of this concept is to the effect that we must end this 35 or 40 year program of abnormality by 1952. The Secretary suggested that unless we face up to what we want, decide on how to get it, and take the necessary action, the whole structure of the Western World could fall apart in 1952.

Mr. Kennan felt that the Western World need not necessarily collapse simply because we stopped financing it but that perhaps the main strain might be felt in this country unless we can decide how we can swallow our own surpluses. Mr. Nitze said that we may not have to spend \$5 billion a year abroad but we probably will have to spend something.

Mr. Kennan then gave a brief outline of Mr. Hooker's study of JCS papers<sup>9</sup> from which he said that you could draw two general conclusions: On the one hand, there seemed to be an acceptance throughout the Government of the infallibility of the Joint Chiefs

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<sup>8</sup> An article by Kennan titled "Is War with Russia Inevitable?" appeared in the Department of State *Bulletin*, February 20, 1950, p. 267, and also in the March 1950, issue of *Reader's Digest*.

<sup>9</sup> Reference is to an analysis of material originating with the Joint Chiefs of Staff for the years 1948 and 1949 in the files of the Policy Planning Staff, prepared by Robert Hooker of the Policy Planning Staff and submitted to Kennan on September 21. The study is not printed.



of Staff, and, on the other hand, it was obvious that the Joint Chiefs drew their conclusions from the maximum capabilities of the enemy which they based on the improbable to a greater degree than on the probable course of events. He stated his belief that there is no clear-cut Government concept of what our objectives would be if we got into a war with Russia. His own view is that neither total annihilation nor complete surrender of the enemy is possible and, therefore, that limited rather than total warfare should be our objective.

Mr. Kennan also mentioned the concept of retaliation by atomic bombing in the light of the knowledge that the Russians now have the atomic bomb and suggested that it may now be impossible for us to retaliate with the atomic bomb against a Russian attack with orthodox weapons. Mr. Nitze pointed out that this fact might make conventional armaments and their possession by the Western European nations, as well as by ourselves, all the more important; that it might be necessary, therefore, to lower rather than to raise civilian standards of living in order to produce arms as against consumer goods; and that this in turn might call for a different propaganda approach than the one we were presently using. For instance, the European countries might be able to produce enough armaments if they devoted 20% rather than 5% of their national economy to it. The Secretary said, however, that we must examine these problems from the point of view of what peoples and governments *will* do rather than what they *can* do.

The Secretary said that it was his feeling that we should look first at the general implications of the Russian possession of the atomic bomb and then proceed to the examination of the problem of international control of atomic energy. Mr. Nitze pointed out that any effective civilian defense in this country against atomic warfare might affect the determination of the enemy to use the bomb. The Secretary made the point that to agree with the Russians not to use atomic bombs in warfare was to deprive yourself of the effect on the enemy of the fear of retaliation by atomic bombing against orthodox aggression.

Mr. Kennan pointed out that the only decision to date on this subject is that the President will determine whether or not to use it;<sup>10</sup> but, in the meantime, it was his opinion that the Military have been basing all their plans on the use of the bomb, thus making it difficult if not impossible to do anything else when the time comes to make a decision. He also added that he and the others in the Department who were supposed to be Russian experts were against atomic bombing of Rus-

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<sup>10</sup> Reference is to document NSC 30, "U.S. Policy on Atomic Warfare", approved by the National Security Council on September 16, 1948; for text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 624.

sian cities. They feel that the most probable result would be to stiffen the courage and will to resist of the Russian people. From this he went on to say that if we decided it would be unfeasible to use the atomic bomb in the first instance there might be some advantage in then agreeing with the Russians that neither of us would use it at all.

The Secretary pointed out that by the middle of January at the latest we will need a great deal more light on many of these problems than we have at present. For example, if for a variety of reasons we wish to agree with the Russians not to use the bomb such a decision would make rather awkward a request of Congress for additional appropriations to make more bombs which we weren't going to use;<sup>11</sup> by January more military assistance funds will be required; ECA will be up before Congress again and the Secretary believes that it is going to be much more difficult to put through than before.

Mr. Nitze said he felt it important that in our planning for the future we *not* assume that 1952 is an automatic cut-off date for foreign assistance, even though we shall probably have to maintain the contrary publicly because of the necessary effect on European countries.

The Secretary said that we would have to set Christmas as a target date for coming up with the answers to all of these problems and that he planned to spend two afternoons or mornings a week with the Planning Staff in working them out.

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<sup>11</sup> For documentation on the question of expanding the U.S. atomic weapons production program, see pp. 419 ff.

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Policy Planning Staff Files

*Memorandum by the Director of the Policy Planning Staff (Kennan)  
to Mr. Robert G. Hooker, Staff Member*

CONFIDENTIAL

[WASHINGTON,] October 17, 1949.

I have no objection to this and will be glad to implement it.<sup>1</sup> But I don't think it will carry us very far along our way, for it seems to me the basic facts are fairly clear. I would point to the following:

1. Actually, in the western world, communism appeals to very few people. The average in advanced countries seems to hover between 5 and 15 per cent. The movement does not rely on popular appeal. This factor is therefore not of great importance.

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<sup>1</sup> Reference is to a memorandum by Hooker on the nature of the appeal of Communism, not printed. Hooker transmitted the paper to Paul H. Nitze, Deputy Director of the Policy Planning Staff, on October 11, suggesting that consideration be given to possible State Department encouragement of the preparation of a detailed study of the subject by a foundation or university. (Policy Planning Staff Files)

2. Totalitarianism has a far wider appeal when it is combined with nationalism. The strong international discipline of the communists is probably the principal factor which holds down their membership.

3. With respect to that small percentage for whom communism does have an appeal, the following may be noted:

(a) A considerable portion of the group represent a natural mutation of the species: the born Quislingites, of whom there is a certain percentage in every people. This is a certain margin of human psychology, existent everywhere, and characterized by jealousy, sense of inadequacy and inferiority, bitterness, and above all escapism. This type turns on his own society largely because it is the only way he can call attention to himself. The doctrine is largely unimportant. People like this could rationalize a belief in anything, provided it were vague, pseudo-scientific, and uncompromisingly averse to their accustomed environment.

(b) Appeal is far stronger to "intelligentsia" than to workers. Intellectuals are generally more ambitious, more pretentious, vainer, more confused, more frustrated than workers. Communism addresses itself to the unsuccessful and untalented ones.

(c) Appeal is relatively strong to maladjusted groups: in our country—Jews, Negroes, immigrants—all those who feel handicapped in the framework of a national society.

(d) In general, the appeal is emotional rather than economic: i.e., it evokes responses which stem from emotional rather than economic causes. Desire to win appreciation, attention and power is a much more important component of communism than desire to better a material condition.

4. The insecurities of a complicated civilization, which are discussed in your memo, are important not so much for their influence on those who join totalitarian political movements as for their effect in softening up great masses of people for the acceptance of totalitarian rule. But even here, they stem not so much from fear of unemployment as such, or even from inability to understand the processes in which individual life revolves (something known to many generations before this one); they stem rather from the disintegration of basic social groups in which the individual found the illusion of security through the sense of belonging—namely, the family, the local community, the neighborhood, the recreational group. Millions of Americans are today bewildered and anxious because they are trying to solve as individuals problems which they could solve only by a collective approach. But what is causing these groups to disintegrate is the urbanization of life—that is, the revolution in living wrought by modern technology, rather than just complexity. As this urbanization fragmentizes social groups, it centralizes the media of psychological influence (press, radio, television, movies) and makes recreation passive and vicarious rather than active and immediate. At the same time that it breaks up the groups, it centralizes the media of psychological influence (press, radio, leadership, self respect and self development, it provides a vast fog of

recreational stimuli which demand nothing of the individual, develop nothing in him, and tend to atrophy his capacity for self expression. The result of all this is a gradual paralysis of the sense of responsibility and initiative in people, the tendency to buck all problems to higher authority, the assumption that there is some higher authority, whether it be the Government or the voice on the radio or the management of great economic concerns, which is looking after things and that it is neither necessary nor useful nor right that the individual should be asked about them.

5. The changes being wrought in the living patterns of this country by technological developments are ones which we make no pretense of being willing to control by governmental action. We are prepared to let advancing technology do whatever it may to these living patterns, on the theory that anything else would be undemocratic and paternalistic. There is no chance that we can be brought to act otherwise. One of the peculiarities of such changes is that the great masses of people who are the victims of them are quite incapable of perceiving or comprehending the causal relationships involved. To try to combat what is taking place would require a firm strong government, capable of exerting extensive disciplinary power and of making people do things which they would not want to do and for which they cannot see the reason. In other words, the evils caused by a *laissez-faire* attitude toward technological advances have already produced illnesses which can only be cured by a high degree of paternalism. Only some form of a benevolent authoritarianism could manipulate living patterns in a manner adequate to restore a framework for healthy and vigorous citizenship.

6. The main relevance of all this to foreign policy is that which I stressed in my Dartmouth speech last winter. The things I have pointed to above mean that this country has not found means for controlling fully its own life and for assuring the maintenance of a climate favorable to the vitality of representative government. A chasm has grown up between the national myth and the current reality, and this chasm is deepening day by day. This means that our institutions have not yet met their final test; and the question raised by Lincoln as to whether "any nation so conceived and so dedicated can long endure" has not yet been answered. In this case, not being the masters of our own soul, are we justified in regarding ourselves as fit for the leadership of others? All our ideas of "world leadership", "the American century", "aggressive democracy", etc. stand or fall with the answer to this question.

But our job, as the planners of foreign policy, is only to assess correctly the implications of all this, not to try to find means for combating the domestic trends to which I have referred.

GEORGE F. KENNAN

811.2222/10-2149

*The Secretary of Defense (Johnson) to the Secretary of State*

CONFIDENTIAL

WASHINGTON, [October 21,] 1949.

DEAR MR. SECRETARY: There is presently under consideration within the Department of Defense the suggestion that legislation be recommended to extend the Selective Service Act of 1948 beyond its present expiration date.

For the purpose of assisting the Department in reaching its decision on the subject, the opinion of the Department of State is solicited with respect to the probable effect abroad of extension or termination of this authority after June, 1950.

Because of the requirement that the departmental legislative program be forwarded to the Bureau of the Budget on December 1, the comments of the Department of State prior to November 15 would be appreciated.

Sincerely yours,

LOUIS JOHNSON

Policy Planning Staff Files

*Memorandum by the Director of the Policy Planning Staff (Kennan) to the Deputy Under Secretary of State for Political Affairs (Rusk)*

CONFIDENTIAL

[WASHINGTON,] November 4, 1949.

With reference to the letter of October 21, 1949 to the Secretary from the Secretary of Defense, the Policy Planning Staff recommends that the Secretary take the position that the Selective Service Act of 1948 should be extended beyond its present expiration date of June 1950.

Even though the provisions of the Act are not utilized by the Department of Defense during the next year or so, the legislation has both a potential military value and a present psychological value. In view of serious international tensions and great uncertainty, it seems wise to have legislative authority under which the numerical strength of the armed services could be increased fairly rapidly by means short of general mobilization.

Collective defense planning under the North Atlantic Treaty has been initiated. If the Selective Service Act were to be allowed to expire within a few months, the other signatories to the Treaty might doubt the intention of the United States to press forward vigorously with the implementation of Article 3: "In order more effectively to achieve the objectives of this Treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual

aid, will maintain and develop their individual and collective capacity to resist armed attack.”

GEORGE F. KENNAN

811.2222/11-1649

*The Acting Secretary of State to the Secretary of Defense (Johnson)*

CONFIDENTIAL

WASHINGTON, November 16, 1949.

DEAR MR. SECRETARY: With respect to your letter of October 21, 1949, it is the opinion of the Department of State that the termination of the Selective Service Act after June, 1950, might be regarded abroad as inconsistent with our policies under the North Atlantic Treaty and the Mutual Defense Assistance Act and as a weakening of our resolve to maintain the strength of the free world. Therefore, from the point of view of the possible adverse reaction abroad, the Department of State believes that it would be desirable if the Act were extended.<sup>1</sup>

Sincerely yours,

JAMES E. WEBB

<sup>1</sup>This reply reflected the consensus of the geographic bureaus of the Department of State and United States missions abroad. On December 17, Secretary of Defense Johnson, citing the views of the Department of State, asked President Truman to seek a 3-year extension of the draft.

840.20/11-1749

*Memorandum by the Assistant Director of the Mutual Defense Assistance Program (Bell)*

TOP SECRET

[WASHINGTON,] November 17, 1949.

GUIDANCE PAPER FOR DISCUSSION OF FUTURE MUTUAL DEFENSE ASSISTANCE PROGRAM (FISCAL YEAR 1951 AND SUBSEQUENT YEARS)

The Mutual Defense Assistance Program for 1950 enacted by the 81st Congress was submitted and justified, insofar as Atlantic Pact countries were concerned, as an interim program of aid essential to establishing a necessary basis of defensive strength upon which an ultimate structure of adequate defense could be built. It was indicated to the Congress, and the Congress in its action upon the bill emphasized, that future programs of assistance to North Atlantic Pact countries would be considered on their merits but would have to be related to a definitive plan of defense areas through the Atlantic Pact mechanism.

A basic strategic concept is in process of development by the Military Committee of the North Atlantic Treaty Organization and is expected to be approved by the Defense Committee at its session in

Paris on December 1.<sup>1</sup> This concept is believed to provide a sufficient basis for the President to expend the \$900,000,000 of funds authorized under the Mutual Defense Assistance Act, the release of which is conditioned upon the President approving the recommendations for an integrated defense of the North Atlantic area. This concept, however, merely provides the framework for more detailed military planning which should ultimately produce, in terms of forces and equipment, estimates of the requirements necessary to the establishment and maintenance of an adequate defensive position in the North Atlantic area. The problem to be solved subsequent to this definition of goals, is the time within which they must be met and the capacity of the nations concerned to meet those goals within that time. The United States expects to press for action within the North Atlantic Defense Financial and Economic Committee which will result in a definition of budgetary limitations within which other members of the Treaty Organization can plan for the necessary production and supply action to meet military requirements. The accomplishment of all of these objectives and the answers to all of these questions are essential to an intelligent basis for a determination of the contribution which the United States should make to the common defensive strength through the medium of military assistance.<sup>2</sup>

It is obvious that these problems will take a considerable length of time for solution and that the answers reached will not necessarily be conclusive in view of the fact that defensive strength requirements and national abilities are subject to variations in accordance with the variables of the general military political and economic situation. It is clear, however, that the effect of the 1950 military assistance program and of the combined efforts of the other members of the Treaty will not produce an adequate defensive strength and that assistance on a dollar scale comparable to the 1950 program can be provided during 1951 without any risk whatsoever of exceeding the requirements of defense. On this basis, it has been assumed, for planning purposes, that a program of equal dollar cost should be submitted during the next year. It is not possible at this time to be certain as to the extent to which the funds appropriated for the 1950 program can actually be expended before the end of the current fiscal year since delay in enactment of the legislation, plus delay in obtaining necessary bilateral arrangements and delay in obtaining the basic defense plan, have all served to postpone the date upon which active implementation could be commenced.

<sup>1</sup> For the text of the report approved by the Defense Committee on December 1, see vol. iv, p. 352.

<sup>2</sup> For the statement by Secretary Acheson concerning the status of the Mutual Defense Assistance Program, December 21, 1949, see the Department of State *Bulletin*, January 2, 1950, pp. 16-17. The initial phase of the program is also described in the *First Semiannual Report on the Mutual Defense Assistance Program* (House Document No. 613, 81st Cong., 2nd Sess.), transmitted to Congress by the President on June 1, 1950.

With respect to the problem of military assistance for Greece and Turkey (Title II countries), we are currently faced with the necessity of a reevaluation of our objectives in Greece in light of the successful campaigns against the guerrillas, and in the light of developments in Yugoslavia. A thorough re-examination in this field will require some weeks to be completed and dependent upon the conclusions of that study, it is possible that there may be a continuation on the present scale or even a sharp increase.

With respect to Turkey, it is unlikely that there will be any increase in the Turkish program and it is presently anticipated that a continuance of this program for at least two years will be necessary to accomplish the objectives sought.

The situation with respect to Title III countries, Iran, Korea and the Philippines, is not at the moment clear, since the process of programming the 1950 funds and determining future needs is just underway. It is unlikely, however, that any increase in these programs during future years would be necessary and indeed their steady diminution and eventual abolition is to be hoped for.

(End Confidential—Begin Top Secret)

There are certain contingencies which must not be overlooked in considering the future of military assistance programs. At some date in the future and perhaps in the near future, it will be necessary to program aid for Austria which, in initial requirements, is estimated to call for equipment costing approximately \$112,000,000. Similarly, aid to the new state of Indonesia will probably be required, although it is not believed that this assistance will total more than ten to fifteen million dollars during the first year.

It is also possible that it may be desirable, in the interests of the United States, to provide aid to Yugoslavia. In this connection, the National Security Council is currently reviewing this problem.

(End Top Secret)

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Policy Planning Staff Files

*Memorandum by the Deputy Under Secretary of State for  
Administration (Peurifoy)*<sup>1</sup>

CONFIDENTIAL

[WASHINGTON,] November 17, 1949.

Subject: Politico-Military Liaison

With the completion of the organization within the Department for high-level politico-military liaison,<sup>2</sup> it is now possible to provide a

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<sup>1</sup> This memorandum, approved by Under Secretary of State Webb on November 16, was transmitted to the principal officers of the Department.

<sup>2</sup> For documentation on the reorganization of the Department of State during 1949, see pp. 1 ff.



clarification of the respective responsibilities of Mr. Rusk, Mr. Sheppard, and Mr. Bishop.

Before describing these politico-military duties, I should like to point out that the Under Secretary wishes it to be clearly understood that liaison between the State Department and the Defense Department should be conducted at all levels and by all offices charged with politico-military responsibilities. Moreover, the Department and its officers should make every effort to cultivate friendly and cooperative relations with the Defense Department on an informal as well as formal basis. Formalized procedures and organizational arrangements will never be as effective in creating an atmosphere of mutual trust and confidence as will simpler, less inhibited, and more personal efforts.

Nothing that follows in this memorandum should be construed to place limitations upon the responsibilities of Assistant Secretaries and their subordinates in conducting liaison with the Defense Department on matters within their functional areas. Rather it should be emphasized that primary responsibilities for liaison with the Defense Department on, say, NAT matters lies with EUR; on MAP matters with S/MDA; etc. In short, the basic State-Defense liaison channel is between the Department's *action* office and the Defense Department. Other liaison arrangements exist to assist and to supplement the *action* offices and to handle matters on which *action* cannot be confined to one office.

*Office of the Deputy Under Secretary* (substantive)

a. In addition to his other duties, Mr. Dean Rusk, Deputy Under Secretary, has been designated the Department's NSC consultant. He has also been delegated responsibility for State-Defense relationships on important matters of broad policy requiring high-level consultations and for maintaining these relationships on a sound and cooperative basis.

b. Mr. Rusk will be provided a special assistant who will assist him in the fulfillment of his politico-military responsibilities.

c. Mr. Max Bishop has been designated the Department's representative on the NSC Staff in which capacity he acts as coordinator of the NSC Staff. He also is the Department's NSC Staff member and is responsible for coordinating within the Department NSC papers at the Staff level. In addition to his NSC Staff member function, he assists Mr. Rusk in the discharge of the latter's NSC function.

*Special Assistant to the Secretary*

a. Mr. William Sheppard, Special Assistant to the Secretary, is responsible for continuing review of the coordination and participation of the Department in the U.S. national security organization, including the NSC, CIA, the NSRB, the Defense Department and its components, and for recommending action to improve the Department's coordination and participation in this field. In this capacity, Mr. Sheppard is available to help in any relationships with these agencies which present special problems, or which have become chronically dif-

ficult. He will also make special studies relating to these functions for the Secretary and Under Secretary.

In order to provide him access to the flow of communications relating to the national security organization, Mr. Sheppard serves as a member of the executive Secretariat, particularly on matters affecting S/P and R within the Department and the agencies outside the Department listed above.

The Under Secretary has approved this memorandum.

JOHN E. PEURIFOX

840.20/12-149

*Memorandum for the Files, by the Deputy Director of the Mutual Defense Assistance Program (Ohly)*

TOP SECRET

WASHINGTON, December 1, 1949.

Subject: Conference on the 1951 Budget Message

At a meeting attended by Under Secretary Webb, Mr. Perkins<sup>1</sup> and Mr. Martin<sup>2</sup> from EUR, Mr. Merchant<sup>3</sup> from FE, a representative from NEA, Mr. Schaub<sup>4</sup> and Mr. Finan<sup>5</sup> of Budget, and Mr. Bell and myself from this office, the figures to be included in the President's budget message for military assistance were discussed. The Bureau of the Budget presented a paper<sup>6</sup> which provided that there should be no new obligational authority under Title I for 1951, reasoning, first, that the money for 1950 could not be expended before the end of the fiscal year and the unexpended portion could be re-appropriated and would be sufficient for fiscal 1951; second, that, because there was a difference of concept concerning the purpose and objectives of the military assistance program as between State and Defense, no decision as to continuing program should be reached at this time; and third, that planning under the North Atlantic Pact would be so slow that no program could be ready in time for submission to the coming Congress. The effect of their suggestion was to stretch the 1950 program to cover 1950 and 1951 and to concentrate on resolving basic policy questions with a view to a firm program for 1952. The same paper provided, based on a series of assumptions (one of which was to the effect that ECA would handle all items of common supply) that new obligational authority for Greece should be \$75 million. Funds for Turkey were listed as \$25 million, but the figure assumed that \$20

<sup>1</sup> George W. Perkins, Assistant Secretary of State for European Affairs.

<sup>2</sup> Edward M. Martin, Director of the Office of European Regional Affairs.

<sup>3</sup> Livingston T. Merchant, Deputy Assistant Secretary of State for Far Eastern Affairs.

<sup>4</sup> William F. Schaub, Deputy Chief of the Division of Estimates, Bureau of the Budget.

<sup>5</sup> William F. Finan, Assistant Director for Administrative Management, Bureau of the Budget.

<sup>6</sup> Not printed.

million previously borrowed by the Greek program from the Turkish program would be returned. Korea was omitted except to the extent that unexpended balances in 1950 might be re-appropriated and made available in 1951. \$8 million was provided for Iran and \$6 million for the Philippines. As to China, if any provision were to be made, it would be a re-appropriation of the amount unexpended from the \$75 million made available pursuant to Section 303 of the 1949 law. The Budget paper estimated that this sum might be as large as \$60 million.

Mr. Webb expressed his deep concern over the proposals concerning Title I and more particularly with respect to the attitude of mind which it indicated. He stated that the U.S. for the first time, having halted Communist progress, was about to go on the offensive and that the North Atlantic Pact, together with the ECA and other similar programs, were the keystones in such offensive. Failure to provide aid, and substantial aid, in support of the North Atlantic Pact would have a profound and disastrous psychological effect and would for all intents and purposes knock the props from under the Treaty. He felt it was essential that a minimum figure of \$1 billion be included, realizing that this could be only an estimate at this time. Budget representatives agreed to present this proposal to the Director of the Bureau if the Director was unwilling to leave the sum undetermined in the Budget message. Budget representatives similarly requested that the Department of State submit suggested language for the budget message covering an assumption that a \$1 billion dollar figure would be included and indicating why this figure must of necessity be merely an estimate.<sup>7</sup>

After Messrs. Webb, Perkins, Schaub and Martin left the meeting, the amount of money for aid to other countries was discussed. In-

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<sup>7</sup> The summary of the Secretary of State's daily staff meeting of December 1 indicates that Webb raised this budgetary question with Acheson. The latter stated that he agreed with Webb's position that a military assistance program of roughly \$1,000,000,000 for FY 1951 was essential and that he, Acheson, would go to the President on the matter if necessary. (840.20/12-149) In a memorandum to Webb dated December 2, Ohly indicated that Finan had informed him that the Bureau of the Budget would probably recommend leaving the amount for MDAP funds for FY 1951 indefinite in the President's budget message. If the President insisted on a firm figure, the Bureau was not prepared to accept \$1,000,000,000. Ohly replied that S/MDA, EUR, and the Department of Defense would urge that any lesser figure be appealed to the President. (840.20/12-249)

In a letter of December 15, Ohly informed James Bruce, Director of the Mutual Defense Assistance Program (then in Paris as part of a visit to Europe for consultations with United States representatives and officials of North Atlantic Treaty nations), that the Bureau of the Budget and the President had decided to include a specific figure for military assistance in the budget message. It had been feared that failure to provide an estimate might result in the elimination of the program. The President had approved an estimate which was only slightly less than that requested by S/MDA. (840.20/12-1549)

In his annual message to Congress on January 9, 1950, President Truman proposed new obligatory authority of \$1,100,000,000 for military assistance in FY 1951; for the text of the message, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington: Government Printing Office, 1965), pp. 44-106.

formal approval was given to the proposed Greek figure of \$75 million if, but only if, the Budget Bureau succeeded in requiring ECA to assume responsibility for items of common supply. Mr. Finan stated categorically that ECA would handle this burden. As to Turkey, we pointed out that it was unrealistic to expect that more than a nominal portion of the amount borrowed for the Greek program would be repaid to the Turkish program. The view was further expressed that with this and other circumstances in mind, the Turkish program could not be scheduled for less than \$70 million.

With respect to Iran, Mr. Finan asked whether there had been any commitment on the part of the President or Secretary of State concerning additional aid. He was assured by the representative of NEA that no commitment had been made beyond a statement that requests for further aid would be sympathetically reviewed. He went on to state, however, that the Secretary of State believed that we had been somewhat too low in our 1950 assistance, considering the general situation existing in that country. As it stands now, we can't meet the modest requests from that country for this year by more than one-third. The NEA representative stated that \$20 million for Iran appeared to be a minimum. As to Korea, Mr. Bell promised to furnish Mr. Finan with an estimate later in the same day.

There was no objection to the proposed Budget treatment with respect to China, but it was recommended that the Philippine allotment be raised from \$6 million to \$10 or \$12 million.

JOHN H. OHLY

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Policy Planning Staff Files

*Minutes of the 171st Meeting of the Policy Planning Staff, Friday, December 16, 1949, 11:30 a. m. to 1:00 p. m., Department of State*

TOP SECRET

Present:	George F. Kennan	Robert G. Hooker, Jr.
	Paul H. Nitze	Carlton Savage
	Ware Adams	Harry H. Schwartz
	George H. Butler	
	Mr. Scammon—R	
	Mr. Schwinn—P	
	Mr. Perkins—EUR	
	Mr. Thompson—EUR	
	Mr. Martin—EUR	
	Mr. Ohly—S/MDA	
	Mr. Battle—S	

The Secretary

Mr. Kennan said that it was the desire of the group to discuss with the Secretary the military problem in Europe, which is at the core of

many problems, including not only the arms program but our whole approach to the cold war, the German problem, ERP, the international control of atomic energy, and conventional disarmament questions. The question is what do we expect to receive by the devices which we have chosen to meet the military program in Europe? There has been and still is a difference of opinion on this and therefore on what to do about it, and a deeper exploration would seem to be called for. One school of thought approached the North Atlantic Pact on the basis that we can afford a military guarantee of Europe to the extent that that guarantee serves as a deterrent to war, and we must gamble on the chance that we would have to deliver on the guarantee. Others seem to have approached it from the point of view that war is inevitable and that NAP and the arms program are preparatory steps. The question then arises—is the arms program sufficient for the purpose, or is even the atomic bomb sufficient for such a purpose?

At this point, Mr. Nitze showed a series of charts designed to bring out the relative war potentials of the U.S. and its allies, and the U.S.S.R. and its satellites.

Mr. Kennan said that one question which was raised is whether the arms program is the best way to overcome the military weakness of the West. Mr. Nitze suggested that our objectives must be examined in the light of the risks, and he suggested further that the Russians are more apt to get the satellites involved with the West, as they have gotten the Chinese communists to do their dirty work in the Far East, rather than deliberately start a total war themselves. In fact, he suggested that in his opinion a total war started deliberately by the Soviets is a tertiary risk.

Mr. Thompson said that we have two objectives, a short-term and a long-term, the first being to win the cold war and the second to prepare for a hot war. He felt that the Pentagon is confused between the Soviet regime and the Soviet Union. It was his opinion that the Politburo realizes that if they get into war it must be both short and successful if the regime in which they are so vitally interested is to survive. Mr. Kennan agreed, adding that the Kremlin instincts are against an outright communist versus anti-communist war, as the Kremlin would prefer to intervene cheaply in someone else's war, their ideal being a total conflict between "imperialists". He added that we have a stake in announcing an intention to keep Europe from being overrun in that, if we don't make such a guarantee, it greatly increases the chances of Western Europe being overrun. Mr. Nitze pointed out on the charts that in the long run, if the Soviet Union gained control of all of Western Europe, their total war potential would not be so far below ours as it is now. Mr. Martin suggested that the Russians would run into raw material problems (particularly oil) if they took over Western Europe, although it was pointed

out that this, of course, would depend on whether or not they also gained control of the Middle East.

The view was expressed by Mr. Thompson that the military seemed to seek total security which, if it were ever achieved, would mean unacceptable insecurity for the other side; and Mr. Kennan added that, if you think in terms of a hot war, almost everything you do in the cold war is wrong. An example was given in the case of Austria where the military insistence on setting up an Austrian army prior to withdrawal would mean a provocation of the Russians without accomplishing anything constructive. Such Austrian army as could be built would be of no real value in either deterring or holding the Russians. On the other hand, you can build up a police force in countries like Austria and Japan until they are capable of maintaining public order and you can do it inconspicuously and without resulting provocation. In answer to the Secretary's question as to how you would apply this theory to Yugoslavia, Mr. Thompson and Mr. Perkins pointed out that the difference in potential is infinitely greater in the latter case, the Yugoslavs already have a large army, and the peace treaty would restrict the Austrian army to an inconsequential amount in any case.

The Secretary said that our major objective is the prevention of war and that he thought it was well established that the military aid program was designed to warn the Russians that if they want to take aggressive moves toward Western Europe, they must seriously mobilize their forces and make a very determined effort out of it. On the other hand, the Europeans want to go considerably farther in that they insist on feeling that they have a chance successfully to resist a Russian invasion. Mr. Martin said that it would appear that there is no real will to fight in France in the absence of the conviction on the part of the French that they have a chance to win a war. Mr. Kennan expressed an interest in the meaning of the word "win". He said that the French probably think of it in terms of defense of Western Europe, which would involve stopping the Russians somewhere around the Rhine and, if possible, on the Elbe, after which one would keep the Russian soldiers fighting far from home for a long time with what one could hope would be very poor results on the fighting ability of the Red Army. Mr. Kennan said that if that is what we mean by "winning the war", it is most important that we immediately make up our minds definitely and clearly that such a limited end is our objective. Mr. Ohly agreed that we have never reached such a conclusion. Mr. Kennan felt that we should not even contemplate trying to occupy all of Russia and Siberia.

The Secretary felt that the Pentagon was not so unresponsive to the idea that our war preparations are designed to keep us out of war, and that we have a war machine whose objective is that it never be used. He said that he felt that the military considers that if the Red

Army got started they would not be able to stop it, even with the bomb; and that such thoughts make them unhappy and responsive to the thesis that our objective is to prevent war. The Secretary added, however, that it was difficult to accept the statement that the bomb is not a deterrent to war—to which Mr. Kennan replied that it may be a deterrent but it may also be a superfluous deterrent. The Secretary commented later that in dealing with such intangibles as go to make up the problems facing us he would hate to state flatly that the bomb was superfluous.

Mr. Thompson suggested that if the Russians engaged in hostilities it might very well be with limited objectives; for instance, they might go through Germany and then stop firing and start a psychological war on the French. If as a result of such a move we dropped the atom bomb on Russian cities we would then almost inevitably have a total war instead of battles with limited objectives. Mr. Hooker suggested that if the Russians have any thoughts that such would be our reaction, those thoughts may act as a deterrent to the Russians undertaking any hostilities.

There was at the end some discussion of the effects on the Russian people in the event of war if the United States atom bombed their cities, Mr. Thompson's view being that while such an act on our part might unite the Russian people behind the regime during the first few weeks or months of war, such would not be the long-range effect if the Soviet Union were clearly the aggressor.

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S/P-NSC Files : Lot 61D167 : <sup>1</sup> Objectives, Commitments, and Risks

*Memorandum by the Executive Secretary of the National Security Council (Souers) to the Council*

TOP SECRET

WASHINGTON, December 20, 1949.

Subject: Assessment and Appraisal of U.S. Objectives, Commitments, and Risks in Relation to Military Power

Reference: NSC Action No. 5 <sup>2</sup>

The National Security Act of 1947, as amended, specifies that the first duty of the National Security Council, subject to the direction of the President, shall be "to assess and appraise the objectives, commitments and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith."

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<sup>1</sup> Files relating to National Security Council questions for the years 1950-1961, retired by the Policy Planning Staff.

<sup>2</sup> NSC Action No. 5, September 26, 1947, is described in paragraph 2, below.

At its first meeting, the National Security Council directed that the preparation of such a study for consideration by the Council should be a basic responsibility of the Executive Secretary and a permanent assignment to the Council staff, which should utilize for this purpose the advice and assistance of all appropriate departments and agencies of the Government.

Recognizing that such a study could not be undertaken as a single project without a background of approved policies on the specific problems which directly affect our national security, the NSC staff during the two years of its existence has carried out this directive by the preparation of specific recommendations as to current policies regarding the principal areas, countries and subjects that are significant from the viewpoint of national security. Policy coverage of this type, which is largely concerned with the political and economic aspects, has, with a few exceptions, been generally completed. The outstanding project of this nature has been the formulation of "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security" (NSC 20/4),<sup>3</sup> which states not only our general objectives with respect to Russia both in peace or war, but also supplementary aims to achieve those objectives by methods short of war on the one hand or in the event of war on the other.

These reports prepared by the NSC staff to date, taken in their entirety, are believed to present a very comprehensive set of politico-economic policies in the field of national security. There can be no certainty, however, that such an accumulation of separate policy statements adequately meets the requirements of our national security without an integrated assessment and appraisal, particularly in relation to our actual and potential military power and the manner in which it can best be employed. Such an assessment and appraisal should therefore consider not only our current objectives, commitments and risks, but also indicate what they would be (a) under a continuation of present conditions, or (b) in the event of war in the near future.

By submitting to the President an over-all assessment and appraisal of this type, there can be no question that the National Security Council has performed the first of its statutory duties.

Accordingly, it is recommended that the Council now direct the NSC staff, with the advice and assistance of all appropriate executive departments and agencies, to prepare a report for Council consideration assessing and appraising the objectives, commitments and risks of the United States under a continuation of present conditions or in the event of war in the near future, in relation to our actual and potential military power, in the interest of national security, includ-

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<sup>3</sup> NSC 20/4 is described in footnote 1, p. 271.



ing any recommendations which should be made to the President in connection therewith.<sup>4</sup>

SIDNEY W. SOUERS

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<sup>4</sup> At its 51st Meeting, January 5, 1950, the National Security Council:

"Directed the NSC Staff, with the advice and assistance of all appropriate Executive Departments and Agencies, to prepare a report for Council consideration assessing and appraising the objectives, commitments and risks of the United States under a continuation of present conditions or in the event of war in the near future, in relation to our actual and potential military power, in the interest of national security, including any recommendations which should be made to the President in connection therewith." (S/S-NSC Files: Lot 66D95: NSC Action No. 270)

# FOREIGN POLICY ASPECTS OF UNITED STATES DEVELOPMENT OF ATOMIC ENERGY <sup>1</sup>

Policy Planning Staff Files <sup>2</sup>

*Report by the Policy Planning Staff*

TOP SECRET  
PPS/48

[WASHINGTON,] February 7, 1949.

## ATOMIC ENERGY POLICY VIS-À-VIS U.K. AND CANADA

The two attached documents—the memorandum of February 3, 1949 and the notes of January 28, 1949—are not Policy Planning Staff papers, but they were prepared with the active participation of Messrs. Kennan <sup>3</sup> and Butler.<sup>4</sup> Consequently, they have been given a PPS number and included with the regular folders of Planning Staff papers.

[Annex 1]

*Memorandum by Mr. R. Gordon Arneson <sup>5</sup> to the Secretary of State  
and the Under Secretary of State (Webb)*

[WASHINGTON,] February 3, 1949.

Subject: Atomic Energy Policy vis-à-vis U.K. and Canada.

Under the terms of the wartime Quebec Agreement of August 1943 <sup>6</sup> the U.S., U.K., and Canada cooperated in producing the atomic bomb.

<sup>1</sup> Continued from *Foreign Relations*, 1948, vol. I, Part 2, pp. 677 ff. For documentation on United States policy with respect to the regulation of armaments, including international control of atomic energy, see pp. 7 ff. For documentation on United States national security policy, see pp. 247 ff. For documentation on the attitude of the Soviet Union regarding atomic energy, see vol. V, pp. 545 ff. Documentation on United States-United Kingdom security arrangements in areas other than atomic energy is scheduled for publication in volume VI.

For extensive additional information, see Richard G. Hewlett and Francis Duncan, *Atomic Shield, 1947-1952: A History of the United States Atomic Energy Commission*, volume II (University Park, Pennsylvania: The Pennsylvania State University Press, 1969). Relevant memoir sources include David E. Lilienthal, *The Atomic Energy Years, 1945-1950* (New York: Harper and Row, 1964); Dean Acheson, *Present at the Creation: My Years in the State Department* (New York: Norton, 1969); and George F. Kennan, *Memoirs: 1925-1950* (Boston: Little, Brown and Company, 1967).

<sup>2</sup> Lot 64D563, files of the Policy Planning Staff of the Department of State, 1947-1953.

<sup>3</sup> George F. Kennan, Director of the Policy Planning Staff.

<sup>4</sup> George H. Butler, Deputy Director of the Policy Planning Staff.

<sup>5</sup> Special Assistant to the Under Secretary of State, James E. Webb, for atomic energy policy.

<sup>6</sup> For documentation on the First Quebec Conference, August 14-24, 1943, including the text of the Quebec Agreement signed August 19, see *Foreign Relations*, The Conferences at Washington and Quebec, 1943.

The major effort, of course, was centered in the U.S. but both the British and Canadians made valuable contributions to the project, particularly in terms of scientific knowledge and talent. During this period teams of British scientists worked in this country on various phases of the project including weapons. Sir James Chadwick headed the British team at Los Alamos which—according to the Smyth Report<sup>7</sup>—made important contributions to the work.

A Combined Policy Committee was established under the Quebec Agreement to implement the arrangements concerning exchange of information and the allocation of ores. The Agreement provided that information was to be exchanged only in those areas where parallel activity was being carried on and where such exchange would hasten production of the weapon. Ores, the principal source of which was the Congo, were allocated almost entirely to the United States. These ores were made available under the terms of a tripartite agreement between the U.S., U.K., and Belgium which was signed in September 1944<sup>8</sup> and is still in effect.

Toward the close of the war the British began raising questions concerning postwar arrangements in this field. While concerting with us in the attempt to secure international control of atomic energy through the United Nations, they pressed for clarification of the provision of the Quebec Agreement whereby the U.K. would be admitted to participation in the commercial peace-time benefits of atomic energy on terms considered equitable by the President. They wished also to establish the basis on which exchange of information would proceed after the war. For a long period of time no fully responsive answers were given to these questions. The United States argued that the negotiations proceeding in the UN for international control made any firm settling of these matters undesirable at the time. We also stressed the uncertainties arising from domestic legislation establishing the Atomic Energy Commission.<sup>9</sup> The net result was that our relations in this field with the U.K., and to a lesser extent Canada, rapidly deteriorated.

Meanwhile, the Combined Policy Committee (and its subsidiary body the Combined Development Trust, the mission of which was to secure on behalf of the three countries jointly, maximum supplies of uranium and thorium) continued to function. A temporary alloca-

<sup>7</sup> Henry D. Smyth, "A General Account of the Development of Methods of Using Atomic Energy for Military Purposes," the official report on the development of the atomic bomb by the United States, 1940-1945, prepared by the Chairman of the Department of Physics of Princeton University, a consultant for Manhattan Engineer District (the U.S. atomic energy development program); released by the War Department on August 12, 1945, and published as *Atomic Energy for Military Purposes* (Princeton, N.J.: Princeton University Press, 1945).

<sup>8</sup> For the text of the Memorandum of Agreement, September 26, 1944, between the United States, the United Kingdom, and Belgium relating to uranium, see *Foreign Relations*, 1944, vol. II, p. 1029.

<sup>9</sup> Reference is to the Atomic Energy Act of 1946, Public Law 585, 79 Congress, 60 Stat. 755.

tion formula was arrived at in May 1946 which resulted in an approximately 50-50 split between the U.K. and U.S. of ores made available principally from the Congo.<sup>10</sup> As a result the AEC found that its planned production programs were becoming seriously jeopardized for lack of sufficient raw material. At the same time large stocks were accumulating in the U.K. far in excess of current requirements. This matter was brought urgently to the attention of the American members of the Combined Policy Committee (the Secretary of State, the Secretary of Defense, and the Chairman of the Atomic Energy Commission) in the fall of 1947. After appropriate consultations with the Joint Congressional Committee on Atomic Energy, the American side CPC decided to undertake negotiations with the British and the Canadians in an attempt to secure a more favorable allocation of ores, to define possible areas of exchange of information, and to clear up past misunderstandings.<sup>11</sup>

These negotiations were quite satisfactory. All previous agreements between the Governments were superseded by a *modus vivendi* recorded in the January 7, 1948 minutes of the CPC.<sup>12</sup> It provided that the total output made available from the Belgian Congo for calendar 1948 and 1949 should be shipped to the United States. It provided further that should such supplies be insufficient to meet the stated requirements of the U.S. program U.K. stocks would be drawn down to meet the deficiencies. During 1948 Belgian supplies proved sufficient for the U.S. program. Prospects are that the United States will have to call on U.K. stocks in 1949 in an amount between 600 to 1,000 tons. (Long overdue developmental work in the Congo which is now underway will result in a considerable reduction in the Congo output for 1949.) The *modus vivendi* provided for interchange of information in 9 general areas. These areas do not include information on the production of plutonium or the manufacture of weapons. The basic criterion followed in establishing these areas was that of mutual advantage in advancing general knowledge concerning the non-military phases of atomic energy. The *modus vivendi* continued the CPC as the organ to supervise these arrangements as well as the CDT under the name of the Combined Development Agency.

At the time the *modus vivendi* was being negotiated it was generally understood by all concerned that the U.K. planned and, indeed, was proceeding toward the production of plutonium and the manufacture of atomic weapons. The scheme of allocation arrived at took into account U.K. requirements for two plutonium production piles al-

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<sup>10</sup> The text of the allocation agreement and other documentation on foreign policy aspects of United States development of atomic energy during 1946 appear in *Foreign Relations*, 1946, vol. 1, pp. 1197 ff.

<sup>11</sup> For documentation on this subject, see *ibid.*, 1947, vol. 1, pp. 781 ff.

<sup>12</sup> For text, see *ibid.*, 1948, vol. 1, Part 2, p. 679.

though the areas of exchange laid down sought rigorously to exclude information on plutonium production and weapons manufacture.

In carrying out technical cooperation under the *modus vivendi* it has been found exceedingly difficult to furnish information for use in other areas which did not contribute useful knowledge to plutonium production or weapons manufacture. The essential reason for this lies in the fact that the British already possess a great fund of knowledge much of which was gained during the period of war-time collaboration. It is fair to assume that the British have all basic information concerning the fabrication of the weapon itself and a considerable fund of knowledge in all other phases of atomic energy. While no British scientists were stationed during the war at Hanford and they may, therefore, be assumed not to have detailed knowledge of the engineering and technical problems of Hanford-type piles, yet their basic knowledge is such that they should not meet any insuperable obstacles in erecting and operating plutonium production piles of their own.

In September 1948 Admiral Sir Henry Moore<sup>13</sup> presented to Mr. Forrestal<sup>14</sup> on behalf of the British Minister of Defense, a memorandum proposing complete interchange of information on weapons.<sup>15</sup> The immediate U.S. reaction was negative, but no final answer has yet been given to the request.

Meanwhile the Soviet Union and other countries are proceeding on independent atomic energy programs. A number of non-Curtain countries are pressing for assistance in advancing rather modest research and experimental activities.

The situation shown by the foregoing recital of events recently was discussed by staff members of State, Defense, and AEC who came to the conclusion that a general re-examination should be made of this Government's atomic energy policy with regard particularly to the U.K. and Canada. In order to facilitate such re-examination a group was called together on a purely informal, individual basis at Princeton on the 24 and 25 of January. Those attending were:

James B. Conant<sup>16</sup>  
J. Robert Oppenheimer<sup>17</sup>

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<sup>13</sup> Head of the British Naval Mission in Washington; Adviser to the British Members of the Combined Policy Committee.

<sup>14</sup> James Forrestal, Secretary of Defense.

<sup>15</sup> For text of the memorandum, September 1, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 750.

<sup>16</sup> Dr. James B. Conant, President of Harvard University; Member of the General Advisory Committee of the United States Atomic Commission.

<sup>17</sup> Dr. J. Robert Oppenheimer, Chairman of the Institute for Advanced Study, Princeton, New Jersey; Chairman of the General Advisory Committee of the United States Atomic Energy Commission; Director of Los Alamos Laboratories of Manhattan Engineer District, 1943-1945.

National Military Establishment  
 William Webster<sup>18</sup>  
 Lt. General Lauris Norstad<sup>19</sup>  
 Maj. General Kenneth Nichols<sup>20</sup>  
 Atomic Energy Commission  
 Carroll Wilson<sup>21</sup>  
 Joseph Volpe<sup>22</sup>  
 Department of State  
 George F. Kennan  
 George Butler  
 R. Gordon Arneson

This group was made up of individuals representing various shades of viewpoint and possessing extensive information concerning the subject at hand. It was asked to consider various alternatives that might be suggested with regard to our relations with the U.K. and Canada on atomic energy matters and the subordinate problem of our relations with other countries in this field. The attached paper represents the consensus of view of this group. It represents a remarkable area of agreement forged from a completely frank and straightforward presentation of viewpoint on the part of all participants. While the group has no official status it does represent a fair selection of informed opinion which it would be hard to duplicate.

The Princeton group did not attempt to outline the steps that should be taken to secure Governmental approval for the position suggested: it recognized that this was a matter to be worked out by State, Defense and AEC. The group felt strongly, however, that the problem of atomic energy no longer can be safely dealt with under the present severe restrictions of secrecy and that it would be dangerous and unsound to undertake any revision of present arrangements without full public disclosure of the relevant facts and proposed arrangements. Final decision on the question of publicity must, of course, take into account the reactions not only of the U.K. and Canada but also of those countries with which we have secret agreements on raw materials, especially Belgium.

The following sequence of steps, based on the assumption of publicity, is suggested for your consideration:

When the responsible officials of the three agencies come to a consensus of view on the suggested solution in Tab D<sup>23</sup> (the problem is

<sup>18</sup> Special Assistant to the Secretary of Defense on atomic energy policy; Chairman of the Military Liaison Committee to the U.S. Atomic Energy Commission.

<sup>19</sup> Deputy Chief of Staff for Operations, United States Air Force.

<sup>20</sup> Member of the Military Liaison Committee to the U.S. Atomic Energy Commission.

<sup>21</sup> General Manager of the U.S. Atomic Energy Commission.

<sup>22</sup> Associate General Counsel, U.S. Atomic Energy Commission.

<sup>23</sup> Reference is to Annex 2, which was attached to Arneson's memorandum as Tab D. Other tabs, not included in PPS/48, were the Quebec Agreement (Tab A); the *Modus Vivendi* of 1948 (Tab B); and a résumé of the status of British atomic energy projects (Tab C), not printed.

scheduled for Commission discussion on Thursday, February 3,<sup>24</sup> and is presently the subject of intensive soundings throughout the National Military Establishment), a meeting of the American side CPC should be called to arrive at a method of procedures which might take the following form:

a. Steps should be taken soon to inform the President of the line of action proposed by the three agencies.

b. The proposed program should be discussed with appropriate Congressional leaders. These would include at minimum the Joint Congressional Committee on Atomic Energy, and the leaders of the Foreign Affairs Committees.

c. Until the support of the President and Congressional leaders has been obtained the American side CPC would not be in a position to propose any specific basis for negotiation with the U.K. and Canada, but as soon as such support is obtained, the U.K. and Canada should be sounded out as to their views on an appropriate solution to the problem. In particular, the United States should ascertain first whether the U.K. and Canada are willing to accept a commitment (as suggested in III 2 (b) of Tab D) to consult on the location of production facilities in terms of strategic considerations, the coordination of programs in such a way as to make the most effective use of joint resources, specifically raw materials and of effort, and the coordination of the disclosure of information to other governments, and, second, whether the U.K. and Canada have any specific suggestions as to how these plans should be implemented. As regards relations with non-Certain countries, the U.K. and Canada should be urged to accept the principle (V 1 and 2 of Tab D) that the three nations are opposed to the development of atomic energy at this time in other countries. If they are willing to give these undertakings and indicate their willingness to implement these principles in a way acceptable to this Government, negotiations should be begun on the basis of the position suggested in III 2 and V 1 and 2 of Tab D.

d. It has been suggested that the proposed arrangements with the U.K. and Canada should be related to the North Atlantic Security Pact.<sup>25</sup> Consideration should be given to the question whether the President in presenting the Pact to the Senate for ratification should make reference to this problem. In asking for Senate ratification the President might review our efforts in the United Nations to secure collective security, the development of regional arrangements in view of the failure to achieve collective security arrangements on a universal basis, citing the Rio Pact,<sup>26</sup> the Marshall Plan,<sup>27</sup> and the proposed North Atlantic Security Pact. He might then draw a parallel

<sup>24</sup> The U.S. Atomic Energy Commission Meeting of February 3 is described in Hewlett and Duncan, pp. 297-298.

<sup>25</sup> For documentation on the North Atlantic Pact, see vol. iv, pp. 1 ff.

<sup>26</sup> Reference is to the Inter-American Treaty of Reciprocal Assistance, concluded at the Inter-American Conference for the Maintenance of Continental Peace and Security, August 15-September 2, 1947. For text of the treaty, see Department of State Treaties and Other International Acts Series (TIAS), No. 1838; for documentation on the conference, see *ibid.*, vol. VIII, pp. 1 ff.

<sup>27</sup> For documentation on the political and economic crisis in Europe and the United States response (The Marshall Plan), see *Foreign Relations, 1947*, vol. III, pp. 197 ff.

between this broad development and the history of events in atomic energy. He could stress that while international control remains our first objective and that the U.S. offer still stands, the United States is forced by world developments to take some action in this field parallel to those represented by the Rio Pact, the Marshall Plan, and the North Atlantic Security Pact. He might make clear that Congressional approval for the last would be taken as an indication by the Congress of its support for expanding present cooperative arrangements with the U.K. and Canada to cover the whole range of atomic energy, including atomic weapons. In doing so the stress would have to be laid on the fact that the U.K. would soon be in a position to have atomic weapons by her own efforts and that a major objective of concerting efforts would be to secure the most efficient use of joint resources.

It is evident that the foregoing program calls for considerable niceness of timing. It is hoped that a meeting of the American members of the Combined Policy Committee may be called at an early date in order that the techniques can be worked out with precision.

R. GORDON ARNESON

Approved by: George F. Kennan

[Annex 2]

*Notes on a Meeting at Princeton, New Jersey, January 24-25, 1949*

[WASHINGTON,] January 28, 1949.

I. The following working hypotheses emerged from an all-day discussion on January 24: (No significance should be attached to the order in which points are listed.)

1. By at least the following criteria the atomic bomb is a unique weapon.

(a) Today we alone have them.

(b) Plans for their use form a central core of our offensive capabilities.

(c) When the USSR has any atomic bombs a critical reexamination of our war plans will probably be required.

2. The position as to the supply of uranium ore if allocated in relation to needs for the U.S. and U.K. programs is about as follows:

(a) If used to supply the contemplated present U.S. program and present U.K. program it is expected that there will be sufficient production from the Belgian Congo, Canada, U.S. and South Africa to supply both programs for the period 1949 through 1955 (and probably beyond), assuming benefits from Redox<sup>28</sup> are felt in the U.S. program by 1952.

<sup>28</sup> This process for the recovery of uranium is described in Richard G. Hewlett and Oscar E. Anderson, Jr., *The New World, 1939-1946: A History of the United States Atomic Energy Commission*, vol. 1 (University Park, Pennsylvania: The Pennsylvania State University Press, 1962), p. 630.



(b) In the unlikely event that Redox fails there will be insufficient supplies for more than the U.S. program.

(c) The next two or three years will be tight and especially so during 1949 when we expect to have to draw on reserves in the U.K. to the extent of 600 to 1,000 tons in order to maintain the U.S. program.

3. Extension of U.S. cooperation with the U.K. in the U.K. program for the production of fissionable materials and weapons has no determinable bearing on the rate of progress of the USSR program. (In any event, it was not believed to be significant.)

4. Effect of U.S. cooperation in relation to the progress of the U.K. program, assuming no expansion of U.K. program for producing fissionable materials beyond present two piles plus modest diffusion plant, is estimated to be as follows:

(a) No extension of U.S. cooperation to the fields of production and weapons— . . . .

(b) Full U.S. information and general cooperation—might allow U.K. to get the first bomb in two and one-half years and to make 50 in seven to eight years. (Principal effects of U.S. assistance would probably be to increase reliability of production of fissionable material and economy in the use of raw materials and effort.)

5. Belief as to the reasons for the U.K. program:

(a) Freedom of action in terms of national self-sufficiency in terms atomic weapons.

(b) National prestige and position in regard to atomic energy in connection with future peacetime applications require a program for production of fissionable material and for reactor development.

(c) Uncertainty and apprehension as to the attitude (and continuity of attitude) of the U.S. towards the U.K. in atomic energy matters.

6. U.S. objections to the existence of a program for the production of fissionable materials and weapons in the U.K.: (While indefinite retention of U.S. monopoly in this field was recognized as desirable, it was evident to the group that this was wholly impracticable.)

(a) Greater vulnerability in the event of war to destruction of installations in the U.K. as compared to those in the Western Hemisphere and hence loss of productive capacity in terms of our common defense. (The destruction in time of war of the present U.K. project will not have an important effect on the total output of weapons.)

(b) In terms of raw materials, the expectation that more efficient conversion of  $U_3O_8$  to weapons might occur if done in U.S. plants.

(c) Uneconomic diversion of U.K. technical and economic resources.

7. Technical benefits to the U.S. of sharing in the fruits of U.K. effort:

(a) As to new technical ideas there is a reasonable presumption that important advances will be made by the U.K.

(b) As to industrial technology there is probably not much to gain because their practice is not readily adaptable to our use.

8. In view of the large amount of classified information already known to the U.K., it will be impossible to separate further information they may gain from the U.S. into two categories—one useful for production of fissionable materials and weapons and one not useful for such purposes.

## II. Objectives of the U.S. in regard to atomic weapons:

(a) To obstruct Soviet progress as much as possible, both as to the time of securing the first bomb and the subsequent rate of production.

(b) To improve the position of the U.S. as much as possible vis-à-vis Russian position.

(c) To reduce vulnerability of productive capacity and stockpiles to destruction by Russian action.

(d) To improve the means of delivering atomic bombs against Soviet targets in the event of war.

(e) To have our policy in this field consistent with our general foreign policy.

III. Proceeding from the above hypotheses, discussion on Tuesday, January 25, led the conferees to the following common view of the appropriate position of the U.S. in relation to the U.K. and Canada:

1. After examination of the alternative courses of action, there was no advocate either for continuation within the present *modus vivendi* or the alternative of attempting to stop the U.K. program by U.S. pressure.

2. The following position appeared to offer the greatest assurance of serving the common defense and security:

(a) Provide for complete interchange of information in all fields of atomic energy, including weapons.

(b) Provide for consultation among the parties on policy and program with particular reference to the following principles:

1. Production facilities should be located with due regard for strategic considerations, and
2. The programs of the three parties should be coordinated in such a way as to make the most effective use of joint resources, specifically raw materials, and of effort, and
3. The establishment of effective coordination with respect to the disclosure to other governments, including the Dominions, or authorities or persons of classified information in this field.

(c) Provide for full freedom of action on the part of the three parties with regard to their respective atomic energy programs.

(d) Provide for the continuation of the CPC with its present ratio of membership from U.S.-U.K.-Canada to carry out and supervise these arrangements.

#### IV. Implementation of U.S. position :

1. It would be dangerous and unsound to undertake any revision of present arrangements without full public disclosure of the relevant facts and proposed arrangements.

2. In presenting it publicly it should be related to the North Atlantic Pact but not made a part of that Pact.

3. There should be Congressional action in some form to confirm the course of action chosen.

V. An attempt was made in the discussion on Tuesday to define some principles which might be useful as a guide to a position vis-à-vis friendly countries outside the U.S., U.K. and Canada. It was the common view that :

1. The three countries should establish that they were opposed to the development of atomic energy at this time outside these three nations.

2. That they would be agreeable to giving certain scientific assistance to other nations. **This might take the form of :**

(a) Welcoming and facilitating study by scientists of such nations so that they might work in universities and unclassified scientific laboratories in the U.S., U.K. and Canada.

(b) Encouraging interest in and assisting in connection with the development of accelerator projects and other activities in nuclear science not related to atomic energy for making fissionable materials or weapons.

3. That it would be undesirable for CPC countries to take the initiative to provide assistance beyond (a) and (b). However, it was proposed that we consider the declassification and publication of the design and how to make a simple heavy water reactor of the Zoe type (French reactor). The wisdom and feasibility of this proposal was questioned. There was a difference of view as to whether an effective line could be held if there were any cooperation in relation to reactors. It was agreed that preservation of secrecy in relation to such matters is a "rear-guard action" and there is difference in judgment as to where and how the line should be held and when changed. It was concluded that prior to attempting a decision the proposal required careful study by a qualified group of technical experts.

Department of State Atomic Energy Files <sup>1</sup>

*Memorandum by the Executive Secretary of the National Security Council (Souers)*

TOP SECRET

WASHINGTON, February 10, 1949.

Memorandum for: The Secretary of State  
The Secretary of Defense  
The Chairman, Atomic Energy Commission

Subject: Atomic Energy Policy vis-à-vis UK and Canada

The President has designated the Secretary of State, the Secretary of Defense and the Chairman of the Atomic Energy Commission as a Special Committee of the National Security Council to prepare recommendations for his consideration on the above subject. This action was taken by the President in accordance with the recommendation by the Secretary of State contained in enclosed memorandum.

As suggested by the Secretary of State, it is requested that each member of the Special Committee furnish me with the names of two representatives to constitute a staff to prepare appropriate studies for consideration by the Committee.<sup>2</sup>

SIDNEY W. SOUERS

[Annex]

*Memorandum by the Secretary of State to President Truman*

TOP SECRET

WASHINGTON, February 10, 1949.

Subject: Atomic Energy Policy

The wartime relations of this Government with the United Kingdom and Canada in the field of atomic energy, involving the allocation of raw materials and the exchange of information, had as their prime aim the production of atomic weapons in this country in the shortest possible time. After the war exchange of information was continued on a reduced scale in areas of mutual advantage which did not include information on the production of plutonium or atomic weapons. Allocation of raw materials (available principally from the Belgian Congo under a U.S.-U.K.-Belgium agreement entered into in September of 1944) continued to be made under the aegis of the Combined Policy Committee. These allocations assured supplies adequate for our atomic energy program.

The United Kingdom is presently embarked on a program aimed at the production of atomic weapons, a goal they expect to reach in

<sup>1</sup> Lot 57D688, the Department of State consolidated lot file on atomic energy policy, 1944-1962.

<sup>2</sup> The working group established by this procedure consisted of Kennan and Arneson for the Department of State, Webster and Nichols for the Department of Defense, and Wilson and Volpe for the Atomic Energy Commission.

from two and one-half to four years. In September 1948 the United Kingdom asked this Government for information on plutonium production and atomic weapons. This request has not been answered to date. Only by a most thorough-going consideration of all factors involving the common defense and security can a wise decision be taken.

In addition to the problems presented by our relations with the United Kingdom and Canada, consideration also needs to be given to our relations to other countries friendly to our cause which have made modest beginnings in the field of atomic energy and which have sought our help.

Staff members of the Department of State, the National Military Establishment, and the Atomic Energy Commission have given considerable study to these matters in recent weeks. In order, however, to assure that all facets may be fully explored I should like to recommend that the Secretary of State, the Secretary of Defense, and the Chairman of the Atomic Energy Commission, who are the American members of the Combined Policy Committee, be designated by you as a special committee of the National Security Council to prepare recommendations for your consideration. I suggest that they should each furnish appropriate staff from their respective agencies who would work under the direction of Mr. Sidney Souers in the preparation of the necessary staff studies.

DEAN ACHESON

Approved: Feb. 10, 1949

Harry S. Truman

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Department of State Atomic Energy Files

*The Chairman of the United States Atomic Energy Commission (Lilienthal) to the Chairman of the Joint Congressional Committee on Atomic Energy (McMahon)*

SECRET

WASHINGTON, February 18, 1949.

DEAR SENATOR McMAHON. At our meeting with the Joint Committee on February 4, 1949,<sup>1</sup> interest was expressed in the present status of the program, about which the Committee was informed on October 5, 1948,<sup>2</sup> for securing the cooperation of other countries in control of exports of important atomic energy materials and equipment to the U.S.S.R. and its satellite areas.<sup>3</sup> Interest was also expressed in the extent to which this program has thus far been successful in preventing or controlling the export of mass spectrometer

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<sup>1</sup> No record of this meeting has been found in the files of the Department of State.

<sup>2</sup> Letter of October 5, 1948, not printed.

<sup>3</sup> For documentation on United States policy on trade in general with the Soviet Union and Eastern Europe, see vol. v, pp. 61 ff.

type instruments from the United Kingdom in view of information which had reached the Committee to the effect that Metropolitan Vickers, Ltd. in England is manufacturing and exporting this type of equipment.

There is enclosed a report from the Director of Production outlining the present status of the program through which export control action by other countries is being sought. As the Committee was informed in our letter of October 5, 1948, this program has been undertaken by the Department of State and the Department of the Army with the advice and assistance of the Commission.

As a result of the close working relationships established with the United Kingdom through the Combined Policy Committee, the Commission is in current consultation with the British on these problems and we have been assured that any requests for export of mass spectrometers from England will be discussed with us. In response to the Committee's expressed interest in Metropolitan Vickers, specific inquiries have been instituted through appropriate British authorities to obtain an up-to-date report on the status of manufacture and export of mass spectrometer type instruments by this company and others in the United Kingdom. Preliminary information from the British is that no mass spectrometers of any kind have been exported from England by any company at any time. The British have been alerted to the possibility of a request from the Asiatic Petroleum Corporation, whose application to export a mass spectrometer from the United States was recently denied.

The Commission will continue to keep the Committee informed of significant developments in these fields.

Sincerely yours,

DAVID E. LILIENTHAL

[Enclosure]

*Report by the Director of Production of the United States Atomic Energy Commission (Williams)*

WASHINGTON, [undated].

PRESENT STATUS OF PROGRAM TO SECURE INTERNATIONAL COOPERATION  
IN THE EXPORT CONTROL FIELD

This is a summary report on the present status of action taken by the Department of State and the Department of the Army to secure the cooperation of other countries and authorities in the occupied areas in a program aimed at denying exports of important atomic energy materials and equipment to the U.S.S.R. and its satellite areas.

The program being pursued falls into three general categories: 1) establishment of similar controls by the Combined Policy Committee

governments, namely, the United Kingdom, Canada, and the United States, 2) establishment by the Department of the Army of controls in Japan, Korea, and the American Zone in Germany, and 3) diplomatic representations by the Department of State to urge the establishment of controls in important Western European countries. It is recognized that this program may need to be extended to other areas as circumstances require.

As a basis for this program, the Commission last year prepared two lists of items suggested for control. One list (List "A") consists principally of those items directly controlled by the Commission through its regulations pertaining to source materials and production facilities. The other list (List "B") consists of items of general industrial use which have important applications in the atomic energy field and which are informally controlled by the Commission through the cooperation of the Department of Commerce or through liaison with industry.

Late last summer, the Department of State instructed certain of its missions abroad to approach the respective governments with the view of securing the establishment of effective controls in those countries.<sup>4</sup> The missions were instructed to attempt to narrow discussions of List "B" items to those actually produced in the respective areas. In all cases it was desired that the establishment of controls appear as autonomous moves on the part of the other governments. Following is a summary of the progress made in the various areas. Except for information relating to the occupied areas, the data presented has been received from the Department of State:

*United Kingdom.* An Atomic Energy Commission representative visited London in May, 1948 and left with British officials lists of those items which the United States considered should not be exported to Soviet areas. These lists were discussed a short time later with the British representatives in Washington.

Substantial agreement has been achieved regarding items to be controlled. In November, 1948, an order was issued by the British Government expanding the list of materials subject to export control in the United Kingdom. With the institution of this order practically all items controlled by the United States are subject to either formal or informal export controls by the United Kingdom. Discussions are continuing to reconcile differences of classification and terminology and to establish an exchange of information regarding licensing actions.

*Canada.* The control lists were transmitted to the Atomic Energy Control Board of Canada in May, 1948. Implementation of an official control mechanism has not yet been completed. Discussions and correspondence with the Canadian officials regarding technical aspects of the program are continuing.

<sup>4</sup>The circular airgram of August 16, 1948, transmitting Lists "A" and "B", is printed in *Foreign Relations*, 1948, vol. I, Part 2, p. 739.

*Germany.* The Commission has been in consultation with the Department of the Army in Washington regarding the establishment in Germany of export controls on atomic energy materials and equipment. A Commission representative proceeded to Germany in May, 1948 and discussed this matter with appropriate American and British occupation authorities. Suggested control lists were submitted by the Commission representative and the principle of such controls was accepted by the occupation authorities at that time. It was stated, however, that lack of adequate administrative mechanisms prevented immediate institution of these controls. The Department of the Army now reports that satisfactory administrative procedures have been devised and that discussions are being held with the British authorities in Germany with the view of obtaining agreement regarding the establishment of the control measures.

*Japan.* The control lists were transmitted by the Department of the Army to American authorities in Japan in May 1948 with the instruction that these lists be used in screening exports from Japan. In the reply it was stated that the controls were understood and that the instructions would be followed without difficulty.

*Korea.* The authorities in Seoul reported that steps have been taken to avoid shipment of listed items to Soviet areas. Only two items on the lists were believed applicable: monazite and beryl.

*Sweden.* In response to an American Embassy approach, the Swedish Foreign Office identified the limited number of List "A" items which are produced in Sweden. The Foreign Office stated that these items were being manufactured solely to meet the requirements of the Swedish atomic energy program and none are being exported. The American scientific attaché has been instructed to ascertain Swedish potentialities with respect to production of items on List "B". He will also report on the operation and organization of the Swedish export control system.

*Norway.* The American Embassy has been informed by the Foreign Office that there is no production of items on List "A" except uranium required for the Norwegian atomic energy pile. Regarding List "B" items, the Foreign Office reports that sizeable shipments of heavy water have been made to France but that only laboratory amounts are shipped to Eastern European countries. A proposed shipment of beryl to Czechoslovakia was blocked by the Foreign Office on representations from the Embassy. Norwegian potentialities regarding other items on List "B" are to be studied by the American scientific attaché.

*Switzerland.* The American Legation reports that satisfactory progress is being made through conversations of the Military Attaché with a highly placed Swiss official. This official is sympathetic to this program and is attempting to have the Swiss Government establish the desired controls.

*Netherlands.* The American Embassy has left with the Foreign Office a questionnaire concerning List "A" items. The Netherlands Government has promised to reply in the near future. Significant atomic energy items produced by the Netherlands include certain categories of electrical equipment which can be manufactured by the Phillips firm at Eindhoven, and small tonnages of monazite derived as a by-product of tin mining in the Netherlands East Indies.

*Belgium.* The Foreign Office has been given List "A" and has stated it is studying the matter. The American Embassy is attempting to



narrow List "B" to items applicable to Belgium and the reduced list will be presented to Prime Minister Spaak who may then be expected to issue instructions prohibiting the export of those items to the Soviet dominated areas. In view of the excellent cooperation received from the Belgians with respect to uranium, little difficulty is anticipated in securing establishment of controls over items on either list.

*France.* Due to the delicate political situation in France during the past months communication with the French Government regarding parallel export controls has been held in abeyance. Recently, however, an opportunity has been presented to initiate high level discussions with the French looking toward the establishment of controls and the American Embassy is proceeding along these lines.

Pending the institution of formal export control measures by the various governments, the Department of State has followed an interim policy of approaching the individual governments in specific cases when information is received indicating that negotiations are underway or contemplated with respect to the shipment to Soviet controlled areas of items which might be used in an atomic energy program.

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800.6359/2-2449 : Telegram

*The Administrator of the Economic Cooperation Administration (Hoffman) to the Special Representative, Paris (Harriman)*<sup>1</sup>

TOP SECRET

WASHINGTON, February 18, 1949—5 p. m.

Torep 3403. To Hughes<sup>2</sup> from Just.<sup>3</sup> Several communications from ECA missions concerning raw materials for atomic energy have come to the attention of the Strategic Materials Division. They have raised the question of what the role of ECA should be with respect to certain atomic energy materials. This subject has been discussed with the Department of State and the conclusions cleared with the Atomic Energy Commission. The following instructions have been prepared:

The "atomic energy raw materials" include thorium, uranium, beryllium, and all their ores. The ECA missions should follow a different course with respect to beryl from the one followed for the other two elements and their ores.

In connection with uranium and thorium and their ores, please observe the following:

1) Although it is not a responsibility of the ECA missions to seek information on, or to investigate, these materials, it is very important and desirable that information on these materials which is acquired

<sup>1</sup> This message received prior clearance from the Department of State and the United States Atomic Energy Commission. On February 24, the Department received a copy from ECA Administrator Paul G. Hoffman. (800.6359/2-2449)

<sup>2</sup> H. Herbert Hughes, Chief of the Strategic Materials and Non-ferrous Metals Section of the European Headquarters of the Economic Cooperation Administration, Paris.

<sup>3</sup> Evan Just, Director of the Strategic Materials Division of the Economic Cooperation Administration.

in the normal course of work or which may be obtained discreetly be reported to Washington.

2) Such information as is acquired should be handed to the local embassy for transmission to the Department of State in Washington rather than being sent to ECA-Washington by the ECA mission through the usual channels.

3) If, after study of the information in Washington, the Department of State and Atomic Energy Commission decide that ECA 5% counterpart funds could be employed to advantage, or that it is desirable that ECA strategic materials specialists undertake specific investigations in the field, or that any other steps should be taken by ECA such steps will be planned here in Washington and specific instructions will be issued from Washington. Any ECA activity on these materials should be undertaken only upon specific instructions from Department of State and should be conducted in such a way as to permit no external evidence of ECA's activity.

In connection with beryl please observe the following:

Although beryllium materials have some usefulness for atomic energy purposes, they also have other applications which is the basis for the inclusion of beryl in the list of strategic materials, and we recommend that you proceed to obtain information and investigate procurement and development possibilities on beryl in the manner common to other strategic materials, reporting from the ECA mission to ECA-Washington through the usual channels instead of as described above for uranium and thorium, and proceeding on your own initiative and judgment in the field. If word of unusually large transactions in any of these materials comes to your notice, please give appropriate emphasis in your reports.

This instruction supersedes a recommendation cabled to OSR early in January for consideration at the meeting in Paris on strategic materials on January 4 and 5, which requested uniform treatment of the three elements and their ores. This instruction has been cleared with Department of State and Atomic Energy Commission.

Please forward these instructions to the several country missions.

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Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson to the Secretary of State*

TOP SECRET

[WASHINGTON,] March 1, 1949.

Subject: Atomic Energy Policy

The attached paper deals with certain problems relating to procedure. Specifically it discusses the questions of (1) the Atomic Energy Act of 1946, (2) relations with the Congress, (3) public disclosure (the enclosure to the paper lists the various public statements that have been made on U.S.-U.K.-Canadian relationships in this field<sup>1</sup>), and (4) method of negotiation and sequence of events.

<sup>1</sup> The enclosure is not printed.

This paper was prepared by the same group which produced the atomic energy policy study discussed with you at noon today.<sup>2</sup> The group felt, however, that proposals on procedures should be handled separately and that the points made should be more nearly suggestive than definitive.

You may wish to be familiar with the contents of the attached for tomorrow's meeting.

R. GORDON ARNESON

[Annex]

*Paper Prepared by the Working Group of the Special Committee of the National Security Council on Atomic Energy Policy*

TOP SECRET

[WASHINGTON, March 1, 1949.]

#### MEANS OF BRINGING THE PROPOSED SOLUTIONS TO FRUITION

The proposed line of action represents a policy different in kind from previous arrangements, both wartime and post-war, with the U.K. and Canada. The wartime arrangements under the Quebec Agreement were aimed basically at the single goal of producing in this country atomic weapons as quickly as possible. The allocation of materials carried out under those arrangements was pointed at this basic objective as was exchange of information. The initial post-war period was one of doldrums in which very little cooperation existed. As an interim measure, Congo uranium was delivered to the U.S. and U.K. on an approximately fifty-fifty basis, subject to future allocation.

The current arrangements under the *modus vivendi* exclude direct assistance to the British on the production of plutonium and atomic weapons.

Two major questions arise in considering the steps that should be taken in establishing the proposed new program of action. The first has to do with the question of public and Congressional acceptance of the proposals and the relation of the Atomic Energy Act of 1946 to the proposed course of action. The second concerns the negotiating situation itself whereby certain short term and long term objectives may be agreed upon by the three countries in the interest of mutual security.

#### CONGRESSIONAL REACTION AND THE ATOMIC ENERGY ACT OF 1946

Questions have been raised as to whether the Atomic Energy Act stands as a bar to the course of action that has been proposed. While it may not be possible to give a definitive answer at this time, it might be helpful to consider the arguments advanced that the Act itself

<sup>2</sup>No record of the briefing of the Secretary, presumably by Kennan and Arneson, has been found in the files of the Department of State. For the policy study, see p. 419.

does not constitute an important obstacle to our moving ahead with exploration of the problem.

By the mandate of Section 1(a) of the Atomic Energy Act, the atomic energy policy of the United States is declared to be "subject at all times to the paramount objective of assuring the common defense and security." The policy governing the Atomic Energy Commission's control of atomic energy information is the declaration of Section 10(a) of the Act that "it shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security."

It will be recalled that, in giving effect to these directives of the Congress, this Government on January 7, 1948, entered into a *modus vivendi* with the Governments of the United Kingdom and Canada. Included in the *modus vivendi* were arrangements for technical cooperation in nine defined areas. These areas did not include information relating specifically and primarily to weapons, or to the design or operation of plants for the production of weapon materials or of weapon parts.

It will also be recalled that during the discussions which preceded the agreement of this Government to the *modus vivendi* the question of the proper interpretation of the Atomic Energy Act was carefully considered, first within the executive branch of the Government and at a later date with the appropriate representatives of the Congress. In these discussions there was agreement, within the executive and legislative branches, to the view that, in order to give effect to the above-mentioned directives of the Congress, this Government could properly enter into understandings with the United Kingdom and Canada of the type which had then been proposed, provided that this Government was satisfied it would be in the interests of our national security to engage in such technical cooperation. In other words, the technical cooperation program then approved and entered into was founded on a Governmental decision that the program was justified by and consistent with the basic policy of the Atomic Energy Act, which controls the narrower principle set forth in Section 10(a) (1) of the Act as one of the principles by which the Atomic Energy Commission shall be guided.

The course now proposed may well involve problems which are different from those previously considered. It is not unlikely, however, that the basic questions of policy will be essentially the same. Hence, the same approach to the question of statutory interpretation would seem to be proper. It will be necessary for a determination to be made by this Government whether such a new understanding was in the interest of the common defense and security of the United States. In making such a determination it would be both necessary and desirable, as before, to have appropriate consultation with the Congress.

Whether any new understandings should take the form of an "international arrangement" as defined in Section 8 of the Atomic Energy Act, is a matter which can well be left for future consideration. However, in terms of continuity of policy, there would seem to be advantage in having the proposed course of action undertaken only after the Congress has expressed its general sentiment in favor, by a joint resolution or other appropriate means.

The important point is that in arriving at any Governmental decision there would be appropriate consultation with the Congress. Since such consultation would seem to be desirable for reasons unrelated to the provisions of the Atomic Energy Act, it is likely that any question of statutory interpretation will turn out to be rather incidental to the larger questions of policy which will have to be considered. In any event, any legal questions which might be raised could be resolved by a unity of view on the part of the executive and legislative branches of the Government.

EXTENT OF PUBLIC KNOWLEDGE (DETAILS IN UNCLASSIFIED ENCLOSURE)

At various times and in various places references have been made to the broad outlines of cooperation that exist among the three countries. On August 6, 1945 Secretary of War Stimson in announcing details of the Manhattan District project,<sup>3</sup> reported the existence of the Combined Policy Committee and referred to the cooperation that existed among the three parties. The Smyth Report, which gave the official history in some detail of the atomic bomb project refers to the fact that a team of British scientists under the leadership of Sir James Chadwick was stationed during the war at Los Alamos where they made important contributions to the work. The Truman-Attlee-King Declaration of November 15, 1945<sup>4</sup> speaks of "the three countries which possess the knowledge essential to the use of atomic energy." On August 21, 1948 Mr. Lillenthal acting on the basis of a decision reached by the Combined Policy Committee, stated in a public speech<sup>5</sup> that wartime collaboration among the three countries was continuing "in an expanded way." He made reference to the existence of the Combined Policy Committee as the body supervising the cooperative arrangements among the three countries, such arrangements including exchange of information and "problems of raw materials supply common to the three governments." Appropriate remarks in a similar

<sup>3</sup> For text of the statement by Secretary of War Henry L. Stimson, August 6, 1945, see Raymond Dennett and Robert K. Turner, eds., *Documents on American Foreign Relations, July 1, 1945-December 31, 1946* (Princeton, N.J.: Princeton University Press, 1948).

<sup>4</sup> For text of the Agreed Declaration by President Truman, Prime Minister Attlee, and Prime Minister Mackenzie King, signed at Washington, November 15, 1945, see TIAS No. 1504, or 60 Stat. (pt. 2) 1479.

<sup>5</sup> Reference is to Lillenthal's address at the preview supper for the opening of the Atomic Energy Exhibit at the New York City Golden Jubilee Exposition. The text of the address was released as a United States Atomic Energy Press Release, August 21, 1948.

vein were made subsequently by British and Canadian representatives in their respective countries. On May 12, 1948 the British Minister of Defense, Mr. A. V. Alexander, stated in response to a parliamentary question that "research and development continued to receive the highest priority in the defense field, and all types of modern weapons, including atomic weapons, are being developed."<sup>6</sup> In its fifth semi-annual report (January 1949) to the Congress, the Atomic Energy Commission referred to the program of technical cooperation with the U.K. and Canada. In part, the Commission report stated that: "Relationships with the United Kingdom and Canada in the field of atomic energy have continued under the guidance of the Combined Policy Committee of the three nations, of which the Secretary of State of the United States is Chairman. This Committee was first established in 1943. The members for the United States, in addition to the Secretary of State, are the Secretary of Defense and the Chairman of the Atomic Energy Commission."

Thus it is clear that there have been a number of public references to the existence of cooperative arrangements between the U.S., U.K., and Canada. It is also public knowledge that the Belgian Congo is the principal source of supply for uranium. As far as the Belgian public is concerned, it is generally known that Congo uranium is made available to the U.S. and U.K. under a wartime agreement which is presumed still to be in existence, although the term, price, and quantity data are not generally known.

The proposed solution, however, of full and effective collaboration with the U.K. and Canada on all phases of atomic energy including atomic weapons represents a different order of magnitude.

Discussion of the proposed solution may, however, afford an excellent opportunity to set this matter in its proper perspective. This development would represent the culmination of a trend first begun with the Rio Pact and about to be advanced still further by the North Atlantic Security Pact. It can be shown that the proposed solution is an arrangement designed to advance the common defense and security with our wartime partner which will soon have atomic weapons of its own. At the same time, it should of course, be made clear that the U.S. offer in the United Nations Atomic Energy Commission still stands. That offer represents the solution we most want but have been unable to secure because of the intransigence of the Soviet Union. The program of full cooperation with the U.K. and Canada in this field should be stated to be a program of action made necessary by the impasse in the UNAEC and by the failure to achieve general collective security through the United Nations.

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<sup>6</sup> *Parliamentary Debates*, House of Commons, May 12, 1948, vol. 450, cols. 2128-2129.

A number of factors will have to be taken into account in laying plans for putting forward the proposed course of action.

1. *The Effect on Public Opinion*

It would be necessary to lay all relevant facts bearing on this matter before the public to minimize the risk that the proposed line of action may not receive fully informed public support.

2. *The Effect on Other Countries*

A program of full collaboration among the CPC countries would probably give rise to many inquiries from non-CPC countries. France, for example might urge that she be made a member of the family. Unwillingness to admit her and others might have serious repercussions on the North Atlantic Security Pact and on whatever military assistance programs may subsequently be worked out. In this eventuality, it is suggested that the three CPC countries would have to take a very firm line, pointing out that the Pact does not provide for a sharing of any and all types of weapons but rather for mutual assistance in the event of aggression. Efforts of the U.K. and U.S. to strengthen their common defense and security through collaboration in atomic weapons should be considered a strengthening in the interests of all members of the Pact.

3. *Effect on the UNAEC Negotiations*

It might be argued that the proposed solution would furnish the Soviets an important propaganda advantage. This objection is more apparent than real. The U.S. record in the UNAEC has been built with sufficient care and over a long enough period of time so that no legitimate doubt can be raised about the sincerity of the American offer. To be sure, the Communist line attempts to cast doubts on the sincerity of that offer on every possible occasion. This is likely to be true no matter what line of action this Government takes, not only in this field but in all others. Provided any publicity which is given to the proposed course of action makes crystal clear the fact that the first objective of the United States is still to attain a fully effective enforceable international system of control, the Communists can have no real basis for propaganda.

4. *Coordination of Public Discussion with the U.K., Canada and Other Countries*

The views of the U.K. and Canada with regard to the timing and handling of public discussion should be clarified at an early stage in the negotiations. It would be important also to ascertain the reaction of the Belgian Government in this matter as well as the reactions of other countries with whom the British and ourselves have raw materials arrangements.

### 5. *Methods of Negotiation and Sequence of Events*

If the proposed course of action is adopted by this Government after initial clearances in the executive and legislative branches, it will be exceedingly important to secure informally with the British and the Canadians an indication whether the main aspects of the proposal would be acceptable. Informal soundings should be taken to ascertain first whether the U.K. and Canada are willing to accede to the proposed principles concerning the location of production facilities in terms of strategic considerations, the coordination of programs in such a way as to make the most effective use of joint resources, the coordination of the disclosure of information to other governments, and the establishment of cooperation among the three parties with respect to bases necessary for delivery of atomic weapons; and second whether the U.K. and Canada have any specific suggestions as to how these plans should be implemented. As regards relations with non-Curtain countries, the United States should ascertain whether the U.K. and Canada are willing to accept the view that the three nations should oppose the development of atomic energy at this time in other countries. If the U.K. and Canada express their willingness to give consent to these undertakings and to implement these plans in a way satisfactory to this Government, negotiations should then be commenced through the CPC on the basis of the proposed line of action.

In summary, it is believed that:

- a. The Atomic Energy Act of 1946 does not stand as a bar to the course of action that has been proposed.
- b. The proposed course of action should be undertaken only after the Congress has expressed its general sentiment in favor, by a joint resolution or other appropriate means.
- c. After initial clearances in the executive and legislative branches, it will be exceedingly important to secure informally from the British and the Canadians an indication whether the main aspects of the proposal would be acceptable.

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Department of State Atomic Energy Files

*Minutes of the Special Committee of the National Security Council on Atomic Energy Policy With Respect to the United Kingdom and Canada, Department of State, Washington, March 2, 1949, Noon*

TOP SECRET

Present:

*Members*

Secretary of State, Dean Acheson, Chairman  
 Secretary of Defense, James V. Forrestal  
 The Acting Chairman, Atomic Energy Commission,  
 Sumner T. Pike  
 Executive Secretary, Sidney W. Souers



*By Invitation*

General Dwight D. Eisenhower <sup>1</sup>	}	Department of State
George F. Kennan		
R. Gordon Arneson	}	National Military
William Webster		
Maj. Gen. Kenneth D. Nichols	}	Establishment
Carroll L. Wilson		
Joseph Volpe	}	Atomic Energy Commission
Ralph Johnson		

## I. CONSIDERATION OF REPORT TO THE PRESIDENT

The Committee had before it for action a report for the President prepared, under the direction of Mr. Souers, by representatives of the Department of State, the National Military Establishment, and the Atomic Energy Commission. Certain textual changes proposed by Mr. Pike on behalf of the Commission were *approved*. The Committee *approved* the report as modified and *agreed* that it should be transmitted, through Mr. Souers, to the President with the Committee's recommendation for approval.

## II. METHOD OF IMPLEMENTATION

The Committee *agreed* that, provided the President approved the proposal set forth in the report, the Secretary of State should discuss with the President methods of implementation, particularly as regards consultations with the Congress. Mr. Acheson suggested that it might be appropriate to have the President call together the Chairmen and ranking minority members of the Joint Committee on Atomic Energy and the Senate and House Foreign Relations Committee for one or more informal meetings to discuss the problem. At this stage the proposed U.S. negotiating position would be discussed in general terms. If these leaders were found to be in favor of the general line of action proposed, informal soundings, noncommitting in nature, should then be taken with the British and Canadians to determine in general whether the proposed arrangements would be acceptable to them. If so, the matter might then go to executive session of the full committees for consideration. Appropriate action would be sought from the Congress in order that formal negotiations could be undertaken.

Mr. Acheson remarked that the studies of the working group concluded that the arrangements proposed with the United Kingdom and Canada were based on the grounds of promoting the common defense and security. The question arose whether, in view of the provisions of the Atomic Energy Act of 1946, this conclusion should be reflected in some positive action by the Congress as for example a joint resolution.

<sup>1</sup> President of Columbia University; Principal Military Adviser and Consultant to the President and the Secretary of Defense, February 11, 1949–August 11, 1949, during which time he served as Presiding Officer of the Joint Chiefs of Staff.

General Eisenhower expressed the view that the proposed arrangement would restore that mutual trust and confidence among the three nations so essential to the strengthening of our own common defense and security. He stated that he was prepared to testify at any time to the effect that the proposed arrangement would greatly strengthen the common defense and security.

### III. INTERIM STATUS OF TECHNICAL COOPERATION UNDER THE "MODUS VIVENDI"

In response to a question by Mr. Pike whether technical cooperation as provided for in the *modus vivendi* of January 7, 1948 should be continued as presently laid down, Mr. Acheson stated that to seek at this juncture to attempt to restrict technical cooperation might have a serious effect on the success of prospective negotiations. The Committee agreed that existing technical cooperation within the approved areas should continue.

The meeting adjourned at 1:05.

R. GORDON ARNESON

Department of State Atomic Energy Files

*Memorandum by the Executive Secretary of the National Security Council (Souers) to President Truman*

TOP SECRET

WASHINGTON, March 2, 1949.

The enclosed report on "Atomic Energy Policy With Respect to the United Kingdom and Canada" is submitted herewith for your consideration by the Secretary of State, the Secretary of Defense and the Chairman of the Atomic Energy Commission, who were designated by you on February 10, 1949 as a Special Committee of the National Security Council.

The Special Committee recommends that you approve the conclusions contained in the enclosed report.

SIDNEY W. SOUERS

[Annex]

*A Report to the President by the Special Committee of the National Security Council on Atomic Energy Policy With Respect to the United Kingdom and Canada*<sup>1</sup>

TOP SECRET

WASHINGTON, March 2, 1949.

#### I. THE PROBLEM

To decide upon a course of action regarding the special relationship among the United States, United Kingdom, and Canada in the field

<sup>1</sup> Approved by President Truman on March 31.

of atomic energy which will provide maximum security for the United States and, in particular, will take into account:

- a. The absence of agreement on international control;
- b. The difficulties encountered in the present United States-United Kingdom-Canadian arrangements;
- c. The existing United Kingdom program for plutonium and weapons production and the United Kingdom request to the United States for information relating thereto;
- d. Considerations of raw materials supply;
- e. The development of atomic energy programs in non-CPC countries;
- f. Present and prospective collective security arrangements in which the United States, United Kingdom and Canada participate.

## II. ANALYSIS OF THE PROBLEM

### A

#### UN IMPASSE

In the field of atomic energy the policy of the United States is to seek the maximum of security. The United States is convinced that the greatest possible United States security in this field can be obtained by establishing a universal, effective, enforceable system of international control as outlined in considerable detail in the First and Second Reports of the UNAEC.<sup>2</sup> This conclusion is still valid, and the United States Government must stand ready to move ahead with such a plan whenever there is a real indication that the USSR is genuinely willing to accept, and to participate in, such a control plan.

However, the complete unwillingness of the Soviet Union to respond to the realities of the problem make the prospects for international control in the foreseeable future exceedingly dim. There is no disposition on the part of this Government to settle for anything less than fully effective enforceable control as set forth in the UNAEC's Reports.

The continuous barrage of vituperative attack by the Soviet Union on the whole concept of control as favored by the majority and Soviet intransigence across the board in international relations tends only to confirm the conclusions of the Third Report of the UNAEC<sup>3</sup> which

<sup>2</sup> For the First Report, see United Nations, *Official Records of the Atomic Energy Commission, First Year, Special Supplement, Report to the Security Council (1946)* (hereafter cited as AEC, 1st yr., Special Suppl.), or Department of State Publication 2737 (1947). The Second Report is published as United Nations, *Official Records of the Atomic Energy Commission, Second Year, Special Supplement, The Second Report of the Atomic Energy Commission to the Security Council, September 11, 1947* (hereafter cited as AEC, 2nd yr., Special Suppl.), or Department of State Publication 2932 (1947).

<sup>3</sup> For the Third Report, see United Nations, *Official Records of the Atomic Energy Commission, Third Year, Special Supplement, The Third Report of the Atomic Energy Commission to the Security Council, May 17, 1948* (hereafter cited as AEC, 3rd yr., Special Suppl.), or Department of State Publication 3179 (1948).

states that agreement is likely only when the Soviet Union is prepared to become a cooperating member of the community of nations.

The impasse in atomic energy negotiations is but a symptom of a basic East-West cleavage, and agreement on atomic energy control does not appear possible in the foreseeable future.

While the United States offer first made by Mr. Baruch on June 14, 1946,<sup>4</sup> still stands, this Government has made it increasingly clear that in the absence of the collective security guarantees provided by an effective international control, and until such a plan is universally accepted and established, it must look elsewhere for security.

The problem is how best to achieve the maximum strength and security in the present world situation. In recent months, the President, the Chairman of the Atomic Energy Commission and the Commission's Semi-Annual Reports to the Congress have stated that the United States has no alternative but to maintain and increase its strength in all phases of atomic energy, including atomic weapons. This Government needs to determine whether such a policy in the field of atomic energy will in itself provide maximum security; and, within the framework of an over-all foreign policy in this field, the course it should follow in the field of atomic energy with regard to other friendly nations.

Even as negotiations were being carried on in the UNAEC, arrangements with certain friendly countries initiated during the war period were being continued, revamped, and strengthened. Certain understandings in the Quebec Agreement, under which the United States, United Kingdom, and Canada carried on war-time collaboration in the field of atomic weapons were recast under the *modus vivendi* of January 7, 1948. Agreements with other countries with respect to raw materials have been continued and renewed. Negotiations are being carried on either by ourselves or the United Kingdom to the end of increasing our collective strength in the field of raw material supply, nearly all of which comes from other countries, notably the Belgian Congo. The cardinal principle in all of these actions has been to increase our raw materials position and to deprive the Soviets of supplies from outside the USSR.

Meanwhile a number of nations are demonstrating an interest in making a beginning in the field of atomic energy. Nearly 20 countries have atomic energy legislation on the books. More than a dozen countries have atomic energy commissions or their equivalent. Scientists of many nationalities are working to increase their knowledge of

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<sup>4</sup>For the text of the statement by Bernard M. Baruch, United States Representative, at the First Meeting of the United Nations Atomic Energy Commission, June 14, 1946, see United Nations, *Official Records of the Atomic Energy Commission, First Year, Plenary Meetings*, p. 4 (hereafter cited as AEC, *1st yr., Plenary*), or Department of State *Bulletin*, June 23, 1946, p. 1057. For documentation on the United States proposal, see *Foreign Relations*, 1946, vol. 1, pp. 1197 ff.

nuclear phenomena and to set up modest research and development programs. For example, France now has a small heavy water-uranium oxide reactor in operation. Sweden and Norway show every intention of working to the same end. In the absence of any understanding with these countries on the direction and scope that their atomic energy efforts might usefully have, there is a welter of confusion, lack of direction, and inefficiency. There is discernible a tendency, potentially dangerous, for the small countries of Europe to band together and exchange with each other their meager knowledge. It may well be, for example, that France will become a center of information, research experience, and development for the "have not" countries.

[Here follow Section B, "Relations with the United Kingdom and Canada," and Section C, "Non-CPC Countries."]

## D

### PRESENT AND PROSPECTIVE COLLECTIVE SECURITY ARRANGEMENTS IN WHICH THE UNITED STATES, UNITED KINGDOM AND CANADA PARTICIPATE

The special relationship among the United States, United Kingdom, and Canada in the field of atomic energy should be considered also in the light of other security arrangements—past, present, and prospective—of great importance to all three countries.

There was extremely close cooperation and a very high degree of pooling of resources among the United States, United Kingdom and Canada in their joint effort during World War II. This applied to the whole complex of political, economic, and military problems. It would be of great value to all three countries to encourage the survival and strengthening of their cooperation. To do so would be to utilize again a force which proved its worth under the severest trials.

National Security Council decisions, opinions of the Joint Chiefs of Staff, the records of the North Atlantic Security Pact negotiations and of the Foreign Assistance Correlation Committee, all furnish evidence of the interdependence and mutual trust which mark United States-United Kingdom-Canadian relations.

There is the 1940 agreement between the United States and the United Kingdom regarding the lease by the United States for a period of 99 years of naval and air bases, and the operation and protection thereof, on various British island possessions in the West Indies and Caribbean area.<sup>5</sup> There are common United States-United Kingdom security interests in the Eastern Mediterranean and Middle East. There is the "Combined Chiefs of Staff" group established by the United States and United Kingdom during the war. United States military commitments now in effect through the organization of the

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<sup>5</sup> For the exchange of notes between the British Ambassador, Lord Lothian, and the Secretary of State, September 2, 1940, see *Foreign Relations, 1940*, vol. III, p. 73.

United States Chiefs of Staff and the British Joint Services Mission relate to planning, exchange of information, intelligence, and matters pertaining to the combined military forces in Trieste.

United States-Canadian collaborations on military problems concerning the security of the Western Hemisphere is provided through a Permanent Joint Board on Defense (Ogdensburg Agreement<sup>6</sup>). A joint Canadian-United States basic security plan has been prepared. Under this plan the two governments work out on an annual basis specific commitments to implement the program.

Special and well tested relations have existed and still exist among the three countries as far as security measures involving conventional weapons are concerned. Joint strategic plans are being worked out among them, and are based on the assumption that atomic weapons may play a vital role in the early phases of a possible war. Moreover, the United Kingdom will soon have atomic weapons of its own. (see page 35<sup>7</sup>) It does not appear logical, therefore, to exclude atomic weapons production from the close collaboration among the three countries.

This point of view is given support by developments relating to regional collective security arrangements. Many nations are turning to such arrangements due to the failure to achieve security on a universal basis through the United Nations. The Rio Treaty is an inter-American regional defense pact adapted to the United Nations Charter. The Marshall Plan, designed to establish the firm economic basis necessary for collective security, is regional in character. The most recent regional approach is the proposed North Atlantic Security Pact.

The United States, United Kingdom, and Canada would occupy the principal roles in the North Atlantic Security Pact, at least during the first year or two. There will be even closer association among them as they work with other members of the Pact to increase their collective strength. Military representatives of the United States and Canada now are participating on a non-member basis in the military planning of the Brussels Treaty countries, all of whom will be members of the North Atlantic Pact.

The United States view is that a North Atlantic collective defense organization would strengthen the military position of the United States, that the British Islands are important to our security and that the United States should support such a North Atlantic organization

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<sup>6</sup> For the text of the Ogdensburg Declaration, August 18, 1940, issued jointly by President Roosevelt and Prime Minister Mackenzie King, see the Department of State *Bulletin*, August 24, 1940, p. 154. For information on wartime cooperation between the two nations, see Stanley W. Dziuban, *Military Relations Between the United States and Canada, 1939-1945*, in the official Army history *United States Army in World War II: Special Studies* (Washington: Government Printing Office, 1959).

<sup>7</sup> Section E, Item 4, p. 451.

to the maximum extent short of serious impairment of our ability to defend ourselves. United States Air Force units are operating from bases in Great Britain.

It is contemplated that a proposed United States military assistance program may include finished armaments, munitions and implements of war; and technical assistance and information to, and training of, armed forces of countries cooperating with the United States. The production and exchange of military products, equipment and technological information is envisaged as among military commitments under the North Atlantic Security Pact.

The situation outlined in the foregoing paragraphs should be kept in mind in considering the problem of cooperation in the field of atomic energy. If collective security arrangements are to be pursued energetically by the United States, United Kingdom and Canada among themselves and in association with other countries, it would not seem in keeping with a liberal interpretation of the spirit of confidence and good faith for the United States to refuse full collaboration with the United Kingdom and Canada on atomic weapons.

Serious questions do arise as to relations with other members of the Pact, particularly France. If it becomes known that the United States and United Kingdom are collaborating in the production of atomic weapons, will not France press for inclusion in the partnership?

A proposed draft multilateral mutual aid agreement among parties to the North Atlantic Security Pact provides that each contracting government will transfer to the other contracting governments such articles, information or other military assistance as it may authorize and upon such terms and conditions as may be agreed upon by the contracting governments concerned. There are no provisions in the Pact which would give France or any other country the right to request participation with the United States in atomic or any other weapons. Collaboration among the United States, United Kingdom and Canada on atomic weapons, if it is to exist, would be based on grounds other than the terms of the Pact. Such collaboration would add to the collective security of the Pact members through the increased power of the United States, the United Kingdom and Canada; but it would not create claims by any other country for possession of atomic weapons.

## E

### SPECIFIC FACTORS INVOLVED IN CONSIDERING FUTURE RELATIONSHIPS WITH THE UNITED KINGDOM AND CANADA

In determining upon a course of action regarding the special relationship among the United States, United Kingdom, and Canada in the field of atomic energy which will provide maximum security for

the United States the following considerations must be taken into account:

1. *The Nature of the Weapon.*

The atomic bomb should neither be considered an absolute weapon which can win wars by itself nor "just another weapon" which should be treated as all others. The importance of the atomic bomb can best be evaluated in the light of the predominant position it has been given in the strategic war plans of this Government and the United Kingdom Government as well. The common war plans are built around the concept that atomic bombs will form the central core of our offensive capabilities in the case of the outbreak of war. It is considered that the bomb will provide immediate means of counter attack and retaliation; it will provide our only offensive in the early months of conflict; and it will accomplish in a short space of time what conventional weapons could accomplish only over a much longer period. Moreover, the initial paralyzing impact of atomic bombs will, at minimum, furnish the time required to mount an offensive combined with more conventional means of warfare. It is in this sense that the atomic bomb, while neither absolute nor ordinary, must be considered a unique weapon. This evaluation of the nature of the bomb is reinforced by the fact that as of the present the United States alone possesses them. Once the Soviet Union has atomic bombs a critical reexamination of our war plans will probably be required.

2. *Raw Materials Supply Position.*

The principal current source of uranium is the Belgian Congo. (In 1948 more than 90 percent of United States supplies came from the Congo.) The principal future source of uranium appears to be South Africa. In both instances our efforts are joined with the United Kingdom. Belgian ores are made available to the two countries under a tri-partite agreement with Belgium. Such arrangements as may be made with South Africa for uranium will be made under the aegis of the Combined Development Agency on which the United States, the United Kingdom, and Canada are represented. The cooperative arrangements instituted during the war for the procurement of raw materials give the United Kingdom and Canada a unique relationship to the United States in the atomic energy field. Termination of these arrangements might very well have the most serious consequences in terms of jeopardizing the availability of raw materials presently received from the Congo and potentially to be received from South Africa.

Present allocation arrangements entered into in the *modus vivendi* of January 7, 1948 run through calendar year 1949. By its terms the United States is presently receiving the total current output of the Belgian Congo with the right to draw down stocks in the United



Kingdom should Belgian supplies prove insufficient for current United States programs. During 1949 the United States will probably have to draw down United Kingdom stocks by an amount from 600 to 1,000 tons. The supply position for 1950 and 1951 will also be tight. It may be necessary for the United States to seek to supplement Belgian production for those years from other sources if presently planned programs are to be maintained. The most likely additional source is United Kingdom stocks.

The raw material supplies foreseeable through 1951 will be sufficient for the programs of the two countries only if neither country expands its present program in such a way as to increase raw material needs and only if the United States continues to have call upon United Kingdom stocks in excess of the requirements of the present United Kingdom program. Processes whereby partially depleted feed materials can be recycled and used again is expected to be in use in the United States program by 1952. After these processes are realized, raw materials available to the two countries through 1955 (and probably beyond) will satisfy the presently planned programs and allow expansion.

### *3. Relation of United States-United Kingdom Cooperation to the Rate of Soviet Progress.*

In general, the more widely-spread information becomes, the greater is the danger of breaches in security. It has, therefore, been argued that exchange of information with the United Kingdom would increase the danger that vital information would become more readily available to the Soviet Union. At best, it is difficult to evaluate the strength of this argument. The British already possess a great deal of information as to the production methods and weapon fabrication which would be of potential value to the Soviet Union. Hence, it is not possible to keep "restricted data" wholly within the United States. Furthermore, information is being developed in this field by the United Kingdom under their announced program for the production of plutonium and weapons.

While it is not felt that security of information is an affirmative reason for extending areas of cooperation with the United Kingdom neither is it an important argument against such cooperation. For example, through such cooperation the United States would be in a better position to bring about control of information possessed by or given to the United Kingdom. The greatest threat to proper control of "restricted data" is breach of security, not through deliberate action of personnel, but through inadvertence or differences of policies and practice. United States experience with the United Kingdom and Canada with respect to coordination of declassification policies and practices to be applied to information shared during the wartime

period has definitely established that such cooperation will result in a considerable increase in the security of information which is jointly held by the three governments. Through cooperation of the kind proposed it should be possible to bring about tighter controls over fields other than security of information which will contribute to over-all security of the atomic energy programs of the three countries.

4. *Effect of United States Cooperation on the Rate of Progress of the Present United Kingdom Program.*

It is considered that the principal effects of United States assistance would be to increase the reliability of the production of fissionable material and bring about greater economy in the use of raw materials and effort. Lacking full United States information the United Kingdom might run into snags which would cause some delay but which are not considered to be more than temporary, although expensive, obstacles.

5. *Belief as to the Reasons for the United Kingdom Program.*

The production of plutonium on a sufficient scale to produce considerable numbers of atomic weapons is expensive. Only fragmentary data are presently available to this Government concerning United Kingdom expenditures on atomic energy research and development. In May 1946 the British Government stated that an expenditure on the order of £30,000,000 could then be foreseen. It is not unlikely that a current figure would be larger. It might be assumed that a nation would seek to avoid so large an outlay when its economy is so weak that it must be bolstered by American dollars.

Countervailing this line of argument are the following factors:

a. It is natural to expect a sovereign nation, anxious to bolster its position in the world, which possesses the necessary knowledge and know-how, to go ahead with the production of a weapon which will greatly enhance its national prestige and security and which, in terms of value received, is in all probability one of the most economical forms of military armament.

b. While the British are less optimistic now than heretofore concerning the realization of power from atomic energy, they still entertain hope that atomic power may one day play an important role in the national economy. Against the day that atomic power is feasible it is important for a nation to build up a program for the production of fissionable material and for reactor development.

c. The history of United States-United Kingdom relations in the field of atomic energy has been subject to considerable fluctuation and uncertainty. Past collaboration does not provide the United Kingdom with any reason to assume any consistency of United States attitude.

For at least these reasons, the United Kingdom is proceeding with its own program of plutonium and weapons production and intends to continue with it.

6. *United States Objections to the Existence of a United Kingdom Program for Plutonium and Weapons Production.*

At the present time, only the United States possesses operating production plants and weapons. Ideally the United States would like to retain its present position in the field of atomic weapons. This seems no longer possible. While it might be possible for the United States to exert such extreme pressure on those nations friendly to our cause as would bring about a cessation of programs for weapons production, such a line of action would create such resentment as to alienate all of our friends. Even if this were done, there is no pressure that could be brought to bear on the Soviet Union sufficient to cause her to stop her program for the production of atomic energy and atomic weapons. When the USSR succeeds in making atomic weapons the unique position of the United States will be lost and the United States advantage will be reduced to the numerical and qualitative superiority of its weapons and those of its friends.

Apart from the United States desire to retain its present position, there are other objections that can be lodged against a United Kingdom program for plutonium and weapons production.

a. In the event of war United Kingdom installations would be more vulnerable to destruction than installations situated in the Western Hemisphere. If United Kingdom installations were destroyed there would be some loss in the over-all productive capacity in terms of our common defense. The presently planned United Kingdom program however, is not of such magnitude that its destruction in time of war would have an important effect on the total output of weapons. The possibility of the seizure of installations intact is considered remote.

b. In terms of joint raw materials supply it is thought that the United States can make a somewhat more efficient conversion of  $U_3O_8$  to weapons than would be the case in United Kingdom plants. Again this point loses some of its force when one considers that the presently projected United Kingdom program is not large relative to the United States program.

c. It is argued that United Kingdom efforts to produce atomic weapons is an inefficient diversion of United Kingdom technical and economic resources. If there were, or had been, an all-out joint United States-United Kingdom effort, this would probably be a sound argument. In terms of an all-out joint effort in this field and considering the present capabilities of the two countries, it might be more efficient for the United States, on the one hand, to undertake full responsibility for the production of all atomic weapons necessary for the joint atomic defense of the British Empire, the United States and its allies; and for the United Kingdom, on the other hand, to concentrate more of its energies on the general rehabilitation of its economy and on defensive strength, such as aircraft to protect United Kingdom bases. However, from the United Kingdom point of view and in the absence of such an all-out joint effort, common prudence has required a building up of military strength on a broader basis and, in terms of general military outlay, it may well be that expenditures for atomic weapons represent an economical use of funds and resources. In working out

future arrangements both of these points of view should be taken into account.

7. *Technical Benefits Accruing to the United States from the United Kingdom Effort.*

It can hardly be doubted that the United States program in atomic energy would be benefited in some degree by full, immediate knowledge of technical discoveries and ideas originating in the United Kingdom. The nature and importance of future United Kingdom technical contributions cannot be estimated quantitatively, but it is known that they have very able scientists engaged in their program—men who made important contributions to our common effort during the war.

Specifically in the field of atomic weapons, there is fragmentary information that United Kingdom scientists since the war have been studying the base surge phenomenon (an important effect in underwater explosions, which was first recognized in the Bikini Baker shot<sup>8</sup> and may have found how this effect varies with depth of the body of water. It is known that they are looking into the possibilities of thermonuclear reactions. With extensive knowledge of how our first atomic weapons were fabricated (from their participation in the development of these weapons at Los Alamos) and with several years to think up new ideas, there is a possibility that they may have conceived improvements in weapon design different from those we have developed and tested.

On the other hand, it has to be recognized that in applied research, process development, and the industrial technology of atomic energy the United States is farther advanced than the United Kingdom, and will presumably remain in the lead. Accordingly, in a fully cooperative effort the United States will presumably contribute a greater proportion of technical know-how than the United Kingdom. In the field of discoveries and new ideas the relative contributions cannot be readily estimated in advance. British research has been remarkably productive in the past, in nuclear science as well as other sciences, and it may be presumed that findings of potential value to the United States program will continue to be made in the United Kingdom. It is, of course, impossible to predict the nature of such discoveries and ideas, or when they will occur. In any case, as compared with the immediate usefulness of United States know-how to the United Kingdom program, the technical benefits which will accrue to the United States will be realized only over a relatively long period.

[Here follows Section E, Item 8, "Experience Under Technical Cooperation Program."]

9. *Objectives of the United States in Regard to Atomic Weapons.*

The foregoing considerations find their proper perspective only if read in the light of United States objectives in the field of atomic

<sup>8</sup> Reference is to the second atomic bomb test at Bikini Atoll, July 25, 1946.

weapons. These objectives, in turn, follow from United States policy with regard to the Soviet Union which has been established on some detail in the National Security Council document (NSC 20/4<sup>9</sup>).

Within the context of United States policy vis-à-vis the Soviet Union the following are considered United States objectives in the field of atomic weapons.

*a.* To obstruct Soviet progress as much as possible both as to the time of securing the first bomb and the subsequent rate of production.

*b.* To strengthen the position of the United States as much as possible vis-à-vis the Soviet position.

*c.* To reduce vulnerability of production capacity and stockpiles to destruction by Soviet action.

*d.* To improve the means of delivering atomic bombs against Soviet targets in the event of war.

*e.* To have our policy in this field consistent with our general foreign policy both as it relates to our allies and to the Soviet Union.

As to (*a*) above, one of the important means of delaying Soviet progress is to prevent export to the Soviet Union and its satellites of equipment useful in atomic energy. Efforts are already concerted among the United States, United Kingdom, and Canada on such a program. In addition the United States has been pressing with some success for the establishment of parallel export control policies in other Western European countries.

As to (*b*) above, the most important factor to be taken into account is perhaps raw materials for which the United States is heavily dependent on foreign sources. To the extent that appropriate arrangements with the United Kingdom will improve our raw materials supply position, objective (*b*) will have been advanced. To the extent that the arrangements will make available to the United States program technical discoveries and new technical ideas originating in the United Kingdom (see page 39<sup>10</sup>), objective (*b*) will also have been advanced.

The location of installations in the United Kingdom does not advance objective (*c*). The percentage of United Kingdom effort to the total United States-United Kingdom effort, however, will of course make an important difference in the seriousness of vulnerability to destruction. If in connection with joint strategic planning, rights to United Kingdom bases from which atomic bombs can be delivered are secured, objective (*d*) would be advanced.

As to (*e*) above, our general foreign policy is to strengthen those countries friendly to our cause as a counterpoise against Soviet aggres-

<sup>9</sup> A report to the President by the National Security Council, titled "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security," November 23, 1948 for text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 662.

<sup>10</sup> Section E, Item 7, p. 453.

siveness. A program of cooperation with the United Kingdom on weapons production would appear to be consistent with that policy as exemplified by the North Atlantic Security Pact and the joint strategic planning that is being conducted between the military representatives of the two countries.

## F

ALTERNATIVE COURSES OF ACTION WITH RESPECT TO THE UNITED KINGDOM  
AND CANADA

There are three main alternative lines of action that must be examined:

1. *Continuing Present Arrangements Under the Modus Vivendi.*
2. *Attempting to Stop the United Kingdom Program by United States Pressure.*
3. *Expanding Interchange to Include all Fields of Atomic Energy Including Weapons.*

The *first* alternative has certain superficial attractions. It may be argued that present arrangements, although not ideal, are at least in being and have thus far assured us of adequate supplies of raw materials to feed our production program. The difficulties, however, of continuing along the present lines are many.

a. Administrative delays and inconsistencies of interpretation of the areas in the present program of technical cooperation have presumably suggested to the United Kingdom that the United States and the United Kingdom hold somewhat different understandings of the intent of the *modus vivendi*. The *modus vivendi* provides for the addition of other areas from time to time by agreement within the Combined Policy Committee. Several proposals for such additional areas (plutonium metallurgy and fabrication, diffusion plants, reactor programs, etc.) are now pending before the Sub-Group of Scientific Advisers. If these are denied or further delayed, the United Kingdom may well ask for reconsideration of the whole question. At best, continuation of the present arrangements (without adding areas as requested) will hardly be of advantage to the United States in the negotiations which should occur soon for allocations of raw materials needed by the United States after 1949.

b. The present arrangements, by excluding exchange of information useful in the production of plutonium and atomic weapons, provide no means whereby the most efficient use of joint resources and effort can be brought about. Under the present arrangements the United Kingdom is going ahead on its own to produce both plutonium and weapons with resultant inefficiency and uneconomical use of materials and resources. Such inefficiency as springs from lack of knowledge could be mitigated by all-out cooperation.

The present arrangements under the *modus vivendi* represent a kind of dead center from which the United States must move in one direction or another. It does not seem feasible or desirable to continue the present arrangements indefinitely without change.

A *second* alternative is to bring to bear all possible pressure in an attempt to force the United Kingdom to stop its program. It must seriously be doubted whether any pressure, however severe, would be successful. For example, if faced with the alternative of giving up its program or losing United States assistance under ERP, the United Kingdom would probably consider it necessary to forego ERP aid. Such an approach would be contrary to the fundamental spirit of ERP and could only mean a collapse of the European Recovery Program and a resultant victory for the Communist forces.

Moreover, such an approach would run counter to the pattern of United States-United Kingdom relationships which are already established and are being constantly strengthened in other military fields (see sec. D). The growth of these relationships have resulted in the establishment of common war plans. The United Kingdom and the United States (together with Canada) will be at the core of any military arrangements that follow upon the North Atlantic Security Pact. This pattern which the United States has striven to establish in the interests of the common defense and security would be gravely jeopardized by attempting to halt the presently laid down United Kingdom program.

It can hardly be doubted but that any British Government which sought to accede to United States pressure to halt the present United Kingdom atomic energy program would be forced out of office with resultant jeopardy to the building-up of the collective strength, both economic and military, of the North Atlantic Community.

The *third* alternative appears to be the soundest. The United Kingdom will have plutonium and atomic weapons with or without our help. Moreover, without our help the United Kingdom will retain complete freedom of action and may indeed become a serious competitor with us for scarce raw materials. Her influence with the Belgians and the South Africans in such a contingency must not be under-rated. Full and effective collaboration with the United Kingdom in all fields of atomic energy, including weapons, would provide the opportunity for the United States to secure certain safeguards and an economical distribution of effort in the common security. This alternative would be consistent with the main lines of our foreign policy both as relates to our posture toward the Soviet Union and toward our allies.

If full and effective cooperation with the United Kingdom and Canada in all fields of atomic energy, including weapons, is decided upon, the necessary arrangements between the United States, the United Kingdom and Canada should be for a long, rather than a short, period of time. One of the advantages to the United Kingdom and Canada of such an arrangement is the immediate technical assistance and information that they would receive. During the initial period the

United Kingdom and Canada probably would derive from the standpoint of information and technical assistance greater benefit from such exchange than would the United States. The United States probably would gain greater initial advantage in the field of allocation of ore. Advantages to be derived from cooperation in regard to strategic location of facilities and critical materials and in regard to bases and delivery of atomic weapons are long-time as well as short-time. Moreover, the need for cooperation with respect to bases necessary for delivery of atomic weapons may increase when the Soviet Union has a supply of atomic weapons. A long-time arrangement would permit the three countries to participate in full cooperation more effectively and with greater assurance. It is suggested, therefore, that the term of these arrangements should be of the order of twenty years.

Consideration has been given to the question whether the arrangements that may be arrived at should include Canada. For a number of reasons, some of which are evident in Part III below, it is felt that the arrangements should be tri-partite.

## G

### A JOINT PROGRAM OF ACTION (UNITED STATES, UNITED KINGDOM, AND CANADA) WITH REGARD TO OTHER COUNTRIES

If alternative 3 is adopted with respect to the United Kingdom and Canada there remains the problem of what policy should be adopted by the three governments with respect to other countries. In negotiating with the United Kingdom and Canada it is quite certain that the United Kingdom will raise the question of relationships with other members of the British Commonwealth. The problem of information exchange with New Zealand has already arisen. The *modus vivendi* provides that information concerning the Harwell GLEEP<sup>11</sup> will be made available to New Zealand scientists. The United Kingdom has indicated a willingness to accede to the request of Norway for a small quantity of uranium oxide for use in building a small research reactor. As a result of our objections to the proposal the British have not given the Norwegians a favorable reply.

Countries from which the United States and the United Kingdom obtain uranium (notably Belgium), and hope to obtain uranium (notably South Africa and eventually Sweden), will not long be content to be without modest research programs of their own.

The French have already in operation a small uranium oxide heavy water research reactor, the first to be built outside the CPC countries. Other countries will doubtless in due course have such research reactors of their own. A common line of action must be agreed upon by the CPC countries which will take into account these realities.

<sup>11</sup> An experimental reactor at Britain's atomic energy laboratories, Harwell, England.



It is evident that a line of policy with respect to other countries will necessarily be essentially a rear guard action. There is little likelihood that the CPC countries would be either willing or able to stop the aspirations of the other countries to explore the research and experimental possibilities of atomic energy, nor in the long run, to preclude other countries from activity leading toward power production.

Nevertheless it is difficult to see how the three countries could take any initiative in providing assistance to other countries which would make any real contribution to the development of atomic energy programs for the production of fissionable materials.

In terms of good will and the orientation of the scientific community of Western Europe to the United States, United Kingdom, and Canada, it would be desirable to make certain general scientific assistance available to other nations when such assistance does not advance in any significant way the production of atomic energy in other countries. The limits beyond which such assistance should not go should be clearly understood and agreed among the three countries.

### III. CONCLUSION

The United States should enter into negotiations with the United Kingdom and Canada with a view to achieving substantially the results set forth below.

Taking into account that (a) the United States desires to secure an arrangement that is mutually advantageous, and (b) the United States has not discussed such an arrangement with the United Kingdom and Canada and cannot, therefore, at this time appraise their reactions, the following outcome of negotiation would offer the greatest assurance of serving the common defense and security from the United States point of view.

#### A

##### WITH RESPECT TO THE UNITED KINGDOM AND CANADA

1. To establish full cooperation among the three parties in all fields of atomic energy including atomic weapons. Information and assistance shall be made available among the three countries for programs established in accordance with the general principles agreed in 2 below. Such information and assistance shall be made available by the recipient country only to such persons and agencies having specific need therefor.

2. To establish freedom of action among the parties with regard to their respective atomic energy programs consistent with the following general principles to which the parties should agree.

a. Production and storage facilities should be located with due regard for strategic considerations. Specifically:

(1) To the fullest extent practicable fissionable material, production plants, large-scale atomic energy developments and sup-

plies of strategic material should be located either in the United States or in Canada.

(2) All portions of any expanded production program should be located either in the United States or in Canada and present plans for such work in the United Kingdom should be modified to include only that portion for which appreciable commitments in the line of construction have been made.

(3) To the fullest extent practicable production facilities for fabrication of atomic weapons should be located in Canada or in the United States not only to provide for better strategic location but also to supplement United States facilities in case of emergency.

(4) Nuclear components of atomic weapons should be stored in the United Kingdom only to the extent required by common war plans. All other nuclear components normally should be stored in the United States or in Canada.

b. The programs of the parties should be coordinated in such a way as to make the most effective use of joint resources, specifically raw materials and effort:

(1) It is recognized that the United States will make the major effort of production of atomic weapons as required for joint defense.

(2) For the next five years it is expected that the United Kingdom-Canadian effort should be on such a scale as not to require more than 10 percent of the raw material available, and allocation of raw material will be made accordingly.

(3) Planning of programs of research, development, and production should be such as to make the most effective use of joint resources of technical personnel and facilities.

c. Establish effective coordination with respect to the disclosure to other governments, including the other dominions, in accord with the policy enunciated under B below.

3. To provide for the establishment of effective cooperation among the three parties with respect to all defense measures against the effects of attack from atomic weapons.

4. To provide for continuation of the Combined Policy Committee with its present ratio of membership from the United States, the United Kingdom and Canada, to carry out and supervise (a) these arrangements and (b) the work of the CDA which will be continued, it being recognized that modification of the principles enunciated in paragraphs 1 and 2 shall require the unanimous consent of the three countries.

5. To establish cooperation among the three parties with respect to bases necessary for delivery of atomic weapons. Bases should be established with due regard for strategic considerations. The three parties should cooperate in acquiring necessary base rights. For bases required in United Kingdom by common war plans, the necessary advance preparations should be made at these bases including the construction

of special buildings and installation of special equipment, and the practice and training of the necessary military combat teams should be permitted. The three parties should cooperate in the training of the special military units required for the delivery of atomic weapons. (Item 5 should be supervised by the military and not the Combined Policy Committee. If made a subject of separate negotiations, such negotiations should be coordinated with 1, 2 and 3 above.)

6. To provide for an arrangement which will continue effective over a relatively long period of time.

It is suggested that the term of these arrangements should be of the order of twenty years, with provision for withdrawal thereafter upon appropriate notification. Provisions for the allocation of raw materials (2b(2) above) should be subject for reconsideration at the end of 5 years.

## B

### WITH RESPECT TO UNITED STATES-UNITED KINGDOM-CANADIAN RELATIONSHIPS WITH FRIENDLY NON-CPC COUNTRIES

1. To welcome and facilitate study by scientists of such nations so that they might work in universities and unclassified scientific laboratories in three countries.

2. To encourage interest in, and assist in connection with, the development of accelerator projects and other activities in nuclear science not related to atomic energy programs for making fissionable materials or weapons.

3. To establish that the foregoing would be the extent of assistance given to other nations in general. Beyond this the three nations should agree to the principle that they are opposed to the development of atomic energy at this time outside the three nations, with due consideration being given to the following:

Special problems may arise with respect to certain countries, particularly those from which the CPC countries hope to obtain raw materials. The three countries should agree to deal and act jointly with special cases on their merits with the objective that assistance rendered should be kept to a minimum consistent with general foreign policy objectives, particularly raw materials desiderata.

The question of the extent and content of assistance that may safely be given to other countries must be re-examined from time to time to determine whether the march of events may not make feasible some expansion of the areas of assistance such as, for example, making available certain standard designs for small research reactors of the French heavy water type. A basic question is whether assistance should be rendered of a modest sort to other countries at such time as will reap good-will without making any significant contribution to the production of atomic energy in any other country. If it can be shown

that a given type of assistance does not advance in any significant way the production of atomic energy in any country, then it would appear to be a real advantage to our cause to make such assistance available. It also should be recognized that partial assistance, while gaining good-will initially, may react more unfavorably than a clearly enunciated policy of minimum assistance.

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Department of State Atomic Energy Files

*Memorandum for the File, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] March 17, 1949.

Dr. Oppenheimer came in at 10 o'clock on Thursday, March 17, to familiarize himself with the U.S.-U.K.-Canadian Policy Study<sup>1</sup> in its final form. Joe Volpe was present for part of the morning. While Oppie did not disagree with the main conclusions of the Study he expressed some concern about what he felt was the general tone of the paper; namely it seemed to stress too much the "quids" we would demand for the "quos" we would get from the British. He urged that the "style" of negotiations should be altered in such a way as to make the point initially to the British that we wish to consider them full partners with us in this enterprise, that each should have full freedom of action, and that once these two points were made and the tone of the negotiations thereby established, we should suggest to the British that there were certain arrangements and allocations of effort which would appear sensible among full fledged partners. These arrangements and allocations of effort would be along the lines of the negotiating objectives set forth in the Study. Joe, Oppie and I agreed that the question of "style" was very important and that the State negotiators should have this point very much in mind. It seemed to us that the question of just in what way negotiations should be approached was of course one for the State Department to decide.

Oppie indicated that he planned to discuss with the Secretary not only the question of the tri-partite arrangements but also the question of our policy toward the UNAEC negotiations. He planned to bring to the Secretary's attention the sum of the views of the Board of Consultants' meeting held in New York on March 8.<sup>2</sup> He said he would not dwell upon the intra-departmental difficulties which he had learned about from Mr. Osborn but would leave that phase of the problem for Mr. Osborn to handle when he saw the Secretary later.

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<sup>1</sup> *Supra.*

<sup>2</sup> The March 8 meeting is described in memoranda of conversation, dated March 10, by Frederick Osborn, Deputy United States Representative to the United Nations Atomic Energy Commission; for texts, see pp. 39 and 41.

After his 12:30 luncheon with the Secretary, Oppie stopped by the office briefly to tell me about it. He was very pleased with the reactions of the Secretary which were briefly these :

1. As to the tri-partite negotiations the Secretary indicated that he of course had had very much in mind the question of style and that he thought Oppie's approach had much merit. When Oppie remarked that these negotiations would be difficult to do, the Secretary was reported to have said "I will handle them."

2. UNAEC negotiations

a. The Secretary expressed no sympathy with the line that the U.S. should attempt to do positive constructive work in the UNAEC. He had felt from early 1947 that there was little that could be done by the United States to bring about international control in view of the adamant position taken by the USSR.

b. He seemed rather surprised to learn of our commitment by virtue of our support for the G.A. resolution to participate in consultations with the sponsoring powers to see whether a basis for agreement existed.<sup>3</sup> Oppie suggested that the consultations, strictly limited to the question of atomic energy, might be the occasion for a declaration by the United States alone or, if possible, in company with the U.K. and Canada, that the impasse was so deep and so persistent that while the United States would be willing to continue negotiations in favorable circumstances, such circumstances did not at present exist and therefore nothing further could be done in the absence of Soviet cooperation. In characterizing favorable circumstances, Oppie would dwell on the prerequisites of a measure of openness and willingness to cooperate on the part of the Soviet Union.

Oppie and I agreed that the developing situation had three very much interlinked aspects:

1. The tri-partite arrangements, the acknowledgment of which might then lead to

2. A U.S.-U.K.-Canadian statement of the nature of the impasse in the UNAEC negotiations, which in turn would dwell upon

3. The need for a measure of openness and cooperation on the part of the Soviet Union which could be a means of stressing the point of view that has so long been urged by Niels Bohr.<sup>4</sup>

<sup>3</sup> Reference is to General Assembly Resolution 191(III), November 4, 1948, which is described in footnote 7, p. 8.

<sup>4</sup> Danish theoretical physicist and pioneer in nuclear physics; adviser, Manhattan Engineer District, 1943-1945. Dr. Bohr's proposal for "openness" and the reaction of the Department of State to it are described in a memorandum to the Secretary of State, August 20, 1948, on regulation of armaments in *Foreign Relations*, 1948, vol. 1, Part 1, p. 388.

811.2423/4-849 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, April 8, 1949—7 p. m.

1454. During my four and a half years here no question has been put to me so often by people in all walks of life as "in case of war with USSR will you use atomic bomb." President's statement<sup>1</sup> making it unquestionably clear that we will have had enormously heartening effect.

CAFFERY

<sup>1</sup> In the course of addressing a group of new Democratic Senators and Representatives in Washington on the evening of April 6, President Truman stated the following:

"In the history of the world there has never been a republic, a monarchy, or a totalitarian state that has met the situation as we have: we have offered to give up the greatest weapon in the history of the world for the welfare of mankind. We have offered to surrender the most powerful thing we have under our control, if the world will come in and set up a control of that weapon which will prevent its use for the destruction of mankind.

"I had to make a decision back in July 1945, and I had to make that decision on the basis of the welfare not only of this country but of our enemy country. And I made that decision because I thought 200,000 of our young men would be saved by making that decision, and some 3 or 400,000 of the enemy would be saved by making that decision.

"Now I believe that we are in a position where we will never have to make that decision again, but if it has to be made for the welfare of the United States, and the democracies of the world are at stake, I wouldn't hesitate to make it again.

"I hope and pray that that will never be necessary."

For the full text of the President's address, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1949* (Washington, Government Printing Office, 1964), p. 197.

711.329/4-1449 : Telegram

*The Ambassador in Brazil (Johnson) to the Secretary of State*

TOP SECRET

RIO DE JANEIRO, April 14, 1949—5 p. m.

278. Since Foreign Minister's<sup>1</sup> return from Paris (mytel 1124, October 15<sup>2</sup>) I mentioned several times our desire to start negotiation for a new agreement on monazite to replace the one expired July 16.<sup>3</sup> I asked Foreign Minister to resume study of matter so that steady progress, even if slow, might be made toward effecting a final agreement. Foreign Minister expressed entire willingness, reiterating impossibility under Brazilian constitution of a secret agreement. He understands and concurs in our objections to publicity. Foreign Minister assigned Ambassador Camillo de Oliveira<sup>4</sup> to study practicable

<sup>1</sup> Dr. Raul Fernandes.

<sup>2</sup> *Foreign Relations*, 1948, vol. I, Part 2, p. 755.

<sup>3</sup> Reference is to the Memorandum of Agreement between the Governments of Brazil and the United States with respect to the control of monazite sands and other carriers of thorium and thorium compounds, signed in Rio de Janeiro, July 6, 1945; for text, see *ibid.*, 1945, vol. II, pp. 20-23.

<sup>4</sup> Antonio Camillo de Oliveira, Chief of the Political and Cultural Department, Brazilian Ministry for Foreign Affairs.

ways to meet this contradictory situation; yesterday Oliveira informed me that Foreign Minister has requested of the Ministry Agriculture a list of concessionaires with full information on background, nationalities, extent of their interest, etc. Ambassador Oliveira reiterated impossible to renew secret agreement under Brazilian constitution. They are endeavoring to work out a system whereby effective and absolute controls of all fissionable materials will remain in hands of Brazilian Government, to be effected by administrative methods through National Security Council. Oliveira was positive that this system would be effective in practice; said there is not slightest intention Brazilian Government to export these materials to country or consignee not mutually satisfactory to US and Brazilian Governments. He reaffirmed previous statements by Foreign Minister that pending negotiation of new agreement obligations of old agreement which expired July 16 are considered in full force (mytel 1124, October 15). They understand that our position on prices is open to negotiation. I suggested to Ambassador Oliveira that study be pursued steadily so that conditions necessary for negotiations toward new agreement might commence soon as possible. I said that although my government was satisfied with unequivocal assurances which had been given me by Foreign Minister it seemed desirable and in best interests of both our countries that definite agreement in some acceptable form be reached soonest.

In this connection following Embassy telegrams should be consulted: 419, April 13; 659, June 14; 696, June 23; 786, July 15; 790, July 16; 1124, October 15; all foregoing 1948.<sup>5</sup> Statement of Foreign Minister reported in 419 was referred to by Oliveira.

JOHNSON

<sup>5</sup> For texts of telegrams 419, 786, and 1124, see *Foreign Relations*, 1949, vol. I, Part 2, pp. 706, 732, and 775. The other telegrams under reference are not printed.

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. David H. McKillop of the Office of the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] May 3, 1949.

Subject: Meeting with H. Freeman Matthews, U.S. Ambassador to Sweden

Participants: Ambassador H. Freeman Matthews, U.S. Ambassador to Sweden

Mr. Carroll Wright [*Wilson*], AEC General Manager

Mr. Benjamin Hulley, Chief, Division NOE

Dr. Howard Robinson, Scientific Attaché, Stockholm

Mr. R. Gordon Arneson—U

Mr. D. H. McKillop—U

Mr. Arneson opened the meeting by outlining to Ambassador Matthews the background of UK-US-Canadian cooperation in the atomic field and explaining the present status of the proposed negotiations for closer collaboration among the three countries, explaining that the chief question at the present time was one of timing and determining the type of Congressional action that might be called for in sanctioning an agreement with the British and Canadians. It was the general consensus that it would be best to clear away the Atlantic Pact and Military Aid Bill before formally confronting Congressional leaders with this atomic project.

Mr. Matthews agreed, and inquired if strong Congressional opposition was expected. Mr. Arneson replied that considerable opposition might develop. Mr. Matthews then remarked that there would probably be less opposition if the British could be persuaded to concentrate their efforts in the production of atomic weapons in Canada. He then inquired whether the British were eager to enter into negotiations and was informed by Mr. Arneson that they indeed were knocking loudly at the door. In view of this situation, Mr. Matthews remarked that it was quite apparent to him now that formulation of atomic policy with reference to non-CPC countries would have to await the outcome of negotiations with UK and Canada. Mr. Arneson assured him that his understanding was quite correct and that furthermore, in discussing our attitude towards the UK and Canada, it was generally felt by those discussing the problem that a rather stiff policy toward other countries was called for. This attitude, however, had not yet been formalized and possibly the British would eventually exert pressure toward some softening of it. Then, too, there might be variations in response to the necessity of obtaining possible advantages from a particular country. Intelligent self-interest would be the determining factor. Mr. Matthews concurred in the wisdom of these views.

Mr. Wilson thought that the nub of the problem arose from attempting to achieve a balance between a purely negative policy and that of rendering real help of a non-dangerous kind. He mentioned the field of particle research as perhaps a possibility in this connection.

Dr. Robinson expressed the view that the Swedes were not interested in the production of plutonium for military purposes, but he did think that the Swedish Military was playing with the idea of some sort of radioactive spray or dust. Mr. Wilson stated that he did not think this was a very helpful avenue and thought it might be a kindness to the Swedes to intimate this fact to them. He then mentioned the fact of the French pile and the danger of driving Swedes and other Scandinavians into the hands of the French if a purely negative policy were



followed. Mr. Matthews stated that he hoped that Randers<sup>1</sup> and other Norwegian scientists realized the danger of supplying Joliot Curie<sup>2</sup> with information which would undoubtedly be passed on promptly to the Russians. He thought, too, that the Swedes were perhaps a little too trusting of Kowarski.<sup>3</sup> In view of the close defense arrangements with the French that presumably would grow out of the Atlantic Pact, he inquired whether the French might not also demand that we cooperate with them in the atomic field. Mr. Arneson stated that if the French did raise this question, we were prepared to give them a very definite "No" and that was one reason why we did not wish to connect British negotiations with the Atlantic Pact or the Military Aid Bill.

Mr. Matthews stated he was glad to hear that, and inquired whether there was any means of putting leverage on the French to clear their atomic house. Mr. Robinson said that he had heard rumors that the French were going to force Joliot Curie out but, in that event, he presumably would go to the Soviet Union. In this connection, Mr. Arneson remarked that Joliot Curie's presence in Paris made it easier to say "No" to any French request for cooperation in the atomic field. He thought that even with Joliot Curie out of the picture in France, it still would not be safe to enter into very close atomic relationships with the French, since that whole field in France was rather badly tainted with Sovietism. Mr. Matthews asked if we were attempting to slow down the French program, to which Mr. Arneson replied that we were doing what we could, although the possibility for any direct action was rather limited. Dr. Robinson remarked that at least we should try to prevent Joliot Curie from contaminating the Scandinavians. Mr. Arneson then remarked that one of the major difficulties in determining what help we could give non-CPC countries was due to our lack of knowledge as to what the Russians do and do not have in the atomic field.

Mr. Matthews inquired whether the Russians derived very much benefit from the German scientists which they had working for them in Russia. Mr. Wilson thought they probably had not obtained a great deal since, during the war, the Germans were very backward in their achievements in the atomic field.

Mr. Arneson asked Mr. Matthews for his views as to how the Swedes should be handled—whether or not we should pursue a rather tough attitude towards them in view of their non-membership in the Atlantic Pact or whether we should try to persuade them to tie up with the

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<sup>1</sup> Prof. Gunnar Randers, Chief Scientist, Norwegian Defense Research Establishment.

<sup>2</sup> Prof. Frédéric Joliot-Curie, director of the French atomic energy development program.

<sup>3</sup> Prof. Lew Kowarski, French nuclear scientist.

Norwegians. Mr. Matthews thought this question depended upon whether or not there would be any advantages to us from helping Sweden. Then, too, there was the possibility that the Swedish chances of success were so poor that we could afford to ignore their project completely. He thought, on the whole, they were not making terribly swift progress. He did think, however, that the Swedes were fairly good security risks and that they certainly would not knowingly help the Russians, and that any information that did seep through to the Soviet Union from the Swedes would result from their naïveté rather than any conscious desire to assist the Russians.

Dr. Robinson said that the Swedes, within five years, might possibly have extracted sufficient uranium oxide for a small experimental heavy water pile, provided they could get the heavy water from the Norwegians. He thought the Norwegians might do the same in three years. The Swedes would probably resort to graphite if they could not get heavy water and were, in fact, now experimenting with the purification of graphite. There, of course, existed the danger of results of their experiments reaching the Soviet Union, perhaps via France. He added that it was his understanding that the Norwegians had definitely gone to the French in connection with the extraction of five tons of uranium oxide. Mr. Wilson remarked that this was the danger of a too negative American policy vis-à-vis non-CPC countries.

Mr. Arneson asked Mr. Matthews whether there was any great Swedish pressure for American assistance in the atomic field. Mr. Matthews stated that he had sensed no particular pressure and that the Swedes were still busy absorbing some of the non-classified aid we had made available to them. Dr. Robinson, however, added that since Mr. Matthews had left Sweden, the Swedes had informally requested assistance in connection with the purification of uranium ore. Mr. Matthews thought, however, that any dealing with this request could be dragged out for some period of time.

Dr. Robinson asked Mr. Matthews if he would object to a joint Scandinavian atomic project, to which the Ambassador replied that he thought there were no special objections, provided the pile was located in Norway. Dr. Robinson stated that presumably the Norwegian pile would be located within the precincts of the Norwegian Military Base at Keller, about 20 miles north of Oslo. He thought perhaps the Norwegians might object to allowing the Swedes into this base, since Sweden was not a signatory of the Atlantic Pact. Mr. Matthews commented that he thought, on the whole, Soviet agents were more active in Norway than they were in Sweden.

Mr. Wilson asked Dr. Robinson how much real interest there was in atomic energy in Sweden and was told that interest was quite pro-

nounced, even among the general public. He thought with the Swedes the question was a matter of prestige and keeping up with the Jones'. He said that the personal pressure behind the program exerted by Professors Swedberg and Sigbahn was also of significance in the development of the Swedish program. On the other hand, the personal jealousy existing between the two men was a factor in slowing down the program.

Dr. Robinson then brought up the point that the Swedes in future would probably switch from obtaining their isotopes in the United States to the UK. This was partly due to the much more lax British distribution requirements, but even more so to the cheaper shipping costs due to the proximity of the UK. Mr. Matthews remarked that the British were always inclined to be rather soft towards the Swedes as a method of enhancing their prestige. Mr. Arneson said that it perhaps would be well to raise the question with the British concerning their distribution standards, but not take up the matter with the Swedes.

Mr. Matthews remarked that the British Minister had been very cooperative in making joint approaches to the Swedes in atomic energy matters and that Mr. Matthews was keeping him informed of atomic developments from the American point of view. It was agreed that this collaboration should continue and the British kept informed both in Washington and in Stockholm.

With reference to the question of intelligence coordination, Mr. Matthews said that his Attachés in Stockholm were very cooperative in working their problems out through Howard Robinson. In Norway, he thought it would be a good idea not to continue the practice of having the Naval Attaché carry the main burden of reporting on atomic energy matters, and that First Secretary of Embassy Parsons would be a good man to help Villard<sup>4</sup> with the political aspects of the situation. He thought Dr. Robinson would be able to furnish the necessary technical assistance.

Mr. Wilson inquired if there was any atomic energy activity in Denmark, to which Dr. Robinson replied that there was very little going on in this field there, largely due to the influence of Neils Bohr.

Dr. Robinson inquired to what extent we might help the Swedes in the field of protection against atomic warfare. Mr. Wilson thought aid in this field was quite legitimate and stated that a non-classified handbook on atomic weapon effects put out by AEC would be appearing soon.<sup>5</sup> An abridged and more readable volume was also planned.

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<sup>4</sup> Henry S. Villard, Counselor of the Embassy in Norway.

<sup>5</sup> In 1950, the United States Atomic Energy Commission released the publication *Effects of Atomic Weapons* (Washington: Government Printing Office, 1950).

These two publications had the approval of the Military Establishment, and Mr. Wilson did not think that any arguments against their publication from a security point of view would prevail. Hence, this handbook could be made available to Sweden. Dr. Robinson said such a handbook would be very welcome in Sweden, and that upon his return he would intimate to the Swedes that there was a possibility of their receiving a handbook of this type. Dr. Robinson was also informed that the Hopley Report<sup>6</sup> on Civilian Defense contained a chapter on atomic warfare which would be of interest. Copies of this report will be made available to Dr. Robinson.

The meeting closed with assurances from Mr. Matthews that he would not object to Dr. Robinson making a tour of European capitals to assist our missions there in implementing export control programs in the atomic field.

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<sup>6</sup> Reference is to the publication *Civil Defense for National Security*, issued by the Office of Civil Defense Planning, Russell J. Hopley, Director (Washington: Government Printing Office, 1948).

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Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] June 2, 1949.

Subject: Tripartite Talks with the United Kingdom and Canada

In response to the Secretary's request I sent in to him on May 17 a series of recommendations as to timing and procedure to be applied to the conduct of negotiations with the United Kingdom and Canada on atomic energy matters.<sup>1</sup> A copy of this paper, which had the concurrence of Mr. Kennan, Mr. Rusk<sup>2</sup> and Mr. Gross<sup>3</sup> and which had taken into account the views of the Defense Establishment and the AEC, was sent you at the same time. (Copy attached as Tab A)

As the paper points out there is some need to move as quickly as possible on this problem. It is recognized, however, that certain other matters have chronological priority, as for example Congressional action on the Security Pact and consideration of MAP.

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<sup>1</sup> Arneson's memorandum to the Secretary, May 17, is not printed.

<sup>2</sup> Dean Rusk, Deputy Under Secretary of State.

<sup>3</sup> Ernest A. Gross, Assistant Secretary of State for Congressional Relations.

The current investigation by the Joint Atomic Energy Committee of the AEC<sup>4</sup> seems to me to place a complete roadblock in the way of moving ahead with the suggested program of action at this time. Moreover, it is impossible to predict now how long the investigation may go on and indeed how much longer it would take the Committee to cool off.

Our British colleagues who have been following the Congressional investigation with lively interest appreciate fully that this development necessarily means delay. Sir John Cockroft<sup>5</sup> came to see me this morning at his request to talk in general terms about the time that conversations might begin. He considered it quite unlikely that anything could be gotten under way until late this summer or early fall. In the past the British seem not to have fully appreciated the necessity on and indeed how much longer it would take the Committee to cool off before we were in any position to enter into negotiations with them and the Canadians. The current fracas on the Hill seems to have convinced them of the necessity of appropriate Congressional clearance on our side before talks can take place.

Unless you perceive objection, therefore, I recommend that the program outlined in my paper of May 17 be held in abeyance at least until the return of the Secretary from Paris<sup>6</sup> at which time an assessment should be made of the Congressional situation.

At the outset of the Congressional investigation, Lilienthal urged the Committee to call Secretary Acheson, Lovett,<sup>7</sup> and Eisenhower to testify on the foreign aspects of our atomic energy program. Neither Hickenlooper nor the Committee seems disposed to do this, at least for the present. Gross and I are following this aspect of the investigation closely with Joe Volpe, General Counsel of AEC. Should the Committee subsequently show signs of wanting to go into the question of relations with the United Kingdom and Canada, we would propose to talk with Senator McMahon urging the Committee not to do so on the ground that these relations are not germane to the charge "incredible mismanagement" leveled against the AEC.

R. GORDON ARNESON

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<sup>4</sup> Reference is to the investigation by the Joint Committee pursuant to charges of mismanagement directed at the United States Atomic Energy Commission by Senator Bourke B. Hickenlooper of Iowa, a member of the Committee. For an account of the proceedings, see Senate Report No. 1169, 81st Congress, 1st Session, *Investigation into the United States Atomic Energy Commission*, Report of the Joint Committee on Atomic Energy, October 13, 1949.

<sup>5</sup> Director of the British Atomic Energy Research Establishment, on visit in the United States.

<sup>6</sup> Secretary Acheson attended the Sixth Session of the Council of Foreign Ministers, Paris, May 23-June 20, 1949; for documentation on the conference, see vol. III, pp. 856 ff.

<sup>7</sup> Robert A. Lovett, Under Secretary of State, July 1947-January 1949.

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] July 6, 1949.

Subject: Tripartite Atomic Energy Negotiations

Participants: Secretary of State  
Secretary of Defense <sup>1</sup>  
Mr. Sumner Pike  
Senator McMahon  
Mr. Gross  
Mr. Volpe  
Mr. Borden <sup>2</sup>  
Mr. Arneson

The Secretary opened the discussion by reviewing the relations as they have developed between the U.S., the U.K., and Canada since the war. He pointed out that until the *modus vivendi* of January 1948, our relations were not only uncertain but unsatisfactory from the point of view of all three countries. The United Kingdom found it was not getting that degree of cooperation from us which they had good reason to assume we were bound to give under the wartime Quebec Agreement. The United States was caught in the dilemma of the need for larger quantities of raw materials and the absence of guiding national policy in the field of atomic energy. This was particularly true before the McMahon Act became law. Canada was caught in the middle. For approximately a year and a half before the *modus vivendi* arrangements were entered into, ores made available from the Congo were distributed between the United Kingdom and the United States on an approximately 50-50 basis. The result was an accumulation of stocks in the United Kingdom far beyond her needs and a starving of our program.

The Secretary then recited the main provisions of the *modus vivendi* pointing out that the allocations arrangements not only gave us the total output of the Congo in 1948 and 1949 but would also result this year in a drawing down of British stocks somewhere between 600 and 1000 tons. The *modus vivendi* would run out at the end of the year.

The Secretary then touched upon other facets of the problem which he felt should be taken into account in considering where we stood and what we had to do about it. Other nations were moving ahead in the field of atomic energy. Such estimates as were available indicated that the Russians might well be an increasingly serious factor in atomic

<sup>1</sup> Louis Johnson succeeded James Forrestal as Secretary of Defense on March 28.

<sup>2</sup> William L. Borden, Executive Director of the Staff of the Joint Congressional Committee on Atomic Energy.

weapons any time after mid-50 or mid-51. France, friendly, but outside the CPC team, was pushing ahead its own program. Other countries such as Norway and some of the other dominions were making modest efforts at least to begin. Perhaps none of them knew really what they were doing, but at least they had aspirations. There needed to be some common line of action agreed between the British, the Canadians, and ourselves as to how we should comport ourselves toward other countries. This was made somewhat more complicated by the fact that certain of the British dominions such as New Zealand and Australia had some knowledge of atomic energy, and indeed New Zealand scientists had been working with the British on their experimental and research reactors. The British were somewhat more favorably disposed toward helping other countries, notably Norway and possibly France.

The Secretary pointed out that it was in the very nature of things that the United Kingdom was our staunchest and most valuable ally in all quarters of the world. They were not only important to us in a military sense, but political and economic as well. Put in its simplest terms, therefore, the problem before us was whether in such circumstances we should not sit down with the British and see whether we could work out on a basis of mutual confidence a satisfactory and desirable partnership in the field of atomic energy. He emphasized most strongly that any attempt to force the British to stop its atomic energy program by use of the club of ECA or other means could only result in abysmal failure.

The Secretary then read the verbatim text of the conclusions, pages 53 through 58,<sup>3</sup> of the report of March 2, 1949 as approved by the President. Upon finishing he asked whether the Secretary of Defense and Mr. Pike would care to make any further comment. The Secretary of Defense said that Mr. Acheson had presented the case quite fully and accurately as the Military Establishment saw it and he had nothing further to add. Mr. Pike wished only to add that there was a considerable need for urgency in the matter inasmuch as the Commission would be in a very tight spot should the *modus vivendi* run out without suitable arrangements having been made for the future.

Senator McMahon said there could not have been a worse time to bring this matter up. The temper of his Committee was such that such a program as was proposed would have rough going. It was his own personal view that a serious "legislative" problem was presented. He said that there would be a serious question in the minds of the Committee members whether the proposed arrangements could be entered into in view of the provisions of the Atomic Energy Act of 1946 unless the arrangements were put in a form which would override the relevant strictures in that Act.

<sup>3</sup> Of March 2, pp. 443-461.

Mr. Acheson replied that it seemed to him that the constitutional or legislative question might very well be answered either way, and that it might be exceedingly difficult to decide which way the answer would go until we had seen the substance of an agreement with the United Kingdom and Canada after negotiations. He felt that the Joint Committee must be brought in in any case. It might be feasible to ask the Committee to approve the idea of negotiations in the first instance, leaving for later consideration the form which such agreement should take after it was known what its content would be. Among the forms that suggested themselves were:

1. An Executive Agreement with the concurrence of the Joint Committee, and
2. A Joint Resolution under which the necessary executive arrangements could be made.

The difficulty he foresaw in the second possibility was that it would be exceedingly difficult to sell the negotiated arrangements to the full Congress inasmuch as it would not be feasible to supply in open sessions all the relevant information.

Mr. Volpe pointed out that at the time of the *modus vivendi* talks, the Joint Committee, almost to a man, considered that those arrangements were permissible under the Act in view of the overriding requirements of the common defense and security. He felt that the present situation was much the same only more urgent. Senator McMahon remarked that the temper of the Committee was much less favorable than in 1947.

The consensus appeared to be that the question of permissibility of proposed arrangements under the Act would turn largely on the reactions of the Joint Committee.

Senator McMahon asked whether the United Kingdom really had any bargaining strength. To this the Secretary replied that they did indeed inasmuch as failure to arrive at suitable arrangements for the period beyond the end of 1949 would presumably result in a 50-50 allocation of ores resulting from the fact that we were equal partners in the financing and the operations of the Combined Development Agency.

The Senator made no comment on the substance of the proposed arrangements but said he had hoped it might be possible to persuade the British to forego any production of plutonium and weapons in the United Kingdom in exchange for which the United States would earmark bombs for British use if required.

The Senator emphasized again the mood of his Committee and of the Congress in general. He said he was afraid that ECA appropriations would have very tough going in large part because of the deepen-



ing financial crises in the United Kingdom <sup>4</sup> and certain acts by the British Government, such as the Argentine Trade Agreement. Hickenlooper, of course, might well seize upon these negotiations as a peg on which to hang his hat. On balance, however, the Senator felt that the problem had to be presented to the Joint Committee. He had hoped that this would not be done until the current hearings were pretty well advanced, certainly not until after the Commission had presented its case.

The Secretary said that a suggested next step had been to have the President call in the more important Congressional leaders to discuss this problem. At that time the Secretary of State, the Secretary of Defense, the Chairman of the AEC, and General Eisenhower would develop the case. Senator McMahon said that he thought this was an excellent idea, whereupon ensued some discussion of which members of Congress should be asked to attend. The Secretary mentioned that we had thought of the following:

Vice President Barkley  
Speaker Rayburn <sup>5</sup>  
Senator McMahon  
Senator Hickenlooper  
Senator Connally <sup>6</sup>  
Senator Vandenberg <sup>7</sup>  
Senator Tydings <sup>8</sup>

McMahon felt, as did Mr. Pike, that there should be a somewhat greater representation from the House side. Representative Durham,<sup>9</sup> the Vice Chairman of the Joint Committee, and Representative Cole,<sup>10</sup> a Republican, were mentioned. In addition, Senator McMahon seemed to favor a rather broader representation of Congressional leadership. It was agreed that the list should be firmed up promptly and the President requested to hold a meeting as soon as possible.

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<sup>4</sup> For documentation on the British economic and financial situation, see vol. iv, pp. 781 ff.

<sup>5</sup> Sam Rayburn of Texas, Speaker of the House of Representatives.

<sup>6</sup> Senator Tom Connally of Texas, Member of the Joint Congressional Committee on Atomic Energy; Chairman of the Senate Foreign Relations Committee.

<sup>7</sup> Senator Arthur H. Vandenberg of Michigan, Member of the Joint Congressional Committee on Atomic Energy; ranking Republican on the Senate Foreign Relations Committee.

<sup>8</sup> Senator Millard E. Tydings of Maryland, Member of the Joint Congressional Committee on Atomic Energy; Chairman of the Senate Armed Services Committee.

<sup>9</sup> Representative Carl T. Durham of North Carolina, Vice Chairman of the Joint Congressional Committee on Atomic Energy.

<sup>10</sup> Representative W. Sterling Cole of New York, Member of the Joint Congressional Committee on Atomic Energy.

811.646/7-1349 : Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

TOP SECRET

LONDON, July 13, 1949—4 p. m.

2733. From Kennan.<sup>1</sup> Eyes only for the Secretary, Gross, Butler, Arneson. Roger Makins<sup>2</sup> spoke to me yesterday about our relations in atomic energy matters. He said he hoped to come to Washington end of August or beginning September, ostensibly as member of British delegation to discuss financial matters, and hoped that we would then be prepared to discuss matters of mutual interest in atomic energy field.

I told him that while I could not promise that we would even then be in a position to talk, I strongly hoped that we would, and thought that if we were, visit of British delegation would provide excellent occasion.

I told him that our problem now was one of discussion with interested congressional circles, with view to clarification of our future position, and told him I thought there was possibility that we might have to give publicity at some stage to one degree or another to past arrangements and present situation. He said that while he did not expect this would create any particular problems or difficulties for British Government, he would appreciate it if we would speak to them beforehand about anything we intended to do along these lines. His existing authorization from the Cabinet to discuss these matters with US was made conditional, he said, on there being no publicity about it; and therefore decision on our part to release any information would make it formally necessary to him to seek new mandate for eventual discussions.

Although he reminded me of expiration of *modus vivendi*, Makins did not press me for any information about our thinking or intentions. I believe he and others on professional level are fully alive to implications of our congressional situation, and are trying to avoid importuning or embarrassing US. However, since there will undoubtedly be political tendency here in coming period to blame US for many things, people here will be quick to seize on anything which indicates US domination or exploitation of British weakness. For this reason,

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<sup>1</sup> Kennan was in Europe to discuss questions relating to the North Atlantic Treaty and European integration: for documentation on these subjects, see vol. iv, pp. 1 ff. An account of the trip appears in George F. Kennan, *Memoirs: 1925-1950* (Boston: Little, Brown, and Company, 1967), pp. 456-458.

<sup>2</sup> Sir Roger Makins, British Deputy Under Secretary of State for Foreign Affairs.

I think we must handle very carefully any publicity about arrangements so one-sidedly favorable to US on first glance as present raw material agreement.

Expect to return to US via London end of next week. Should there be by that time anything I could tell Makins with respect to above, suggest Department wire me care of this Embassy. Think it would be wise to give him some reaction from Washington, if only by way of confirmation of what I have told him. [Kennan.]

DOUGLAS

Department of State Atomic Energy Files

*Record of the Meeting at Blair House, Washington, July 14, 1949,  
8:15 p. m.<sup>1</sup>*

TOP SECRET

PRESENT

<i>The Executive Branch</i>	<i>Congress</i>
The President	Speaker Rayburn
The Vice President	Senator Connally
Secretary of State	Senator Vandenberg
Secretary of Defense	Senator McMahon
The Chairman of the Atomic Energy Commission	Senator Hickenlooper
General Dwight D. Eisenhower	Senator Tydings
Mr. William Webster	Congressman Durham
Mr. Joseph Volpe, Jr.	Congressman Cole (W. Sterling)
R. Gordon Arneson	

The President opened the meeting at 8:15 p. m. by reading from handwritten notes the substance of the suggested statement which had been prepared for him (see attachment <sup>2</sup>). He made one significant departure from the prepared text. This was to the effect that, in his judgment, we would *never* secure effective international control of atomic energy.

Mr. Acheson reviewed the situation as the three agencies and the President saw it concerning our relations with the United Kingdom and Canada. His review followed closely along the lines of that given to Senator McMahon in the meeting held with him on July 6. Mr. Acheson called on Mr. Lilienthal to state the Commission's needs. Mr. Lilienthal stated that in order to fulfill the requirements of the Joint Chiefs for weapons, the AEC needed to run at 100% capacity. Secretary Johnson interjected that he agreed with Mr. Lilienthal but would have put it in terms of 100%-plus. Mr. Acheson called upon Mr. Johnson and General Eisenhower to present the military point of view. The Secretary of Defense stated that he was in full accord

<sup>1</sup> Prepared by Arneson on July 20.

<sup>2</sup> The attachment is not printed. For the text of the statement in the President's handwriting and presumably read by him at the meeting, see *infra*.

with everything Mr. Acheson had said in his analysis of the situation.

General Eisenhower stated his conviction that the proposed arrangement, which the Secretary of State would shortly read and with which he was fully familiar, was essential and had his full support. In the event of another global war, we should be lost if we did not have the British as our partners with the fullest mutual confidence. Our war plans rely heavily on the need for advanced bases in the United Kingdom and other areas under British control. While our B-36's could reach the Soviet Union from many points of take-off, we relied on the quick launching of medium bombers from the United Kingdom to deliver the heavy punch. As far as he could see, our military fate was so interlinked with the British that it just did not make any sense to him to exclude this one weapon from this full partnership. He did not look upon the proposed arrangement as any gift on our part, but rather as a mutually advantageous deal, highly desirable to both parties. He went on to say that our relations with the British in the field of atomic energy since the war even under the *Modus Vivendi* have caused stresses and strains and have engendered on the part of the British a feeling that they were not getting a square deal. He felt that the exacerbation of feelings was a most serious matter and if continued might place in jeopardy our fullest cooperation in the event of global war.

Mr. Acheson thereupon read the verbatim text of the proposed negotiating objective as contained in the Report to the President of March 2.<sup>3</sup> He suggested that the discussion might center in the first instance on the merits of the proposal, leaving until later the question of how best to bring the proposed arrangements about. He thought that it would be premature to decide at this time, prior to actual negotiations to see what we might come out with, to try to decide what form the agreement should take and what procedure with respect to the Congress would be required.

There follows a summation of salient points made by the various participants under the headings indicated:

1. *Substance of the Proposal:*

Senator Vandenberg said that the proposal that had been expounded required the most careful thought and that he could not come to any final judgment quickly. He developed at some length his view (which he said might be called a "prejudice") that the United Kingdom was more dependent on us than we were on them. We were constantly bailing them out. To give them now our last and most prized possession raised the most serious of doubts in his mind. In response to this, the President remarked that he certainly could agree that we had been forced on numerous occasions to bail the British out,

<sup>3</sup> *Ante*, p. 441.

particularly in the economic sphere, but that in his opinion the proposals now before the group did not constitute any gift from the United States to the United Kingdom but rather an arrangement in which we would certainly get much more than we gave. Mr. Lilienthal, Mr. Acheson and General Eisenhower pointed out that as far as the British are concerned, they already have, or will soon obtain, all the necessary information to produce weapons. They already know how to put together the final product inasmuch as quite a number of their best scientists cooperated with us during the war at Los Alamos. Indeed, it was a British scientist who assembled the first bomb.<sup>4</sup> What the British did lack was some of the technical and engineering knowledge in order to do an efficient job without waste of raw materials in producing plutonium. Mr. Webster pointed out that as far as information was concerned, our coin was depreciating rapidly and it was likely that the information which we would furnish to the British would turn out in fact to be less valuable to them than they now thought it would be. Moreover, while we would not expect any great assistance from the British as regards the engineering and production phases were concerned, there was a reasonable presumption that we might gain real help (perhaps even a great deal) as regards basic science and new ideas. In response to a question from Senator Vandenberg, Mr. Webster stated that the proposed arrangements had the full knowledge and support of such men as Dr. Bush,<sup>5</sup> Dr. Compton<sup>6</sup> and Dr. Conant.

Senator Vandenberg recalled the episode of the basic metallurgy of plutonium, remarking that Dr. Bush had been shocked by that development. For his own part, he had at the moment at least the same sort of reaction to this proposal as he had had to the move to exchange with the British information on basic metallurgy.<sup>7</sup> He wondered whether we could make an arrangement with the British whereby we would continue to be the sole producer of weapons but with the proviso that we would earmark a certain number for the British. Mr. Acheson commented that was in his opinion completely unrealistic, a proposal which the British would never accept, a proposal which if accepted by the British Government would mean its downfall. He went on to say that the fate of 45 million people was at stake.

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<sup>4</sup>The basis for this statement has not been specifically identified; information on the British contribution to the development of the atomic bomb, including work at Los Alamos Laboratories on assembly and other problems, is contained in Margaret Gowing, *Britain and Atomic Energy, 1939-1945* (London: St. Martin's Press, 1964).

<sup>5</sup>Dr. Vannevar Bush, President of the Carnegie Institution; Director of the Office of Scientific Research and Development, 1941-1946; Chairman of the Research and Development Board of the National Military Establishment, 1947-1948.

<sup>6</sup>Dr. Karl T. Compton, Chairman, Research and Development Board, National Military Establishment.

<sup>7</sup>For documentation on the question of exchange in this field, see *Foreign Relations, 1948*, vol. I, Part 2, pp. 677 ff.

No government which had so near at hand such an important weapon for the defense of the British Isles would voluntarily surrender this development into the hands of another country, however friendly. Considering the off-again-on-again relationship between the United States and the United Kingdom in this field since the end of the war, the British seemed to him fully justified in deciding they would have to go ahead as best they could to bring the atomic weapon into their own hands.

Senator Vandenberg's suggestion was also made by Senator McMahon and Senator Tydings, but neither of them pressed the point.

As the discussion proceeded, strong support was expressed by the Vice President, Senator Connally and Speaker Rayburn for the view that the proposed arrangement was necessary and should be worked out before the present *Modus Vivendi* expired. While Senators Vandenberg and McMahon did not commit themselves, they appeared to appreciate the need to have talks with the British and the Canadians. Mr. Acheson cautioned that we could not guarantee just what the results of negotiation would be but that we would certainly endeavor to strike the best bargain we could.

Senator Hickenlooper did not enter into the discussion until a later stage. When asked by Senator Vandenberg for his views, he remarked that the decision to go ahead seemed to have been pretty well reached. He wanted to state, however, that he thought it was wrong and certainly contrary to the Atomic Energy Act of 1946. He did not think that our raw materials position was sufficiently serious to warrant giving away to the British our greatest heritage and asset. He thought we should concentrate more effort on the recovery of uranium from sludges and by dint of effort in this direction we should be able to manage to keep our plants running at capacity. Mr. Lilienthal took strong exception to this appraisal. He stated that if the end of the year we reverted to a 50/50 split on ores coming from the Congo and from Canada, this country would know within three months that our atomic weapon effort was slowing down. Large numbers of workers would have to be laid off at Oak Ridge and Hanford. General Eisenhower interjected: "And who would take responsibility for explaining *that* to the American people?"

In summary, as the discussion developed on the substance of the proposals, it was clear that the consensus of the group was that a reversion to the *status quo ante* with the termination of the *Modus Vivendi* at the end of 1949 would be exceedingly serious and that efforts must be made to work out suitable arrangements for the future. The participants had full opportunity to express their points of view. There was general but not complete support for the conclusion that negotiations should be entered into with the British and the Canadians with the view toward achieving substantially the objectives that had been

read to the group by the Secretary of State. Senators Vandenberg and Hickenlooper were opposed. McMahon did not commit himself but did not voice serious objection.

## 2. *Procedure and Form of Agreement:*

Secretary Acheson proposed that the next step should be to bring the whole problem to the attention of the full Joint Committee in executive session. He hoped that this could be done rather quickly. In so complicated and grave a matter as this, he felt it exceedingly fortunate that there had been this opportunity to confer in the first instance with the Congressional leaders present. He hoped that this session might give them an opportunity to think further about the implications of the problem and that the benefit of their views could be obtained at greater length when the problem was presented to the Joint Committee.

At his suggestion that it probably would be undesirable and indeed impossible at this particular juncture to decide just what form and procedure should be followed in formalizing these arrangements, Senator McMahon expressed his view that we should find out first what sort of arrangement would be mutually satisfactory to the United States, United Kingdom and Canada through negotiations. Once the substance of agreement was firmed up, consideration could then be given in consultation with appropriate Congressional leaders as to what form the agreement should take and what Congressional action might be necessary. His own view at the moment was that the proposed arrangements would be illegal under the Atomic Energy Act of 1946. Senator Hickenlooper expressed strong agreement with this last point. Senator McMahon went on to say, however, that he recognized there were two sides to that question. He was aware of the legal arguments on both sides, and felt that on balance it would be better not to try to thrash this out at the moment.

There appeared to be general agreement on this point.

## 3. *Publicity:*

### *a. Concerning the Arrangements as Worked Out.*

Mr. Acheson said that it was the strong view of the Executive Branch that appropriate publicity should be given to the arrangements as finally made. He did not have in mind that such publicity should go into all details such as precise allocations of material, but that it should be made known that the three governments had worked out mutually satisfactory arrangements for full cooperation in the field. Senator Vandenberg strongly supported this point of view. He pointed out that continuation of secrecy in this field under new arrangements would have the most serious repercussions. It would not be possible actually to keep them secret and once they leaked out, the most serious problem would be presented. In view of the desirability of not giving

all details, he felt that a treaty would be undesirable inasmuch as the full text of such a treaty would have to be made public and debated at great length. Speaker Rayburn stated that one of the difficulties that would have to be faced in publicity was that it would have to be framed in such a way as not to make the arrangements appear to be greatly disadvantageous to the United Kingdom. If it appeared that the British were getting the short end of the stick, British public opinion would be badly shaken. Representative Durham inquired about what the attitude of the Belgians would be to the proposed arrangement. On being told by Secretary Acheson that their major interest seemed to be to get ore converted to bombs as quickly as possible, Durham suggested we should nevertheless have their susceptibilities in mind in considering the problem of public disclosure.

*b. Concerning the Meeting.*

As the meeting was about to break up, the President again enjoined all participants from making any comment about the subject of discussion. All appeared to agree that no one would make any comment and that all questioners would be referred to the White House for anything that might be said. For his part the President said his only comment would be "absolutely no comment."

(Senator Tydings, who was suffering from a very bad head cold, left the meeting about 9:30 before the last discussion on publicity took place. He appeared to be in general accord with the substantive proposals.)

The meeting adjourned at approximately 10:30.

R. GORDON ARNESON

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Department of State Atomic Energy Files

*Statement by President Truman at a Meeting at Blair House,  
Washington, July 14, 1949, 8:15 p. m.<sup>1</sup>*

TOP SECRET

GENTLEMEN: I am talking with you tonight on one of the most serious subjects with which this nation has to deal. As you know we have made every effort to obtain international control of atomic energy. We have failed to get that control—due to the stubbornness and inferiority [*sic*] contrariness of the Soviets. I am of the opinion we'll never obtain international control. Since we can't obtain international control we must be strongest in atomic weapons.

During the war we were in partnership with Great Britain and Canada. By our united effort we produced our first bombs; produced them faster than we otherwise would have been able to do. Out of that

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<sup>1</sup>The source text consists of a draft on White House stationery in the President's handwriting.



wartime partnership cooperation has continued in certain measures between the three of us. Common efforts to secure raw materials and to exchange information were included in that cooperation. Present arrangements expire December 31 this year. We must make new arrangements with Britain and Canada after that for the best interests of our common defense.

This is a complicated and technical problem. We've spent a lot of time and study trying to find the best solution. I have gone into it and am fully advised on the thinking developed. I am in agreement with the solution which will presently be presented to you.

I think you gentlemen will agree with us. At least I hope you will.

It is a problem we must work out together. We must examine the problem calmly and wisely. This discussion must be kept within this group strictly. That is absolutely necessary. The Sec. of State will now take up the discussion.

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SCI Files<sup>1</sup>

*The Chairman of the Joint Congressional Committee on Atomic Energy (McMahon) to the Secretary of Defense (Johnson)*

TOP SECRET

WASHINGTON, July 14, 1949.

DEAR MR. SECRETARY: As you know, the President of the United States determines the quantity of fissionable material and weapons to be produced by the Atomic Energy Commission. I understand that you and the Joint Chiefs of Staff are in the process of considering a recommendation to the President on this score.

It seems to me that increasingly we are committing ourselves to the concept of strategic bombardment with atomic weapons in case of war. Here is the keystone of our military policy and a foundation pillar of our foreign policy as well. Some say that to rely fundamentally upon atomic weapons is a mistake. I heartily disagree with such a viewpoint. But I do think that since the atom has become, in large measure, the final premise of our military and foreign policies, we must take every reasonable step to make certain this premise is solid. Stating the matter bluntly, if war comes, the President, the Secretary of Defense, the Atomic Energy Commission, and the Joint Committee on Atomic Energy will all have fulfilled their tremendous responsibilities provided that enough bombs are available to do the necessary job. On the other hand, assuming enough bombs were not available, we would all have proven derelict in the discharge of our responsibilities, and it would make no difference whether or not we had saved money or had achieved other desirable but secondary objectives. As matters stand

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<sup>1</sup> Files retained by the Bureau of International Scientific and Technological Affairs, Department of State.

today; with the Kremlin rejecting international control, our overriding aim must be the production of fissionable materials and the fabrication of more and better weapons.

Accordingly, I am fearful that we may not have set our sights high enough so far as quantity of output is concerned. I do not for a moment wish to depreciate the qualitative power of the bomb. My public remarks over the past three years bear witness that I regard this weapon as unique and as ushering in a new era full of portent for good or evil. But there is also a quantitative aspect to the bomb which we cannot overlook. Numbers, no less than quality, are fundamental—as I have tried to show in recent speeches and articles. Since I do not myself know how many weapons we possess or how fast we are making new ones, I lack background indispensable for rounded comment. To date, the Joint Committee has not seen fit to inform itself of stockpile data.

Nevertheless, I at least hazard the guess that we need additional plant capacity as a safety margin. To be sure, we seem to have done a good and perhaps even an extraordinary job in exploiting the production facilities which now exist. Yet, without taking unreasonable steps which would amount to “fortifying the moon,” I think the crucial role that atomic energy plays justifies a greater investment in plant. If war should come and if our stockpile turned out to be inadequate, the future historian might say: “The Americans counted heavily upon atomic weapons, but they fared badly because they had devoted less than one-twentieth of their annual military budget to developing these weapons.” I also fear that in the past the military requirements for production of fissionables and weapons which were recommended to the President merely reflected an estimate of what the Atomic Energy Commission was capable of producing with existing or planned facilities—and did not reflect an independent judgment as to what we need in the event of war.

On the basis of the facts now known to me, I tend to favor a substantial increase in the requirements as laid down by the President. I do not think that the cost of meeting such added requirements would be excessive in light of the tremendous stakes involved.

It will of course be said that we lack adequate raw materials to implement a program of this kind. But the argument does not impress me. Recent progress in developing methods of extracting uranium from phosphate shales, plus other analogous advances, plus the availability of ores in South Africa and other friendly foreign countries, indicates that if we are willing to expend the necessary effort, we can break the raw materials bottleneck. It will also be said that we must be careful to conserve our resources. But I call attention to the fact

that atomic weapons are the only armament ever devised that can be stored indefinitely. Though the detonating mechanism may change from year to year, fissionable material—once it has been manufactured—remains useable almost *ad infinitum*. This same material, incidentally, could be utilized to furnish industrial power after the necessary techniques are developed.

There is a doctrine that we may reach a point when we have “enough bombs.” To my mind, this doctrine is false. We can never predict what unexpected mishap might seriously impair our ability to deliver atomic weapons, thus making necessary far more units than we had originally deemed to be necessary. Nor can we predict the effect of inaccurate aiming or the opponent’s civilian defense measures. Likewise, a large supply of bombs would make possible an atomic offensive against submarine pens or air bases that were the focus of a devastating attack upon our own country. Conceivably, an increment of bombs above the number needed to destroy enemy industrial targets and capable of being used against vital military points would mean the difference between victory and defeat.

I might also point out that a marked increase in the rate of our production would have a preemptive effect—that is, the finished product would become safely stored in our own country and thus, *ipso facto*, no other country could utilize the same material. Moreover, the attainment of a genuinely large stockpile as rapidly as possible gives us the option of adopting certain courses of action which otherwise we would not be in a position to consider.

I therefore very much hope that the new requirements recommended to the President will be revised upward to a level considerably above our present output.

Sincerely yours,

[File copy not signed]

P.S. I am sending a copy of this letter to Mr. David E. Lilienthal, Chairman of the Atomic Energy Commission.

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Department of State Atomic Energy Files

*Memorandum of Telephone Conversation, by the Secretary of State*

TOP SECRET

[WASHINGTON,] July 18, 1949.

Senator McMahon telephoned me to say that he had had a conference with Senator Vandenberg who was considerably exercised over the

Thursday night meeting at the White House.<sup>1</sup> Senator Vandenberg told McMahan that Senators Knowland<sup>2</sup> and Millikin<sup>3</sup> had presented their resignations from the Joint Atomic Energy Committee. Senator McMahan has seen the one from Senator Millikin which was based on the ground that he did not wish to remain a member of a Committee when he could not agree with certain policies of the Committee. Senator McMahan said that he pointed out that it seemed to him juvenile for a Senator to resign from a Committee because he did not approve of certain proposed policies; that he would think the Senator could accomplish his purpose better by staying on the Committee and arguing against policies he did not approve. Senator McMahan said that he was under the impression the letters were in the nature of a stageman.

Senator McMahan said also that he was shown a resolution directed to him as Chairman of the Commission calling upon him to get in touch with the Secretary of State to say that the Committee was of the opinion that nothing should be done looking towards discussions with the British until the Joint Committee had been fully informed. Senator McMahan said this resolution was to have been presented at a 9:30 meeting this morning, which meeting the Senator had called off. I said that, of course, as he knew and as had been mentioned at the Thursday night meeting, there was no intention of proceeding until the Joint Committee had been informed.

We then discussed the question of a meeting date with the Joint Committee. I said I had been engaged in negotiations with Under Secretary of Defense Early<sup>4</sup> to find a convenient date at which both Secretary Johnson and General Eisenhower could be present. Mr. Early had just confirmed the fact that Wednesday afternoon at 2:30 or 3 o'clock would be satisfactory to these gentlemen. I had asked Mr. Arneson to get in touch with Senator McMahan to see whether this would suit the Committee.

Senator McMahan then said that he was quite willing to put this meeting off until after the vote on the Atlantic Pact. He mentioned that Senator Vandenberg was quite vehement in his talk with him this morning. Senator Vandenberg said that his attitude was that we had done so much for the English it was now up to them to do something

<sup>1</sup> Reference is to the Blair House meeting of July 14, the record of which is printed on p. 476.

<sup>2</sup> Senator William F. Knowland of California.

<sup>3</sup> Senator Eugene D. Millikin of Colorado.

<sup>4</sup> Stephen T. Early.

for us. Senator Vandenberg was very much distressed by the Tris Coffin article in the *Times-Herald*.<sup>5</sup> I said to Senator McMahon that, if there was any possibility that the Pact might become tied in with the atomic energy matter in this way, it was most important to straighten it out as soon as possible and that it would be advisable to do so before rather than after the vote on the Pact. Senator McMahon agreed and we left it that the meeting of the Joint Committee would be held on Wednesday afternoon at an hour between 2:30 and 4:00 according to the Committee's convenience.

DEAN ACHESON

<sup>5</sup> Reference was to a recent article in the Washington *Times-Herald* which alleged that the Secretary of State advocated storing atomic weapons in England, while the Secretary of Defense firmly opposed such a policy.

Department of State Atomic Energy Files

*The Chairman of the Joint Congressional Committee on Atomic Energy (McMahon) to the Secretary of State*

[WASHINGTON,] July 18, 1949.

DEAR DEAN: Enclosed is a copy of a top secret memorandum which we have prepared on the suggested proposals regarding Great Britain and Canada.

No notes were made as to the proposals when they were read. We have tried to put them down as we remember them.

I am sending the memorandum to you, with the hope that it might be helpful in connection with the conference on Wednesday.

With kindest regards,  
Sincerely yours,

BRIEN

[Enclosure]

*Memorandum Prepared by the Joint Congressional Committee on Atomic Energy*

TOP SECRET

[WASHINGTON,] July 18, 1949.

SUMMARY OF PROPOSALS TO BRITAIN AND CANADA

1. The parties will agree to an atomic energy ratio whereby the combined British and Canadian enterprise would not exceed 10 per cent of the size of our entire enterprise.

2. Raw materials, not only from the Congo but from all other portions of the world to which the three nations have access (including their own territories) would be allocated on the same basis—that is, at least 90 per cent to the United States.

3. It would be established as a principle that production facilities are to be concentrated in the Western Hemisphere—that is, in the United States or Canada.

4. The British would continue to operate production facilities located on their home islands for which commitments have already been made (i.e., the two powerful reactors which are expected to start production of fissionable material in 1950). Mr. Acheson conceded that ideally the British would dismantle the plants now almost completely finished and transfer their activities in Canada; but he added that this desideratum is impractical and could never be achieved. Accordingly, he emphasized that the important objective now is to persuade the British not to make additional commitments on their home islands.

5. All nuclear components of British-made weapons would be stored in the U.S. or Canada, except to the extent that the common war plans of the two countries dictate storage in Britain.

6. In exchange for our receiving 90 per cent of the available raw materials; in exchange for acceptance of the principle that new production facilities will be located in the Western Hemisphere; in exchange for agreement that British nuclear components will likewise be stored in the Western Hemisphere—in exchange for these concessions, we would agree to share weapons information with the British and Canadians. This sharing would be unlimited and nothing would be held back.

7. The three countries would agree not to tell any other nation the information which they share. All members of the British Commonwealth (except Canada) would be among the nations excluded. This latter point has some significance in view of the fact that New Zealand has shown unusual interest in atomic energy and is now avidly seeking information. However, where assistance in basic research and in the development of particle accelerators and suchlike matters could be made available without any significant chance of the recipient's progressing more rapidly toward atomic weapons, help could be given to any nation outside the Soviet orbit.

8. The three countries would commonly endeavor to secure appropriate air bases for the delivery of atomic weapons in case of need.

## POSSIBLE COMMENTS, PRO AND CON

*Pro*

1. Since British scientists under Chadwick worked at Los Alamos during the war, they already know vital weapon secrets. Britain will have the bomb within four years and probably less, whether or not we help her. Our divulgment of weapons information to the English would, at most, save them only 1½ years of time before they acquire their first bomb.

2. Today, we have little control over what the British tell other countries, nor do we have the benefit of all the bright ideas which their smart scientists generate. They might be first to blueprint a workable thermonuclear "superbomb". Under our proposals, they would tell no one what they know except Canada and ourselves, and American technical genius would assure that we translated their bright ideas into practical use before any other country.

3. Our proposals require that British-made bombs be stored in Canada (except as common Anglo-American war plans dictate storage elsewhere). Do we really care where bombs are made, so long as they are safely stored in

*Con*

1. Why do anything to advance the date when Britain will acquire bombs? If we tell the British all we know, Russia will have one more "window" in which to peer for atomic data. Moreover, English scientists have contacts with the French group, headed by the notorious Joliot-Curie. Also, what about communist sympathizers like P. M. S. Blackett<sup>1</sup> among the British themselves?

2. Britain did not become known as "perfidious Albion" for nothing. She might use her bombs as a threat against both America and Russia, in an effort to stay neutral. Any data which we tell British scientists might fertilize their minds and enable them to achieve results otherwise impossible. Atomic facilities located in Britain would lie within range of Soviet airborne troops. Can we, in addition, overlook the possibility of a communist revolution in Britain?

3. Economically Britain's back is against the wall. She depends heavily upon us for Marshall Plan aid. Why should she want to make fissionable material when she cannot make enough bread for her people? Why

<sup>1</sup> Langworthy Professor of Physics, University of Manchester; author of *Military and Political Consequences of Atomic Energy* (London: Turnstile Press, 1948).

our hemisphere—far from Soviet paratroops? Britain could hardly use bombs stored closer to us than to her as a threat backing up an attempt to stay neutral. She does not stand to gain much from our plan.

4. The American proposals tie in with our general policy of closest collaboration with Britain. The Marshall Plan should not be used as a club to extract one-sided concessions from her. Besides, she wields great influence over the Congo and South Africa, our most important present and future sources of vitally needed ore.

5. The time to have demanded that Britain locate all atomic plants in Canada was two or three years ago. Today the British have two powerful production reactors almost ready to operate; and in view of English pride, dismantling of these reactors is impossible. Hence, the important goal now is to persuade Britain that Canada is the best location for all her future plants. However, ought we not to feel glad that England is about to make bombs? Our weapons, plus hers, would damage any enemy more than ours alone.

should we indirectly support the British atomic project? Every penny spent on it means that Britain needs so much more American aid. (The Committee staff cannot ascertain how much Britain spends annually on atomic energy. A guess is \$50 million.)

4. Would it not be wiser to locate all production facilities in North America, with British-owned plants in Canada and with a certain number of bombs held "in trust" for English use? Why risk damage to our common atomic enterprise by locating part of it in England within easy reach of Russian bombers? Can't the British make this one concession in return for the Marshall Plan?

5. We hope to avoid war. By distributing atomic knowledge more widely, we would increase the chance that Russia will learn some of it. Thus, we would strengthen Russia and thereby magnify the danger of war. We can obtain all the uranium we need by threatening to reduce the Marshall Plan unless Britain cooperates. Furthermore, do not dollars carry more weight with the Belgians and South Africans than British influence? A communist claim that we are using the Marshall Plan to impair the sovereignty of others is not to be feared; for the communists will make this claim whatever we do.



Department of State Atomic Energy Files

*Record of the Meeting of the Joint Congressional Committee on Atomic Energy, Washington, July 20, 1949, 2:30 p. m.<sup>1</sup>*

TOP SECRET

PRESENT

<i>The Executive Branch</i>	<i>Congress</i>
The Secretary of State	Senator McMahon
The Secretary of Defense	Senator Connally
General Dwight D. Eisenhower	Senator Hickenlooper
Chairman Lilienthal of the Atomic Energy Commission	Senator Johnson <sup>6</sup>
Commissioner Pike	Senator Knowland
Commissioner Strauss <sup>2</sup>	Senator Millikin
Commissioner Smyth <sup>3</sup>	Senator Russell <sup>7</sup>
Commissioner Dean <sup>4</sup>	Senator Vandenberg
General Manager Wilson	Congressman Durham
Mr. William Webster	Congressman Cole
Mr. Joseph Volpe	Congressman Elston <sup>8</sup>
Mr. Ernest A. Gross	Congressman Hinshaw <sup>9</sup>
Mr. Adrian S. Fisher <sup>5</sup>	Congressman Holifield <sup>10</sup>
Mr. R. Gordon Arneson	Congressman Jackson <sup>11</sup>

The Committee voted by a narrow margin at the outset not to have a transcript of the meeting. SECRETARY ACHESON began the discussion by stating that the proposals which would in due course be read had emerged from many months of study in which the three agencies directly concerned and the President had been involved. He stated that the President had agreed to the proposals and to the recommended procedure whereby consultations would be had with the Joint Committee before any negotiations with the British and the Canadians were begun.

THE SECRETARY reviewed the salient facts of our war-time cooperation with the British and the Canadians and explained how this cooperation had ground to a virtual halt after the war. Whereas all available ores had been allocated to the United States during the period of war-time cooperation, in May of 1946 inasmuch as the United States

<sup>1</sup> This record was prepared by Arneson on July 20. A memorandum by the Secretary of State of his conversation with President Truman on July 21 indicates that he reported on the present meeting at that time (Department of State Atomic Energy Files).

<sup>2</sup> Lewis L. Strauss.

<sup>3</sup> Henry D. Smyth.

<sup>4</sup> Gordon E. Dean.

<sup>5</sup> General Counsel of the United States Atomic Energy Commission, 1948-1949; appointed Legal Adviser, Department of State, June 22, 1949.

<sup>6</sup> Senator Edwin C. Johnson of Colorado.

<sup>7</sup> Senator Richard B. Russell of Georgia.

<sup>8</sup> Representative Charles H. Elston of Ohio.

<sup>9</sup> Representative Carl Hinshaw of California.

<sup>10</sup> Representative Chet Holifield of California.

<sup>11</sup> Representative Henry M. Jackson of Washington.

was not in a position to continue technical cooperation with the United Kingdom and Canada, available ores were distributed on an approximately 50/50 basis. This resulted in an accumulation of stocks in the U.K. far in excess of current use and a starving of our own program. It was to overcome this difficulty that a *modus vivendi* was entered into early in 1948. Under it the United States received all the ores made available from Belgian Congo production. The *modus vivendi* provided moreover for a drawing down of British stocks to the extent this was required to keep our program going at full speed. It was expected that by the end of this year, actual transfer of ore from the U.K. stockpile would take place on the order of 600 to 1,000 tons. As part of the *modus vivendi* it was agreed to exchange information in nine limited areas. As a result of learning with certainty that the British were indeed proceeding to produce plutonium, not for use in power but for use in weapons, the American side members of the CPC met last July to review the situation.<sup>12</sup> It was decided that cooperation in the nine agreed areas should be continued but that no move should be made by our side to expand these areas.

THE SECRETARY pointed out that events were moving along in many countries in this field. The best intelligence estimates available indicated that the Soviets might have a bomb by mid-1951 and, in three or four years' time thereafter, a fairly serious quantity. Such countries as France, Norway, Sweden, and Belgium were proceeding in a modest way to develop atomic energy programs. The U.K., of course, was farthest advanced. It was quite certain that the British would in due course have weapons of their own, although their use of raw materials might not be particularly efficient. Assistance from us would doubtless bring about a more efficient use of uranium and thereby save material for the common effort.

SENATOR KNOWLAND interjected to ask whether in the opinion of the Department of State the Atomic Energy Act of 1946 permitted the proposed arrangements. THE SECRETARY said that he would propose to develop this point in greater detail later but his brief reply would be "yes." He went on to say, however, that there was no intention to enter into a secret Executive Agreement, the terms of which would be unknown to the Committee.

At Secretary Acheson's request, MR. LILIENTHAL reviewed the AEC's needs for raw materials. He stated that the Commission was operating at peak level and needed to continue to do so if it were to come anywhere near meeting the requirements of the Joint Chiefs of Staff for weapons. In the event that we should be obliged to revert to the *status quo ante* at the end of the year, namely a 50/50 split on raw

<sup>12</sup> Reference is to the meeting of the American Members of the Combined Policy Committee on July 6, 1948, the Minutes of which are in *Foreign Relations*, 1948, vol. I, Part 2, p. 719.

materials, the AEC production program would begin slowing down within three months. In response to a question from Senator Vandenberg, Mr. LILIENTHAL said that the Commission did not have a stockpile in the true sense of the word; it did have an operating reserve which might carry the operations for one year. If faced with a curtailment of supply, however, the Commission would consider it more prudent not to run at full blast until all stocks were gone, but rather to begin tapering down gradually in order to string them out for a longer period. That tapering would become evident within three months. As to the information aspect of the problem, Mr. LILIENTHAL said that the considered opinion of the scientists with whom this matter had been talked over was that it would be valuable and useful to the United States program to have U.K. scientists and technicians available to work with. He pointed out for example that as regards new model weapons which merge into the classification of the super bomb, it was the view of our scientists that U.K. scientists could be of considerable assistance. It was also felt that British talent in the sphere of chemical extraction would be of help to us.

SENATOR KNOWLAND asked whether the Commission considered that the proposed course of action could be taken without formal action by Congress. Mr. LILIENTHAL replied that the Commission was guided by a positive finding by the Executive Branch that the proposed arrangements were consistent and indeed contributed to the common defense and security. Once the President had so decided on competent advice, the Commission of course fell in line with that conclusion. SENATOR KNOWLAND then asked what the view of the Commission would be if this Committee disagreed. Mr. LILIENTHAL said that in that event, he thought the Commission would be in favor of securing the necessary legislation to permit the course of action proposed.

SECRETARY ACHESON then went on to characterize the interdependence of the United States, the United Kingdom, and Canada in broad fields of foreign policy. He stated that our actions were so closely interlinked in so many phases of world relations that the matter of the proposed arrangements could only be understood in true perspective in the totality of those relationships. THE SECRETARY then asked the Secretary of Defense for his views, who in turn called upon General Eisenhower as one who had lived with this problem for a number of years to express the military point of view.

GENERAL EISENHOWER stated that it was the considered view of the Joint Chiefs of Staff that the United States should endeavor to take whatever steps were necessary to have access to, and use of, all uranium available in the free world, to produce bombs from this uranium, and to keep those weapons in the Western Hemisphere. As to weapon production in the United Kingdom, he felt that upon the going into effect of the Atlantic Pact, which would greatly strengthen the com-

mon defense and security of its signatories, it would be appropriate to allow the U.K. to produce a token amount of plutonium in the British Isles. No government in the U.K. could stand which eschewed work on atomic weapons. He did not consider that present U.K. production plans constituted a major effort but rather a token effort. Specifically, in response to a query from Congressman Hinshaw, GENERAL EISENHOWER stated that he considered British production pegged at one-tenth of ours to be a token operation.

SENATOR VANDENBERG pointed out that one of the objectives sought under the Atlantic Pact was the prevention of competition among its members as regards the production of weapons. He asked whether the proposal to allow the U.K. to produce plutonium for weapons was not in conflict with the intent of the Pact. GENERAL EISENHOWER replied that the Pact contemplated that each nation should produce those weapons which it can best produce. He did not think that token manufacture in the U.K. was inconsistent. He went on to say that there was so relatively little further information which we had to give to the British as regards atomic weapons that he considered cooperation on atomic weapons with the British to be about the same as cooperation on any other weapon.

SENATOR MILLIKIN stressed the psychological aspect of the problem, commenting that he thought that the American people would be greatly disturbed at any move to make weapon information available to the U.K. Right or wrong, American public opinion assumed that our monopoly possession of the weapon gave us a real advantage in an uncertain world. He for one felt that the State Department should use every other ace it had in order to secure uranium and that it should not use information as the price of getting uranium.

GENERAL EISENHOWER stressed that the U.K. and the U.S. were complete associates in nearly all fields of military planning. It did not seem to him sensible to exclude atomic weapons from that association. SENATOR VANDENBERG expatiated at some length to the effect that the American people would never stand for the proposed arrangement. He felt that the time had come to convince the U.K. that in view of all of the assistance we had given them in the past and were still giving them, they should now do something for us. It seemed to him that the atomic weapon afforded the British perhaps the only real opportunity they would ever find for a generous gesture toward the United States. He suggested that whatever the negotiators might have to come out with in the end, they might at least start out as an initial approach to the idea of persuading the British to give up their atomic weapon aspirations in the U.K.

On the question of public opinion, SENATOR McMAHON said he felt that public opinion needed to be given close attention, provided it were informed opinion. He felt, however, that in the event public

reaction were based on ignorance and if, on the basis of knowledge available to him, that public opinion was mistaken, he felt that it should not stand in the way of sound solutions to this sort of problem. After one had decided the best course of action in the light of all the facts, then public opinion could be educated to the necessity for the solution proposed.

SENATOR HICKENLOOPER asked General Eisenhower whether he thought that there might be a tendency on the part of the British once they had atomic weapons to use them as a means of staying neutral in the case of war with the Soviet Union. GENERAL EISENHOWER said he thought this quite unlikely. Global wars of the future would be ideological in nature and in such event the U.K. and ourselves would be the fullest of partners.

SENATOR MILLIKIN asked whether the presence of plutonium production plants in the U.K. would not be an invitation to Soviet attack. GENERAL EISENHOWER said he doubted this, particularly if one had in mind a scale of operation in the British Isles which was not of major proportions. SENATOR CONNALLY interjected that the U.K. certainly seemed justified in wanting to have some atomic weapons at hand in order to counter any initial blitz that might fall upon them. GENERAL EISENHOWER commented that if the U.K. developed full faith in the Atlantic Pact, it might not insist on having bombs of its own. He felt that British public opinion would require that some token production of plutonium be carried on in the British Isles. In response to a question from Congressman Elston, GENERAL EISENHOWER said he felt that a 10% effort in the U.K. should represent about the maximum that we should allow. He went on to say that the core of the bomb should be stored in the Western Hemisphere. The British might require, and should be allowed to have, a few of the finished products to use for training purposes.

SENATOR MILLIKIN inquired whether the British Air Staff was aware of our strategic war plans based on the use of the bomb in the initial phases. GENERAL EISENHOWER replied that the top echelons of the British Air Staff were familiar with these plans.

At this juncture, SECRETARY ACHESON requested that he be permitted to develop the discussion in a somewhat more orderly way and in so doing would like to read verbatim the proposed negotiating position. By way of preface, he stressed the fact that what he was about to read represented a negotiating objective and, in advance of having talked with the British, we could by no means guarantee we could do this well. He pointed out that the basis of allocation of effort was raw materials and that there was not involved here any real problem of giving or not giving to the British weapons information inasmuch as they already had this knowledge. The Secretary then proceeded to read the conclusions contained in the Report to the President dated

March 2, 1949. Various questions were interjected as he proceeded, so that he never quite finished.

SENATOR McMAHON asked whether it might be feasible to offer to duplicate existing British facilities in Canada in exchange for which the U.K. would dismantle the plants it now has in being or in contemplation in the British Isles. SECRETARY ACHESON felt that this was quite an impossible thing to do, that the British would never agree to it, in large measure because they understandably enough felt there was a considerable element of assurance to their people in having plutonium production facilities in their own Islands.

SENATOR KNOWLAND stated in the strongest terms that he would oppose any negotiations being undertaken unless there were advanced commitment on the part of the State Department to secure Congressional approval for whatever arrangements might evolve from such negotiation. He said that his view might be a minority view, but that he felt so strongly about it that in the event such assurances were not forthcoming, he would feel obligated to take the matter up on the floor of the Senate.

SENATOR HICKENLOOPER said that he felt that the U.K. was only a real estate broker in this whole situation and that he did not feel we should have to bargain with them for the uranium which indeed was not theirs in the first instance but rather belonged to the Belgians.

CONGRESSMAN COLE asked whether the proposed arrangements contemplated any commitment to consult with the other party as to the use of weapons in its possession. GENERAL EISENHOWER replied that there was not. The United States would be free to use the product of its operations in any way it saw fit. This would also apply to the U.K. CONGRESSMAN COLE asked whether this new arrangement might provoke the Soviet Union to war. GENERAL EISENHOWER felt that it would not any more than existing arrangements were likely to do.

CONGRESSMAN HINSHAW wished to know how much public information there was as to presently existing cooperation between the United States, United Kingdom and Canada. MR. LILIENTHAL mentioned that there had been some information at least about a year ago on the existence of the Combined Policy Committee and a general statement of cooperation in certain limited areas of information and on problems of raw materials supply common to the three governments.

SENATOR MILLIKIN emphasized that he would propose to go to the Congress immediately if there were any disposition on the part of the State Department to go ahead with negotiations without prior assurance that any arrangements that might be agreed would be subject to Congressional approval. CONGRESSMAN HINSHAW pointed out that Senator Millikin's objection related only to the question of exchange of information. He did not see how efforts to continue an adequate supply of uranium could be objected to.

SECRETARY ACHESON then developed the view of the Executive Branch as to legal questions involved. After referring to the relevant sections of the Atomic Energy Act of 1946 he stated the view that the Act permitted such arrangements as would be formed after due deliberation to promote the best interests of the common defense and security. In his view, the guides to policy laid down in Sections 10A and B of the Act were subject always to the overriding policy consideration of the common defense and security. He stated that the responsible authorities in the Executive Branch had found that the arrangements were indeed calculated to promote the common defense and security and therefore these arrangements were held to be permissible under that Act. He stated that the question of permissibility had been raised in connection with the *modus vivendi* and this Committee had agreed at that time that the *modus vivendi* arrangements were permitted under the law. If it were now to be claimed that the proposed new arrangements were not legal, then serious doubts would have to be raised about the legality of the 1948-49 arrangements to which this Committee had agreed.

SENATOR MILLIKIN stated that negotiations could not be started without the consent of the Congress. Congress had pre-empted this field. He was opposed to any negotiations being entered into with the intent to violate the law. SENATOR MCMAHON pointed out that there could not in fact be any violation of the law until exchange of information under a new arrangement actually began. SENATOR CONNALLY disagreed with Senator Millikin's point of view and stated that in his judgment the Congress had not and could not pre-empt this field. He expressed full support for the point of view developed by the Secretary of State.

SENATOR KNOWLAND expressed the view that if the Department of State would inform the British and the Canadians that any arrangements that were agreed upon would be subject to Congressional approval, our negotiating position would be greatly strengthened. He repeated that any attempt to negotiate without a prior commitment to secure Congressional approval would force him to raise the whole problem on the floor of the Senate.

CONGRESSMAN ELSTON took violent exception to the point of view expressed by the Secretary of State and related some of the legislative history of the Act. He recalled that the Conference report on the Bill, portions of which he read, made it quite clear that no secret whatever in this field, whether with regard to industrial uses or weapons uses, should be exchanged with any other government.

In response to a question from Senator Hickenlooper, MR. LILIEN-THAL stated that as of the date the President expressed his approval of the recommendations which had been submitted to him on March 2, the attitude of the Atomic Energy Commission was determined by

that approval of the President. He went on to say that there was complete agreement in the Commission on the objective to be sought. One member, Commissioner Strauss, had recommended that pending the establishment of new arrangements, present interchange under the *modus vivendi* should be terminated, primarily because it had been learned that the British effort was directed primarily toward weapons production.

SENATOR McMAHON, in commenting upon the form of agreement, said that one of the difficulties that arose in connection with passing a Joint Resolution of Congress was that all details of the agreement would necessarily become known. CONGRESSMAN HINSHAW commented that perhaps this could be avoided by amending the law in respect to Section 10. SENATOR McMAHON, however, felt that any attempt to amend the law in this particular would in due course bring about complete revelation of the details of the proposed agreement.

SECRETARY ACHESON proposed that in view of the complexity of this problem and the need to give the most meticulous study, he would like to suggest that the group might meet again with the Committee at a later date to discuss the matter further. He hoped that the presentation that had been made to the Committee would prove useful and expressed the hope that the Committee would bear in mind that the proposed arrangements that had been laid before it had not been arrived at cursorily but only after long and careful study on the part of the appropriate agencies in the Executive Branch.

SENATOR VANDENBERG said he hoped that reconsideration would be reciprocal. He hoped that the Department of State would take into full account the views that had been expressed by Committee members with particular emphasis on the public relations problem. He felt that the United States weakened its hand in any future international negotiation the moment it gave up its atomic secrets. He expressed his strong opposition to having negotiations entered into which required us to pay for uranium with vital secret information. SECRETARY JOHNSON said he concurred in the suggestion made by Secretary Acheson that the group meet with the Committee again. He suggested such a meeting be held two weeks hence. Meanwhile he would see to it that the Defense Establishment reviewed its entire position in the light of what had been said at the meeting, having particularly in mind the views of Senator Vandenberg as they related to the question of what the reaction of the American people would be. Meanwhile, he hoped that all participants in the meeting would suspend judgment and would undertake to say nothing further to the press on this subject.

SENATOR KNOWLAND charged that leaks to the press had come from the other end of the Avenue. The Committee members were placed in an intolerable position by being forced to learn about the Blair House



meeting only through the public press. Both SECRETARY JOHNSON and SECRETARY ACHESON assured the Senator and the Committee that neither agency had given any information to the press about the Blair House meeting. SECRETARY ACHESON went on to say that it was his impression that if any leaks had occurred, they must necessarily have come from among the Congressional participants. SENATOR McMAHON then said that unless he heard objection, he would propose that the only statement he make on behalf of the Committee and this group about the present meeting would be that it had been called to discuss the question of future relationships with the United Kingdom and Canada in the field of atomic energy, that the discussion was exploratory in nature, no decision was reached, and that further conferences would be held. No objection to this statement was voiced.

It was finally agreed at the suggestion of SECRETARY ACHESON that the group would meet again with the Committee on call of its Chairman.

R. GORDON ARNESON

Department of State Atomic Energy Files

*Memorandum by the Secretary of State of Conversation With  
President Truman*

TOP SECRET

[WASHINGTON,] July 25, 1949.

ITEM No. 6

ATOMIC ENERGY PROGRAM

Secretary Johnson handed the President a memorandum supporting the Secretary's legal views. A copy of this was handed to me and is attached.<sup>1</sup>

Secretary Johnson and I recommended to the President, and he approved, my making a statement to the Committee along the following lines:

1. Any impression that the President has considered the question as to his legal powers under the Atomic Energy Act or is pressing the view that he has power to make an agreement regarding information

<sup>1</sup> Secretary Johnson's memorandum, not printed in its entirety, concluded as follows:

"In view of the unanimity on the part of the Executive Branch in regard to the policy that should be followed, it is desirable that differences of opinion on how this policy should be implemented should not be permitted to prejudice the result of the pending negotiations. My recommendation, therefore, is that the President should not press the point of his legal rights, based on considerations of national security, however meritorious the legal arguments in support of this position may be. Instead, as a practical matter, I recommend that it be conceded to Congress that in this particular case whatever arrangements are negotiated with the United Kingdom and Canada will be referred to Congress before final executive action is taken."

without further authority from Congress is erroneous. In regard to this matter the President believes that any further action to be successful should be taken as the result of a wide area of agreement between the Executive and Legislative branches.

2. After considering the views of the Joint Committee, the President believes that he should instruct me (a) to endeavor to obtain from the British an extension of the present *modus vivendi* in order to hold the matter in *status quo* and give ample time for a full and deliberate consideration of the proposals involved; (b) that he does not intend to make any other agreement at the present time with the British or Canadians or to extend the present areas of collaboration with the British or Canadians; (c) that he wishes me to explore with the British and Canadians the various problems discussed with the Committee, informing them frankly of the difficulties in the information field in order to ascertain what can be done in the matters of pressing importance to the United States, and that this is to be done purely on the basis of examining the problem and not with a view to making any agreements or exchanging any information; (d) that, after these discussions have taken place, further consultation will be had with the Joint Committee at a time when Congress is in session, and that in the meantime no action will be taken or commitments made other than to extend the *status quo*.

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Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] July 25, 1949.

Subject: General Norstad's Talks with Air Marshal Tedder<sup>1</sup>

Participants: Secretary of State  
Lt. General Lauris Norstad  
Mr. William Webster  
Mr. R. Gordon Arneson

General Norstad and Mr. Webster called on the Secretary at 2:30 July 19 to inform him of discussions that General Norstad had had in a most informal way with Tedder in the course of a recent visit to the United Kingdom in connection with discussions on strategic air plans.

Mr. Webster recalled that after the meeting at which the American side members of the CPC approved the Report to the President,<sup>2</sup> Secretary Forrestal and Mr. Webster had suggested to Secretary Acheson that in connection with a forthcoming trip of air personnel to the United Kingdom it might be feasible to sound out their British

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<sup>1</sup> Marshal of the Royal Air Force Lord Tedder, British Chief of Air Staff. on p. 241.

<sup>2</sup> Reference is to the meeting of March 2, the record of which is printed on p. 441.

counterparts on the question of suitable arrangements for cooperation in the field of atomic energy. It was stressed that such approaches would be completely unofficial, subject to repudiation in case either side found it necessary. Mr. Webster asked General Norstad to report on how this matter had gone.<sup>3</sup>

General Norstad stated that he had been able to talk with Tedder alone for about an hour (General Vandenberg<sup>4</sup> being purposely absent). Tedder was of the opinion that if a fully effective partnership could be brought about between the United States and the United Kingdom in the field of atomic energy, the British in all probability would not insist on having any major production program. From a military point of view, he did not think it wise that the British program be of any major size nor that the bombs themselves should be stored in any quantity in the Isles except as may be jointly agreed in the common war plans. He realized that some plutonium production would have to be carried on in the U.K. if for no other reason than to command public support and to bolster national prestige. General Norstad got the impression that once the British could say they had produced even one bomb by their own effort, whether it be done in the U.K. or in Canada, they would be quite willing to keep their program to modest proportions.

Tedder undertook to pass this line on to appropriate British authorities with a view toward steering the direction of their thinking. General Norstad reported that he had urged Tedder to recommend to his people that against the day negotiations could be begun the British should try to formulate a minimum position rather than come in with a major demand from which they would plan to recede. For his part, General Norstad said he would urge a similar attitude on the part of U.S. negotiators.

Secretary Acheson commented that this was a very hopeful report. Asked whether it would be appropriate for General Norstad in the course of another visit to the U.K. within the next two or three weeks again to talk with Tedder, Secretary Acheson said that he felt it would be all right, provided it was perfectly clear that no commitment whatever was involved. General Norstad said that he would do it on no other basis, and expressed the hope that he could report back whatever success Tedder may have had in selling his point of view to his own people.

R. GORDON ARNESON

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<sup>3</sup> The Secretary of State had received earlier notification of the Norstad-Tedder exchange in the form of a memorandum from Arneson dated April 19, not printed, which relayed information forwarded by Webster (Department of State Atomic Energy Files).

<sup>4</sup> General Hoyt S. Vandenberg, Chief of Staff, United States Air Force.

SCI Files

*President Truman to the Executive Secretary of the National Security Council (Souers)*<sup>1</sup>

SECRET

WASHINGTON, July 26, 1949.

MY DEAR MR. SOUERS: On April 8, 1949, pursuant to Sec. 6(a)-2 of the Atomic Energy Act of 1946, I approved a joint recommendation by the National Military Establishment and the Atomic Energy Commission with respect to the level of the Commission's program for the production of fissionable materials and atomic weapons.<sup>2</sup> At that time, I was informed that new objectives were under study by the Joint Chiefs of Staff looking toward accelerated production schedules and increased weapon requirements.

It has been brought to my attention recently that the National Military Establishment will soon come forward with new proposals which, if approved, would increase very substantially the presently-approved program of the Commission and would entail major expenditures over the next three years by the Commission for which no provision has been made in the budget. A conservative estimate of the cost of constructing the required new plant facilities is \$300 million, and the increase in annual operating costs in the near future would be about \$60 million. The National Military Establishment has fixed January 1, 1956, as the target date for realization of the revised objectives.

The National Security Council is now reviewing the national defense and international programs, including the program of the Atomic Energy Commission, at my request. I regard it as essential that the revised objectives and requirements for the fissionable materials and atomic weapons program, as formulated by the National Military Establishment, be thoroughly studied and evaluated against the Council's perspective of our total defense requirements. It is equally important that the proposed sharp acceleration of this program be considered from the standpoint of its relationship to the foreign policy of the United States.

To assist me in reaching a judgment with respect to the forthcoming proposals, I desire advice as to the necessity for expansion of the Commission's program along the lines to be recommended by the National Military Establishment. For this purpose I am designating the Secretary of State, the Secretary of Defense, and the Chairman of the Atomic Energy Commission as a special committee within the framework of the Council to prepare a recommendation upon this matter. I suggest that they should each furnish appropriate staff from

<sup>1</sup> The White House transmitted a copy of this letter to the Secretary of State on July 26.

<sup>2</sup> The joint letter for the President authorizing 1949 production has not been found in the files of the Department of State. Information on the production program appears in Hewlett and Duncan, Chapter 6.

their respective agencies to work under your direction in the preparation of the necessary staff studies. Without in any way intending to limit the committee's range of inquiry, I would particularly value its opinions on such matters as the following:

1. The adequacy of the present program for production of fissionable materials and weapons to safeguard our national security through January, 1956.
2. The relative gain in terms of national security to be derived from the proposed increased expenditure versus the degree of security resulting from a continuation of the program at its present level (including development of improved atomic bombs and applications in the field of guided missiles).
3. The soundness of the timing of the proposed acceleration, from the standpoint of (a) the stringency of the over-all budgetary situation, (b) the status of the Commission's research and development looking toward a smaller and lighter atomic bomb which might significantly improve existing deliverability considerations, and (c) the effect upon the international situation of so great an acceleration of visible effort in this area of our national defense program.
4. The effect of making offsetting reductions in other areas of the national defense program to permit the proposed acceleration in the atomic weapons area without a net increase in the budget.

Other factors to be considered by the committee in arriving at a judgment are (a) the calculations underlying the National Military Establishment's revised estimates of requirements for fissionable materials and weapon production levels, and (b) the prospects of an adequate supply of basic raw materials to support the production rates deemed desirable by the National Military Establishment.

The committee will recognize that, while the problem is complex, my needs will be best served if preoccupation with technical details is avoided. The committee's judgment should be based upon identification of the central issues which, taken together and properly evaluated from the standpoint of public policy, constitute the core of the problem.

I assume that it will be necessary for the committee to inform itself upon a number of matters which heretofore have been reserved, for reasons of the highest security, to a limited number of persons. It is very important, of course, that this number continue to be held to a minimum in connection with the committee's study. However, in order that the committee may have the benefit of full and complete information as its study proceeds, it is my desire that both the Atomic Energy Commission and the National Military Establishment afford the committee all the assistance which it requires.

I am advising the Department of State, the National Military Establishment, and the Atomic Energy Commission of my decision to place this matter before the Council by sending copies of this letter to Secretary Acheson, Secretary Johnson, and Chairman Lilienthal.

I desire to be kept informed of the progress which the Council makes on this assignment and will anticipate its recommendations at the conclusion of its study.

Sincerely yours,

HARRY S. TRUMAN

Department of State Atomic Energy Files

*Record of the Meeting of the Joint Congressional Committee on Atomic Energy, July 27, 1949, 2:30 p. m.*<sup>1</sup>

TOP SECRET

*The Executive Branch*

Secretary Acheson  
 Secretary Johnson  
 Chairman Lilienthal  
 Commissioner Gordon Dean  
 Commissioner Henry Smyth  
 Commissioner Lewis Strauss  
 Deputy General Manager Shugg  
 Joseph Volpe, Jr.  
 William Webster  
 Ernest Gross  
 Adrian Fisher  
 R. Gordon Arneson

*Congress*

Senator McMahon,  
 Chairman JCAE  
 Representative Durham,  
 Vice Chairman  
 Senator Hickenlooper  
 Senator Johnson  
 Senator Knowland  
 Senator Millikin  
  
 Representative Hinshaw  
 Representative Holifield  
 Representative Jackson  
 Representative Price<sup>2</sup>  
 Representative Van Zandt<sup>3</sup>

Secretary Acheson stated that the Executive branch had reviewed the situation following on the last meeting with the Committee and the matter had been discussed at some length with the President. As a result of these further deliberations he was authorized to make the following statement on instructions from the President. (Statement appended.)

Chairman McMahon asked whether there were any comments. For his own part he felt that the procedure which had been set forward with precision in the statement read by the Secretary was eminently satisfactory. Senator Johnson said that he thought it was an eminently fair proposal, one which left him "greatly relieved." Senator Knowland expressed gratification at the position that had been explained by the Secretary and commented that it seemed to him to represent a satisfactory *modus vivendi* between the Executive and Legislative branches. Representative Hinshaw said that on his own behalf, and he felt confident on the behalf of Representatives Elston and Cole, the proposal was most satisfactory. Other Democratic representatives spoke in similar vein.

<sup>1</sup> Prepared by Arneson, July 27.

<sup>2</sup> Representative Melvin Price of Illinois.

<sup>3</sup> Representative James E. Van Zandt of Pennsylvania.

Senator Knowland remarked that there was one aspect of the problem which still worried him and that he wished to speak about it, not in a spirit of harassment, but rather to be helpful. He was concerned that there might be other Senators or Congressmen not represented on this Committee who might begin a concerted drive to have written into the MAP legislation language which might disbar any exchange of information whatsoever in the field of atomic energy. He felt that such a drive might be stopped dead in its tracks if members of this Committee could say that the President had in fact stated without any ambiguity that he felt disbarred from taking any action in this field without formal Congressional action. Considerable discussion ensued on this point. Secretary Johnson urged that the Committee not press the Executive for any firmer commitment than had been expressed in the Secretary of State's statement. Senator McMahon expressed the view that the Congress generally would appreciate that atomic energy matters were within the jurisdiction of the Joint Committee. Senator Johnson felt that as long as the Committee maintained a united front on this matter and no member thereof attempted to build up pressure in the Congress for such MAP language, there was little likelihood that any other Senator or Congressman would meet with any success in attempting to do so.

Senator Hickenlooper appeared to be satisfied with the procedural situation as outlined by Secretary Acheson. He expressed at some length, however, his conviction that the substantive proposals that had been brought forward at the previous meeting and at Blair House were basically wrong, were not justified on the basis of raw materials needs, and contrary to the law. He indicated that he would oppose any arrangements along the lines that had been sketched, not only on the grounds of illegality under the Act but also on their merits. He stated that any proposal designed to give away our secrets was "offensive" to him.

Senator Millikin voiced concern about the attitude with which the Executive branch was considering conducting negotiations. He felt that we held all the aces and that they should be played. He thought that it should be relatively easy for the State Department to get the British to do anything we wanted them to do in this field. He was convinced that if our negotiators took a very firm line from the outset they could get what they wanted without even taking their coats off.

Considerable discussion took place on the question of a statement to be issued by the Committee on the meeting. The Chairman read to the Committee a draft which he had prepared which in effect was a paraphrase of the Secretary's statement (which McMahon had seen before the meeting) and which went on to say at the end that the Committee expressed satisfaction with the procedures that had been proposed. Various members of the Committee were dissatisfied with the form

of words suggested and proceeded to give detailed suggestions as to how the statement ought to read. The consensus seemed to favor a very short statement leaving to the President responsibility for putting out in a public release the assurances which the Secretary of State had given the Committee. Hickenlooper was the strongest advocate of this point of view. Senator McMahan inquired of Secretary Acheson whether he would urge the President to make a statement. This the Secretary undertook to do.<sup>4</sup> As to the Committee's own statement the discussion was inconclusive and the meeting broke up in some confusion on this point.

[Senator McMahan subsequently issued his own statement as Chairman without attempting to reflect Committee agreement.]<sup>5</sup>

[Annex]

*Statement by the Secretary of State to the Joint Congressional Committee on Atomic Energy*

TOP SECRET

[WASHINGTON,] July 27, 1949.

I have discussed with the President the points of view expressed by Members of this Committee at our last meeting. I advised him of the fact that a number of the Members of this Committee believed that the Atomic Energy Act of 1946 did not permit the exchange of weapons information with any foreign government except with the approval of the Congress.

The President believes that an issue which so vitally affects the national security of the United States is one which should be resolved on grounds of high policy and on the basis of a wide area of agreement between the Executive and Legislative branches. Accordingly, he has not considered it necessary to make a decision as to the respective authority of the Executive and Legislative branches of Government in this field since any action to be successful will have to have the support of both.

After careful study of the matter and in consultation with the Secretary of Defense, the Atomic Energy Commission and myself, the President has instructed us to obtain the reaction to the following proposed line of action:

The Secretary of State would have talks with the British and Canadians to attempt to secure their agreement to a continuation of the present *modus vivendi* for a period of some months beyond December 31, 1949. This continuation would not involve any expansion of

<sup>4</sup>For text of the statement delivered by President Truman at his news conference, July 28, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1949* (Washington: Government Printing Office, 1964), p. 402.

<sup>5</sup>Brackets appear in the source text. The statement was released by Senator McMahan's office on July 27.



the present nine areas of technical cooperation. It is recognized that there may be great difficulties in securing agreement to continue the *modus vivendi* but it is essential to attempt to arrange this. The purposes of holding the matter in *status quo* are (1) to assure the continued supply of raw materials essential to our weapons program and (2) to give the Executive and Legislative branches of the Government more time in which to consult with each other concerning the type of longer range agreements which this Government should attempt to conclude. The continuation of the present *modus vivendi* would not involve the exchange of information relating specifically and primarily to weapons or to the design or operation of plants for production of weapons materials or weapon parts. Such information is specifically excluded under the present technical cooperation program.

The Secretary of State, in the course of these talks concerning the continuation of the present *modus vivendi*, would explore with the British and Canadians the various problems that have been discussed with this Committee and inform them frankly of the difficulties involved in the information field in order to ascertain what can be done to meet the pressing needs of the United States. These talks would be only exploratory and would not involve the making of any agreements or the exchange of any technical information.

The results of these exploratory discussions will be referred back to this Committee and will be discussed with the Committee at a time when the Congress is in session. In this way, there will be full opportunity to determine what, if any, Congressional action is required. In the meantime no commitments would be made other than to preserve the *status quo*.

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Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson, Special Assistant to the  
Under Secretary of State (Webb)*

[Extracts]

TOP SECRET

[WASHINGTON, undated.]

TRIPARTITE NEGOTIATIONS CHRONOLOGY<sup>1</sup>

August 2, 1949

Late in the afternoon the Secretary called Kennan, Rusk and myself in to talk with him about the President's letter to Souers<sup>2</sup> concern-

<sup>1</sup> This 35-page document describes the development of the United States position on tripartite negotiations and other aspects of atomic energy policy from June 23 to September 1, 1949.

<sup>2</sup> Dated July 26, p. 501.

ing Defense's proposal for an expanded production program. It was agreed that Mr. Webb should be the principal representative on the working group with me as his assistant. In Webb's absence, however, Kennan would go to the meeting the next day. Fisher and I were to accompany him. There was some discussion as to the substance of the proposal, Kennan putting forth the view that since State had been asked to participate in preparing recommendations to the President on this matter it might be appropriate for State, if it were agreed, to raise some question about the size of the program particularly in terms of the psychological impact it would have both at home and abroad. Kennan said his concern on this did not represent strong conviction but rather an uneasy feeling that we were traveling down the atomic road rather too fast. He went on to state his own personal feeling that it perhaps would be best for this country if it were decided that atomic bombs would never be used. He for one was glad that no final decision to use the weapon had as yet been made. Both the Secretary and Rusk stated that it would be difficult to justify any such approach particularly if our failure to use atomic weapons meant a great loss of lives or a defeat in war.

SCI Files

*Memorandum by the Director of the Policy Planning Staff (Kennan) to the Secretary of State, the Under Secretary of State (Webb), and the Deputy Under Secretary of State (Rusk)*

TOP SECRET

[WASHINGTON,] August 3, 1949.

Accompanied by Mr. Fisher and Mr. Arneson, I attended this morning the meeting called by Mr. Souers to consider the President's letter of July 26 concerning the expansion of the atomic energy production program proposed by the National Military Establishment.<sup>1</sup> The meeting was attended by Sidney Souers and James Lay<sup>2</sup> from the National Security Council; William Webster, John Ohly<sup>3</sup> and General Lauris Norstad<sup>4</sup> from the National Military Establishment; Carleton Shugg and General James McCormack, Jr.<sup>5</sup> from the Atomic Energy Commission.

Mr. Webster, Chairman of the Military Liaison Committee and Deputy to the Secretary for Defense on Atomic Energy Matters, gave

<sup>1</sup> *Ante*, p. 501.

<sup>2</sup> Assistant Executive Secretary of the National Security Council.

<sup>3</sup> Special Assistant to the Secretary of Defense.

<sup>4</sup> Lieutenant General Lauris Norstad, Deputy Chief of Staff for Operations, U.S. Air Force Headquarters.

<sup>5</sup> Director of the Division of Military Application of the United States Atomic Energy Commission.

a brief statement of the background of the NME's proposal, but did not attempt to go into all the various questions indicated in the President's letter.

I stated that we would require, as a starter for the consideration of this subject, a clearer and more detailed picture of exactly what the proposal was and what it would imply with respect to operations and expenditures, in point of time as well as of quantity, and a breakdown of the NME's justification for the proposal, according to the points mentioned in the President's letter and additional points which some of us might wish to suggest.

It was accordingly agreed that the working group would meet again Tuesday morning, and that by that time the NME would prepare such justification, as well as a description of its proposal, and the AEC would prepare a statement of what this meant in terms of the Commission's operations.<sup>6</sup>

There was some discussion of the timing of our deliberations in its relation to the plans of Congress and the possibility of submitting a supplementary request during the present session of Congress, and the suggestion was made from the military side that the NME's proposal ought really to be accepted forthwith, on the basis of Mr. Webster's statement, in order that an approach could be made to Congress early next week. I explained that this was out of the question, as far as we were concerned; that the President's letter placed specific responsibilities on us for making a thorough and considered judgment which would take into account many different aspects of the matter; and that we would have to go into this thoroughly and carefully and with due regard to the other pressures to which our senior officials are subjected.

It was the consensus of thinking in the group that after the statements of the NME and the AEC have been submitted to us, they would be used for briefing you and the other principals of the committee, and that in due course thereafter a meeting of the three principals with the Joint Chiefs of Staff would be in order.

The President's letter placed upon this Department the specific responsibility for making a judgment of this question from the standpoint of foreign policy, and I said that we would, in the interval between now and Tuesday's meeting, have a preliminary look at this. I explained that we would not be able to give any definite view until we received the statements of the NME and the AEC and had a

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<sup>6</sup>In a memorandum to Acheson, Webb, and Rusk, August 4, Kennan stated that Souers had telephoned during the morning to report that the National Military Establishment had reconsidered the possibility of getting the proposal for expansion of the atomic weapons program before Congress at the present session and had decided that it would not be worthwhile to attempt to do so. The meeting of Tuesday, August 8, would therefore be postponed pending further consideration of the subject by the interested parties. (SCI Files)

thorough understanding of the nature of the proposal and the reasons advanced by way of justification for it.

On the basis of this preliminary meeting, I have no reaction, pro or con, concerning the proposal itself. The factual background is still quite inadequate for such a judgment.

As to the foreign affairs significance, this much seems to be clear: If the proposal were to be adopted, it would probably not come to the attention of the public through operations undertaken by the AEC at their plants since this would probably be pretty well absorbed, outwardly, into what people conceive as the normal activities of the Commission. The proposal would, however, presumably leak after presentation to the Congressional committees, and quite possibly in a fairly sensational form. Although actually it has no particular relation to the state of international affairs at this juncture and probably would have no appreciable effect on production in the short run, the public would not appreciate this, and the move would appear as a stepping up of the atomic bomb program, presumably in anticipation of some early expected emergency, unknown to the public. While we have not yet given this careful study, I can think of no reason why it would be desirable to produce this reaction, and of several reasons why it would be undesirable—unless further study brings to light new factors.

A proposal was made by the representative of the AEC that a member of the Budget Bureau be included in the working group. I stated that since no provision was made for this in the President's letter, I could not accept the suggestion off-hand, and would refer it to Mr. Webb.<sup>7</sup>

GEORGE F. KENNAN

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<sup>7</sup>In a marginal notation, the Secretary of State wrote "I would not add to the group."

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Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson to the Secretary of State*

TOP SECRET

[WASHINGTON,] August 6, 1949.

Subject: South African Uranium

*Background*

Since 1946, certain scientific groups in the United States under AEC contracts (for the CDA) have been collaborating with South African technicians on the extraction of uranium from the tailings of the gold ores milled in the Witwatersrand District of the Union of South Africa. The uranium content of these ores is very small (a few ounces per ton of ore) but with respect to those ores containing over .015%  $U_3O_8$ , research achievements to date give promise of eventual successful economical extraction of very significant total tonnages which may

make South Africa our main source when the Belgian Congo deposits are depleted. Some of the new gold mines being developed in the Orange Free State will also become important producers of uranium.

In view of progress made in solution of the primary problem of producing a low-grade concentrate (1% to 3%  $U_3O_8$ ) from tailings of the gold mills, representatives of the U.K., the U.S. and South Africa met in Washington in June 1948<sup>1</sup> to explore very informally the basis for an eventual contractual agreement between the agencies of those governments. The contract formula resulting from these discussions proposed a purchase of 10,000 tons of contained  $U_3O_8$  in a high-grade concentrate, the successful production of which will require further research and pilot-plant experience. It was further proposed that the selling prices, of necessity reflecting for the time being only the cost of producing the low-grade concentrate, would be based on the actual cost of production as certified by the seller inclusive of direct costs for amortization of treatment plants on a ten-year basis, and allocated overhead, plus profit and royalty. Of the total amount of 10,000 tons, the seller would have the option of delivering up to 1500 tons at a maximum annual rate of 150 tons at a price not to exceed \$25.00 per pound  $U_3O_8$ . The balance of the contract would be fulfilled at a minimum annual rate of 400 tons to be sold at a price not to exceed \$9.00 per pound. Payments under the contract would be made half in American dollars and half in pounds sterling. It was envisaged that production might commence in 1952 and eventually increase to 2,000 tons annually in a few years.

It was contemplated that discussions regarding the proposed contract would be resumed in South Africa this spring. For various reasons the meeting has been deferred, but it now appears that talks definitely will take place in November of this year.

#### *Current Status*

1. The South African Government proposed on July 29, 1949 that discussions with a joint U.S.-U.K. Mission might commence November 7, and requested the names of the American delegates and the approximate time of their arrival. We do not yet know whether the British are disposed to accept this timing.

2. Following the return of Carroll Wilson on August 22 we will consider the composition of the American delegation and its terms of reference. Subsequently a CPC meeting should be held to approve instructions for the guidance of the combined U.S.-U.K. Mission.

3. The CDA will attempt to conclude a straight commercial contract with the South African Atomic Energy Board for the purchase of uranium over a period of years. It may be necessary to back this

<sup>1</sup> For information on these negotiations, see *Foreign Relations*, 1948, vol. I, Part 2, pp. 677 ff.

commercial agreement with a tripartite governmental understanding. Recommendations as to the manner and form which this should take will be worked out by Messrs. Fisher and Volpe.

4. Announcement was made in June by the Minister of Mines and Economy before Parliament that representatives of the British Ministry of Supply and the U.S. Atomic Energy Commission would visit South Africa in a few months at the Government's invitation to discuss "the production of atomic energy." In view of this, it would appear that no great secrecy will be maintained regarding the presence of the U.S.-U.K. Mission in South Africa. It will be imperative nevertheless for security reasons to attempt to avoid disclosure of the tonnage and grades of uranium materials which will be produced from the South African operations.

5. We have at various times in the past been successful in seeing that other matters concerning our relations with the South Africans<sup>2</sup> rest on their own merits independent of our uranium desiderata; nevertheless these issues do tend to become related psychologically and have a definite effect on the climate in which the uranium matter is handled. For this reason we have followed and are continuing to follow developments with respect to the more important problems in which the South Africans and the U.S. are parties, particularly the following:

*a.* The South African request for financial assistance from the Export-Import Bank which apparently has not been met with a reception satisfactory to the South Africans.

*b.* The South African desires for an increase in the price for gold.

*c.* Devaluation of the pound sterling, and possibly of the South African pound, which might require review of the pricing formula agreed upon in the preliminary talks held in Washington in June 1948.

*d.* Expected request of the South African Government for U.S. military aid.

*e.* The touchy issues involving South Africa which will again come before the General Assembly.

R. GORDON ARNESON

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<sup>2</sup> Documentation on United States relations with the Union of South Africa is scheduled for publication in volume vi.

SCI Files

*Memorandum of Conversation, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] August 10, 1949.

Mr. Fisher and I saw Mr. Webb this morning on several matters that are emerging in the atomic energy field. The first item dealt with

the expansion of the atomic energy production program proposed by the NME. Mr. Webb read the letter from the President to Mr. Souers,<sup>1</sup> and Mr. Kennan's memorandum of the meeting held in Souers' office on August 3.<sup>2</sup> Mr. Fisher and I recommended to Mr. Webb that in view of the delicate problems facing the Department in connection with tripartite talks and the uncertainty prevailing as to the NME's attitude concerning the basic proposals, the Department should not take a leading role in evaluating the NME's requested expansion. We expressed the view that the Department should take a rather rigid institutional approach to the question, making whatever contributions were called for in evaluating the effect of the proposed increase on the foreign policy of the United States but avoiding any attempt to play a Budget Bureau role as to detailed justification. Mr. Webb agreed. Concerning procedure, it was understood that the subsequent meetings of the working group with Souers, Mr. Webb would be the senior Departmental representative.

We then sketched for Mr. Webb the state of affairs on the tripartite problem. We expressed the view that the most serious matter requiring prompt handling was to make certain precisely where the NME stood on the basic proposals which had been approved by the President. We indicated that on the basis of the testimony of General Eisenhower and Secretary Johnson before the Joint Committee<sup>3</sup> that there was considerable basis for doubt as to whether the NME had shifted its ground in the direction of an uranium swap. Until this doubt was laid to rest, and to do so would probably require an Acheson-Johnson talk, we were not in a position to lay any firm plans either as regards Congressional relations or as regards the negotiating process itself. If the NME has in fact become unhinged on this proposal it seemed exceedingly doubtful whether the negotiations should proceed. Mr. Webb agreed that this uncertainty had to be resolved as promptly as possible. It was recognized that it would not be useful to attempt to put pressure on Secretary Johnson through the President inasmuch as the views of the NME must be based on thorough conviction which it would be willing to state even to a hostile Congress. No agreement with the NME based on pressure or blandishment would be sufficient to insure a firm and unequivocal conviction.

Fisher and I suggested that we would need to undertake rather soon as intensive a campaign as possible of persuasion with members of the Joint Committee. In view of the position that the Commission finds itself in it did not seem likely it would be able to do much of the selling job. It appeared, therefore, to devolve principally on the Department and on the NME. The NME, of course, could be used only if we

<sup>1</sup> Dated July 26, p. 501.

<sup>2</sup> *Ante*, p. 507.

<sup>3</sup> For the records of the meetings of the Joint Congressional Committee on Atomic Energy, July 20 and July 27, see pp. 490 and 503.

were certain of their convictions in the matter. Mr. Webb agreed that there seemed to be no other choice at the moment but to put the focus of this campaign in the State Department.

I raised the question of the desirability of having an authoritative article written by some leading figure who had been rather closely associated with this problem during the war period and thereafter. I suggested that among the names that had been thought of were Stimson,<sup>4</sup> Patterson,<sup>5</sup> and General Marshall.<sup>6</sup> Mr. Webb's reaction was that this would have to be thought further about and he had no immediate comment.

I suggested that in view of the fact that the tripartite negotiations on atomic energy represented a very major facet of our relations with the U.K. and the fact that talks would follow closely on the scheduled financial talks, Assistant Secretary Perkins<sup>7</sup> ought to be given a rather thorough briefing of this whole situation and his advice sought as appropriate. Mr. Webb agreed that this was very desirable and asked me to undertake to give Perkins the necessary briefing and to see that he obtained necessary clearances so that he might be able to contribute more fully on this problem in the future.

Fisher and I are to see Mr. Webb again tomorrow on his call in order to review the points that had been raised with him today and to see what recommendations we would like to make to the Secretary on them.

<sup>4</sup> Henry L. Stimson, Secretary of War, January 1940–September 1945.

<sup>5</sup> Robert P. Patterson, Secretary of War, September 1945–July 1947.

<sup>6</sup> General of the Army George C. Marshall, Chief of Staff, United States Army, September 1939–November 1945; Secretary of State, January 1947–January 1949.

<sup>7</sup> George W. Perkins, Assistant Secretary of State for European Affairs.

Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

[Extracts]

TOP SECRET

[WASHINGTON, undated.]

TRIPARTITE NEGOTIATIONS CHRONOLOGY

August 12, 1949

At 3:30 Mr. Webb called us in to report on his luncheon with Johnson. It appears that in addition to Webb and Johnson, there were present Souers, Early,<sup>1</sup> and General Burns.<sup>2</sup> Webb said he had little

<sup>1</sup> Stephen T. Early, Deputy Secretary of Defense.

<sup>2</sup> Maj. Gen. James H. Burns, Assistant to the Secretary of Defense.



opportunity to touch any of the points we had raised with him<sup>3</sup> and, in fact, it would have been quite unwise to state our position in view of the outburst that came from Secretary Johnson. Johnson stated in effect that our position on the tripartite talks was quite wrong and that he did not feel he should go along with it. He said that the United Kingdom was finished, there was no sense in trying to bolster it up through ECA, MAP, NAP, or assistance in the field of atomic energy. Even the Canadians, and he said he had talked with the Canadian Foreign Minister just recently, were disturbed with the prospect that we might give atomic secrets to the British. He felt that while we would be glad to use any part of the British Empire that was valuable to us in joint defense plans, as the Empire disintegrated we should write off the United Kingdom and continue cooperation with those parts of the Empire that remained useful to us. In sum, it appeared that our worst fears had been fully justified.

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<sup>3</sup> Reference is to a noon meeting during which Webb, Fisher, and Arneson had discussed aspects of the question of tripartite negotiations which Webb would take up with Secretary Johnson. The portion of the source text describing the noon meeting is not printed.

Policy Planning Staff Files

*Report by the Policy Planning Staff*<sup>1</sup>

TOP SECRET

[WASHINGTON,] August 16, 1949.

PPS/58

POLITICAL IMPLICATIONS OF DETONATION OF ATOMIC BOMB BY THE  
U.S.S.R.<sup>2</sup>

THE PROBLEM

1. To determine the political implications if this Government could know with certainty when the U.S.S.R. detonates an atomic bomb.

ANALYSIS AND CONCLUSIONS

The Department of State obviously cannot pass on the question whether scientific techniques or equipment can be developed to detect the explosion by the U.S.S.R. of an atomic bomb, and it cannot express judgment as between competing demands for research and development funds. It is clear, however, that *only if a high degree*

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<sup>1</sup> A handwritten notation on the cover of the source text indicates that this report was not sent directly to the Secretary of State or the Under Secretary but was transmitted to Arneson in the Office of the Under Secretary.

<sup>2</sup> For information regarding President Truman's announcement on September 23 of a Soviet atomic explosion and the Secretary of State's statement on the subject released the same day, see editorial note, p. 540.

*of certainty can be placed on systems of detection, would this Government be warranted in basing policy decisions on intelligence derived from them.*<sup>3</sup>

Definite knowledge by this Government of the explosion by the U.S.S.R. of its first bomb is considered by the Department to be important for the following reasons:

(1) It would have a steadying effect on the American people and give them a sense of security if this Government could give assurance that the U.S.S.R. probably could not, without our knowledge, have a bomb or bombs for any length of time. With this knowledge, the Government would be able to combat intelligently defeatist or irrational attitudes arising from uncertainty as to whether the U.S.S.R. was capable of using atomic bombs, and would be in a position to refute with conviction false claims or rumors.

(2) It would be of the utmost importance for us to know when the U.S.S.R. has successfully tested a bomb in order to anticipate and counter possible changes in Soviet foreign policy which might result therefrom, and to know whether a shift in its foreign policy was the result of the possession of atomic bombs. We cannot know whether the U.S.S.R. would make the knowledge public if it did possess the atomic bomb; however, we would be in a position to know the truth of what the U.S.S.R. said publicly.

(3) The Soviet possession of a bomb or bombs may require a re-evaluation of U.S. policy in the United Nations in our efforts to obtain effective international control.

(4) Most of the free nations of the world are inclined at present to cooperate with the United States in view of the threat of Soviet aggression. A belief that we are now the sole possessor of atomic bombs and that the U.S.S.R. has none probably tends to increase their desire to collaborate with us and also their sense of safety in doing so. This tendency would probably be reinforced even further by certain knowledge that the U.S.S.R. does not possess the bomb and that we would have means of knowing if it and when it did come into possession of the bomb. However, it is realized that knowledge that the U.S.S.R. did in fact possess the bomb also might tend to incline third countries toward a position of neutrality between the United States and the U.S.S.R.

(5) If at some later time we should learn with certainty that the U.S.S.R. did possess the atomic bomb, this knowledge would be of importance in reevaluating the necessity for precautionary measures to reduce U.S. vulnerability to atomic attack. However, this is a matter of primary concern to the NME.

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Knowledge of the rate at which the U.S.S.R. produces bomb fuel would be of even greater importance than knowing when a bomb has been exploded, but whether it is possible by scientific methods to

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<sup>3</sup> The development of the United States detection system is described in Lewis L. Strauss, *Men and Decisions* (Garden City, N.Y., Doubleday and Company, 1962), Chapter X, "The Decision to Detect," pp. 201 ff.

obtain such information is entirely outside the competence of the Department of State.

Department of State Atomic Energy Files

*Memorandum of Conversation, by the Secretary of State*

TOP SECRET

[WASHINGTON,] August 18, 1949.

MEMORANDUM OF CONVERSATION WITH THE PRESIDENT

Item 6—*Atomic Energy Proposal*

I said to the President that there had been suggestions that, as a result of the meeting at the Blair House and our subsequent meetings on the Hill, he might consider it desirable to review the policy as set forth in the joint document which we had approved some months ago.<sup>1</sup> The President thought that this policy was correct. He did not see what could be gained by reconsidering it or what new factors, aside from our domestic political problems, would be presented. I did not know of any.

The President suggested that we go ahead with our talks with the British, in the meantime taking steps to inform public opinion so far as possible of the major issues involved; and that, after we had ascertained what could and could not be done with the British and reviewed the situation in Congress, we determine our future procedural course.

DEAN ACHESON

<sup>1</sup> Report of March 2, p. 443.

Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson to the Secretary of State*<sup>1</sup>

TOP SECRET

[WASHINGTON,] August 18, 1949.

In the course of the MAP hearings, Senator McMahon has raised various questions with Mr. Gross concerning the relationship of NAP and MAP to our forthcoming talks with the British and Canadians on atomic energy (see Tabs A and B<sup>2</sup>).

<sup>1</sup> The following notation by the Secretary of State appears on the source text: "I approve but have not been able to get a reply from Secretary Johnson."

<sup>2</sup> Tabs A and B, memoranda of August 8 and August 11 by Ernest A. Gross, Assistant Secretary of State for Congressional Relations, to Arneson, are not printed. Gross urged that in view of developments in Senate hearings on the Military Assistance Program that the Department of State prepare a policy statement regarding the relationship between the Military Assistance Program and the North Atlantic Treaty, and the anticipated tripartite atomic energy negotiations.

For documentation on the Military Assistance Program, see pp. 249 ff. For an expression of certain views of Senator McMahon in regard to atomic energy and MAP, see the record of discussions at a Senate Foreign Relations Committee meeting on April 21, 1949, p. 288. For documentation on atomic energy policy in connection with the North Atlantic Treaty, see vol. iv, pp. 1 ff.

I have followed up Mr. Gross' recommendation that a policy statement be prepared on this matter. The attached draft (Tab C), for your approval, has been worked out with and cleared by Mr. Fisher and Mr. Gross of State and Mr. Webster, Mr. Ohly, Mr. Leva<sup>3</sup> and General Lemnitzer<sup>4</sup> of Defense. As of the moment, Secretary Johnson's personal concurrence has not been obtained. Mr. Ohly, however, in Mr. Webster's absence, recommends that we go ahead.

If you approve, I will get the attached statement to Mr. Gross, who will probably need it for the executive session which I understand will be held tomorrow on MAP.

R. GORDON ARNESON

[Annex—Tab C]

*Policy Statement Prepared for the Assistant Secretary of State for Congressional Relations (Gross)*

TOP SECRET

[WASHINGTON,] August 18, 1949.

In the course of the hearings on the MAP, questions have been raised concerning the relationship between the North Atlantic Pact and the Military Assistance Program on the one hand, and, on the other, the forthcoming exploratory conversations to be held with the British and Canadians on future relations in the field of atomic energy. It is the view of the Department of State and the Department of Defense that although the North Atlantic Pact and the MAP have an important bearing on the question, the future atomic relations between the United States, the United Kingdom and Canada can best be handled through procedures and mechanisms other than those to be set up under the North Atlantic Pact and the MAP.

Relations between the three countries in this field had their inception in the wartime period of collaboration. These relations involve certain problems unique to these three countries, which require handling through already established channels, namely, the Combined Policy Committee. These problems cannot be effectively dealt with through an organization in which all members of the North Atlantic community participate.

It is fully appreciated that the collaboration and the integration of collective defense measures which will be developed under the North Atlantic Pact and the MAP will have an important bearing on the

<sup>3</sup> Marx Leva, Assistant Secretary of Defense for Legal and Legislative Affairs.

<sup>4</sup> Maj. Gen. Lyman L. Lemnitzer, Representative of the Department of Defense on the Foreign Assistance Correlation Committee.

exploratory talks with the British and the Canadians that are to be held in the future. If the Military Aid Program is authorized, this may have a very favorable bearing on our ability to work out a mutually satisfactory arrangement for the future with the British and the Canadians in the field of atomic energy. If the Military Aid Program does not come into being or is authorized on an inadequate basis, one result would be to make the working out of a mutually satisfactory arrangement much more difficult. The U.S. Government, in conducting the exploratory talks, should be in a position to lay great stress on the fact that the MAP provides a new measure of assurance not only to the British but to other members of the North Atlantic community. Since the collective defensive strength would be greatly enhanced by the North Atlantic Pact and by an adequate MAP, we could make clear that this has a direct bearing on the shape of future relationships in the atomic energy field and on the allocation of effort among the three countries.

Although the procedural mechanisms may be different, the basic assumptions of a unified defense program under the North Atlantic Pact are equally applicable to the tripartite questions of relationships in the field of atomic energy. The exploratory talks will be carried out on similar assumptions involving the most economical and efficient total allocation of effort among the three countries. We would, of course, insist that the British agree to measures consistent with the principle of allocation of effort on their part in such a manner as to make the most efficient contribution to the total program. Whether this would require the British to terminate or curtail their present atomic energy program would of course depend upon the technical facts which can be developed only through the projected exploratory conversations.

Many complex problems lie ahead in considering the atomic energy matter, problems which will require some months of study and effort to resolve. It is the view of the executive branch of the Government that the Military Aid Program should not and cannot safely await the completion of these talks but should be authorized and implemented as quickly as possible. It was with this consideration in mind that the MAP bill was drawn in such a way as to exclude specifically atomic energy matters and to contain precise language to the effect that

“Sec. 407. (a) Nothing in this Act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946 (60 Stat. 755).”

Department of State Atomic Energy Files

*Memorandum by the Under Secretary of State (Webb)*<sup>1</sup>

TOP SECRET

[WASHINGTON,] August 19, 1949.

ATOMIC ENERGY PROBLEM

The President has approved policies to govern further discussions and arrangements with the British and Canadians with respect to atomic energy matters. At the Blair House conference everyone, including Secretary Johnson and General Eisenhower, supported these policies vigorously. However, at the Congressional hearings, Secretary Johnson and General Eisenhower tended to stress the raw material problem rather than the broader implications, resulting in a considerably weaker presentation at the hearings from the standpoint of the Executive branch. It is doubtful whether any Congressional approval can be obtained for the previously approved policies without vigorous and active NME support.

Lilienthal believes public sentiment is ready to support a strong Presidential drive for the kind of set-up we ought to have at this time. Bearing in mind that our international proposals appear stymied, must we not try to establish some system with those countries which will participate (Great Britain and Canada) in a system which will integrate and make most effective the knowledge and skills available in each country, allocate production and other effort in the most efficient and effective way, and keep the major producing units in the United States?

Is the President anxious to take the lead in developing such a limited international program, presenting it with the full force and strength of the Presidential leadership, associating himself with Congressional leaders where possible but, where this is not possible, acting with his full constitutional power to conduct foreign relations, make executive agreements, enforce national security requirements, and so forth?

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<sup>1</sup> A chit attached to the source text indicates that this memorandum was dictated by the Under Secretary for the use of the Secretary at White House discussions.

Department of State Atomic Energy Files

*Minutes of the Meeting of the American Members of the Combined Policy Committee, Washington, September 13, 1949*

TOP SECRET

Present: The Under Secretary of State, Mr. Webb (in the Chair)  
 Mr. George F. Kennan  
 Mr. Adrian S. Fisher  
 Mr. R. Gordon Arneson, American Executive Secretary  
 Acting Chairman of the U.S. Atomic Energy Commission,  
 Mr. Pike  
 Mr. Carroll Wilson, General Manager, U.S. Atomic Energy  
 Commission  
 Mr. Joseph Volpe, Jr., General Counsel, U.S. Atomic  
 Energy Commission  
 Major General James H. Burns, Consultant to the Secre-  
 tary of Defense on Foreign Military Affairs  
 Lieutenant General Lauris Norstad, Deputy Chief of Staff,  
 U.S. Air Force  
 Major General Kenneth D. Nichols, Chief, Armed Forces  
 Special Weapons Project  
 Dr. Vannevar Bush, President, Carnegie Institution

Before proceeding to the items on the agenda, THE CHAIRMAN reported to the Committee the recent tripartite developments in connection with the financial talks which had just been completed.<sup>1</sup> While the talks had not produced any startling results of an immediate character, they had been conducted in a friendly and frank atmosphere and had brought about a method of attack on the problems that lay ahead which gave real hope for effective solutions. It had been agreed between the United States, the United Kingdom and Canada that their mutual economic and financial problems could be given continuing study and that the three countries should work out together on a closely cooperating basis the solutions that seemed to be feasible. One of the most important conclusions that had grown out of these talks was the mutual conviction that the three countries were partners in the economic crisis that had developed and that they would have to work their way out of it as partners. It seemed probable that the United States, in consultation with the United Kingdom, would have to see how best it could take over British economic commitments in the Far East, particularly India. The United Kingdom, United States and Canada would also have to continue to examine together ways and means of bringing about a healthy economy for Europe.

THE CHAIRMAN called upon Mr. Kennan to elaborate current Departmental thinking concerning the relationship of the United Kingdom to Western Europe<sup>2</sup> on the one hand and to the United States

<sup>1</sup> For documentation on the tripartite conversations under reference, see vol. iv, pp. 781 ff.

<sup>2</sup> For documentation on European integration, see vol. iv, pp. 1 ff.

and Canada on the other. MR. KENNAN stated that the Policy Planning Staff, with the assistance of a good number of consultants, had been studying over a period of some weeks the problem of how best to link the United Kingdom into regional patterns. This study had come to the conclusion that it would be better if the United Kingdom were not too closely tied politically and economically to Western Europe, but rather that it should be aligned with the United States and Canada. The reasons for this conclusion were several:

(a) The United Kingdom tended to exert a retarding influence on Western European plans for closer political and economic integration. The United Kingdom was most chary of entering into any arrangements which might tend to derogate from her sovereignty and she was continuously preoccupied with her Empire commitments. The net result was that United Kingdom participation tended to place a ceiling on possible Western European attainments toward unification.

(b) We hoped eventually to be able to bring Eastern European countries into the orbit of Western Europe. If and when this might be possible, it was obvious that these countries would not represent truly democratic governments of the sort one would wish to have. Nevertheless, if one could wean the Satellites away from the Soviet Union, it would be worthwhile to do so without worrying too much about their respective forms of government. It seemed evident that the United Kingdom would act as a deterrent to such a development.

(c) It appeared that the future strength of Western Europe would have to rest largely upon a firm Franco-German relationship in which the talents of German youth, presently at loose ends, could be utilized throughout Western Europe to enhance its technical and industrial capabilities. While it appeared possible that such a development could be worked out with the cooperation of the French, it appeared rather unlikely that the British would be willing to go along if they were deeply involved in a program of Western European unification.

(d) In trying to play a role of leadership on the Continent, the United Kingdom was continuously finding itself entering into commitments on which it could not deliver. This usually resulted in having the problem created by such commitments ending up on our doorstep. If the British could be persuaded to take a lesser role in Continental European problems and to cast her fortunes with the United States and Canada, it would appear that a more rational economic, financial and political structure could be built. While the economic difficulties of the Continent were rather similar to those of the British, the British problem was by far the more serious. If it can be handled through tripartite cooperation, it seemed likely that the Continental European problems could be worked out separately and with a considerable amount of initiative on the part of the Europeans involved.

From the foregoing considerations, the conclusion had been reached in the Department that an attempt should be made to link the United Kingdom more closely to the United States and Canada and to get the United Kingdom to disengage itself as much as possible from Continental European problems. While the United Kingdom would continue to be a staunch ally of Western Europe, it should assume more nearly the role of adviser to Western Europe on its problems and less the role of active participant. It was hoped that the United Kingdom



could be persuaded to disengage itself quietly from the Council of Europe.

In response to a question from Dr. Bush, MR. KENNAN stated that his group had given very careful study to the question of whether an all-out program for the development of Africa would serve to resuscitate Western Europe. It had been found that the obstacles were many and seemingly insuperable. It was difficult to discover what instrumentality might be used to bring about this program. The colonial powers were most unwilling to allow other nationalities to come into their possessions and there was a serious dearth of capital which would be vital if an African development program were to take hold in any significant and immediate way. For these and other reasons, the African solution had been discarded and the line of approach indicated above had been adopted.

MR. KENNAN pointed out that the problem of atomic energy relationships had not been raised in the course of the study to which he had addressed himself but he thought that it was evident that the pattern which seemed to be emerging concerning relationships between the United States, United Kingdom and Canada in the political, economic and military spheres was parallel with that pattern of relationships which we were considering in the atomic energy field. GENERAL NORSTAD commented that this seemed quite correct to him, and went on to say that as far as military and security relationships were concerned, they should follow the pattern which was emerging in the political and economic spheres. GENERAL NICHOLS expressed the view that if the development Mr. Kennan had outlined did in fact become an actuality, it would be quite inconsistent for us not to have a similar pattern established in the field of atomic weapons.

THE CHAIRMAN felt that these general considerations which he and Mr. Kennan had developed might serve as a very useful framework in which to consider our further discussions of the atomic energy problem. The Committee then proceeded to the agenda items.

### I. *Minutes of Last Meeting*

In view of the fact that the minutes of the last meeting of the American members of the Combined Policy Committee of July 6, 1948 had been circulated some time ago and the necessary amendments and corrections made, the Committee agreed that these minutes should be considered approved.<sup>3</sup>

### II. *Procedures for Tripartite Negotiations*

The Committee had before it for approval a paper setting forth the procedures to be followed in the tripartite negotiations (Tab A<sup>4</sup>).

<sup>3</sup> For the minutes as approved, see *Foreign Relations, 1948*, vol. I, Part 2, p. 719.

<sup>4</sup> Tab A, "Procedures for Tripartite Negotiations," a memorandum prepared in the Department of State (presumably by Arneson), September 12, is not printed.

THE CHAIRMAN asked whether there were any comments or additions which anyone would care to make before the paper was approved. MR. PIKE stated that the Commission would like to suggest under Item 4 "Tactics," sub-paragraph A-3(f) on page 5, that the word "major" be deleted before the phrase "production effort be located in this country." It was the Commission's view that if at all possible, the British should be persuaded to agree that all weapons should be located on this hemisphere and that while the British might insist, for reasons of national prestige, on having some production of fissionable material located on the British Isles, the Commission hoped that the weapons themselves would not be produced there. To this point, DR. BUSH expressed the view that if it would not be possible to persuade the British to stop all production effort, that they should be allowed a token rate but that their efforts should stop short of the weapons themselves. He felt that all weapons should be fabricated and stored on this continent. GENERAL NORSTAD, alluding to his informal discussion with Air Marshal Tedder some months ago, said he was certain that the British could never agree to rule themselves out of the field of atomic weapons. He felt that the British would find it necessary to produce a few, perhaps only a token quantity. Once the British had produced even a single bomb by their own effort, he felt that they probably would be willing to forego any major weapons production program. He thought that whether the British would insist on producing one or several bombs might depend very largely on the economic burden involved. If the cost were not too great, British pride would force them to the production of at least a few bombs. If the economic factor were very burdensome, perhaps they could be persuaded not to go this far.

MR. PIKE raised the question of the attitude of the Canadians on this matter. He noted that Canada seemed anxious to sell us the plutonium they were producing in the Chalk River pile. MR. WILSON reported that in an encounter with C. D. Howe,<sup>5</sup> the latter had expressed the view that the British had made a mistake in moving the focus of their activity back to the United Kingdom after the war. There seemed to be a general consensus that as far as Canada was concerned, she would probably favor concentration of effort in this hemisphere. GENERAL NICHOLS commented that when he had talked about this matter with Sir George Thompson, member of the British Delegation to the United Nations Atomic Energy Commission some time ago, he had gotten the impression that Sir George felt the British would insist on knowing how to make a bomb but not necessarily on actually making it. As to the Canadians, General Nichols had the im-

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<sup>5</sup> Canadian Minister of Trade and Commerce; Member of the Combined Policy Committee.

pression that they did not want to produce weapons nor were they very much in favor of having the British do so. DR. BUSH felt that the nub of the matter lay in coming to agreement that the three countries should produce atomic weapons jointly in this hemisphere and that some arrangement should be made for sharing the product. As long as the British could say that they had weapons for their own use, he doubted whether they would insist on the right actually to make them.

As to the deletion which had been proposed by Mr. Pike in the procedures document, this suggestion was withdrawn when MR. ARNESON pointed out that the language had been taken verbatim in this instance from the March 2 Report to the President on Negotiating Objectives.<sup>6</sup>

The Committee then turned to a discussion of how best to create the most favorable psychological atmosphere for the negotiations. GENERAL NORSTAD reported his impression from his talk with Tedder, previously referred to, that a great deal of bad feeling had been engendered by our stickiness in the atomic energy field. Tedder felt that the atomic energy problem represented a most serious stumbling block to a fully-effective military collaboration. This problem impinged on many military considerations having to do with over-all strategic planning. Once we could see that we were in a position to have a full partnership with the British in this field, it seemed probable that full military collaboration could be quickly effectuated and that the needs of the British in the field of atomic weapons would be found to be rather minimal. MR. KENNAN commented that any serious rift between ourselves and the British in the field of atomic energy could very well wreck our over-all pattern of cooperation and good-will. Both MR. KENNAN and DR. BUSH pointed out that a favorable atmosphere in the course of the *modus vivendi* talks in late 1947 had quickly changed from one of uncertainty and fencing as soon as we were able to tell the British that we had in mind a program for renewing interchange of information. As soon as we were able to say this as an earnest of our intent and good-will, it would not prove difficult to arrive at a satisfactory *modus vivendi*. MR. KENNAN was concerned that we would have real difficulty this time in giving such assurances in view of the negative attitude on the Hill and some uncertainties in Administration quarters as to the best solution. DR. BUSH doubted that we would have very serious difficulties with the Congress and expressed the hope that a reasonable solution along the lines indicated would be found acceptable.

In connection with Item 2 under 4—"Tactics" on page 3 concerning the extension of the allocations and technical cooperation arrange-

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<sup>6</sup> *Ante*, p. 443.

ments under the *modus vivendi*, Mr. WILSON reported on the status of actual requirements and actual supply as contrasted with estimated requirements and estimated supply arrived at in late 1947. On the basis of actual experience under the allocations formula, we had found that our requirements were somewhat greater than had been estimated and also that the supply, particularly from the Congo, in 1949, had been somewhat higher than had been estimated. In discussing the problem of extending the allocations arrangements under the *modus vivendi*, he proposed that it would be desirable to conduct the explorations on the basis of figures derived from actual experience rather than from estimates made in 1947 and also that as far as supply and requirements for 1950 were concerned, the more recent estimates based on the experience of the last year and a half should be substituted for those tentatively arrived at in 1947. The Committee was in general agreement with this suggestion.

GENERAL NICHOLS asked whether an extension of the *modus vivendi* arrangements should be considered for less than one year. Mr. WILSON commented that from an administrative and budgetary planning point of view, one year would be highly desirable. On the other hand, it was recognized that the United Kingdom might prefer that the period be somewhat shorter. Mr. ARNESON suggested that we might propose a one-year extension, subject to termination before the end of 1950 provided a new arrangement governing the longer-term could be formalized. It was the consensus of the Committee that this suggestion might turn out to be the more acceptable to the United Kingdom.

GENERAL NORSTAD stressed that the psychological factor was exceedingly important to the extent that we could convince the British that we wanted to make common cause with them. If the British could be sure that we would stay with them in any emergency, he felt that they would probably be willing to settle for only token production. When he had talked with Tedder, he suggested that the chances of moving along expeditiously in tripartite talks would be greatly enhanced if the British negotiators could come over with a minimum position and he hoped that we for our part would do the same. Mr. KENNAN added that any attempt on our part to extort a solution from the British would stiffen their backs and we would fail in our negotiations. If, however, we took an open and forthcoming attitude, he was confident that we could get anything we wanted within reasonable limits.

In summing up, Mr. WEBB stressed that the United States negotiators should make it clear at the outset that the primary objective in the talks was to work out a rational program for close cooperation across the board in the atomic energy field. He felt that the franker our approach, the greater were our chances of securing a mutually satisfactory arrangement. Above all, it seemed important to avoid

leaving the impression that we were fencing with our British and Canadian colleagues.

Subject to the foregoing comments, the Committee expressed general agreement with the procedures outlined in Tab A.

The Committee agreed with General Norstad's suggestion that the American members of the Subgroup on Strategic and Military Considerations should meet together on Friday, September 16.

R. GORDON ARNESON

Department of State Atomic Energy Files

*Memorandum by Mr. R. Gordon Arneson to the Secretary of State*

TOP SECRET

[WASHINGTON,] September 13, 1949.

Subject: Foreign Minister Van Zeeland—Belgian Congo Uranium

Both the First Secretary of the British Embassy at Brussels and our Chargé d'Affaires Millard believe that Van Zeeland could possibly raise the subject of uranium during his forthcoming visits to Washington and Lake Success.<sup>1</sup> In view of this possibility, I think you should be aware of certain recent developments in Brussels:

1. Following the Blair House meeting on July 16th there was a considerable flurry of comment on the uranium question in both the leftist and rightist Belgian newspapers, most of it quite inaccurate as to such details as tonnages exported and duration of the agreement,<sup>2</sup> which, unfortunately, served to reawaken Belgian sensitivity to the problem of distribution of Congolese uranium.

2. The press furor had about quieted down when, on August 18th, Prime Minister Eyskens in answer to questioning by a Communist senator made the very surprising statement: "No secret treaty exists with any foreign country whatever for the purpose of delivering to it uranium or any other raw material. My declaration is forthright and formal." Both Sengier<sup>3</sup> and Millard believe it inconceivable that Eyskens could be ignorant of the agreement and that he was

<sup>1</sup> In a conversation with the Secretary of State in Washington on September 16, Paul Van Zeeland, Foreign Minister of Belgium, indicated that while he did not wish to take up the question of uranium during his present visit to the United States, he did wish to reserve the right to do so at some later date (memorandum of conversation, by Douglas MacArthur, 2d, Chief of the Division of Western European Affairs, Department of State Atomic Energy Files).

<sup>2</sup> Reference is to the Memorandum of Agreement between the United States, the United Kingdom, and Belgium relating to uranium, September 26, 1944; for text, see *Foreign Relations*, 1944, vol. II, p. 1029.

<sup>3</sup> Edgar E. B. Sengier, Chairman of the Executive Committee of the Union Minière du Haut Katanga.

probably making a play on the word treaty as distinguished from agreement. However, it is most unfortunate that Eyskens did not refer to Spaak's<sup>4</sup> carefully worded statement made in reply to questioning by the same Communist senator on July 3, 1947, which was:

"It was necessary, during the war, to provide the Allies with as large a quantity as possible of materials essential to the development of atomic energy. Consequently with the full approval of the Belgian Government, arrangements were concluded for the uranium ore of the Congo to be placed at the disposal of the United States and the United Kingdom.

"By those arrangements, the legitimate interests of Belgium were fully safeguarded. They are still in force, and the Belgian Government hopes that an international agreement concerning the control of atomic energy will be concluded soon, as a consequence of the work of the commission created within the United Nations. As soon as these results are obtained, the Belgian Government will quickly proceed to modify all its legislation on uranium accordingly."

The press in both this country and Belgium has insinuated that the secret agreement expired July 31, 1949 and that it will now be necessary to negotiate a new one. These reports are patently inaccurate since, as you are aware, the agreement and the contracts provide an exclusive option to the Agency for purchase of all uranium which can be mined at Shinkolobwe in a ten-year period which will expire February 6, 1956.

3. To our present knowledge, neither Sengier nor Millard has had occasion to talk to Eyskens or Van Zeeland regarding uranium.<sup>5</sup> Millard does not intend to take the initiative in raising the subject. Sengier expects that Van Zeeland will wish to see him, possibly in the company of De Vleeschauwer (Minister of the Interior, who was present at the negotiation of the basic agreement) and Wigny (Minister of Colonies). Sengier has stated on two occasions to Millard that the key to the uranium problem is whether the new government will have confidence in him as Spaak most certainly had. According to Sengier, only Spaak in the former government knew all the details of the secret agreement and even he had not been acquainted with the terms of the contract which Sengier seems to prefer to entrust only to himself. Wigny apparently does not know the full details, although both he and Bruneel, his *Chef de Cabinet*, must be presumed to have knowledge of the quantities, value, and destination of uranium exported from the Congo. We

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<sup>4</sup> Paul-Henri Spaak, Prime Minister of Belgium, 1946-1949.

<sup>5</sup> On August 10, following a 6-week cabinet crisis in Belgium, a Christian Socialist-Liberal coalition cabinet headed by Gaston Eyskens had succeeded the Spaak (Socialist) government.

have requested Millard to ascertain discreetly the extent to which other members of the new cabinet, particularly Eyskens and Van Zeeland, have been briefed on the secret agreement.

4. Sengier recently requested a letter from Carroll Wilson confirming "that the price paid for Belgian uranium is *as good as* the price paid to any other suppliers." He wishes such confirmation in writing, and a letter is being prepared by the CDA for this purpose. Meanwhile, in response to Sengier's request for some immediate ammunition to be used to parry expected inquiries, Wilson cabled Sengier on August 25 as follows:

"Am confirming that principle in negotiations relating to contract has always been that terms must be fully satisfactory to you."

5. Sengier, accompanied by Robilliart and Leroy, is arriving here October 7 to discuss terms of the contract with the CDA. It is entirely possible that he may request an increase in price, and it would seem that he could very well argue that such an increase would put him in a more defensible position with his government. His presence here will afford an opportunity to secure a reliable evaluation of the Belgian uranium problem.

6. According to Sengier, the main points which will have to be cleared up to the satisfaction of the new Belgian Government are:

*a.* Is Belgium involved in the alleged "row" between the U.S. and the U.K.?

*Comment:* The answer is an emphatic "No". The "row" exists only in the minds of commentators on the Blair House meeting.

*b.* Is the compensation adequate?

*Comment:* Sengier thinks the prices paid so far were satisfactory, and the CDA letter will reaffirm that the Congo price is as good as that paid other suppliers, referring of course to profit margins since price paid for Canadian and domestic production is considerably higher to compensate for higher operating costs.

*c.* Are Belgian interests fully protected in the sense of furnishing uranium for energy, etc., as a possible replacement for Belgium's diminishing coal supplies?

*Comment:* Spaak stated unequivocally to the Belgian Senate on July 3, 1947 that the legitimate interests of Belgium were fully safeguarded, basing this of course, on clause 9(a) of the 1944 agreement:

"In the event of the Governments of the United States of America and of the United Kingdom deciding to utilize as a source of energy for commercial purposes ores obtained under this agreement, the said Governments will admit the Belgian Government to participation in such utilization on equitable terms."

R. GORDON ARNESON

Department of State Atomic Energy Files

*Minutes of the Meeting of the Combined Policy Committee at the  
Department of State, September 20, 1949, 2:30 p. m.*

TOP SECRET

Present: Members:

The Under Secretary of State, Mr. Webb (in the Chair) as  
alternate for the Secretary of State

William Webster, as alternate for the Secretary of Defense  
Sumner Pike, Acting Chairman AEC, as alternate for

Mr. Lilienthal

The British Ambassador, Sir Oliver Franks

Sir Derick Hoyer Millar

Mr. C. D. Howe

By Invitation:

*United States*

George Kennan

Adrian Fisher

Carroll L. Wilson

Joseph Volpe

Adm. Parsons <sup>1</sup>

Gen. Norstad

Gen. Burns

Maj. Gen. Nichols

Dr. Bush

Dr. Bacher <sup>2</sup>

Dr. Oppenheimer

*United Kingdom*

Dr. Macfarlane <sup>3</sup>

Mr. Longair <sup>4</sup>

Mr. David Peirson

Sir John Cockcroft

Sir Roger Makins

Gen. Sir Wm. Morgan <sup>5</sup>

<sup>1</sup> Rear Adm. William S. Parsons, Member of the Military Liaison Committee to the United States Atomic Energy Commission.

<sup>2</sup> Dr. Robert F. Bacher, nuclear physicist at the California Institute of Technology; Consultant to the United States Atomic Energy Commission; Member of the Commission, 1946-May 1949.

<sup>3</sup> Dr. W. A. Macfarlane, Attaché, British Embassy in the United States.

<sup>4</sup> A. K. Longair, Attaché, British Embassy in the United States.

<sup>5</sup> Commander, British Army Staff, Washington; Army Member of the Joint Staff Mission.



*Canada*

Mr. Hume Wrong<sup>6</sup>  
 Mr. Solandt  
 Air Vice Marshal Millar  
 Dr. C. J. Mackenzie<sup>7</sup>

## Secretariat:

R. Gordon Arneson  
 F. W. Marten<sup>8</sup>  
 George Ignatieff<sup>9</sup>

## I. MINUTES

The Committee approved the Minutes of its July 7, 1948 meeting.<sup>10</sup>

## II. RESIGNATIONS AND APPOINTMENTS

The Committee accepted and approved the resignations and new appointments recorded in the Joint Secretariat paper attached as Tab A.<sup>11</sup>

MR. WEBB paid tribute to Mr. Arthur Storke,<sup>12</sup> who recently lost his life in an airplane crash, MR. WEBB stated that while he had never known Mr. Storke personally, he had become aware of the value of his contributions to the joint efforts, especially in the crucial field of raw material procurement, in which his extra-ordinary technical competence as a mining engineer combined with his uncompromising integrity and impartial devotion to the fulfillment of his CDA duties, had won him the respect and admiration of his American colleagues. SIR OLIVER FRANKS and MR. HOWE stated that they wished to associate themselves with the sentiments that had been expressed by Mr. Webb.

III. FUTURE ARRANGEMENTS BETWEEN THE U.S., U.K., AND CANADA  
IN THE FIELD OF ATOMIC ENERGY

MR. WEBB expressed on behalf of the American Members of the Committee their pleasure at the opportunity to sit down with their British and Canadian colleagues to explore what might be a sensible arrangement to govern future relations among the three countries in the field of atomic energy. He hoped that the talks could be completely forthright and afford, in the first instance, a full exchange of views in order that all concerned might proceed on the basis of all the facts and a full understanding of the various points of view. He alluded to the fact that recent talks in other fields among the three countries

<sup>6</sup> The Canadian Ambassador in the United States.

<sup>7</sup> President of the National Research Council and Atomic Energy Control Board of Canada.

<sup>8</sup> First Secretary, British Embassy in the United States.

<sup>9</sup> Counselor, Canadian Embassy in the United States.

<sup>10</sup> For text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 723.

<sup>11</sup> Not printed.

<sup>12</sup> Former President of the Climax Molybdenum Company and British Member of the Combined Development Agency.

had been characterized by a pattern of give and take, which had been most fruitful. He hoped that this pattern might again develop in these talks.

MR. WEBB stated that from the point of view of the American members, there were certain salient factors to be kept in mind. He thought it might be useful at the outset if these points could be made as initial guides, at least to American thinking on this subject. He summarized these factors as follows:

1. Our basic objective is to work out mutually satisfactory arrangements to govern our future relationships in the atomic energy field.

2. Owing to the necessity of future consultations with the Congress, which will not be possible until early next year, our first problem is to determine whether the United Kingdom and Canada would be agreeable to an extension of the allocation and technical cooperation arrangements in substantially their present form under the *modus vivendi*, until these arrangements can be replaced by a longer term agreement.

3. As to longer term arrangements, the following aspects must be kept in mind:

*a.* Any arrangement that involves expanded exchange of information will require Congressional action in one form or another.

*b.* This requirement probably means public disclosure of any future agreement, at least in general terms, if it provides for a fuller exchange of information.

*c.* Accordingly, such arrangements to be viable must have the support of public opinion in the three countries.

*d.* With the advent of the North Atlantic Pact and the projected Military Aid Program, a pattern of cooperation is emerging among the countries involved having, as a fundamental principle, that allocation of effort in the common defense which makes the most efficient contribution to the total program. The United States hopes that these exploratory talks on atomic energy matters will produce a result, as among the U.S., the U.K. and Canada, which is fully consistent with that principle.

*e.* We are anxious to know with greater precision the scope and objectives of British plans in that atomic energy field. For its part, the United States has under active consideration an expanded program of weapons production which is deemed necessary for the national security. The proposed expansion, which is not large in terms of a percentage increase in capital investment, will give large returns in terms of weapons output. It will require continued large quantities of raw materials. The United States regards as vital the assurance of a raw materials supply sufficient to feed this expanded program. The United States considers that the expanded program will bring about the most efficient possible conversion of raw materials into weapons in the shortest space of time.

*f.* In the light of the foregoing, our exploratory talks will seek to determine a mutually satisfactory long-term arrangement among the three countries which is best calculated to increase our collective strength in the field of atomic weapons. In our view,

production and storage facilities should be located with due regard for strategic considerations. The best interests of the joint defense require that the major production effort be located in this country. The allocation of raw material and a fuller exchange of information should reflect this basic consideration and foster the most efficient division of effort. In order that we may proceed with all the facts before us, the U.K. and Canadian representatives are invited to state their views.

*g.* In working out a satisfactory relationship among the three countries, it will be necessary also to decide upon a common policy with respect to non-CPC countries. The United States is not disposed to include other countries, to any appreciable extent, in the information exchange program which may be worked out among the CPC countries. It sees grave dangers in so doing, with little to be gained in terms of enhancing the common defense.

SIR OLIVER FRANKS welcomed the expression of views which the Chairman had put forward. He stated that these ideas would be given the most careful thought, and inasmuch as it had not been possible to consider these points beforehand, he suggested that it might be useful if the text of these main items could be made available for further study. The ideas expressed by Mr. Webb were quite far-reaching in nature and would require some further thought before he would be in a position to give his reaction. It was agreed that the American Member of the Joint Secretariat should make copies of the points that had been made by Mr. Webb available to his British and Canadian colleagues.

SIR OLIVER went on to say with regard to the *modus vivendi*, the continuation of which in some suitable form Mr. Webb had alluded to, that it was based on recognition by Canada, the U.K., and the United States of each other's atomic energy programs. It included an allocation arrangement under which the United States received all the Belgian Congo uranium for a two-year period. In return, machinery was set up whereby the United Kingdom could be given classified information in nine specified areas. The information part of the *modus vivendi* had perhaps been the least satisfactory for the reasons that (a) the machinery by which the United Kingdom obtained information was very slow and cumbersome, (b) several of the areas of cooperation had never been cleared in that the United States had not agreed to exchange information falling in those areas, and (c) in one or two areas that had been cleared, there had in fact been no exchange of information. In sum, therefore, the *modus vivendi* was like the curate's egg, "good in parts."

Therefore, the question raised by Mr. Webb of a temporary extension of the *modus vivendi* might best be considered after the exploratory conversations had proceeded some distance with a review of the whole field. SIR OLIVER stated that the United Kingdom Government

felt that it was in the joint interest to bring about the fullest possible cooperation and exchange of information between Canada, the United Kingdom, and the United States, and that it was their aim in these talks to accomplish this end. One subject which would have to be discussed during the talks in connection with tripartite relations would be the question of the relations of the three countries with other countries in this field, particularly those nations comprising the Commonwealth and those in Western Europe.

Mr. HOWE stated that Canada's position in the field of atomic energy was well known. Canada had no plans for military use of atomic energy. Her materials and facilities were employed for purposes of research only, and everything that Canada had accomplished in this field had been passed on to her associates. In addition, Canada was an important source of raw material. This material had never been subject to allocation by the Combined Development Agency but had been supplied by Canada to the country that from time to time was in a position to use it most effectively. Canada had no desire to change this arrangement, unless as an outcome of the present discussions it would be found that some other disposition appeared desirable in the common interest. With regard to the information which Canada had received under the present *modus vivendi*, Canada had no complaint. It was felt that the information that had come to Canada had been put to good use. While more information could have been used to advantage, perhaps there was some benefit and gain from the fact which had made it necessary for Canadian scientists to work out many problems for themselves.

After expressing appreciation for the views that had been advanced around the table, Mr. WEBB suggested that the Committee agree on the subgroups that might be named to carry on the exploratory talks. He put forward as a tentative suggestion a proposal that three subgroups be selected in the first instance, namely the subgroups on strategic and military considerations, on raw materials supply requirements, and on exchange of information. He suggested that two other subgroups might have to be named subsequently, namely one on intelligence cooperation and another on form of agreement, but that these might well be left to a later stage. This proposal was agreeable to the British and Canadian Members and the following membership was named:

STRATEGIC AND MILITARY CONSIDERATION SUBGROUP

*United States*

Mr. Kennan  
General Burns  
General Norstad  
General Nichols  
Mr. Wilson

*United Kingdom*

Sir Roger Makins  
 Sir Derick Hoyer Millar<sup>13</sup>  
 Sir John Cockcroft  
 Gen. Sir Wm. Morgan  
 Sir Oliver Franks

*Canada*

Mr. Hume Wrong  
 Air Vice Marshal Millar  
 Dr. Mackenzie  
 Mr. Ignatieff  
 Mr. Solandt

## RAW MATERIALS SUPPLY AND REQUIREMENTS SUBGROUP

*United States*

Mr. Wilson  
 General Nichols

*United Kingdom*

Mr. Peirson  
 Sir John Cockcroft

*Canada*

Mr. Ignatieff  
 W. J. Bennett

## EXCHANGE OF INFORMATION SUBGROUP

*United States*

Dr. Bacher  
 Adm. Parsons

*United Kingdom*

Sir John Cockcroft

*Canada*

Dr. Mackenzie  
 Dr. Lewis  
 Dr. Laurence

It was recognized that it might be desirable to add additional members from time to time to these various subgroups and that each country should feel free to do so.

In discussing time schedules, SIR OLIVER expressed the hope that the matter at hand could be dealt with expeditiously and that it might be possible for the Committee to meet again in about a week's time. He pointed out that a number of the people on the British side who had come over for the talks would find it necessary to return before long, and he hoped that a good deal of ground could be covered while they were all available. MR. WRONG also expressed the hope that it might

<sup>13</sup> Minister, British Embassy in the United States.

be possible to have another meeting of the Committee within a week's time. MR. WEBB stated that he hoped the talks would not be too hurried, but that they could be carried on as expeditiously as possible.

It was left to the Secretariat to make the necessary arrangements for getting various working groups together and to arrange suitable facilities.

#### IV. PUBLICITY

SIR OLIVER FRANKS stated that the United Kingdom was giving out a press release precisely along the lines of that which was contemplated by the United States. A slight change in language was necessary in the last paragraph but no change of substance was involved. The press release given out by the United States is attached as Tab B and that by the British as Tab C.<sup>14</sup>

#### V. MISCELLANEOUS

SIR OLIVER FRANKS inquired whether the United Kingdom might be informed of the outcome of the meeting between Belgian Foreign Minister VanZeeland and the Secretary of State on September 16, 1949. The CHAIRMAN asked the American Member of the Joint Secretariat to make available the substance of that conversation to the British and Canadian members.<sup>15</sup>

R. GORDON ARNESON  
F. W. MARTEN  
G[EOERGE] IGNATIEFF

These Minutes were approved by the Committee on August 27, 1951.

<sup>14</sup> Tabs B and C are not reproduced.

<sup>15</sup> See footnote 1, p. 526.

Policy Planning Staff Files

*Memorandum by the Executive Secretary of the Policy Planning Staff (Savage)*

RESTRICTED

[WASHINGTON,] September 29, 1949.

At 5:30 in the afternoon of September 19, 1949 Mr. Kennan asked Francis Russell,<sup>1</sup> John Davies,<sup>2</sup> Robert Hooker,<sup>3</sup> and myself to come to his office. He said that this Government had learned of an atomic explosion in Russia, which the President would announce soon, and

<sup>1</sup> Director of the Office of Public Affairs.

<sup>2</sup> John Paton Davies, Member of the Policy Planning Staff.

<sup>3</sup> Robert G. Hooker, Jr., Associate Chief of the Division of Eastern European Affairs; became a member of the Policy Planning Staff on January 23, 1950.

that we were requested to provide answers to questions concerning this development which might be asked after the President's announcement. We worked on this problem for about two hours and Mr. Kennan and Mr. Hooker and I worked further on it at Mr. Kennan's house from 9 to 11 p. m.

On Tuesday, September 20, we worked on the problem some more. Late in the afternoon Rear Admiral Arthur C. Davis, head of the Joint Staff came in and gave us the attitude of the Joint Chiefs on the memorandum we were preparing of questions and answers.

On Wednesday morning, September 21, we were informed that the President was not ready to make the announcement of the atomic explosion in Russia. However, we continued to perfect our questions and answers and called Admiral Davis to see that we were in harmony with the Joint Chiefs of Staff. We had our document completed by 5:30 in the afternoon, at which time I took a copy over to Mr. Ross<sup>4</sup> at the White House to have it ready in case the President would decide suddenly to make the announcement. Mr. Ross and I discussed the pros and cons on the question. He felt that the President should not yet make the announcement as Secretary Acheson and Foreign Minister Bevin of Great Britain were recommending against it at this time; an announcement by the President would dramatize the situation too much; and the American people had about all the bad news they could stand with the current possibility of strikes.

On Friday morning, September 23 at 9 o'clock, we were informed that the President would make the announcement at 11. We thereupon made arrangements to make our memo of questions and answers available *for information* to the Field, to responsible officers of the Department, and to the members of the Cabinet. I checked with Admiral Davis to see that they would follow the same procedure at the Pentagon. When the announcement was made at the White House at 11 o'clock,<sup>5</sup> the information contained in our memorandum was immediately started on its way to appropriate people in Washington and abroad. A copy of our memorandum is attached.<sup>6</sup>

CARLTON SAVAGE

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<sup>4</sup> Charles G. Ross, Press Secretary to the President.

<sup>5</sup> Regarding the President's announcement, see editorial note, p. 540.

<sup>6</sup> The source text is not accompanied by an attachment. The Policy Planning Staff prepared two memoranda, very similar in substance, one in the form of a statement and the other in the form of questions and answers. Neither memorandum is printed, but for a circular telegram of September 23 based on the statement version and identical with it in large part, see *infra*.

861.2423/9-2349: Circular telegram

*The Acting Secretary of State to All Diplomatic and Consular Offices*

CONFIDENTIAL

WASHINGTON, September 23, 1949—4 a. m.

PRIORITY NIACT

To answer some obvious questions,<sup>1</sup> and emphasize certain considerations that should be borne in mind, full guidance is provided. This material to be used for your background only.

1. You will realize that it would not be compatible with national security to give further info as to how we know there was an atomic explosion.

2. As to where and when it took place, and whether it was on the ground or water, all that can be said is that we have a pretty good idea.

3. So far as we know, this is first atomic explosion that has taken place in Russia.

4. Our info does not indicate that Russians may have number of bombs.

5. It wld not be compatible with national security to give any info at this time on how far advanced Russian technology is in this field as compared with our own.

6. No reason believe this development is result anything stolen or copied from us. Nearly four years ago Pres pointed out that "Scientific opinion appears to be practically unanimous that the essential theoretical knowledge upon which the discovery is based is already widely known. There is also substantial agreement that foreign research can come abreast of our present theoretical knowledge in time."<sup>2</sup> And in Three Nation Agreed Declaration of President of US and Prime Min of UK and of Can., dated November 15, 1945, it was emphasized that no single nation could in fact have monopoly this means of destruction.

7. This development will not change our policy toward international control of atomic energy. In Three Nation Declaration of November 15, 1945, this Govt committed itself to seek such control. Since that time we have made every effort to achieve an effective system of international

<sup>1</sup> In circular telegrams of 2 a. m. and 3 a. m., September 23, neither printed, all diplomatic and consular officers were advised of President Truman's impending announcement that an atomic explosion had occurred in the Soviet Union and were provided the text thereof (861.2423/9-2349).

<sup>2</sup> Reference is to President Truman's Special Message on Atomic Energy transmitted to Congress on October 3, 1945; for text, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1945* (Washington: Government Printing Office, 1961), p. 362.



control. We remain prepared explore carefully and with good will any proposals for an effective and enforceable system for international control atomic energy and enter into arrangements which embody essential safeguards approved by UNGA.

8. Although we shall naturally have to reexamine our domestic atomic energy program in light this development, it not probable there will have to be any material modification of it.

9. Question naturally arises as to state our defense against atomic attack. Answer is that within limitations imposed by budget, priorities have been established for all our military tasks in case we involved in war. Defense of US is our primary basic undertaking and progress being made in meeting our defense requirements as established by Dept Defense. Concomitant with this task is offensive task of retaliation. It wld not be compatible with our national security interests to give further info on this matter.

10. As to whether this development will increase the danger of war, it is clear that the danger of war does not spring from policies of US and other democracies. US will continue make every effort avoid war by observing faithfully provisions of Charter of UN, both in letter and spirit. Everyone knows that the preparation for aggressive war is impossible in a democracy and even more so in coalition of democracies. If there is danger of war, it stems from attitudes and policies of others. We have no means of knowing what is in minds of men who control Govt of USSR. We should remember that mere fact that a country might have ability make bomb wld not in itself be an assurance to that country of over-all military superiority. Belief this Govt is that war is not inevitable; and our policies continue to be directed to its avoidance.

11. It may be asked in what way this development has been taken into account in our basic policy. As stated in President's announcement, we have always known efforts would be made develop this weapon, and it has been no secret that such efforts were in progress in USSR. Has been for this reason, among others, that we have laid such great emphasis on necessity for firm and durable system of peaceful relationships between nations of world and that we have made such effort and such sacrifices to this end. We have consistently refrained from basing our own policies on monopoly of weapon and have endeavored frame them throughout with view to their validity in a period when that monopoly wld no longer exist. We have tried make our mil posture one which would be an effective deterrent to aggression whether or not others had atomic weapon. Atomic bomb must always be judged not as isolated weapon but in general framework of relative mil capabilities of countries. US policies in helping strengthen economies of European countries, in participating in

Atlantic Pact, and in considering program of mil assistance to other countries have all tended increase strength this country.

12. Brit and Canadians have same info this development as we. Obviously it has to be taken into account in our current deliberations with Canadians and Brit, although the discussions were scheduled for another purpose. Does not mean that we will change our atomic energy policy with respect to Brit and Canadians. In fact, it accentuates need for most rational and economic utilization of resources available to the three countries in field of atomic energy; and we have this consideration prominently in mind in present discussions.

13. Only effect which this should have upon Atlantic Pact and our relationships with Atlantic Pact countries is to drive home harder than ever the need for closest collaboration and mutual confidence among them. It is in no sense a problem for US alone. There could be nothing which could demonstrate more forcefully the need for true international collaboration, of which Atlantic Pact is living example. This also brings out as nothing else could importance to US of strengthening these countries.

14. This will affect MAP only in so far as it increases need for such a program. Our long-range mil objectives have been met only when our allies, strengthened through MAP, have improved to maximum extent possible their ability assist in maintaining peace and security.

15. Some may ask how our allies in West Europe can contribute to our defense now that Russians have atomic bomb. Atomic bomb, like any other weapon, has to be used prudently and be backed up by adequate over-all mil strength in order assure final superiority in war and immunity against disastrous retaliation. But these things in turn depend upon over-all relative mil potential of parties to a conflict, which is based on their economic and political health and well being. The stronger the members of Atlantic Pact are individually and collectively, in over-all economic and mil potential, which includes many factors besides atomic bomb, the less the likelihood that this weapon will ever be used against any of them.

16. We do not view this development with alarm. We are naturally concerned that this weapon should come into the hands of nation whose policies have been in many respects adverse to world stability, while there is as yet no effective system of international control. We have never thought that war is inevitable. We do not think that Sov possession of this weapon necessarily makes war more probable. We must never forget that atomic weapon, terrible as it is, is only one element in complex pattern of pol and mil realities which determines security this country. In itself it neither confers on its possessor any guarantee of achieving victory nor provides insurance against retaliation. If we carry on firmly and calmly with our own policies directed to pre-

vention of war and to deterring of aggression, the attendant risks, which are in any case unavoidable, are no greater than those which a nation must expect in striving to exercise leadership in quest for peace and progress in modern world. We must remember that there is no such thing as total security in this world, and never has been. Security is relative. The fact that we are no longer sole possessors of atomic weapon should be a source of renewed determination make war unprofitable and therefore unlikely, and prove to peoples of world that there are better solutions to human problems than those of international violence.

17. We cannot know, of course, whether there will be any changes in Sov policy as result of this. You will recall that when we first developed this weapon, in Pres address to nation August 9, 1945, he acknowledged our responsibility to rest of world for use which might be made this weapon. He described this as "an awful responsibility which has come to us" and said that we had to "constitute ourselves trustees of this new force—to prevent its misuse and to turn it into the channels of service to mankind."<sup>3</sup> We wait to see whether consciousness of possessing this terrible and destructive weapon will bring to Sov leaders something of that same sense of responsibility to peoples of world and whether they will join with us and other nations in renewed search for ways of protecting humanity against destructive power this discovery.

WEBB

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<sup>3</sup> This statement is found in President Truman's Report to the Nation on the Potsdam Conference; for text, see Department of State *Bulletin*, August 12, 1945, p. 208.

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#### *Editorial Note*

On September 23, President Truman announced that the United States possessed evidence that an atomic explosion had occurred in the Soviet Union; for the text of the President's statement, see the Department of State *Bulletin*, October 3, 1949, page 487. For the text of the statement on the subject by the Secretary of State, also issued on September 23, see *ibid.* The statement released by Acting Secretary Webb on September 28 is printed, *ibid.*, page 488. For an account of the detection of the Soviet test and events culminating in the President's statement, see Hewlett and Duncan, Chapter X. For additional documentation on the Soviet atomic test in connection with United States policy on the international control of atomic energy, see pages 7 ff.

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] September 26, 1949.

Foreign Minister Van Zeeland and Ambassador Silvercruys came in to see me at their request "to review the wording of the U.S.-U.K.-Belgian Agreement of September 26, 1944." I showed them the Agreement as well as a summary of the contracts that had been entered into under its provisions. I also showed them notes on a meeting which their two scientists deHemptinne and Gerard had with Secretary Marshall on August 25, 1948, and my notes of a meeting these two gentlemen had with me and Mr. Chase on September 10, 1948.<sup>1</sup> In connection with the latter I had prepared a summary of assistance which has been rendered to Belgium in the various non-classified fields since the visit of last fall.<sup>2</sup>

Mr. Van Zeeland stated that when he had seen the Secretary some ten days ago he had indicated that he had no matters to raise as regards the Agreement but would reserve the right to bring the matter up again in 6 or 8 months time. This was before President Truman's announcement of last Friday. This event seemed to him to put a different light on the whole matter. He had in preparation a note to the Secretary of State which would be presented in due course by the Belgian Ambassador, probably on the 29th or 30th. He indicated that the note would raise the question whether appropriate Belgian and American representatives might meet together to examine the provisions of the Agreement with particular regard to sections 6 and 9. He stated that the publicity attendant on the Blair House talks, the fact that tripartite discussions were now going on, and the recent Presidential announcement made it rather more imperative that he be in a position to give responsive answers to questions which might be asked of him concerning this Agreement in Parliament. While he had no specific suggestions as to what might be done or what should be done, he felt nevertheless that some discussions of the problem would be useful. He appreciated that the paramount consideration in all of these matters, particularly since last Friday's announcement, was security. He was confident that Belgium would not propose any action which would in any way jeopardize security. He mentioned by way of example that if we felt it was unwise from a security point of view for a research reactor to be located in Belgium, we should then consider what other location or arrangement might be feasible. Might a reactor in the Congo be safer? Or if that were unsafe, could Belgian

<sup>1</sup> For the records of these two meetings, see *Foreign Relations*, 1948, vol. I, Part 2, pp. 747 and 752, respectively.

<sup>2</sup> The summary is not printed.

scientists be admitted to participate in some phase of the reactor program in the United States? He stressed that this was only an example and did not constitute a proposal on his part.

I inquired what people he had in mind would be involved from their side. He responded that they would attempt to match the personnel we would designate to conduct the discussions. I said that inasmuch as the problem was a rather complicated technical one we would probably want to rely rather heavily on people from the Atomic Energy Commission. He suggested that they had a well-qualified man available in New York, Dr. Jacques Errera,<sup>3</sup> who could be brought down.

It developed that the Foreign Minister would be in this country through October 6 and could be available should this prove desirable.

I inquired whether the Foreign Minister would propose that the British be brought into the discussions at the outset. He replied that he had no strong views on this but had thought that the approach should be made to us in the first instance and we might then determine when we might best ask the British to come in. He thought that a copy of his note to the Secretary of State would be handed to the British as well.

While the Foreign Minister was examining the text of the Agreement of 1944 and the exchange of letters between Spaak, Sir John Anderson, and Winant,<sup>4</sup> there developed a discussion between him and the Ambassador as to the precise French translation of the word "agreement." They apparently satisfied themselves that the Agreement of 1944 was indeed an "agreement" and should not be characterized by any other form of words. They felt that the French word "accord" was the best translation. I gather from this discussion that the Foreign Minister had in mind the statement that Prime Minister Eyskens had made in response to a question in Parliament on August 18, 1949, to the effect that "No secret treaty exists with any foreign country whatever for purpose of (*en vue de*) delivering to it uranium or any other raw material. My declaration is forthright and formal." It was evident that both the Foreign Minister and the Ambassador were quite convinced that the arrangements between the U.S. and U.K., on the one hand, and Belgium, on the other, were indeed an "agreement," although not a "treaty."

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<sup>3</sup> Professor at the University of Brussels; Counsellor, Permanent Belgian Delegation at the United Nations.

<sup>4</sup> Reference is to the agreement of September 26, 1944, effected by an exchange of letters between Belgian Foreign Minister Paul-Henri Spaak, British Chancellor of the Exchequer Sir John Anderson, and United States Ambassador in the United Kingdom John G. Winant; for texts, see *Foreign Relations, 1944*, vol. II, pp. 1028-1030.

Department of State Atomic Energy Files

*Memorandum of Conversation, by the Acting Secretary of State  
(Webb)*

TOP SECRET

[WASHINGTON,] October 1, 1949.

MEETING WITH THE PRESIDENT, MONDAY, SEPTEMBER 26

*Atomic Energy*

Mr. Kennan gave the President a report on the progress being made in the atomic energy discussions with the British and Canadians and indicated that he believed it might be possible to arrive at an understanding which would be satisfactory to this country. The President was very interested in this report and also in Mr. Gross' Memorandum of Conversation<sup>1</sup> with Senator Vandenberg, which he read. The President approved taking soundings with the Joint Committee on Atomic Energy to determine whether an agreement of the type which it appears possible to obtain would be endorsed and supported by the Committee.

*Note:* At the Cabinet luncheon immediately following, the President requested me to inform the Cabinet of the status of the atomic energy talks, which I did. The President stated quite frankly to the Cabinet that he believed he had full authority under the law to enter into proper arrangements with the British and Canadians, but that there was a difference of opinion as to the interpretation of the law. For his own part, the President indicated that he thought the provision of the law restricting or limiting his powers in this field was unconstitutional. Both the Vice President and the Attorney General indicated that they thought it would be unwise to proceed without consultation and approval of the Joint Committee at this time. They doubted the feasibility of obtaining any constructive legislation at this session, given the temper and partisan nature of some of the members of the Committee. The President agreed that this was the best procedure and reiterated his instructions to feel out the Committee to see what could be done before reaching any decision.

JAMES E. WEBB

<sup>1</sup> Not identified.

Department of State Atomic Energy Files

*The Chairman of the Joint Congressional Committee on Atomic  
Energy (McMahon) to President Truman*<sup>1</sup>

CONFIDENTIAL

WASHINGTON, September 28, 1949.

DEAR MR. PRESIDENT: On July 14, 1949, I wrote letters to Secretary of Defense Johnson and to the Atomic Energy Commission (copy

<sup>1</sup> Senator McMahon addressed a separate letter to President Truman on September 28 dealing with the international control of atomic energy in light of the atomic explosion in the Soviet Union; for text, see p. 179.

enclosed, classified Top Secret),<sup>2</sup> suggesting that production requirements in the field of atomic energy be increased.

Of course, I now adhere even more firmly to the views expressed in the letter of July 14, and am passing it on in the hope that you may find it helpful in considering whether or not a supplemental budget request should be forwarded to the present Congress. I particularly call your attention to the fact that since 1945 only about one-thirtieth (1/30) of our expenditures directly for national defense have been devoted to development of atomic energy.

Sincerely yours,

BRIEN McMAHON

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<sup>2</sup> *Ante*, p. 482.

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] September 29, 1949.

Subject: *Note Verbale* Delivered by the Belgian Ambassador

Participants: The Acting Secretary of State  
The Belgian Ambassador  
Roger Taymans, Counselor of Belgian Embassy  
Mr. Arneson

In presenting the attached *note verbale* the Belgian Ambassador stated that it concerned a matter to which the Belgian Government attached very great importance. He stated that the points that were raised in the note were ones which the Belgian Government hoped its designated representatives could examine in the frankest sort of way with American officials.

The Acting Secretary of State indicated he was very glad to receive the note which had been presented to him and indicated that a formal reply would be forthcoming in a few days time. He went on to say that the United States Government could not over-emphasize its appreciation for the extremely gratifying cooperation which it had received from Belgium in fulfillment of the terms of the 1944 agreement. The United States Government welcomed the opportunity to enter into the proposed discussions which it looked upon as a resumption of the previous exploratory conversations which had been undertaken in 1948 with Professor deHemptinne and Mr. Paul Gerard whom the Belgian Government had designated for this purpose.

The Belgian Ambassador indicated that the Belgian Foreign Minister would be returning to Brussels from New York on October 6. He hoped that a reply could be in the Foreign Minister's hands by that

time. The Acting Secretary said that he thought this could be done. The Belgian Ambassador went on to say that the Foreign Minister would in all probability be greeted by a barrage of questions on this matter both in Parliament and from the press. It seemed vital that he should have some indication of this Government's attitude on the questions raised in the *note verbale* in order that he might handle such questions in the most appropriate manner.

In connection with the point raised in the *note verbale* of informing the United Kingdom, it was agreed that it would be desirable for the Belgian Ambassador to make a copy available to the British Embassy here.

[Annex—Translation]

*The Belgian Embassy to the Department of State*

TOP SECRET

NOTE VERBALE

During his conversation with the Secretary of State on September 16, 1949 M. Van Zeeland, Minister of Foreign Affairs of Belgium, stated that he reserved the right to raise at a later date the questions concerning atomic energy which exist between Belgium and the United States.

Mr. Acheson replied that he was ready to discuss this question with M. Van Zeeland whenever the latter believed it appropriate to raise it.

Certain recent events force the Belgian Government to raise again without delay, the question of atomic energy.

On September 20, the Combined Policy Committee, composed of representatives of the United States, Great Britain, and Canada, met in Washington. According to the press the purpose of this meeting was to study the possibility of extending the exchange of information on the subject of atomic energy and of revising the allocation of uranium ore originating in the Belgian Congo.

In this connection the Belgian Government desires to recall that in accordance with the terms of the Agreement concluded in 1944 with respect to uranium, it has been understood that Belgium would participate in the utilization of atomic energy for industrial purposes.

Belgium has fulfilled the provisions of this agreement which devolve upon it by delivering uranium ore in accordance with the agreed provisions.

On the other hand it (Belgium) has not received, as of this date, any precise indication as to the manner in which the governments, to



which it had promised the exclusive delivery of uranium ore, intend to fulfill the obligation stipulated in section 9a of the 1944 Agreement.

On October 3, 1947, M. P. H. Spaak, Foreign Minister of Belgium, when stating to Mr. Marshall, Secretary of State of the United States, the reasons why he desired that the above mentioned agreement be made public, suggested certain measures with a view of insuring the participation of Belgium in the application of atomic energy for industrial purposes. At that time, Mr. Marshall replied that the question would be submitted to an immediate study, the results of which would be communicated to M. Spaak.<sup>1</sup>

Three months later the Secretary of State was reminded of this exchange of views in a letter from the Ambassador of Belgium dated January 19, 1948.<sup>2</sup> Upon delivering it to him on the following day, Baron Silvercruys explained again the purpose and the reasons for the requests of the Belgium Government. Mr. Marshall was kind enough to give assurances that the United States was determined to fulfill the obligations which it had undertaken in this matter.

The Belgian Government is desirous to recall certain developments which have taken place in the association of American private industry in the production of atomic energy: a program of cooperation has been defined by the proper authorities; organs have been set up to implement this program; certain forms of cooperation are already in process.

On October 6, 1947, Mr. David E. Lilienthal, Chairman of the United States Atomic Energy Commission, made some statements at Detroit defining a program of participation on the part of American industry in the production and utilization of atomic energy.<sup>3</sup>

On the same day the United States Atomic Energy Commission established an Industrial Advisory Group composed of leading figures of industry and commerce with a twofold purpose: first, to assist the Atomic Energy Commission in making rapid progress in the direction of the practical application of atomic energy by private industry; second, to enable the members of this Commission to inform American industry of the developments and the extensive activities of the Commission in the field of scientific research, within the bounds of security requirements.

Furthermore, a program of technical cooperation was decided upon by the United States, the United Kingdom, and Canada at the beginning of 1948: it does not include information concerning weapons.

<sup>1</sup> For the memorandum of the Marshall-Spaak conversation in New York, October 3, 1947, see *Foreign Relations, 1947*, vol. I, p. 841.

<sup>2</sup> For text, see *ibid.*, 1948, vol. I, Part 2, p. 687.

<sup>3</sup> Lilienthal's address before the Detroit Economic Club, October 6, 1947, during which he announced the appointment of an Industrial Advisory Group, is described in Lilienthal, p. 242.

On December 15, 1948, the Industrial Advisory Group made its report to the Atomic Energy Commission.<sup>4</sup>

On August 15, 1949, the Atomic Energy Commission formed a special advisory committee for the purpose of recommending means of establishing a continuous collaboration between itself and the electric power industry.

Following on the work of the Industrial Advisory Group, the American Atomic Energy Commission established a program for the development of various types of nuclear reactors.

A technical conference, in which representatives of the United States, United Kingdom, and Canada participated, met in London at the end of September for the purpose of examining problems related to prospecting, extraction and processing of radioactive ores, which are the raw material of the atomic energy industry.

Furthermore, as has been mentioned above, the Government of the United States is engaged in negotiations with the British and Canadian Governments on subjects which, according to American newspapers, touch not only on the use of atomic energy but also involve the question of Congo uranium ore.

The developments which have just been mentioned confirm the opinion of the Belgian Government that it is imperative to reexamine the means of implementing the Agreement and, in particular, the means of implementing section 9a.

The Belgian Government proposes therefore that conversations begin as soon as possible with a view to discussing and, if possible, resolving the questions raised in this present note.

It would be appreciated if the American Government would make known its suggestions on this matter.

The Belgian Government believes it useful to invite attention to two related points.

It may be recalled that the British Government participated in the Agreement of 1944 and inquires when and how it might be appropriate to associate the latter in the proposed conversations.

Finally, the Belgian Government, having in mind the numerous allusions made by the press to the existence of the Agreement, is constrained to state that its secrecy has not been maintained as had been desired, and would like to examine, in concert with the United States Government, whether a joint declaration on this subject might not be appropriate.

WASHINGTON, September 29, 1949.

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<sup>4</sup> For a condensed version of the report, see *Bulletin of the Atomic Scientists*, February 1949, p. 51.

Department of State Atomic Energy Files

*Minutes of the Meeting of the Combined Policy Committee at the  
Department of State, September 30, 1949, 2:30 p. m.*

TOP SECRET

Present: Members:

The Under Secretary of State, Mr. Webb (in the Chair) as  
alternate for the Secretary of State  
William Webster, as alternate for the Secretary of Defense  
Sumner Pike, Acting Chairman AEC, as alternate for Mr.  
Lilienthal  
The British Ambassador, Sir Oliver Franks  
Sir Derick Hoyer Millar  
Mr. Hume Wrong, as alternate for Mr. C. D. Howe

By Invitation:

*United States*

Mr. Kennan  
Mr. Fisher  
Mr. Wilson  
Gen. Burns  
Maj. Gen. Nichols  
Mr. LeBaron <sup>1</sup>

*United Kingdom*

Sir John Cockcroft  
Sir Roger Makins  
Gen. Sir Wm. Morgan  
Mr. Peirson  
Mr. Longair

Secretariat:

R. Gordon Arneson  
F. W. Marten  
George Ignatieff

I. MINUTES

Inasmuch as the Minutes of the last meeting<sup>2</sup> had not yet been circulated to all members and comments thereon obtained, it was agreed that their approval should be held over for a subsequent meeting.

II. FUTURE ARRANGEMENTS BETWEEN THE U.S., U.K., AND CANADA  
IN THE FIELD OF ATOMIC ENERGY

MR. WEBB commented that since the last meeting on September 20 the respective delegations had put in a very heavy stint of work. There had been numerous meetings of the various subgroups, and it now appeared that a point had been reached when it would be profitable

<sup>1</sup> Robert LeBaron, recently appointed successor to William Webster as Special Assistant to the Secretary of Defense on atomic energy policy and Chairman of the Military Liaison Committee to the U.S. Atomic Energy Commission.

<sup>2</sup> Of September 20, p. 529.

to assess the status of the talks. MR. WEBB called on Mr. Kennan to indicate where matters stood.

MR. KENNAN reported that the Subgroup on Strategic and Military Considerations had seen fit, with the approval of all concerned, to constitute itself as a Steering Committee for the talks, and in his capacity as Chairman of the Steering Committee, he was reporting on the work of all the subgroups. He directed the attention of the Committee to the report prepared by the Steering Committee which consisted of three parts—(1) Tab A, a summary statement of the course of the talks; and annexed thereto, (2) an agreed report on raw material supply from the Subgroup on Raw Materials, and (3) a memorandum from the Subgroup on Information.<sup>3</sup>

MR. WEBB inquired whether anyone wished to comment on the report then before the Committee for notation. He drew attention to the report's last paragraph which read: "The members of the Subgroup on Strategic and Military Considerations invite the Combined Policy Committee to take note of this report and recommend it to the attention of the respective governments with a view to the holding of further meetings at a later date to consider what future arrangements should be made."

MR. WRONG welcomed the proposal to suspend the discussions for an interval in order to permit further considerations by the three governments. It seemed to him that the officials of the governments had talked very fully and freely, and therefore it should be possible within a few weeks to reach agreement on a joint course of action. He thought there was one point to which consideration should be given during the recess. On the assumption that a meeting of minds would be achieved on reconvening, the three governments should be prepared to settle the manner and extent of the publicity to be accorded any agreement that might be reached. He thought this was an important matter, pointing out that the three countries were now engaged with nine other countries in organizing the defenses of the North Atlantic area, and that it behooved them, therefore, to be very careful to see that any arrangement on the production of atomic weapons among the three countries be publicly presented in as acceptable a form as possible from the point of view of the other parties to the North Atlantic Treaty. Accordingly, the publicity to be accorded to the desired agreement should be one of the matters to be discussed with the respective governments during the recess. MR. WRONG said that he was sure we wanted to represent such an agreement as a very important contribution to the common security of the North Atlantic powers and of the free world in general. How best to do this was not easy to decide, and what was decided might very well affect not only the form but also the substance of the arrangements. MR. WEBB sug-

<sup>3</sup> The annexes to Tab A are not printed.

gested that during the interim it might be useful to have some exploratory work done on this problem.

SIR OLIVER expressed his general agreement with the point that had been made by Mr. Wrong. He went on to say that the United Kingdom welcomed the pause that was being taken in the talks, that there was much thinking to be done about the points that had been raised in the course of the conversations, and that the United Kingdom for its part intended to do its best to think through the problem. In commenting on the report which was before the Committee for action, he said that the statement contained therein on the two British piles and the LSD<sup>4</sup> plant was quite accurate. He did point out, however, that the statement on this matter did not represent a governmental commitment but was rather a statement of fact based on the exploratory conversations. Having made this point, he did not wish to suggest any change in the text.

The Committee *agreed* that the report before it from the Strategic and Military Considerations Subgroup should be noted and recommended to the respective governments for their consideration. As to the time of reconvening, it was suggested that the Secretariat could keep in touch on this matter.

### III. PUBLICITY

SIR OLIVER FRANKS pointed out that it might be desirable for the participants in the meeting to be prepared to say something to the press if they were queried. He said that it was very important that all participants take a common line with the press. Perhaps the most useful theme that could be stressed would be the continuing nature of the talks under the aegis of the Combined Policy Committee, which was a permanent continuing body. The CHAIRMAN and MR. WRONG agreed that this was the desirable approach. SIR OLIVER put forward a draft statement prepared by the British representatives. After some discussion it was agreed that with a few verbal changes, this draft should serve as the basis for any comment the participants might make to the press. (Tab B.<sup>5</sup>)

### IV. CONCLUDING REMARKS

MR. WEBB thanked all participants for the energetic and thorough manner in which they had carried on the work of the talks. He said he had had an opportunity to talk with the President about the course of events, and the President had expressed admiration for the expeditious and workmanlike manner in which the facts had been rounded up. MR. WRONG and SIR OLIVER FRANKS expressed appreciation for the masterly way in which Mr. Kennan had conducted the work

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<sup>4</sup> Low Separation Diffusion.

<sup>5</sup> Not printed.

of the subgroups. MR. PIKE said that he wished to compliment particularly the subgroups on Raw Materials and Information. The Commission felt that their reports and their work had been exceedingly well done and represented a very able job. MR. WEBB announced that in order to get on with other responsibilities in the Department, it would be necessary for Mr. Kennan to drop out of the talks when they were resumed.<sup>6</sup> He would be replaced by Mr. Fisher, the Department's Legal Adviser, who brought to the assignment a wealth of information on the subject at hand as a result of his having been General Counsel to the Atomic Energy Commission.

R. GORDON ARNESON  
F. W. MARTEN  
GEORGE IGNATIEFF

These Minutes were approved by the Committee on August 27, 1951.

[Annex I—Tab A]

*Report of the Sub-Group on Strategic and Military Considerations*  
(as amended)

SEPTEMBER 30, 1949.

The Sub-Group on Strategic and Military Considerations has seen fit to constitute itself a Steering Committee for the exploratory talks.

As part of the record there are attached two annexes (A) an agreed report on raw materials supply from the Sub-Group on Raw Materials, and as annex (B) a memorandum from the Sub-Group on Information.<sup>7</sup>

In the light of these annexes and of its own deliberations the Sub-Group submits the following summary statement to the Combined Policy Committee.

1. Full agreement has been reached on the estimated quantities of raw material which should become available to the three governments in each year from 1949 to 1955.

2. The U.S. members gave particulars of the expanded production program which the U.S. Government intends to undertake.

3. The U.K. members gave information as to the U.K. production program which had been decided upon by the U.K. Government. The U.K. members stated their belief that the U.K. had the necessary resources and information to execute this program including the fabrication and testing of atomic weapons.

4. The Canadian members similarly gave information about the Canadian program.

5. It was agreed that the prospective supply of raw materials was sufficient to satisfy the requirements of the expanded U.S. program

<sup>6</sup> Kennan had been appointed Counselor of the Department of State on August 4.

<sup>7</sup> The annexes are not printed.

and a U.K. program of two production piles and L.S.D. plant, as well as of the Canadian program, the demands of which remain substantially unaltered.

6. In the light of these facts the Committee considered, on a purely exploratory basis, the problem of cooperation between the three countries from the political, strategic and technical point of view, as well as from the standpoint of combined planning and utilization of their resources of personnel, facilities, material and information to the fullest possible extent. In these discussions it was possible to identify in a general way the probable requirements and desiderata of the respective governments and those aspects of the problem which will require further governmental consideration.

The members of the Sub-Group on Strategic and Military Considerations invite the Combined Policy Committee to take note of this report and recommend it to the attention of the respective governments, with a view to the holding of further meetings at a later date to consider what future arrangements should be made.

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Department of State Atomic Energy Files

*Memorandum of Conversation, by the Acting Secretary of State*

TOP SECRET

[WASHINGTON,] October 1, 1949.

MEETING WITH THE PRESIDENT, SATURDAY, OCTOBER 1

*Atomic Energy*

I discussed with the President the results of the tripartite atomic energy negotiations, and informed him that we had made no moves to feel out the Congressional Committee up to this time but would begin this process next week. The President retained the memorandum of October 1, 1949<sup>1</sup> and the report adopted by the Combined Policy Committee, September 29 [30].<sup>2</sup> He also withdrew from his files the report to the President by the Special Committee of the National Security Council on atomic energy policy with respect to the U.K. and Canada, dated March 2, 1949 with the annexes, and said he would take all these papers with him on the "Williamsburg"<sup>3</sup> over the weekend for careful study. He indicated that if the issue became clearly drawn along the lines of going forward with a complete partnership, in spite of partisan attack, he would take this issue to the country. He hoped, however, we could make arrangements with the Congressional Committee to handle the matter on an amicable basis.

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<sup>1</sup> Reference is to a memorandum for the President by Acting Secretary Webb, not printed, summarizing the status of the tripartite negotiations and contemplating further action.

<sup>2</sup> *Supra.*

<sup>3</sup> The President's yacht.

The President seems to have a recollection that he had a talk with Churchill<sup>4</sup> on atomic energy in which it was agreed that the United States would retain all rights to the commercial, or non-military, application of atomic energy.<sup>5</sup> I pointed out that the documentation of the various agreements was inconsistent with his understanding, and that is one reason he wished to read the report of the National Security Council Committee and the annexes.

JAMES E. WEBB

<sup>4</sup> Winston S. Churchill, British Prime Minister, May 1940–August 1945.

<sup>5</sup> The Quebec Agreement of August 19, 1943 (5 UST 1114) included the following provision: "Fourthly, that in view of the heavy burden of production falling upon the United States as the result of a wise division of war effort, the British Government recognise that any post-war advantages of an industrial or commercial character shall be dealt with as between the United States and Great Britain on terms to be specified by the President of the United States to the Prime Minister of Great Britain. The Prime Minister expressly disclaims any interest in these industrial and commercial aspects beyond what may be considered by the President of the United States to be fair and just and in harmony with the economic welfare of the world." However, the Hyde Park Agreement between President Roosevelt and Prime Minister Churchill, September 19, 1944, provided that "Full collaboration between the United States and the British Government in developing tube alloys [atomic energy] for military and commercial purposes should continue after the defeat of Japan unless and until terminated by joint agreement." The Memorandum of Intention signed by President Truman, Prime Minister Attlee, and Prime Minister Mackenzie King in Washington on November 16, 1945, also called for full and effective cooperation (*Foreign Relations*, 1945, vol. II, p. 75). The *Modus Vivendi* approved by the Combined Policy Committee on January 7, 1948 (*ibid.*, 1948, vol. I, Part 2, p. 679) abrogated most wartime agreements on atomic energy, including paragraph 4 of the Quebec Agreement.

Department of State Atomic Energy Files

*Memorandum of Conversation, by the Acting Secretary of State*

TOP SECRET

[WASHINGTON,] October 3, 1949.

MEETING WITH THE PRESIDENT, MONDAY, OCTOBER 3

*Atomic Energy*

The President handed back the attached two documents, the report of the CPC, and the Memorandum to the President dated October 1, 1949, and indicated that he had thought over carefully the problem of relations with the British and Canadians, over the weekend. He said that he felt it was essential that we try to work out a thorough-going partnership with the British and Canadians, and that, if necessary, he would make a strong effort to get the backing of the country for this should we encounter difficulties with the Congress. I explained to him that consultations had been held with Senator McMahon and that we would have further talks with the Committee this week and would keep him informed of progress.



The President handed me the attached letters from Senator McMahon<sup>1</sup> and requested my advice.

JAMES E. WEBB

<sup>1</sup> The source text is not accompanied by attachments. The letters under reference are presumably those of September 28; for texts, see p. 179 and p. 543.

Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] October 5, 1949.

Subject: Attached Note Regarding Belgium Uranium

Participants: The Acting Secretary of State  
The Belgian Ambassador  
Mr. Arneson

In handing the attached note to the Belgian Ambassador, the Acting Secretary of State made the following comment: "I am glad to be able to give you the views of the Department and the Atomic Energy Commission as reflected in this note. I know you will appreciate that at this stage only the general aspects of the points your Government has raised can be answered. I am confident that the representatives of our respective governments will be able to discuss the various problems in detail and I know this can be done in a most friendly fashion as a continuation of the conversations with Professor deHemptinne and Mr. Gerard last year."

After reading the note the Belgian Ambassador asked for clarification of the following language: "It should be noted that the cooperative arrangements between the Atomic Energy Commission and American industry referred to by the Belgian Ambassador have two principal purposes: (1) to broaden the base of industrial participation in the current program which is directed primarily toward weapons production, and (2) to make available industrial technology resulting from the atomic energy program which may have general application in industry." The Acting Secretary and Mr. Arneson explained that it was felt necessary to point out that the cooperative arrangements being entered into with industry did not in fact involve making available to industry atomic energy processes as such, but rather such techniques and technology which had been gained over the past several years in the atomic energy program which might be found to have general industrial application. The other aspect of these arrangements involved an attempt to secure greater assistance from industry in improving efficiency of the program which is directed primarily toward weapons manufacture. Whether it would be possible for Belgium to benefit from the first aspect of these arrangements

would, of course, need to be explored by the appropriate technicians in the later discussions.

The Acting Secretary said that it was his understanding that the Belgian Foreign Minister had recently raised informally two points with Mr. Strauss of the Atomic Energy Commission. The first had to do with Belgium's being represented at any future meetings regarding allocations of Congo uranium, and the second concerned the possibility of having Belgian scientists work in the United States on atomic energy. On these two points the Acting Secretary made the following comments: "With reference to the first point, as the press has reported recently, the first stage of the atomic energy discussions amongst the United States, United Kingdom, and Canadian Governments has been concluded but will be resumed in due course after each side has had a chance to study proposals made. I can assure you that this Government has in mind keeping your Government informed regarding any significant developments resulting from these talks. Regarding the second point, it is hoped that the technical discussions will reveal additional lines of endeavor that might appropriately be pursued by Belgian scientists and technicians in this country in addition to those already being carried out as a result of the 1948 conversations."

Concerning the designation of representatives it was suggested that inasmuch as the talks would be largely technical the General Manager of the Atomic Energy Commission and various members of his staff would be most directly involved. It was suggested that on the Belgian side it might be appropriate, in determining who should be designated, for the appropriate officials in Brussels to discuss the matter with Mr. Hugh Millard, the Counselor of Embassy. The Belgian Ambassador indicated that this seemed a useful way to proceed.

With regard to the note in general, the Belgian Ambassador stated that it seemed to him that, while it was couched in general terms, it was quite adequate for the time being. He expressed the hope that the further discussions which were planned for the near future might proceed on a completely frank and forthright basis. The Acting Secretary assured the Ambassador that it was the intention of the United States Government to discuss mutual problems with the designated Belgium representatives in precisely that fashion.

[Annex]

*The Acting Secretary of State to the Belgian Ambassador  
(Silvercruys)*

TOP SECRET

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Belgium and wishes to state that the views

of the Belgian Government on certain aspects of the United States-United Kingdom-Belgium Uranium Agreement of September 26, 1944 as set down in a *note verbale* left with the Acting Secretary of State by the Ambassador on September 29, 1949 have been examined carefully by the Department of State in collaboration with the Atomic Energy Commission.

The Government of the United States is deeply appreciative of the genuine spirit of cooperation which Belgium has always shown in fulfilling its obligation under the referenced Agreement, and wishes to reiterate the assurances of Secretary of State Marshall furnished Prime Minister Spaak on March 12, 1948, that the United States will give full effect to the stipulations in favor of Belgium included in Clause 9(a) of the Agreement.

Although the prospects are not hopeful for successful attainment of the objective of using atomic energy for industrial power, at least for some years, the United States Government is pushing research toward this end as rapidly as is practicable in the existing circumstances, having in view the predominant necessity of developing atomic energy for military purposes. At present, the only fruitful area of non-military application is in connection with the use of radioisotopes. Mr. Edgar Sengier is expected to arrive in the United States shortly and in the course of his visit it is understood he will discuss with the United States Atomic Energy Commission research uses of radioisotopes and means of distribution of these materials in Belgium. It should be noted that the cooperative arrangements between the Atomic Energy Commission and American industry referred to by the Belgian Ambassador, have two principal purposes (1) to broaden the base of industrial participation in the current program which is directed primarily toward weapons production and (2) to make available industrial technology resulting from the atomic energy program which may have general application in industry.

The United States Atomic Energy Commission will be glad to make available technical representatives to meet at an early date with such other Belgian representatives as may be designated to review the matters raised in the Ambassador's *note verbale*. It is indicated that the General Manager and his staff will take direct interest in the progress of discussions.

At the conclusion of its *note verbale*, the Belgian Government has raised two questions to which the United States Government is prepared to answer now in part:

With respect to the question of representatives of the United Kingdom having participation in the conversations, the United States Government believes that this is not only desirable but in keeping with the

spirit of the Tripartite Agreement of 1944 and in consequence has kept the United Kingdom Government fully informed regarding this matter.

With respect to the question of a public announcement regarding the Agreement, the United States Government believes that the Belgian Government, if it desires, in announcing that its representatives at the invitation of the United States Government will visit the United States to continue technical discussions initiated in August 1948 with Professor de Hemptinne and M. Gerard, might wish to refer to the continuance of the arrangements concerning uranium and the development of atomic energy entered into in September 1944 by the Governments of the United States and the United Kingdom on one side and the Government of Belgium on the other, the first revelation of the existence of which was made by Prime Minister Spaak before the Belgian Senate on July 3, 1947 at which time he said:

"It was necessary, during the war, to provide the Allies with as large a quantity as possible of materials essential to the development of atomic energy. Consequently with the full approval of the Belgian Government, arrangements were concluded for the uranium ore of the Congo to be placed at the disposal of the United States and the United Kingdom.

"By those arrangements, the legitimate interests of Belgium were fully safeguarded. They are still in force, and the Belgian Government hopes that an international agreement concerning the control of atomic energy will be concluded soon, as a consequence of the work of the commission created within the United Nations. As soon as these results are obtained, the Belgian Government will quickly proceed to modify all its legislation on uranium accordingly."

It would appear to the United States Government that a decision regarding further revelation of the nature of the arrangements should be made in the light of the outcome of the consultations between the technical representatives of the three Governments. The present disposition of the United States Government is to regard as not in the best mutual security interests of the three Governments concerned, any disclosure of such information as that pertaining to the duration of the Agreement, the ultimate tonnages of uranium ores involved and shipments to the United States and United Kingdom.

The Government of the United States understands that the United Kingdom Government is aware of the terms of the *note verbale* which the Belgian Ambassador left with the Acting Secretary on September 29. The Government of the United States has consulted the United Kingdom Government and understands that the latter is in agreement with the terms of this reply.

WASHINGTON, October 5, 1949.

SCI Files

*Memorandum by Mr. R. Gordon Arneson to the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] October 6, 1949.

NOTE ON ATOMIC ENERGY FOR MR. WEBB'S USE IN SEEING THE  
PRESIDENT THURSDAY, OCTOBER 6<sup>1</sup>

Since I last reported to you on Monday<sup>2</sup> concerning the tripartite talks we have had a report of the meeting the AEC had with the Joint Committee last Monday. The AEC did not attempt to set forth an agreed Executive Branch opinion as to the best solution to the problem but gave a factual account of how the talks had gone thus far. Commission representatives laid particular stress on the fact that the talks to date were only exploratory and did not involve agreements or commitments. It is evident that the Joint Committee expects a rather fuller report from us. We are now preparing a statement which would be presented as the Joint State, Defense, and AEC point of view, both as to the progress of the talks and the arrangement the Executive Branch intends to press for. It is intended that this testimony will be given to the Joint Committee before the Congress adjourns.

The news of the Soviet atomic explosion seems to have had a rather sobering effect on members of the Joint Committee. Their reactions to a partnership arrangement with the U.K. and Canada appear more hopeful than was the case some weeks ago.

Last Monday you asked me to give you my reactions as to what might be said in reply to two letters from Senator McMahon; the first, unclassified, urging a bold new approach to the problem of international control;<sup>3</sup> the second classified Confidential, urging an all out effort in the production of atomic weapons.<sup>4</sup> On the first, my suggestion would be that you reply to the Senator that the Policy Planning Staff of the Department of State is making a thorough reassessment of the impact of recent events, not only on the international control problem but our foreign policy generally. This survey is being conducted quietly and confidentially, but the Senator will doubtless be pleased to know that it is getting under way. Pending the outcome of this study it would be premature to have a judgment on any particular proposal.

As to the second letter it would appear desirable to tell the Senator that a projected increase in the atomic energy production program is under very active study, the results of which will soon be in hand.

R. GORDON ARNESON

<sup>1</sup> Webb's memorandum of his conversation with President Truman, October 6, not printed, indicates that he briefed the President in accordance with the present memorandum (SCI Files).

<sup>2</sup> See memorandum of conversation, October 3, p. 553.

<sup>3</sup> Of September 28, p. 179.

<sup>4</sup> Of September 28, p. 543.

*Editorial Note*

The Committee on Armed Services of the House of Representatives conducted hearings between October 6 and October 21, 1949, which devoted detailed consideration to the status of atomic weapons in the defense posture of the United States. Thirty-six individuals who served or who had served in important military or civilian governmental positions presented testimony. For the record of these proceedings, see *The National Defense Program—Unification and Strategy; Hearings Before the Committee on Armed Services, United States House of Representatives* (81st Cong., 1st sess.).

SCI Files

*Memorandum by the Executive Secretary of the National Security Council (Souers)*

TOP SECRET

WASHINGTON, October 10, 1949.

Memorandum for: The Secretary of State  
The Secretary of Defense  
The Chairman, Atomic Energy Commission

Subject: The Proposed Acceleration of the Atomic Energy Program  
Reference: Letter from the President to the Executive Secretary  
NSC, Same Subject Dated July 26, 1949

The enclosed report to the President on the above subject in response to the reference letter, in the form approved by you as the Special Committee of the National Security Council, has been submitted on this date to the President for his consideration.

SIDNEY W. SOUERS

[Annex]

REPORT TO THE PRESIDENT BY THE SPECIAL COMMITTEE OF THE NATIONAL SECURITY COUNCIL ON THE PROPOSED ACCELERATION OF THE ATOMIC ENERGY PROGRAM

TOP SECRET

[WASHINGTON,] October 10, 1949.

## THE PROBLEM

1. To prepare a recommendation to the President, as requested in letter dated 26 July 1949, on the proposal to expand the program of the Atomic Energy Commission along the lines recommended by the Joint Chiefs of Staff.

## ANALYSIS

*Considerations Presented by the Joint Chiefs of Staff in Support of Their Recommendation for an Acceleration of the Atomic Energy Program*

2. Since the detonation of the first atomic bomb, the Joint Chiefs of Staff have had the employment of atomic weapons under constant study, with a view to determining their optimum role in warfare. Certain developments and events, together with the results obtained from continuing studies under way, have led the Joint Chiefs of Staff to recommend, in June 1949, an additional acceleration of the atomic energy program. Among the developments, events, and considerations which led to this recommendation were the following:

*a.* The growing completeness of essential information on the effects and characteristics of atomic weapons which permitted a more realistic operational appraisal of atomic weapons. Many of the necessary answers were provided following the evaluation of the Eniwetok tests (SANDSTONE).<sup>1</sup> Analyses made in the light of this new information have been revealed additional operational applications of atomic weapons.

*b.* The completion of preliminary estimates which have indicated that it is probable that atomic bombs may be employed economically in lieu of conventional bombs against relatively small targets.

*c.* The realization that technical attainments in the plutonium separation process, waste recovery, and in the U-235 process probably will permit more efficient utilization of raw materials. This fact, together with the ability to foresee with greater assurance an adequate raw material supply, makes a limited degree of increased production feasible, in so far as raw materials are concerned.

*d.* Continued international tension, springing from the continuing refusal of the Soviet Union to become a cooperating member of the world community, the growing United States commitments on a world-wide scale, the growing realization of the necessity to defend Western Europe in the event of Soviet aggression; confirmation in detail of the full extent of the military prostration of our Western European allies as a result of facts developed in the course of negotiations for Western Union Planning, and the Military Aid Program. All these factors indicated that as soon as practicable the element of intrinsic scarcity must be eliminated as the predominant consideration of atomic weapon use in war in order to allow the JCS greater flexibility to plan as desirable the employment of atomic bombs for operations where they could be employed more economically than other military measures. While atomic weapons do not have universal application in war, they do provide swift and tremendous striking power for certain operations at a smaller over-all cost than other means. Accordingly, the JCS consider it in the national interest to have the capability for employing them for those tasks which can be accomplished more effectively and economically by atomic weapons.

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<sup>1</sup> Reference is to the atomic tests conducted by the United States in April and May of 1948; the operation is described in Hewlett and Duncan, pp. 161-165.

*e.* The vital role of our atomic capability, which led to the conclusion that it would be unsound to rely on accelerating production in time of war. The increasing vulnerability of our plants with the advent of modern improved weapons; and the obvious high priority of their destruction or sabotage in the plans of an enemy; and the significant advantages accruing from large-scale use of atomic weapons early in the period of hostilities; led to the conclusion that it was in the national interest to possess on D-Day the fissionable material necessary to give us the desired flexibility to carry out our strategic plans. This consideration recommends production on a maximum basis for the clearly foreseeable future. Fortunately, fissionable material does not deteriorate or become obsolete with the passage of time, and can be stored indefinitely.

*f.* The failure of our proposals in the United Nations on the control of atomic energy, coupled with the fact that the time was approaching when the United States would lose its monopoly position in the atomic weapon field. By 1956, when it was estimated that the USSR probably would have achieved a significant stockpile of atomic weapons, the JCS consider it vital to the security of this nation that we possess an overwhelming superiority in these weapons for psychological and counter atomic offensive purposes, as well as for the achievement of our strategic objectives. As regards counter atomic offensive purposes, it is the view of the JCS that the U.S. can well afford to expend several times the number of bombs in the Soviet stockpile to counter atomic attacks against the United States if such targets present themselves.

*g.* The indication that the development of a smaller, lighter bomb may significantly improve the deliverability of these weapons and that military considerations may lay great emphasis on this development. However, it is to be noted that a smaller, lighter bomb and applications to guided missiles will be less efficient in the utilization of fissionable material. This fact, together with the increased flexibility of employment and new concepts for the use of smaller weapons, will tend to increase the requirements for fissionable material.

3. In view of the above considerations, a re-study of the military requirements for fissionable material was initiated. Because of the inevitable 3-4 year construction time lag before appreciable results could be realized from an acceleration, the year 1956 was selected by the Joint Chiefs of Staff as the earliest practicable target date for the attainment of a sizable increase in production rate and stockpile objective. In the calculations, wherever a minimum and maximum bracket existed for quantities of material required, the minimum figure was favored and only those military uses firmly developed or anticipated by 1956 were included, in order to stay within a production rate considered practicable of attainment in the light of known raw material limitations. Periodically the JCS will review the adequacy of the recommended production rate in the light of possible new developments in raw material availability, in the international situation, in the fields of radioactive warfare, nuclear propulsion for aircraft and



submarines, new types of weapons and missiles or concepts for their use, new military uses for nuclear energy, and new intelligence on the atomic progress of the USSR.

4. The Joint Chiefs of Staff are of the opinion that the gain from the military standpoint of the proposed accelerated program over that which can be obtained from a continuation at the present level appears very significant in terms of lower unit cost of weapons; probable shortening of a war; increased military effectiveness; decreased logistical and manpower requirements for the prosecution of certain tasks in war; and increased flexibility in the conduct of the war, which is extremely important in view of the many imponderables now facing our planners. Furthermore, when the USSR attains a stockpile of atomic weapons, overwhelming superiority of our own stockpile and production rate will be necessary if our atomic weapon posture is to continue to act as a deterrent to war. Moreover, and from a military standpoint, the Joint Chiefs of Staff are of the opinion that the recent atomic explosion in the USSR underlines the military necessity of increased weapon production, and thus strongly reinforces and supports the justification and urgency of their previous recommendations.

*Feasibility of Meeting Proposed Increased Military Requirements as Assessed by the Atomic Energy Commission*

5. The Atomic Energy Commission has carefully studied the recommended program only from the viewpoint of its feasibility, and has concluded that the program is feasible.

It appears that the increase in plant necessary to meet the accelerated program would so round out the AEC production cycle as to increase production greatly in excess of the proportionate increase in capital investment and additional annual operating costs; thus enabling additional reduction of the unit cost of fissionable material.

It is evident that action which prepares the United States for the conversion of ore into fissionable material is to our national economic advantage. The refining of ore and production of fissionable material accounts for the major cost of atomic weapons. Should it develop in the future that a large amount of fissionable material is no longer necessary for the military security of this nation, the fissionable material, which does not deteriorate with age, may be relatively easily and economically refabricated for peaceful uses as these uses are developed, thus contributing to the national economy. In short, national investment in military security as derived from fissionable material is not expended, unless actually consumed in war.

The estimated costs involved call for a capital cost of about \$319 million and additional annual operating costs reaching about \$54 million per year when the accelerated program attains equilibrium. It

is estimated that obligations will be incurred for the capital additions in accordance with the schedule contained in the Appendix <sup>2</sup> hereto.

The Commission is of the view that the increase should be handled as part of the Atomic Energy Commission's budget, and that the purpose of the increase should be clearly explained to the appropriate committees of the Congress.

Most of the construction involved is an extension and a rounding out of currently planned expansion and existing plants. Therefore there will be no appreciable delay concerning design and other engineering considerations. However, delay in initiating this extension may mean added cost of construction and a greater increase in delay in achieving the proposed objective.

Examination of the raw material sources available to the United States and the Western Powers and the technological developments which will increase their utilization indicates that if the sources are developed as expected and the CPC allocates material generally in accord with the proposed atomic energy policy with respect to the U.K. and Canada, we shall have sufficient raw material to satisfy the proposed program. However, it cannot at this time be guaranteed that our exploratory conversations with the U.K. and Canada will be entirely successful in this regard. If our negotiations are not entirely successful, or if the ore available to the U.S. is curtailed for some other and unforeseen reason, the expanded plant facilities will permit greater production from such ore as is available than the present facilities.

*International Political Considerations as Assessed by the Department of State*

6. It may be assumed that some information concerning the expansion will become publicly known, particularly in the course of Congressional hearings thereon. The psychological effect at home and abroad of such knowledge is difficult to judge. On balance, however, the proposed expansion is not considered untimely from the point of view of possible international repercussions, particularly in view of the recent atomic explosion in the USSR, for the following reasons:

a. It is consistent with our announced determination to maintain our leadership in the field of atomic weapons in the absence of effective international control. This policy is well-known to the world, including the Soviet Union.

b. Other nations, in all probability, assume that we are producing atomic weapons to the full extent of our capabilities.

c. Recent construction activities at Hanford, representing a comparable visible increase of effort, did not produce any significant unfavorable domestic or international reaction.

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<sup>2</sup>The Appendix, a chart titled "Supplemental Estimate for the Atomic Energy Commission, Fiscal Year 1950: Schedule 'A'—Summary of Capital Costs," is not printed.

d. In the light of the North Atlantic Pact and the Military Aid Program, it appears likely that Western Europe would consider an expansion of our program not only a desirable development but also positive evidence of our intent to increase our military strength for the security of all.

e. Approval of the proposed expansion would strengthen our position in the exploratory conversations with the United Kingdom and Canada, these conversations having as their objective the attaining of that allocation of effort which will bring about the most effective use of joint resources, specifically raw materials and effort.

#### CONCLUSIONS

7. The Special Committee of the National Security Council considers that the proposed acceleration of the atomic energy program is necessary in the interests of national security based upon the following considerations:

a. The views of the Joint Chiefs of Staff that this accelerated program will constitute a net improvement in our military posture both as a deterrent to war and as preparation for war should it prove unavoidable.

b. The views of the Atomic Energy Commission that it is feasible to meet the requirements of the proposed program.

c. The views of the Department of State that the proposed expansion is not untimely from the viewpoint of possible international repercussions, particularly in view of the recent atomic explosion in the USSR.

d. The proposed program is consonant with paragraph 21-a of NSC 20/4,<sup>3</sup> which states that as a requirement toward the attainment of our national aims vis-à-vis the USSR, we should develop a level of military readiness which can be maintained as long as necessary as a deterrent to Soviet aggression, as indispensable support to our political attitude toward the USSR, as a source of encouragement to nations resisting Soviet political aggression, and as an adequate basis for immediate military commitments and for rapid mobilization should war prove unavoidable.

8. The Special Committee further concludes that the recent atomic explosion in the USSR increases the urgency with which this proposed program should be undertaken and executed, but this acceleration should be clearly understood to be a projection of previous plans based upon our own capabilities, rather than as a counter-development to the Soviet explosion.

9. The Special Committee believes that, in view of the conclusions reached by the NSC in NSC 52/3,<sup>4</sup> any increase in expenditures by the Atomic Energy Commission required for this proposed program should not be at the expense of other areas of the national defense program.

<sup>3</sup> Dated November 23, 1948, a report to the President by the National Security Council titled "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security." For text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 662.

<sup>4</sup> Dated September 29, p. 385.

Policy Planning Staff Files

*President Truman to the Chairman of the Joint Congressional  
Committee on Atomic Energy (McMahon)*<sup>1</sup>

CONFIDENTIAL

WASHINGTON, October 10, 1949.

DEAR SENATOR McMAHON: Thank you for your letters of September 28, 1949,<sup>2</sup> concerning two most important aspects of the great central problem now facing us of how best to deal with the atom. Since the content of the letters is so closely related, I am taking the liberty of replying to them both under the same cover.

I have discussed with the Acting Secretary of State your views regarding the probable consequences of our announcement that Russia has achieved an atomic explosion. He informs me that the State Department's Policy Planning Staff is making a thorough reassessment of the impact of this event, not only on the international control problem but on our foreign policy generally. This survey is being conducted quietly and confidentially, but I am sure you will be pleased to learn that it is under way. Your views have been made available to the Staff. Pending the outcome of this study, I feel it would be premature to pass judgment on any particular proposal.

Concerning your letter, together with its enclosure, urging an acceleration of the production program of the Atomic Energy Commission, I can inform you that a projected increase in the atomic energy production program is under very active study on the part of the interested Executive agencies, the results of which should soon be in hand.

With renewed thanks for your helpful views and with best personal wishes, I am

Sincerely yours,

HARRY S. TRUMAN

<sup>1</sup> The following typewritten notation appears at the bottom of the source text: "(Draft letter prepared in the Department and taken to the White House by the Secretary, 10/10/1949) Signed by HST 10/10/49."

<sup>2</sup> *Ante*, pp. 179 and 543.

660.509/10-1349

*Memorandum by the Secretary of State to the Assistant Secretary of  
State for European Affairs (Perkins)*<sup>1</sup>

SECRET

[WASHINGTON,] October 13, 1949.

In connection with your discussions in Paris regarding East-West Trade,<sup>2</sup> I would appreciate your giving due emphasis to the objective

<sup>1</sup> This unsigned memorandum was drafted in the Office of the Under Secretary of State, presumably by Arneson.

<sup>2</sup> The reference is to the meeting of principal United States Ambassadors in Europe, held in Paris on October 21-22, 1949, under the chairmanship of Perkins. For documentation, see vol. iv, pp. 469 ff.

of the U.S. Government to secure cooperation of European governments to the end of denying the Soviet bloc materials and equipment useful in the development of atomic energy. It is the opinion of the AEC staff, with which I concur, that the announcement of a successful atomic explosion by the Soviets makes even more necessary the establishment of effective controls by all friendly countries over items which might contribute particularly to the production end of an atomic energy program.

It is self-evident that the success of a program such as this is dependent on the full cooperation of all important countries involved in the production or trade in materials of atomic energy significance. Any relaxation on the part of one country, either deliberately or through ineffective control mechanisms, will of course eventually result in reducing cooperation of all other governments to the lowest common denominator. With this in mind, the Department and the AEC have collaborated since May of 1948 in a program of securing informal agreements with the governments of the U.K., Canada, Sweden, Benelux countries, Norway, France, Switzerland, Bi-Zone Germany, and Italy. With the exception of France and Germany, agreement in principle has been obtained from all the other countries and in most cases effective control mechanisms are established.

In addition to giving the various Chiefs of Mission attending the Paris conference an outline of the importance of obtaining full cooperation to prevent the export to Soviet countries of these items, it would be useful if you acquainted the Chiefs regarding:

1. The relationship of these controls to those over other security items (ECA Lists 1a and 1b<sup>3</sup>).
2. Progress made in securing agreements with other governments pertaining to parallel controls over atomic energy items.

There follow brief background sketches relating to the above points:

1. *Relationship of these controls to other security items:*

During the initial consideration of control of general East-West trade on the part of Western European countries, it was decided that the handling of atomic energy items should be a matter separate from the handling of the ECA Lists 1a and 1b, primarily since: (1) the prevention of the export to Eastern Europe was a matter of clear mutual security concern of the United States and the other countries involved; (2) the general economic importance of trade in these items was quite insignificant relative to total East-West trade; (3) conversations regarding atomic energy items would of necessity involve governmental officials other than those who logically dealt with items on the ECA Lists.

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<sup>3</sup> For information on the ECA Lists, see vol. v, pp. 69 ff.

To inaugurate the program, the Department forwarded to several diplomatic missions in Europe for action and to others for information, copies of what are known as the AEC Lists A and B, covering items which are under close export control in the United States and which are considered necessary for similar controls in Europe. List A consists primarily of items peculiar to atomic energy work such as radiation detection instruments, mass spectrometers, and particle accelerators. These are under the licensing control of AEC. List B includes certain general industrial items which have particular importance to atomic energy production. The lists are not classified.

Even though the negotiations have been handled separate from those involving ECA items, the mechanics for control of exports of atomic energy items are substantially the same as for the general security Lists A and B, particularly in countries having large industrial potentials (Great Britain, Canada, and Germany, and possibly France). Recent efforts have been directed toward determining, with propriety, how effectively the various governments have instituted controls which have previously been agreed to in principle.

2. *Summary of agreements with other governments:*

*United Kingdom*—Almost a year ago U.K. published a revised export schedule. This, combined with administrative controls, placed most of the U.S. list under control from Britain. The agreement covers about 80% of the U.S. List. The U.S. has requested concurrence on the balance of the list, and the answer of the U.K. Department of Atomic Energy is now pending. A reciprocal exchange of information on licensing action of the U.S., U.K. and Canada is now operative. (It may be observed that respecting the 1a List negotiated by ECA, we understand the British had agreed to controls over about 80% of the items. Agreement at the technical level was achieved on a substantial portion of the balance of the list but no further action has come to our attention.)

*Canada*—In July 1949, Canada took sweeping action to place under control substantially the entire list under discussion with them. Co-operation is complete.

*Sweden*—Sweden has full power to control all exports. In formal advice from the Swedish Government they agree to control (embargo to Soviet areas) List A items. A subsequent communication agrees to embargo to the Soviet Bloc those List B items considered important in the Swedish commercial picture.

*Norway*—Norway likewise has full power of control over exports. Only a few items on AEC Lists are produced in Norway. We are assured these are under embargo to the East. We expect the Norwegian Government will agree to embargo other listed items.

*Netherlands*—A secret list of prohibited exports includes all List A and B items which are now said to be under control. The actual method of administering these controls would be explained to the U.S. representative when such a visit is arranged.

*Belgium*—The Belgian Government has agreed to the principle of control and is administering this on an informal basis.

*Italy*—In July an agreement was reached that List A items would be embargoed to the Soviet Bloc. As to List B, Italy agreed to embargo those not previously active in foreign trade and would limit the remaining items to pre-war quantities. Trieste was being covered by collateral action.

*Switzerland*—Certain Swiss officials indicated informally willingness to secure "gentlemen's agreements" with industries making important items on Lists A and B. This would take the place of any formal controls. It now appears the plans on this program were not followed through. Consequently, a new approach will be necessary.

*Germany*—The Military Security Board is now preparing a law which will be promulgated by the High Commissioner to place a ban on the production of and trade in most items on the AEC Lists. In the interim, pending promulgation of this law, items on the AEC Lists are being screened by the Office of the American High Commissioner to prevent shipment of these items to Soviet countries. It is envisaged that the control procedures which will be outlined to the new German Government will make possible incorporation of the AEC items on lists given the German authorities for screening purposes.

*France*—Our Embassy has been working discreetly with certain French officials to establish the desired controls. Progress has been rather slow, but at the earliest opportunity, discussions of the AEC lists which the French now have, will be resumed.

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Department of State Atomic Energy Files

*Memorandum of Conversation, by the Legal Adviser (Fisher)*

TOP SECRET

[WASHINGTON,] October 14, 1949.

Sir Derick Hoyer Millar came in today, and stated that he was extending an official invitation from the British Government for two persons to visit the U.K. atomic energy project. He said that he understood that General Nichols would be one, and expressed the hope that the other would be Carroll Wilson.

I stated I would let him know right away, and asked if there would be any objection to having a third visitor, Mr. Arneson. He replied that this would be completely acceptable.

Sir Derick then said he had read in the newspapers that there had been a discussion with the Joint Committee,<sup>1</sup> and was wondering if anything of particular interest had occurred. I took the opportunity to inform him in considerable detail of the nature of the Secretary's statement before the Joint Committee. I emphasized the part of the discussion that dealt with the interest of the U.S. in the nature of the U.K. program and the necessity for each country to satisfy itself as to what was in the mind of the other. I said that the Secretary's statement before the Joint Committee was in the nature of an interim report and that there was apparently no objection from the point of view of the Legislature to our continuing these discussions.

He then asked what was the next move. I replied that after General Nichols and his party had come back and had had a chance to discuss the matter here, and after the people in London had made up their own minds, I assumed that I would get in touch with him or he would get in touch with me, and we would arrange for further exploratory discussions.<sup>2</sup>

<sup>1</sup> On the morning of October 13, representatives of the Executive Branch appeared on Capitol Hill to brief the Joint Congressional Committee on Atomic Energy on the progress of tripartite negotiations. The Department of State was represented by Secretary Acheson, Gross, Fisher, and Arneson; the U.S. Atomic Energy Commission by Commissioners Dean and Smyth, General Manager Wilson and others; and the Defense Department by LeBaron and General Nichols. The Committee was assured that no binding agreements had been concluded and that none would be concluded without prior Congressional approval. The stenographic transcript of proceedings, 42 pages, is not printed. (Department of State Atomic Energy Files) Immediately after his appearance before the Joint Committee, Secretary Acheson described the meeting to President Truman in the following terms: "The Atomic Energy Committee had listened to our report of the discussions with the British and believed those discussions had been conducted in complete good faith and in accordance with the statements of the President and the Secretary of State at recent meetings with the Committee and agreed to our proceeding with further exploratory discussions along the lines indicated." (Memorandum by the Secretary of State of Conversation with President Truman, October 13, 1949, Department of State Atomic Energy Files)

<sup>2</sup> The report of November 21 by General Nichols, Arneson, and George L. Weil of the Division of Reactor Development of the U.S. Atomic Energy Commission, on their 2-week visit to the United Kingdom, is described in Hewlett and Duncan, pp. 307-308.

PM Files <sup>1</sup>

*The Chairman of the General Advisory Committee (Oppenheimer)  
to the Chairman of the United States Atomic Energy Commission  
(Lilienthal)*

TOP SECRET

WASHINGTON, October 30, 1949

DEAR MR. LILIENTHAL: At the request of the Commission, the seventeenth meeting of the General Advisory Committee was held in Washington on October 29 and 30, 1949 to consider some aspects of the

<sup>1</sup> Files retained by the Bureau of Politico-Military Affairs, Department of State.



question of whether the Commission was making all appropriate progress in assuring the common defense and security.<sup>2</sup> Dr. Seaborg's<sup>3</sup> absence in Europe prevented his attending this meeting. For purposes of background, the Committee met with the Counsellor of the State Department, with Dr. Henderson of AEC Intelligence, with the Chairman of the Joint Chiefs of Staff, the Chairman of the Military Liaison Committee, the Chairman of the Weapons Systems Evaluation Group, General Norstadt and Admiral Parsons.<sup>4</sup> In addition, as you know, we have had intimate consultations with the Commission itself.

The report which follows falls into two parts. The first describes certain recommendations for action by the Commission directed toward the common defense and security. The second is an account of the nature of the super project and of the super as a weapon, together with certain comments on which the Committee is unanimously agreed.<sup>5</sup> Attached to the report, but not a part of it, are recommendations with regard to action on the super project which reflect the opinions of Committee members.

The Committee plans to hold its eighteenth meeting in the city of Washington on December 1, 2 and 3, 1949. At that time we hope to return to many of the questions which we could not deal with at this meeting.

J. R.[OBERT] OPPENHEIMER

[Enclosure 1]

*Statement Appended to the Report of the General Advisory Committee*<sup>6</sup>

TOP SECRET

[WASHINGTON,] October 30, 1949.

We have been asked by the Commission whether or not they should immediately initiate an "all-out" effort to develop a weapon whose

<sup>2</sup> Consideration of this subject by the United States Atomic Energy Commission and its General Advisory Committee during late September and October included discussion of the possibility of developing thermonuclear weapons. These deliberations are described in Hewlett and Duncan, pp. 369-388. For additional information on consideration of the hydrogen bomb question during late 1949 and early 1950, see R. Gordon Arneson, "The H-Bomb Decision," *Foreign Service Journal*, May 1969, p. 27, and June 1969, p. 24, and the U.S. Atomic Energy Commission, *In the Matter of J. Robert Oppenheimer: Transcript of Hearing before Personnel Security Board, Washington, D.C., April 12, 1954-May 6, 1954* (Washington: Government Printing Office, 1954).

<sup>3</sup> Dr. Glenn T. Seaborg, Member of the General Assembly Committee, United States Atomic Energy Commission.

<sup>4</sup> Rear Adm. William S. Parsons, Member of the Military Liaison Committee to the U.S. Atomic Energy Commission.

<sup>5</sup> The report of the General Advisory Committee is not printed. Its first part urged increased production of fissionable material. The second part recommended against the high-priority development of thermonuclear weapons. The report is further described in Hewlett and Duncan, pp. 383-385.

<sup>6</sup> Regarding the report itself, see footnote 5, above.

energy release is 100 to 1000 times greater and whose destructive power in terms of area of damage is 20 to 100 times greater than those of the present atomic bomb. We recommend strongly against such action.

We base our recommendation on our belief that the extreme dangers to mankind inherent in the proposal wholly outweigh any military advantage that could come from this development. Let it be clearly realized that this is a super weapon; it is in a totally different category from an atomic bomb. The reason for developing such super bombs would be to have the capacity to devastate a vast area with a single bomb. Its use would involve a decision to slaughter a vast number of civilians. We are alarmed as to the possible global effects of the radioactivity generated by the explosion of a few super bombs of conceivable magnitude. If super bombs will work at all, there is no inherent limit in the destructive power that may be attained with them. Therefore, a super bomb might become a weapon of genocide.

The existence of such a weapon in our armory would have far-reaching effects on world opinion: reasonable people the world over would realize that the existence of a weapon of this type whose power of destruction is essentially unlimited represents a threat to the future of the human race which is intolerable. Thus we believe that the psychological effect of the weapon in our hands would be adverse to our interest.

We believe a super bomb should never be produced. Mankind would be far better off not to have a demonstration of the feasibility of such a weapon until the present climate of world opinion changes.

It is by no means certain that the weapon can be developed at all and by no means certain that the Russians will produce one within a decade. To the argument that the Russians may succeed in developing this weapon, we would reply that our undertaking it will not prove a deterrent to them. Should they use the weapon against us, reprisals by our large stock of atomic bombs would be comparably effective to the use of a super.

In determining not to proceed to develop the super bomb, we see a unique opportunity of providing by example some limitations on the totality of war and thus of limiting the fear and arousing the hope of mankind.

JAMES B. CONANT  
HARTLEY ROWE  
CYRIL STANLEY SMITH  
L[EE] A. DUBRIDGE  
OLIVER E. BUCKLEY  
J. R[OBERT] OPPENHEIMER

[Enclosure 2]

*Statement Appended to the Report of the General Advisory Committee<sup>7</sup>*

TOP SECRET

[WASHINGTON,] October 30, 1949.

## AN OPINION ON THE DEVELOPMENT OF THE "SUPER"

A decision on the proposal that an all-out effort be undertaken for the development of the "Super" cannot in our opinion be separated from considerations of broad national policy. A weapon like the "Super" is only an advantage when its energy release is from 100-1000 times greater than that of ordinary atomic bombs. The area of destruction therefore would run from 150 to approximately 1000 square miles or more.

Necessarily such a weapon goes far beyond any military objective and enters the range of very great natural catastrophes. By its very nature it cannot be confined to a military objective but becomes a weapon which in practical effect is almost one of genocide.

It is clear that the use of such a weapon cannot be justified on any ethical ground which gives a human being a certain individuality and dignity even if he happens to be a resident of an enemy country. It is evident to us that this would be the view of peoples in other countries. Its use would put the United States in a bad moral position relative to the peoples of the world.

Any postwar situation resulting from such a weapon would leave unresolvable enmities for generations. A desirable peace cannot come from such an inhuman application of force. The postwar problems would dwarf the problems which confront us at present.

The application of this weapon with the consequent great release of radioactivity would have results unforeseeable at present, but would certainly render large areas unfit for habitation for long periods of time.

The fact that no limits exist to the destructiveness of this weapon makes its very existence and the knowledge of its construction a danger to humanity as a whole. It is necessarily an evil thing considered in any light.

For these reasons we believe it important for the President of the United States to tell the American public, and the world, that we think it wrong on fundamental ethical principles to initiate a program of development of such a weapon. At the same time it would be appropriate to invite the nations of the world to join us in a solemn pledge not to proceed in the development or construction of weapons of this category. If such a pledge were accepted even without control ma-

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<sup>7</sup> Regarding the report itself, see footnote 5, p. 570.

chinery, it appears highly probable that an advanced stage of development leading to a test by another power could be detected by available physical means. Furthermore, we have in our possession, in our stockpile of atomic bombs, the means for adequate "military" retaliation for the production or use of a "Super".

E[NRICO] FERMI  
I[SIDOR] I. RABI

Policy Planning Staff Files

*Minutes of a Meeting of the Policy Planning Staff, Department of State, November 3, 1949, 3 p. m.*<sup>1</sup>

TOP SECRET

Present: George Kennan                      Robert Hooker  
          Paul Nitze<sup>2</sup>                             Carlton Savage  
          John Davies                             Harry Schwartz

Adrian Fisher, L  
Dean Rusk, G  
Llewellyn Thompson, EUR  
The Under Secretary  
The Secretary

Mr. Kennan explained that this meeting should be considered in the nature of an interim discussion on the general subject of international control of atomic energy as the Staff has not yet completed its study on this subject and is, therefore, not in a position to make final recommendations. He considered, however, that in the light of such progress as the Staff had made on this subject to date, plus certain new information recently acquired, it was worthwhile to discuss the matter with the Secretary now, particularly as there are pressures building up due to the new information which may make it necessary for the Secretary to express an opinion to the President at any time.

Mr. Kennan outlined as follows the predicament which he fears we are now facing: In his opinion there is a dialectical connection between military and foreign policy in that, given the situation which faces us, we must maintain a strong military machine whose principal purpose should always be to prevent our getting into a world war where we would have to use it. We are so behind the Russians in conventional armaments, and the attraction of the atomic bomb to strategic planners has been such, that we are in danger of finding our whole policy tied to the atom bomb. The question, then, in his mind is what we accomplish if we go in for the development of the super-bomb with-

<sup>1</sup> For text of minutes of a series of meetings of the Policy Planning Staff devoted to discussion of the international control of atomic energy, which commenced on October 12, see pp. 191 ff.

<sup>2</sup> Paul H. Nitze, Deputy Director of the Policy Planning Staff.

out showing the Russians any ray of light as far as their own policy is concerned; or, putting it another way, wouldn't we be pushing the Russians against a closed door and demanding that they go through it? What door can we leave open for them to go through with a certain degree of grace if we are able to push them back to it? Politically, the key to this situation is Germany. We cannot expect the Russians to withdraw from eastern Europe so long as (a) there is no place for those eastern European countries to go, if they leave the Russian orbit, except into the U.S. camp, and (b) there is no settlement on Germany on the basis of some mutual accommodation between Russia and the United States.

There was general discussion of the advisability of tying limitation of conventional armaments in with any agreement on the control of such things as the atom bomb. Mr. Rusk stated his view that our aim in any such negotiations should always be to make it impossible for any power to start an aggressive war.

Mr. Fisher expressed the opinion that as far as public opinion was concerned the ghost of the Acheson-Lilienthal plan and the Baruch plan would always haunt any proposals made by this Government which differed from those plans—from which he concluded that any new U.S. proposal must be made by a group of elder statesmen so as to possess a hallowed aura sufficient to lay such ghosts.

After considerable discussion of the pros and cons of various means of international control from the point of view of the amount of warning one would get under various possible plans that Russia was violating them and building up a stockpile of atomic or other weapons, the Secretary summed up the unanimous conclusion that regardless of the kind of mechanism of control or prohibition of such weapons, when you do have a war it will eventually (between one and one-half to two and one-half years after its inception) be an atomic war.

Considering the obvious difficulties of obtaining both a general overall agreement with the Russians and specific agreements on armaments, the atomic bomb, relative positions in Europe, etc., the Secretary advanced the following suggestion as a possible tactical means of arriving at agreement: There are a number of subjects on which you need agreement and on each of these subjects you attempt to draw up a treaty. The subjects and the treaties will obviously be interdependent; but, instead of working them all out together or trying to reach an overall agreement prior to specific agreements, why not work on each treaty individually, one at a time, with the idea of putting each aside before attempting to obtain completely hard and fast agreement or ratification, and then proceeding to the next. To begin with, and in order to establish some semblance of an atmosphere of confidence in which these individual matters could be worked on, you might have an agreement to take a two-year vacation on development of the super-

bomb. During that period each side might have four persons who would be placed in the country of the other for general observation; or, if that proposal caused such difficulties as to make proceeding to the other agreements impossible, then have no inspection on the general theory that they can't develop this thing during that time and we don't want to. Now, having started with that and having reached some tentative agreements, you proceed with working out another agreement on the atomic bomb. When you have accomplished something there you put that aside and work on an agreement on conventional armaments designed to prevent either side from starting an aggressive war with them. Put that aside and plunge into the details of a German peace treaty, then a Japanese peace treaty, then an agreement by which both sides agree to refrain from using subversive tactics on the other. In each of these you can of course point to the U.N. Charter as the gospel on aggressive warfare. Finally, when you are through you take a look at what you have done from an overall point of view and see what you would have if you put them all together. During all the time that it takes to work out these things, at the very least you are talking and exchanging views and attempting to do something constructive rather than just sitting and exchanging glassy stares.

The Secretary acknowledged that all of these things were matters on which we had made no progress in the past; they were all extremely difficult individually and collectively; but he felt that this might be one way of tackling them with hope of accomplishing something.

Mr. Thompson suggested that to the list be added an economic agreement providing for trade between the east and the west which would start the Russians on a path of cooperation, more helpful to them than to us at the beginning, but which eventually might set patterns which would be difficult for them to change.

In discussing the pros and cons of the advantage to us of developing the super-bomb, the only complete agreement was that we would have to start with the assumption that the Russians were working on it also. There were no final conclusions as to whether the Russians would be able to develop it and the atomic bomb at the same time. Nor is it known how much effort it would require for us to develop both. Mr. Nitze felt that the burden of proof should fall on those who say that there would be no power advantages to the country developing it; but further study obviously is called for on the answers to the Secretary's question as to whether we would really be at a disadvantage if they developed it and we did not and why.

The Secretary said that it might be possible to make a secret decision to go ahead with the development, although the probability of being able to do so was not very great. He said that we certainly could not make a secret decision not to go ahead with it. To go ahead with overall development of both the super-bomb and the atomic bomb

requires resolution and confidence on the part of the people and a sound economic situation both in this country and throughout the western world. Therefore, perhaps the best thing is an 18-24 month moratorium on the super-bomb—bilateral if possible, unilateral if necessary—during which time you do your best to ease the international situation, come to an agreement with the Russians, put your own economic house in order, get your people's minds set to do whatever is necessary to do, and if no agreement is in sight at the end of that time—instead of dropping a bomb on the Russians as one school advocates—then go ahead with overall production of both, backed up by your economy and your people, having made your best effort to do otherwise.

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PM Files

*The Chairman of the United States Atomic Energy Commission  
(Lilienthal) to President Truman*

TOP SECRET

[WASHINGTON,] November 9, 1949.

DEAR MR. PRESIDENT: We hand you herewith a memorandum from the members of this Commission on the development of a "Super" bomb. We shall, of course, be glad to discuss the subject with you at any time you desire this.

We have not, of course, transmitted copies of our memorandum to you to the Secretary of State or the Secretary of Defense. In the event you wish to transmit it to them we have enclosed two extra copies.<sup>1</sup>

Respectfully yours,

DAVID E. LILIENTHAL

[Enclosure]

*Memorandum for the President by the United States Atomic Energy  
Commission*

TOP SECRET

[WASHINGTON,] November 9, 1949.

Subject: Development of a "Super" Bomb

*The Problem*

Since the discovery that an atomic explosion had occurred in Russia, the Atomic Energy Commission has been reviewing its entire program. It has recently been giving particular attention to the possible development of a so-called "Super" bomb. This memorandum contains proposals concerning that development.

In this report we, as members of the Atomic Energy Commission, have set forth a problem which cannot, of course, be finally resolved within the Commission. The question is whether we should now engage

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<sup>1</sup> Transmitted to Secretary Acheson by President Truman on November 14

in the development of a thermo-nuclear "Super" bomb, the destructive power of which would obliterate an area of 100 or more square miles.

This question has a long history. (See Appendix "B".<sup>2</sup>) In reviewing it again at this time, we have had formal advice from the General Advisory Committee (See Appendix "C"<sup>3</sup>) and informal discussions with the members of that Committee, with members of the Department of State, Department of Defense, the Joint Committee on Atomic Energy, and others.

Ordinarily the Commission, following consultation with the Department of Defense, has taken full responsibility in deciding such matters as the improvement of existing weapons or the development of new types of weapons. The destructive possibilities of a single "Super" are, however, so great and the implications involved in any decision to embark or not to embark upon the development of it so far reaching, that we have considered it our duty to lay the problem before you. We have also considered it our duty to furnish you with our recommendations.

In making these recommendations, we have felt that our role should be more than that of experts concerned with such factors as cost, feasibility, and the most efficient use of fissionable materials. We have felt in this instance that we would be remiss if we did not suggest some of the other factors involved. These include military, diplomatic, and psychological imponderables which, though difficult to assess, are relevant to the ultimate issue of public policy. On that issue we are submitting below our suggestions as to how your decision concerning the "Super" bomb may, in our opinion, be utilized to promote peace or to win a war.

*Why is there a necessity for an early decision of policy by the President?*

The Joint Committee on Atomic Energy is preparing to take early action on the question of proceeding with this development. A subcommittee on this subject has just visited Commission installations at Berkeley and Los Alamos. They came away with enthusiasm for an immediate program, at highest priority. Several scientists have become missionaries for the project; other equally distinguished people have opposing views. Senator McMahon has stated that he has plans to call a special executive meeting of his full Committee in a matter of weeks. Action by the Committee at that time has been forecast and appears likely.

The Commissioners are all convinced therefore that public discussion of the matter at some stage, probably very soon, is inescapable,

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<sup>2</sup> Not printed.

<sup>3</sup> See letter from Oppenheimer to Lilienthal, October 30, and footnote 5 thereto, p. 569.



is necessary, and is desirable. The public reception of your announcement of the Russian achievement of a bomb is a good precedent. It suggests that public discussion will be most useful and constructive (at whatever stage) if based upon essential facts stated to the country by its President. We are concerned that without such a statement from you, at an early date, there *will* be public discussion, but it may be based largely on irresponsible conjecture, "leaks", politically motivated or inflammatory utterances, and the like. Only confusion, and worse, will be the result.

#### *Nature of "Super" Bomb*

The explosive element in such a bomb would be deuterium. This is an isotope of hydrogen (the form of hydrogen which combines with oxygen to form "heavy water") which makes up one part in five thousand of ordinary hydrogen and is readily separated therefrom. It is believed probable that if the temperature of part of a mass of deuterium could be raised to . . . degrees Centigrade, a thermo-nuclear reaction would start. . . . Such a thermo-nuclear reaction would liberate enormous amounts of energy, comparable pound for pound with the fission process. It is believed possible that a fission bomb could be used as a "match" to ignite the deuterium just as a fuse is used to ignite a charge of powder. As in the latter case, the size of the explosion would be limited only by the amount of deuterium present.

We find ourselves in unanimous agreement on many points. These are of two kinds. The first kind are technical and demonstrable. We accept them as premises. The second are of more general character but certainly germane to the problem and have entered into our consideration.

#### *Technical Premises*

1. A "Super" as now contemplated is from 100 to 1,000 times as powerful in terms of energy release as the Hiroshima bomb. Also, in contrast to fission bombs, the power of a single "Super" can be increased indefinitely by adding the relatively cheap explosive needed.

2. There is a better than even chance it can be made to work, though there is no certainty of success. The probable minimum development period is three years.

3. Probably no definitive test short of making a bomb can be anticipated.

4. The general principles of the reaction used and the amount of the consequent energy release are so well known that no secrets will be released by general discussion at either the diplomatic or public level.

5. There is a possibility that the radioactivity released by a small number (perhaps ten) of these bombs would pollute the earth's atmos-

phere to a dangerous extent. We hope for a tentative answer to this question shortly.

6. The primary explosive, deuterium, is plentiful and relatively inexpensive.

7. There is no apparent peacetime application of this type of nuclear reaction, nor of the materials required for it.

8. The Russians are familiar with the ideas and probably can develop a bomb in a period comparable to that which we would need.

9. The possibility of delivery by ship or boat may make this country more vulnerable than Russia to this type of bomb since air delivery could not take full advantage of the unlimited energy release possible with very large charges.

10. Detailed study of possible programs and expenditures indicates that the development and production of "Super" bombs may not greatly increase our retaliatory capacity in terms of square miles of destruction by 1956, as compared with continued development and use of fissionable material for the production of fission bombs.

11. It is believed that we would be able to detect the first test explosion of this type if made by the Russians.

#### *General Considerations*

1. Most of those who have studied the "Super" bomb feel that it would be a tool for mass destruction beside which the fission atomic bomb would seem puny even if the latter's efficiency were increased to the foreseeable limit.

2. To have reasonable assurance that we would develop this bomb as soon as the Russians might if they applied great effort to it, would require vigorous action now.

3. Such action would change substantially our present National program of research and development and could not be kept secret.

4. To be successful, an all-out "Super" program would require support from the scientific community. It is doubtful whether such support could be obtained unless scientific leaders understood and supported the National policy to be implemented by such a program.

5. The comments in (4) apply with almost equal strength to the Nation as a whole.

6. Knowledge of the "Super" is so widespread that a decision not to go ahead could hardly be kept secret.

7. For the United States and Russia to proceed with "Super" programs would intensify in a new way the arms race between the two countries.

Bearing in mind the above premises and considerations, we have explored courses of action that might help toward answering the questions of the following kind:

1. If this country wishes to eliminate all weapons of mass destruction from the world's armaments can the way in which we handle this

question (to proceed or not proceed with development of a "Super") be used to break the present stalemate in the United Nations on the question of international control?

2. If this country wishes to keep fission atomic bombs in our armament, or is really convinced that negotiations for control are hopeless, can we use the "Super" development or the decision not to develop it, as a diplomatic or psychological factor in the cold war?

3. If war is inevitable or likely, is our position improved by the development and possession of the "Super"?

*The views of the Commissioners on the question of proceeding or not proceeding with a "Super" Bomb.*

We recognize fully that this decision is one for the President. We hope it may be helpful to you to present our own conclusions:

First: *Should the Commission be directed to proceed now with the development of a "Super" bomb?*

Commissioners Lilienthal, Pike, and Smyth recommend that your decision be against the development of a "Super" bomb at this time.

Commissioners Dean and Strauss state their views in paragraph *d* below.

Further, Commissioner Strauss is of the opinion that our memorandum to you should await our receipt of the views of Defense and State on the military and diplomatic considerations. The other Commissioners, while recognizing, of course, that you may wish to call for the views of Defense and State (and perhaps other agencies) believe it better that this function be done by you, or at your direction, rather than attending to it ourselves prior to your consideration of the problem.

Second: *What course of action should follow such a decision?*

Here there are several views among us, which we shall list briefly. A further statement of these views will be found in Appendix "A".

*a.* Commissioners Lilienthal, Pike, and Smyth recommend that the President make public his conclusion as soon as feasible.

*b.* Commissioners Lilienthal, Pike and Smyth, believe the statement should contain an assertion that it does not appear to the President that at this time the development of this weapon is consistent with this country's program for world peace or our own long term security.

Such a statement, we suggest, might well, in addition to the reasons for your conclusions, contain some information about the characteristics and effects of this weapon (such as are indicated in this memorandum) and that the prospects of producing such a weapon are as stated herein. We are prepared to suggest other points you might find worthy of inclusion in such a statement, of which the one made by Dr. Smyth in paragraph *c* below is an example. For present purposes we merely state that this is a course that we favor.

*c.* Commissioner Smyth suggests that the President's statement be the occasion for a proffer of renewed negotiations for international control of atomic energy, or even a broader proposal, going beyond the

atom; though he considers that the present recommended decision should not be related to any specific international pledge or treaty, he does feel that failure of renewed attempts at international agreement might require an early review of our decision not to make a "Super".

d. Commissioners Dean and Strauss have a different recommendation which they state as follows:

Utilize this possibility to reopen with the Soviet via secret diplomatic channels the consideration of satisfactory international controls of weapons of mass destruction. If this fails, or if it is felt that the possibility cannot thus be soon exploited, then proceed, if the Defense Establishment concurs, with the development, and announce this fact publicly.

Six members\* of the Commission's General Advisory Committee recommended course *b* above. (See Appendix "C".) Two members† of that Committee, however, recommend that the President state that we will not proceed, but only upon condition that Soviet Russia gives its pledge that it too will not proceed in this kind of development.

#### Appendix "A"

(Note: Commissioners Lilienthal, Dean, and Smyth have prepared the following statements of their individual views. Commissioners Pike and Strauss are not at present in Washington, though they participated in the preparation of the Commission's memorandum. They may have supplementary individual views to submit at a later date.)

##### *Views of David E. Lilienthal*

The question you have before you is whether this Government should now embark upon an intensive undertaking for the development and production of Superbombs.

In the Commission's Memorandum to you we have tried to set forth what we believe to be the essential facts you will need for determination of this question. You also have before you the views on this matter of the General Advisory Committee, appointed by you pursuant to statute. Six members of that Committee have recommended against such an undertaking, for reasons with which I am in substantial agreement.

There is an underlying consideration which to me seems decisive against launching this undertaking now.

The country's policy, as I understand it, is that we remain strong, and at the same time work for the promotion of peace in the world. It is my view that to embark upon this program at this time would not

\*J. R. Oppenheimer, James B. Conant, Hartley Rowe, Cyril Stanley Smith, L. A. Dubridge, Oliver E. Buckley. [Footnote in the source text. A typewritten addition on the source text indicates that Glenn Seaborg of the Committee was absent.]

†Enrico Fermi, I. Rabi. [Footnote in the source text.]

increase our over-all strength, and at the same time such a program would set the country upon a course that works against and would constitute a set-back for the strategy for peace of your Administration.

Staying strong—in all of its ramifications, military and in other ways related to our security—is a firm part of our policy. The methods by which we seek to remain strong range from military aid to Europe to economic reconstruction in Europe and other parts of the world; it includes the Point Four program and the long-range efforts in the UN and its many affiliated agencies, such as F.A.O. and so on. This purpose is also served by the continued increase in our atomic stockpile, under present approved programs, and the improvement of these weapons for tactical purposes. But I find no basis for a belief that the Superbomb would add to our strength. Moreover, there is reason to believe that it will actually diminish that over-all strength; on this point the comments of the distinguished members of the General Advisory Committee seem to me most persuasive.

The American policy and program for peace has made encouraging progress. As of today it has a fair prospect of growing steadily stronger, as the months go by. To endanger that course and to contradict its premise by launching now on the development and production of Superbombs seems to me a reversal of our course, at the very time when the prospects are slowly improving. It may well close the door on a continuation of our present policies for promoting peace.

This country is the possessor of a substantial and growing stockpile of atomic weapons, and a large military arm with which to deliver those weapons if need be. If in addition it now sets out to produce something capable of almost *unlimited* destruction, which has no peaceful applications whatever, we must be prepared to have a large part of the world believe that we are going far beyond any possible military needs, that we have abandoned our program for peace and are resigned to war.

Here at home the initiation of this course would serve to confirm and to intensify the already serious over-valuation placed upon atomic weapons by the American people. This would be injurious to our security.

I have been disturbed by the fact that there exists a widely held notion that an atomic weapon stockpile affords this country a relatively cheap and easy solution of our problems of military security, of the problems of maintaining peace by deterrent and of preventing the spread of Communism. I associate myself with those who believe we have suffered, in many ways, from this over-valuation and wish to add this point: to launch upon a program of Superbombs would set us upon still another costly cycle of misconception and illusion about the value to us of weapons of mass destruction as the chief means of protecting ourselves and of furthering our national policy.

As is pointed out in the General Advisory Committee letters, *without* Superbombs we do continue to maintain a deterrent against the Russians in our power to retaliate with our stockpile of atomic weapons. The difference in the amount of damage that could be inflicted on Russia by Superbombs as compared with A-bombs is not significant; it does not, in my opinion, by any means constitute enough difference to outweigh the serious damage to your policy (which is the policy of this country) that is involved in starting down the road of the Superbomb program.

*Views of Commissioner Gordon Dean*

I cannot subscribe to the view that we should forego the development and announce in a public statement our decision not to perfect the weapon.

To announce that we will not undertake such a development is to grant to the USSR a potential monopoly in this field. This would in my opinion have a bad effect upon the American people. It might well shake the confidence of our friends in Western Europe. It would have no good effect on the Kremlin.

In my opinion it would be a mistake to renounce the development at a time when considerable precise knowledge of the weapon is lacking and to make this renunciation without first having a considered judgment as to its military and psychological value in deterring an aggressor or waging a war.

If it has such value, and I think it may have, the development should not be abandoned. I think that the possibility of such a weapon might be the occasion for supplying a hypodermic in the realm of international cooperation. I visualize the following as a possible useful course of action:

The Executive would advise the Kremlin through secret diplomatic channels of the thermo-nuclear possibility and its destructive effects (this is now generally known to them); state that we do not wish to engage in such a development; that it illustrates the importance of the two countries working out immediately systems for international control of weapons of mass destruction on a basis to be outlined by the Executive. A refusal by the USSR to enter in good faith immediately upon such discussions as the Executive would outline would be the occasion for an American "white paper" describing our efforts.

If Russia persists in her present course and her stockpile continues to grow, we must face the possibility that she might be deterred if she knew that a single weapon in our stockpile could obliterate Moscow. The weapon might cause her to postpone an aggressive war. It is axiomatic in warfare that attack brings retaliation.

If efforts along the lines indicated above should fail and we should find ourselves some day in war with Russia, the weapon must be regarded as a reprisal weapon which might be a decisive weapon. As a

strategic weapon its possibilities are clear, assuming that deliverability can be assured. It may have uses not at first supposed in the tactical field such as against large concentrations of troops, a fleet, an island or a large air base area. There are no serious problems in deliverability except the inherent ones of the planes' range and the likelihood of interception.

This suggested course of action recognizes that possibilities for international control should be pursued, but pursued in such a manner as to make possible a successful result. It also recognizes that the prospect of agreement is not good and that an aggressive war by the USSR is, unfortunately, a strong possibility.

*Views of H. D. Smyth*

In approaching this question, I considered first the strictly military position of this country over the next five or ten years in terms of the development of "Super" bombs both here and in Russia. I next tried to evaluate the effect on the thinking of the people in this country and elsewhere which might result from our development of a still larger weapon of mass destruction. This seems to me an important factor in the success of our attempt to achieve a stable world either by war or by diplomacy. Finally, I considered the present state of atomic energy negotiations in the United Nations and the possible effect which might result from a Presidential announcement and subsequent public discussion.

I have concluded that the military advantage of "Supers" to us is doubtful even if the Russians do develop them. I have concluded that our general standing in the world would be worsened by our development of "Supers".

Finally, I feel that the decision either way cannot and should not be secret. The tonic effect of refreshed discussion might be very great at this time, particularly if it were based on the idea of the "Super" as well as on the Russian success with the fission bomb. I believe this success has made the Baruch plan outmoded and that a new approach is needed. New negotiations might be no more successful than the old but they should be tried.

I feel that discussion will be more vigorous and more fruitful if it starts from a negative decision than from one to go ahead. A negative decision is a gesture of good faith and optimism. Also, incidentally, such a decision is more easily reversed than a one to go ahead full speed at the present time.

Though a bare announcement of a decision without a correlated statement of policy does not appear likely to be fruitful, it does not seem wise to me to state at this time what circumstances might cause us to reverse our course of action and to go ahead with development of the "Super". I would not want to make our position dependent on some

specific act or statement by the Russians, nor to have the threat of a "Super" bomb development handing [*hanging?*] over negotiations.

Since I have given much thought and study to questions of this kind during the past eight years, I am keenly aware of my lack of special competence in this field. Furthermore, I doubt the ability of even the wisest to predict future events. It is such doubts as these that have led me to include "an early review of our decision" in my recommendation. I sincerely hope no change in this decision will ever become necessary.

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*Memorandum of Conversation, by the Under Secretary of State  
(Webb)*

TOP SECRET

[WASHINGTON,] November 12, 1949.

Subject: Date for the Resumption of Atomic Energy Talks

Participants: Sir Oliver Franks, British Ambassador

Mr. Webb, Under Secretary of State

Mr. Thompson, Deputy Assistant Secretary of State

The Ambassador explained the difficulties which had been encountered in fixing a date for the resumption of the atomic energy talks. It appeared that every date suggested was difficult for at least some of the participants. On the British side, the most important consideration was to find a date which would make it possible for Roger Makins to attend, since he was the one person from the British side who had the whole story. From the British point of view, the week beginning November 28 appeared to be the only satisfactory one although this was very awkward for some of the British participants. The important thing from the British point of view was to fix a firm date.

I informed the Ambassador that we would accept November 28 as a firm date for the resumption of the talks.

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Policy Planning Staff Files

*Draft Memorandum From the Director of the Policy Planning Staff  
(Kennan) to the Secretary of State<sup>1</sup>*

TOP SECRET

[WASHINGTON,] November 18, 1949.

Senator Johnson's statement in today's *Washington Post*<sup>2</sup> and the President's directive to the NSC to come up with a recommendation

<sup>1</sup> This draft was prepared by Savage and Hooker of the Policy Planning Staff. A handwritten marginal notation on the source text states the following: "This was not sent but the general line was discussed by Mr. Kennan with the Secretary."

<sup>2</sup> In a feature article in the *Washington Post* on November 18, it was noted that Senator Edwin C. Johnson of Colorado, a member of the Joint Congressional Committee on Atomic Energy, had mentioned a super-bomb in the course of a television program in New York on November 1.



on the super-bomb project<sup>3</sup> may result in your having discussions on the subject over the weekend. With this in mind, I am setting forth some preliminary views for whatever value they may be to you.

The question whether this Government should proceed with the development of the super-bomb is, of course, one of tremendous proportions. There are powerful arguments on both sides of the question. The ultimate decision whether to develop the super-bomb will be made from the point of view of national security in its broadest sense—self-preservation or actual survival.

In order to arrive at a rational decision, some of the questions which will have to be answered are:

1. Would the use of the super-bomb constitute a menace to civilization itself through the possibility that it would pollute the earth's atmosphere to a dangerous extent?

2. Would our development of this weapon in itself prove a deterrent to war?

3. Assuming the Soviet Union possesses the weapon, would possession of it by the United States deter or impede in their seeking to spread their influence by methods of intimidation.

4. Would our development of this weapon make a foregone conclusion that it would be used in case of war?

5. Would our development of the super-bomb increase our military capacity as compared with increased production of atomic bombs?

6. Would the development of the super-bomb detract significantly from the economic strength of the country?

7. Would our possession of the weapon as a means of creating terror serve the interests of the United States either as a preventive of war or as a means of winning it?

8. What would be the moral effect in the United States and throughout the world of our developing this weapon of mass destruction, the ingredients of which have no peaceful applications whatever?

9. Should our decision on the question be determined by what Russia may or may not do with respect to developing the super-bomb?

In the NSC study now being undertaken, the views of authorities in the State Department, the National Military Establishment, and the Atomic Energy Commission will in normal course be considered. Before a final decision is made, I believe that the Government should have the views of other individuals, scientists and non-scientists, inside and outside the Government who are authorities on this subject.

If the President is questioned on this subject, it is suggested that he confine himself to a statement along the lines indicated below. Public discussion of the desirability of developing the new weapon could probably not be prevented, even if it were desirable to prevent it. The statement below is based on the belief that the President, pending the time when he can say something more definitive, may wish to strike

<sup>3</sup> *Infra.*

a note that will encourage a rational attitude towards this emotionally-charged subject:

"Research is being carried forward on all phases of nuclear energy, including a line of research which could, although there is no certainty that it will, make possible the release of nuclear energy of an order of magnitude which would justify the description of 'super' bomb.

"All the necessary facts about this hypothetical weapon are not in yet, either for the purpose of properly informing the public, or making a decision of policy about it. I am not sure that all of them are even known. One thing is certain and that is that I will have nothing to say and will make no decisions until I have had a chance to consider exhaustively every relevant fact, and every factor, military, psychological, political and ethical that has a bearing on the value of a super bomb both as a deterrent to war, which is the main purpose of our military effort, or as a means of winning one if we are forced into it."

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PM Files

*President Truman to the Executive Secretary of the National Security Council (Souers)*<sup>1</sup>

TOP SECRET

WASHINGTON, November 19, 1949.

MY DEAR MR. SOUERS: I have recently received a report by the Chairman of the Atomic Energy Commission which raises the question as to whether the United States should proceed with the construction of "super" atomic weapons. This question involves consideration not only of the factors presented by the Atomic Energy Commission in its report but also political and military factors of concern to the Departments of State and Defense.

To assist me in reaching a decision with respect to this vital question, I am therefore designating the Secretary of State, the Secretary of Defense and the Chairman of the Atomic Energy Commission as a special committee of the National Security Council to advise me on this problem. I suggest that each member of the committee provide from his agency appropriate staff officers to prepare under your supervision the necessary studies.<sup>2</sup> I desire that the committee analyze all phases of the question including particularly the technical, military and political factors, and make recommendations as to whether and

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<sup>1</sup> Copy transmitted to the Secretary of State on November 19 by the White House.

<sup>2</sup> A Working Group under the direction of Souers convened to undertake the preparation of staff studies on November 28. The membership of this group was as follows: Department of State—Paul Nitze, Adrian Fisher, and R. Gordon Arneson; the Department of Defense—Robert LeBaron, Lt. Gen. Lauris Norstad, Maj. Gen. Kenneth D. Nichols, Rear Adm. T. B. Hill; United States Atomic Energy Commission—Commissioner Henry D. Smyth, Commissioner Gordon Dean, and Paul C. Fine. Consideration of this matter during the remainder of 1949 by the Special Committee of the NSC, by its Working Group, and within the USAEC is described in Hewlett and Duncan, pp. 394-399.

in what manner the United States should undertake the development and possible production of "super" atomic weapons. Included in these recommendations, I should like the advice of the Council as to whether and when any publicity should be given to this matter.

In the meantime, pending the completion of this project and my final decision with respect thereto, it is my considered judgment that any publicity regarding this question in the absence of the development of all the facts involved, would be seriously prejudicial to the national interest and security. I therefore desire that the knowledge of and participation in this study be restricted so far as practicable and that this question be neither mentioned nor discussed except among the participants.

Sincerely yours,

HARRY S. TRUMAN

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PM Files

*The Chairman of the Joint Committee on Atomic Energy (McMahon)  
to President Truman*

TOP SECRET

LOS ANGELES, November 21, 1949.

DEAR MR. PRESIDENT: The profundity of the atomic crisis which has now overtaken us cannot, in my judgment, be exaggerated. The specific decision that you must make regarding the super bomb is one of the gravest ever to confront an American president. This letter, reflecting ideas stimulated by a number of recent conferences which I attended at Washington, Los Alamos, Argonne, Hanford, and elsewhere, is written in sincere hopes of being helpful to you. It is easily the longest letter that you have ever received from me, and I apologize in advance for its length, although the gravity of the subject justifies extended discussion.

Those who oppose an all-out "crash" effort on the super impress me as being so horrified at the path down which the world is traveling that they have lost contact with common sense and reality. Of course I can understand and share in their horror. In a moment I will try to show the good that may come of the revulsion which any moral individual must experience at the prospect of bringing forth a weapon such as the super. But first it may be useful to attempt an exposé of what I regard as the false, horror-inspired logic put forward by those who recommend against this project.

They stress that the super is unique and that it differs in kind, not merely in degree, from ordinary atomic bombs; and yet they argue that its military worth is dubious and that ordinary atomic bombs could retaliate adequately against an enemy who used it upon the United States. Here is a fundamental inconsistency. If the super would accomplish no more than weapons already in our arsenal, why

single it out for special objection? If, on the other hand, the super represents a wholly new order of destructive magnitude—as I think it obviously does—then its military role would seem to be decisive. Consider that about 23 current-type fission bombs would be needed to duplicate the effect of one super which destroyed 150 square miles; about 143 fission bombs would be needed to equal the effect of one super that destroyed 1,000 square miles; and the ratio increases still further assuming, as the scientists suppose, that the super is unlimited in potentiality and might take out far more than 1,000 square miles. If an enemy employed a few supers against us, our entire stockpile of ordinary atomic bombs might fall pitifully short of inflicting an equal damage area upon him. Moreover, the expense of developing this weapon is estimated at only \$200 or \$300 millions—less than a sixth of what we spent upon the wartime Manhattan project—and unit cost, as was true of the fission bomb, may be expected to decline markedly when production and design improvements are achieved.

I am not a professional strategist, but various military possibilities inherent in the super seem clear even to a layman. An attacker who dropped a half-dozen supers upon the opponent's largest industrial areas would free the hundreds of fission bombs otherwise needed to do the same job for other purposes. These fission bombs could therefore be used simultaneously against air and sea bases, as well as smaller industrial objectives. Thus the attacker would compress within a few hours or days several times the total punishment administered to Germany throughout the entire span of World War II. Equally important, the fission bomb strikes upon air and sea bases—made possible because supers were available for use against wide-area targets—would severely reduce the opponent's capacity to retaliate. The attacker might escape with comparatively little injury to himself. Lacking supers, however, he could not inflict nearly so much damage using fission bombs alone; and such damage as he did inflict would require more time—giving the opponent opportunity to adjust, to recover from shock, to tighten defenses, and to retaliate in force.

I am aware that numerous TNT bombs, accurately distributed and equal in cumulative blast effect to one fission bomb, actually create greater havoc than a single atomic explosion. Similarly, 25 or 100 or 200 fission bombs, properly placed, might exceed the effect of one super bomb. But to stress this point it [*is*] to overlook the shock and demoralization, psychological and otherwise, that follow from concentrating an offensive within the shortest possible space of time. Also a fission bomb must usually detonate a mile or half-mile or even less distance from the target to be effective, whereas a super might miss its target by ten miles or more and still serve the purpose intended. The problem of deliverability is not an easy one, but it can be overcome through sufficient effort—just as the once difficult problem of deliver-

ing the Hiroshima and Nagasaki bombs was overcome. One estimate given me as to how much a super might weigh is less than the maximum pay load of the present B-36 airplane. In all probability the delivery of a super would be easier and tax our resources less than delivery of an equivalent number of conventional atomic weapons. Therefore, if it was militarily worthwhile to build the fission bombs dropped upon Japan, even though a large fleet of planes carrying fission bombs might do somewhat comparable damage. [*sic*]

I am likewise aware that Moscow and Leningrad, the two chief cities of the sole potential enemy in sight, are only said to occupy areas of about 120 and 110 square miles respectively. Thus, runs the anti-super argument, there are scarcely more than two or three urban targets in all Russia which measure up to the tremendous destructive power of this explosive, and they could be thoroughly attacked with ordinary atomic bombs. But the argument admits that at least two or three urban targets tailored to the super do in fact exist—and rapid Soviet industrialization may soon increase the list. Air bases and isolated factories surrounding these same targets might succumb to a super although they would not succumb to a fission bomb attack. Air bases and isolated factories in the vicinity of other, smaller cities—as well as medium-sized towns or built-up areas located within ten, twenty, or thirty miles of one another—might also supply objectives against which the use of a super would be economical. There are additional targets, many of them tactical, which only the super might successfully destroy: a fleet, troops in the field, forces preparing for amphibious invasion, guerrilla fighters, an underground storage site containing fissionable material, key segments of a radar warning network, the Baku and Caucasian oil fields, a string of air strips, submarine pens, missile launching sites, fortifications around a narrow water passage such as the Dardanelles, or atomic production facilities grouped in the same general area but too far apart for efficient employment of fission explosives. Even further, the Hiroshima and Nagasaki bombs did not themselves defeat Japan, but they accelerated recognition by her that she could no longer resist—and supers might perform a like function in the future.

It is claimed that the super would inevitably exterminate hosts of civilians and therefore constitute a pure weapon of genocide. But aside from the exclusively tactical purposes which it might serve, its use against cities could be preceded by a warning to the inhabitants that they must either evacuate or suffer the consequences. If the warning were heeded, bomb damage would be confined to physical buildings and plants; and the disruption generated by evacuees moving from city to country might hamper the enemy's war effort more seriously even than mass casualties. The basic question, however, is this: what happens if supers are aimed at New York, Chicago, Los

Angeles, and Washington? Will we possess our own supers, ready to retaliate in kind and to throttle the attack at its source—or will we lack such weapons and suffer defeat and perhaps utter annihilation as the result?

There is no moral dividing line that I can see between a big explosion which causes heavy damage and many smaller explosions causing equal or still greater damage. Where is the valid ethical distinction between the several Hamburg raids that produced 135,000 fatalities, the single Tokyo “fire” raid that produced 85,000 fatalities, and the Hiroshima bomb that produced 65,000 fatalities? What, then, is the distinction between the 1,000 square miles which one super might scorch and the 1,000 square miles which 143 fission bombs might equally destroy? Is a given weapon to be adjudged moral or immoral depending upon whether it requires hours, days or weeks to take its toll? . . . Modern warfare, even if waged with pre-atomic weapons only, is the real instrument of genocide—not a single agent like the super. The havoc which Germany visited upon Russia and Western Europe and which the Allies visited upon Germany and Japan during World War II probably surpasses the destructiveness of a dozen supers.

The contention is made that a war involving the super would leave behind such chaos and vengefulness as to create a worse situation, with a darker outlook for lasting peace, than the one existing at present. Perhaps this is so. Yet our first duty consists in doing what is necessary to win. We know that because of manpower limitations and the oceans that separate us from Eurasia, we could not use surface forces to invade and occupy Russia. The only choice left open is heavy reliance upon strategic air power, despite our own immense vulnerability to nuclear weapons. The super should end all debate as to whether or not strategic air power could win a war. Without American victory—which supers alone might render feasible—there would be no post-war existence for our country, much less post-war problems. I might add that, to my mind, almost nothing could be worse than the current atomic armaments race and that victory in a future war, whatever its sequel in other respects, would at least assure effective international control over weapons of mass destruction.

A number of reasons for opposing the super are advanced that impress me as make-weight arguments. Radioactive contamination resulting from a super explosion is one such reason. The advices I have received are to the effect that contamination would merely correspond to the aftermath of ordinary fission bombs and that, in any event, it might be reduced through the use of appropriate “casing” materials. The super is said to promise little or no progress in the field of peaceful applications—even though this contention flouts all past experience and even though, to the best of my knowledge, there never

has been research and development of any type or character that failed to increase human capacity for constructively harnessing the forces of nature. It is argued that if we build a half-dozen or more new reactors and use them to manufacture the tritium necessary for supers, we would forego the plutonium otherwise obtainable from those same reactors—thereby losing about as much as we gained. Yet the best figures which I can assemble show. . . . Realistically speaking, moreover, the half-dozen new reactors would not be built rapidly without a super program to spur along their construction—so that, absent the program, we would not soon acquire much additional plutonium anyhow.

Opponents of the super imply that as much as five years would elapse before an all-out effort produced results and that success is only a little more likely than failure. This, I fear, represents an attempt to dampen feelings of urgency. My information, in contrast, is that Teller,<sup>1</sup> Oppenheimer, and Bethe<sup>2</sup> made the first calculations respecting a super bomb in 1942; that the matter has been under study ever since; that no reason for anticipating failure has emerged from such study, that, on the contrary, success seems highly probable; and that intensive work *short* of wartime methods might reach fruition in early 1952.

The Atomic Energy Commission weapons program, as formulated more than a year ago, envisaged achievement of a super by about 1958. No one in authority protested against the program; no one argued that problems affecting the super should be left unexplored. Now that Russia has broken our atomic monopoly three years sooner than we had expected—giving us compelling reason to speed up the rate of American development—the anti-super counsellors adopt a reverse logic. Instead of agreeing that the new situation pressures us to accomplish in two years what all along we planned to accomplish in eight, they would either mark time or abandon the project together. Their advice, if followed, would also have the effect of placing a ceiling upon our military advancement; for I do not know how the Los Alamos Laboratory would occupy itself, after a few years had passed, unless it ventured far into the thermo-nuclear field.

Equally surprising is the suggestion that we refrain from pressing the super if Russia pledges herself (without any inspection or control) to follow a similar policy. Since mid-1946, we have urged the world to accept our view that atomic weapons are so unique and dangerous that only far-reaching international measures will afford protection. The

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<sup>1</sup> Dr. Edward Teller, Professor of Nuclear Physics, University of Chicago; participated in the atomic bomb development program at Los Alamos Laboratory, 1941-1946.

<sup>2</sup> Dr. Hans A. Bethe, Professor of Nuclear Physics, Cornell University; participated in the atomic bomb development program at Los Alamos Laboratory, 1943-1946.

need for a tight control system of the kind approved by the UN General Assembly is now intensified, since the secret manufacture of just one fission bomb might furnish an initiator for a super and since the necessary tritium might be produced in dozens of small reactors difficult to locate through inspection. Yet—with more cause than ever before to insist upon strict safeguards—it is proposed that, as regards supers, we repudiate the position taken during the past three years and depend upon a mere paper pledge.

. . . If an actual, full-fledged super were tested, the gigantic blast effect could hardly help but make itself known to us. But I am told that tritium and deuterium, after a thermo-nuclear reaction, would not register upon distant monitoring instruments. . . . Apart from these points, I fail to see the special advantage of knowing when Russia has nearly acquired supers if we were so far behind that she would achieve them first regardless.

To me the notion that our possession of this weapon would harm our moral position makes no sense, provided that we offered to relinquish it in exchange for a just and enforceable system of control. Only the nation which rejected such an offer would occupy an indefensible moral position. Any idea that American renunciation of the super would inspire hope in the world or that "disarmament by example" would earn us respect is so suggestive of an appeasement psychology and so at variance with the bitter lessons learned before, during, and after two recent wars that I will comment no further.

But I do think it important to challenge the complacent attitude toward Soviet progress that pervades the thinking of those against the super. Some of them are the very ones who preached, from 1945 onward, that Russia would soon achieve the atomic bomb through her own independent effort; and yet they now ignore the logic which led them to this correct conclusion, saying that Soviet achievement of the super may well be a decade away, if not longer. They speak of our taking the initiative in super development—just as though such a weapon has never occurred to Russian scientists, just as though we dare assume that the Soviets are not working toward it with all haste, and just as though American and British intelligence had not lately underestimated Russia to the extent of missing by three years the date of her first fission bomb test.

Only about one-fortieth of our total military spending since 1945 has been devoted to atomic weapons. In fiscal 1950, funds for that purpose will comprise less than one per cent of the national budget. These amounts might impress us as inadequate, to say the least, if we could know the precise extent of Soviet commitments. . . . German scientists imported into Russia have long studied the heavy-water reactors well suited to tritium manufacture; Kapitza, the great Soviet physicist, is a specialist in low-temperature problems associated with



liquid deuterium; densely populated American cities are made-to-order for an explosive that levels hundreds of square miles; communism suffered a prestige loss when "decadent capitalists" completed the earliest atomic bombs, but this loss would be more than recouped should Russia complete the earliest super; and if the Kremlin believes that it cannot out-produce us in ordinary fission weapons, then its logical strategy is to excell in the thermo-nuclear field. All such factors as these warn that complacency could be fatal. As one noted American scientist has said, we should imagine a force of Soviet planes and submarines, each carrying a super and each poised to effect delivery at our inland and coastal cities—and with that picture in the forefront of our minds move heaven and earth to gain the super first.

Although any other decision would almost guarantee disaster for our nation, in my opinion, I thoroughly agree with the opposite school of thought that armaments races lead to war. I agree that ours are the cities most threatened by the super. I agree that if war comes—and if it is postponed until Russia accumulates a stockpile of supers and fission bombs, or even fission bombs alone—Western civilization may well crumble whether we win or lose. I consider the most significant single aspect of the present situation to be this: with each day, week, and month that passes, the Kremlin acquires an added supply of fissionable material. My thesis, however, is that if we let Russia get the super first, catastrophe becomes all but certain—whereas, if we get it first, there exists a chance of saving ourselves.

That chance can best be grasped, as I see it, by immediately taking the entire problem of the super to the people of the United States and the world. The existence of an all-out American effort to build this weapon could not be kept secret in any case: the purchase of lithium and other key materials in great quantity, the construction of special new reactors, the presence of Teller and, I hope, Fermi, Bethe, and equally famous scientists at Los Alamos, the extensive literature already published about the super, the question of Congressional appropriations, and the need for British and Canadian assistance would inevitably alert Moscow to the true facts. But even if our effort could be successfully concealed, the people of New York are entitled to know that an innocent-appearing merchant vessel registered under the Dominican flag might introduce a Russian super into their harbor and destroy, not just a few square miles, but their entire metropolis. The people of Chicago are entitled to know that a robot-controlled bomber, located only a few hours away in Kamchatka, might visit their city at night and leave it a wasteland. The people of Washington—when they discuss civil defense against atomic warfare—are entitled to know that organization of a disaster corps, dispersion of hospitals, and such-like measures would be futile in coping with the super weapon which Stalin may own within three years, two years, or even less. What is

more, the people of Russia are entitled to know of the suicide terminal point toward which the refusal of their rulers to accept international control is leading them.

Since this issue, involving as it does the survival or extinction of whole populations, transcends all others in importance, it should be treated in the most important possible manner. If I may make the suggestion, you have an opportunity to deliver an address before the current United Nations Assembly that might alter the destiny of mankind. You could explain to the world's peoples, through the UN forum, that we are able to build the super and that Russia possesses a like capability. You could point out that the possibility of ravaging 1,000 square miles at a single blow does not decrease the danger from ordinary fission bombs but that it dramatizes and renders still more urgent the need for effective international control. Thus the horror and revulsion which the super inspires in moral beings might be harnessed and made to generate a world-wide pressure of public opinion upon the Kremlin to accept a sane and worthwhile control plan.

Sincerely yours,

[File copy not signed]

PM Files

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense  
(Johnson)*

TOP SECRET

[WASHINGTON,] 23 November 1949.

Subject: The United States Military Position with Respect to the Development of the Thermonuclear Weapon.

The Joint Chiefs of Staff have studied the subject matter of this memorandum and have reached the following conclusions:

That the United States military position with respect to the development of the thermonuclear weapon should be:

a. Possession of a thermonuclear weapon by the USSR without such possession by the United States would be intolerable.

b. There is an imperative necessity of determining the feasibility of a thermonuclear explosion and its characteristics. Such determination is essential for U.S. defense planning, preparations for retaliation, and direction of research. It will have a profound effect on policy in the field of international affairs.

c. If a thermonuclear weapon is determined to be feasible, the following additional considerations pertaining to military requirements are currently evident:

(1) Possession of such weapons by the United States may act as a possible deterrent to war.

(2) Possession of such weapon by the United States will provide an offensive weapon of the greatest known power possibilities thereby adding flexibility to our planning and to our operations in the event of hostilities.

d. The cost in money, materials, and industrial effort of developing a thermonuclear weapon appears to be within the capabilities of the United States. Available information indicates that such a weapon may likewise be within the capability of the USSR.

e. It is reasonable to anticipate, and in some cases it is known, that a number of thermonuclear weapons can substitute for a greater number of fission bombs. Further, the thermonuclear weapon promises in the high ranges of energy release to be more efficient in utilization of available ore and production capacity per unit area of damage.

f. The foregoing considerations decisively outweigh the possible social, psychological and moral objections which may be considered to argue against research and development leading to a thermonuclear weapon by the United States.

g. Any decisions or actions pertaining to the United States' effort to develop a thermonuclear weapon or any determinations of its feasibility constitute a military secret of the highest classification. It should be possible to maintain secrecy on a subject of such importance to the security of the United States.

h. A unilateral decision on the part of the United States not to develop a thermonuclear weapon will not prevent the development of such a weapon elsewhere.

For the Joint Chiefs of Staff:

OMAR N. BRADLEY

*Chairman*

*Joint Chiefs of Staff*

PM Files

*Mr. Lewis L. Strauss, Member of the United States Atomic Energy Commission, to President Truman*<sup>1</sup>

TOP SECRET

WASHINGTON, 25 November 1949.

DEAR MR. PRESIDENT: As you know, the thermo-nuclear (super) bomb was suggested by scientists working at Los Alamos during the war. The current consideration of the super bomb was precipitated, I believe, by a memorandum which I addressed to my fellow Commissioners following your announcement on September 23rd of an atomic explosion in Russia. I participated in the discussions which were antecedent to the letter to you from the Commission on November 9th, but did not join in the preparation of the letter as I was then on the Pacific Coast. It was my belief that a comprehensive recommendation should be provided for you, embodying the judgement of the Commission (in the areas where it is competent), together with the views of the Departments of State and Defense. My colleagues, however, felt that you would prefer to obtain these views separately.

<sup>1</sup> Copies transmitted to the Secretary of State and Secretary of Defense by Sidney W. Souers, Executive Secretary of the National Security Council, on November 30.

Differences on the broad question of policy between my associates as individuals were included in the Commission's letter to you, and it was correctly stated that the views of Commissioner Dean and mine were in substantial accord on the main issue. It is proper, I believe, that I should state them on my own responsibility and in my own words.

I believe that the United States must be as completely armed as any possible enemy. From this, it follows that I believe it unwise to renounce unilaterally any weapon which an enemy can reasonably be expected to possess. I recommend that the President direct the Atomic Energy Commission to proceed with the development of the thermo-nuclear bomb, at highest priority, subject only to the judgement of the Department of Defense as to its value as a weapon, and of the advice of the Department of State as to the diplomatic consequences of its unilateral renunciation or its possession. In the event that you may be interested, my reasoning is appended in a memorandum.

Very respectfully,

LEWIS L. STRAUSS

[Enclosure]

*Memorandum by Mr. Lewis L. Strauss, Member of the United States Atomic Energy Commission*

TOP SECRET

[WASHINGTON,] 25 November 1949.

This is a memorandum to accompany a letter of even date to the President to supply the reasoning for my recommendation that he should direct the Atomic Energy Commission to proceed at highest priority with the development of the thermo-nuclear weapon.

*Premises*

(1) The production of such a weapon appears to be feasible (i.e., better than a 50-50 chance).

(2) Recent accomplishments by the Russians indicate that the production of a thermo-nuclear weapon is within *their* technical competence.

(3) A government of atheists is not likely to be dissuaded from producing the weapon on "moral" grounds. ("Reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle." G. Washington, September 17, 1796.)

(4) The possibility of producing the thermo-nuclear weapon was suggested more than six years ago, and considerable theoretical work has been done which may be known to the Soviets—the principle has certainly been known to them.

(5) The time in which the development of this weapon can be perfected is perhaps of the order of two years, so that a Russian enterprise started some years ago may be well along to completion.

(6) It is the historic policy of the United States not to have its forces less well armed than those of any other country (viz., the 5:5:3 naval ratio, etc. etc.).

(7) Unlike the atomic bomb which has certain limitations, the proposed weapon may be tactically employed against a mobilized army over an area of the size ordinarily occupied by such a force.

(8) The Commission's letter of November 8th [9th] to the President mentioned the "possibility that the radioactivity released by a small number (perhaps ten) of these bombs would pollute the earth's atmosphere to a dangerous extent." Studies requested by the Commission have since indicated that the number of such weapons necessary to pollute the earth's atmosphere would run into many hundreds. Atmospheric pollution is a consequence of present atomic bombs if used in quantity.

### *Conclusions*

(1) The danger in the weapon does not reside in its physical nature but in human behavior. Its unilateral renunciation by the United States could very easily result in its unilateral possession by the Soviet government. I am unable to see any satisfaction in that prospect.

(2) The Atomic Energy Commission is competent to advise the President with respect to the feasibility of making the weapon; its economy in fissionable material as compared with atomic bombs; the possible time factor involved; and a description of its characteristics compared to atomic bombs. Judgement, however, as to its strategic or tactical importance for the armed forces should be furnished by the Department of Defense, and views as to the effect on friendly nations of our unilateral renunciation of the weapon is a subject for the Department of State. My opinion as an individual, however, based upon discussions with military experts is to the effect that the weapon may be critically useful against a large enemy force both as a weapon of offense and as a defensive measure to prevent landings on our own shores.

(3) I am impressed with the arguments which have been made to the effect that this is a weapon of mass destruction on an unprecedented scale. So, however, was the atomic bomb when it was first envisaged and when the National Academy of Sciences in its report of November 6, 1941, referred to it as "of superlatively destructive power". Also on June 16, 1946, the Scientific Panel of the Interim Committee on Nuclear Power, comprising some of the present members of the General Advisory Committee, reported to the Secretary of War, "We believe the subject of thermo-nuclear reactions among light nuclei is one of the most important that needs study. There is a reasonable presumption that with skillful research and development, fission bombs can be used to initiate the reactions of deuterium, tritium, and possibly

other light nuclei. If this can be accomplished, the energy release of explosive units can be increased by a factor of 1000 or more over that of presently contemplated fission bombs." This statement was preceded by the recommendation, "Certainly we would wish to see work carried out on the problems mentioned below."

The General Advisory Committee to the Atomic Energy Commission, in its recent communication to the Commission recommending against the development of the super bomb, noted that it "strongly favors" the booster program, which is a program to increase the explosive power and hence the damage area and deadliness of atomic bombs. These positions and those above appear not to be fully consistent and indicate that the scientific point of view is not unanimous.

(4) Obviously the current atomic bomb as well as the proposed thermo-nuclear weapon are horrible to contemplate. All war is horrible. Until, however, some means is found of eliminating war, I cannot agree with those of my colleagues who feel that an announcement should be made by the President to the effect that the development of the thermo-nuclear weapon will not be undertaken by the United States at this time. This is because: (a) I do not think the statement will be credited in the Kremlin; (b) that when and if it should be decided subsequent to such a statement to proceed with the production of the thermo-nuclear bomb, it might in a delicate situation, be regarded as an affirmative statement of hostile intent; and (c) because primarily until disarmament is universal, our arsenal must be not less well equipped than with the most potent weapons that our technology can devise.

#### *Recommendation*

In sum, I believe that the President should direct the Atomic Energy Commission to proceed with all possible expedition to develop the thermo-nuclear weapon.

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Policy Planning Staff Files

*Memorandum by the Under Secretary of State (Webb)*

TOP SECRET

[WASHINGTON,] December 3, 1949.

Members of Atomic Working Group:

Mr. Nitze  
Mr. Fisher  
Mr. Arneson

In a discussion on November 30 between the Secretary and Mr. Lilienthal, the problem of how to implement the President's assignment of work to the NSC subcommittee was raised. Secretary Acheson expressed the view that the working group and the NSC subcommittee probably should not direct its efforts toward the ultimate moral ques-

tion at this time but should express as much fact and analysis as possible along the following lines:

(1) That the destructive force of the "super" is limited only by the capacity of the carrier—that if the maximum carriage of a B-36 is involved a certain area is affected. Same data for ship and for submarines.

(2) That when we start to build our plants this will be known and will have effects here and abroad. What will these be?

(3) That we should spell out the effect on other programs of the Government which will be caused by a decision to go ahead. Will other expenditures have to be reduced? Can they be reduced? Will they have to be expanded? Can they be expanded?

(4) If we succeed in making the "super", what strategic use can we make of it. Example: against troops? against military installations? How many targets really require this quantity of destructive force? What bearing does it have on the command of the air, as, for example, ability to wipe out air fields and such installations? Generally, what can the soldiers do with it?

(5) What are the problems of use as effected by retaliation? If both sides have it, will either use it?

(6) A variety of situations should be considered. What would our problem be if we have it and others do not? What would the situation be if others have it and we do not? If both we and the Russians have it?

(7) Another type of subject which should be explored is the effect on the Russians of going forward with the project; also the effect of not going forward. The same for other people.

(8) When we come to conclusions, it would be necessary to weigh out and evaluate the various factors. (Somewhere, we should make a review of what we have said about not using atomic weapons and about controls. At the same time, review what has been said by the military with respect to its plans to use the weapon.) In the conclusions, we should balance the results of this program against other uses of the facilities and money. We should examine the moral questions involved. We should study carefully all factors which might seem to link this decision with the program for international control and should probably attempt to keep the two completely separate. We should examine all phases of the question of whether, in connection with this decision and using it as a possible platform, we might expect to have effective talks with the Russians looking towards some *modus vivendi* that would stabilize world conditions. We must consider also whether we could catch up if we don't go forward now but discover that other countries have gone forward and made progress.

I believe that the Secretary thinks the military position will probably be that it cannot afford to take any risk of finding itself without this weapon if others have it. I believe, also, he is troubled about the possibility that a decision to go ahead would be interpreted all over the world as a decision that war is inevitable and that we have reached this decision, with all its implications and effects on all types of future decisions.

JAMES E. WEBB

Department of State Atomic Energy Files

*The American Secretary of the Combined Policy Committee  
(Arneson) to the British Secretary (Marten)*<sup>1</sup>

TOP SECRET

WASHINGTON, December 12, 1949.

DEAR TIM: You will recall that in the course of the Steering Group meeting on Friday morning, December 2,<sup>2</sup> the United States representatives gave particulars concerning some ways in which the principle of maximization of joint effort might be brought about to mutual advantage. These ideas are embodied in Enclosure I. It was agreed in this meeting that further exploration by a small group of technicians along these lines would be useful. Notes of the discussions that subsequently took place the same day are recorded in Enclosures II and III.<sup>3</sup>

It is understood that the U.K. and Canadian representatives will wish to discuss the points put forward by the U.S. representatives in these documents with their respective governments to see whether the suggestions made provide a fruitful avenue for further exploratory discussions. For their part, the U.S. representatives consider that the points reflected in the attached papers are an amplification of certain of the objectives and principles put forward in the paper dated September 20, 1949, entitled "Military Considerations Pertaining to Technical Cooperation in the Field of Atomic Energy."<sup>4</sup> As indicated in the course of the discussion the remarks covered in the three enclosed documents relate primarily to weapon aspects of the atomic energy field and further exploration into this and other phases of the atomic energy program would follow. I am sure it is appreciated that these documents are intended only to amplify the general U.S. approach to the problem and do not represent formal proposals.

Sincerely yours,

R. GORDON ARNESON

Enclosure I

*Remarks by the General Manager of the United States Atomic Energy Commission (Wilson) in the Steering Group Meeting, Washington, December 2, 1949, 10 a. m.*

TOP SECRET

1. In approaching this question, it has seemed clear to us that the principal objective of any arrangements should be the course best

<sup>1</sup> On the same day, Arneson transmitted an identical letter to George Ignatieff, the Canadian member of the joint secretariat.

<sup>2</sup> Tripartite negotiations on the CPC subcommittee level resumed on November 28 and were continued on December 2. For an account of these discussions, see Hewlett and Duncan, pp. 308-310.

<sup>3</sup> Enclosures II and III are not printed.

<sup>4</sup> Not found in the files of the Department of State.



calculated to increase our collective strength in the field of atomic weapons in the shortest possible period. In furtherance of this objective, it has been recognized that full cooperation among the three countries and full exchange of information on all aspects of atomic weapons are a necessary factor in maximizing our joint efforts. We have stated certain principles to this end.

2. The central theme of the initial British suggestion as regards weapons is that there should be in the U.K. substantially all facilities necessary to the production of weapons from ore, if only in limited numbers. It seems to us particularly that this suggestion gives inadequate attention to two outstanding facts.

- a.* The very great body of scientific knowledge of atomic weapons which has been generated in the U.S. since the war, and
- b.* The large and flexible weapons production capacity which has been built in the U.S. since 1946.

3. With respect to point *a*, the introduction of key British and Canadian scientists into the U.S. program on a working basis would surely, for the present, bring maximum benefit to the total program from their efforts, since their contributions would in effect be catalytic to a large existing and organized mass of knowledge and experience. This is an advantage which can not be expected to emerge from occasional exchange of ideas as would inevitably result if the principal British effort in the weapons program is applied to the U.K. Indeed, the development of weapons facilities in the U.K. would absorb during the next several years the major attention of the key people in question, with consequently little British contribution to the development of real advances in weapons techniques during the period.

4. With respect to point *b*, the introduction of new design ideas into the large and experienced U.S. production structure will bring improvements quickly and physically to a substantial number of weapons in being. We would especially stress this point: that it is essential during these critical years to be able to capitalize immediately on new ideas from development so that there may be the earliest possible benefit to the major stockpile of weapons.

5. We see that the acceptance of these principles would necessarily curtail the weapons effort proposed for the next few years in the U.K. We believe, however, that it is clear that our collective strength will be increased thereby. We believe it apparent that the British position in such a partnership must necessarily be enhanced proportionally to any improvement in the combined position, particularly in light of the fact that our suggestion does not in any way preclude the development or manufacture in the U.K. of any weapon component

where such an effort in the U.K. is in the interest of the combined effort in the U.S.

832.2546/1-550

*The United States Embassy to the Brazilian Foreign Office*<sup>1</sup>

SECRET

MEMORANDUM

To provide for use by United States industries which have been established for many years and which have no other adequate source of raw material supply, and to assure the production in the United States of the rare earth elements contained in monazite, required for military usages as well as to complete stockpile objectives, the United States desires to continue to avail itself of the privilege of acquiring, on prices, terms, and for periods to be mutually agreed on, Brazil's entire exportable surplus, but not less than 3,000 metric tons a year of raw monazite.

Should thorium, or compounds of thorium become available by reason of the industrialization of monazite in Brazil, the United States also desires to be accorded the privilege of acquiring, on prices, terms, and for periods that would be the subject of mutual agreement, all such thorium and compounds thereof not required for industrial application within Brazil, or for stockpiles to be established and controlled directly by the Government of Brazil.

The Government of the United States is prompted to express these desires in view of considerations involving the highest long range mutual objectives of both countries and the security of the Western Hemisphere. It is with these same objectives in mind that the Government of the United States would like to be formally assured that the Government of Brazil will only authorize the export of monazite, or other carriers or compounds of thorium, or of thorium produced in Brazil, to consignees in the United States, or to other consignees mutually satisfactory to Brazil and the United States.

Recurring reports to the effect that Brazil may place an embargo on the exportation of monazite has created a feeling of uncertainty on the part of the United States consumers as well as the authorities of the United States. These uncertainties would be dispelled by a formal statement on the part of the Brazilian authorities that the *status quo* with respect to monazite will be continued until a new undertaking in the matter is concerted between the two governments.

RIO DE JANEIRO, December 15, 1949.

<sup>1</sup> Copy transmitted to the Department of State in despatch No. 18 from Rio de Janeiro, January 5, 1950.

PM Files

*Memorandum Circulated by the Defense Members of the Working Group of the Special Committee of the National Security Council*<sup>1</sup>

TOP SECRET

[WASHINGTON, undated.]

## THE MILITARY IMPLICATIONS OF THERMONUCLEAR WEAPONS

## THE PROBLEM

1. To determine the military implications of weapons employing thermonuclear reactions in deuterium and tritium to obtain energy releases in the order of millions of tons of TNT.

## ASSUMPTIONS

2. That it is within the capabilities of the United States from the standpoint of money, materials and industrial effort to develop for test of feasibility a prototype thermonuclear weapon.

3. If the thermonuclear reaction of light elements were proved feasible of attainment, that it would be within the capabilities of the United States to produce these weapons in limited quantities.

4. That no practical factors are known to exist which conclusively eliminate the possibility or probability of Soviet development of a thermonuclear weapon in minimum quantities.

## DISCUSSION

5. See Inclosure 1.

## CONCLUSIONS

6. The United States military position with respect to the development of the thermonuclear weapon should be:

*a.* Possession of a thermonuclear weapon by the USSR without such possession by the United States would be intolerable.

*b.* There is an imperative necessity of determining the feasibility of a thermonuclear explosion and its characteristics. Such determination is essential for U.S. defense planning, preparations for retaliation, and direction of research. It will have a profound effect on policy in the field of international affairs.

*c.* If a thermonuclear weapon is determined to be feasible, the following additional considerations pertaining to military requirements are currently evident:

(1) Possession of such weapons by the United States may act as a possible deterrent to war.

(2) Possession of such weapon by the United States will provide an offensive weapon of the greatest known power possibilities thereby adding flexibility to our planning and to our operations in the event of hostilities.

<sup>1</sup>The following typewritten notation appears at the top of the source text: "Mr. Arneson received this paper at a meeting in Mr. Souers' office on Dec 16, 1949."

d. The cost in money, materials, and industrial effort of developing a thermonuclear weapon appears to be within the capabilities of the United States. Available information indicates that such a weapon may likewise be within the capability of the USSR.

e. It is reasonable to anticipate, and in some cases it is known, that a number of thermonuclear weapons can substitute for a greater number of fission bombs. Further, the thermonuclear weapon promises in the high ranges of energy release to be more efficient in utilization of available ore and production capacity per unit area of damage.

f. The foregoing considerations decisively outweigh the possible social, psychological and moral objections which may be considered to argue against research and development leading to a thermonuclear weapon by the United States.

g. Any decisions or actions pertaining to the United States' effort to develop a thermonuclear weapon or any determinations of its feasibility constitute a military secret of the highest classification. It should be possible to maintain secrecy on a subject of such importance to the security of the United States.

h. A unilateral decision on the part of the United States not to develop a thermonuclear weapon will not prevent the development of such a weapon elsewhere.

#### Inclosure 1

#### DISCUSSION

1. *General.* The term "thermonuclear weapon" as used herein refers only to a weapon employing a thermonuclear reaction in deuterium and tritium to obtain energy releases of millions of tons of TNT. The term "fission weapon" refers to an atomic weapon employing the fission of uranium isotopes or plutonium as the primary source of energy. From the discussion of technical considerations by the Atomic Energy Commission it appears that there is a reasonable chance that a thermonuclear reaction of light elements can be achieved by the United States within the next few years if a special effort in this direction is initiated shortly. Consideration of known Soviet developments in the field of atomic energy reveals a degree of Soviet capability also to develop a thermonuclear weapon. The following discussion explores the military implications of thermonuclear weapons under several hypotheses in order to present pertinent facts which may be of assistance in arriving at a decision as to whether or not a special effort will be initiated at this time to achieve a thermonuclear weapon or to determine conclusively its lack of feasibility.

2. *Hypothesis: Sole Possession by the USSR.* From both a practical and a psychological point of view it is considered that the thermonuclear weapon is to the fission weapon as the fission weapon is to a conventional bomb. In terms of energy release the pertinent ratio is about 2000-40000 : 1. [2000-4000 : 1?] In terms of comparative area of blast damage the ratio is about 30 : 1. Aside from the psychological poten-

tial which automatically exists through enemy exploitation of this ratio differential, there is the added factor that if we fail to develop a thermonuclear weapon and thereby lack knowledge of its positive effects, we shall be unable to counter possible enemy exploitation of the frightening and paralyzing fiction which has become associated from time to time with thermonuclear explosions. Accordingly it must be anticipated that the development of a thermonuclear weapon by the USSR in advance of the United States, particularly if the announcement follows secret development, would have a profoundly demoralizing effect on the American people. It would have grave psychological and political repercussions which might raise serious question concerning the continued unity of spirit, confidence and determination among the nations of the Western world. The situation today is strikingly parallel to that of a few years ago when this nation was engaged in a desperate race to develop a fission bomb before Germany. From the Soviet point of view sole possession of the thermonuclear weapon would place in their hands an offensive weapon of the greatest known power possibilities. It would provide the Soviet leaders, people and satellites with a tremendous psychological boost which in peacetime could lead to increased truculence in international affairs and increased political infiltration in nations of the western world. The tremendous "blackmail" potential of the thermonuclear weapon would serve the USSR well in its aims to impose its will upon the nations of Europe and to alienate these nations from the Western camp. In time of war sole possession of the thermonuclear weapon coupled with tremendous superiority of conventional military forces would provide the Soviets with the necessary balance to current Western unity and to our superior fission weapons stockpile to enable them to risk hostilities for the rapid achievement of their objectives. The above developments cannot be forecast with certainty; however, the materialization of one or more of these possible developments would have such a grave effect upon our world position as to force a complete re-evaluation of our strategic plans and of our national objectives in peace and in war. The inevitable jeopardy to our position as a world power and to our democratic way of life would be intolerable.

3. *Hypothesis: Sole Possession by the US.* The sole possession of this weapon by the US would cause all of the practical and many of the psychological advantages of possession of thermonuclear weapons to accrue to our side, and may act as a possible deterrent to war. From the practical point of view possession of this weapon would add materially to the striking power of our forces against those important tactical and strategic objectives which are particularly adapted to a thermonuclear weapon. For example, large concentrations of enemy troops

and matériel such as occur frequently in war (the Normandy invasion, the defense of Stalingrad, the Bulge break-through, large dumps, singularly important airplane concentrations, and other such large but lucrative targets) which would now require multiple delivery of fission weapons, could be destroyed or critically disrupted with a single thermonuclear weapon. Since this destruction could be applied throughout the target area with simultaneity, the value of surprise could be exploited to the maximum. Effective destruction of the above target types may well lead to decisive results since such concentrations normally occur in connection with critical operations in war. Moreover, attack of enemy atomic air bases with a thermonuclear weapon may be the only effective defense from enemy atomic attack. If, on the other hand, enemy knowledge of our possession of this weapon causes them so to conduct operations as to avoid concentrations of troops and matériel to a materially greater extent than is now indicated by our possession of fission weapons, we shall have forced them to abandon the source of their greatest strength, employment of mass. There are additional advantages of the thermonuclear weapon which are not provided by a proportionally greater number of fission weapons. The thermonuclear weapon promises in the high ranges of energy release to be more efficient in the utilization of available ore and production capacity per unit of damage area. Further, for those military uses particularly adapted to the thermonuclear weapon, employment of this weapon will reduce the delivery problem of the required destructive effect through increased ease of maintaining the smaller force in higher state of attack readiness and through reduced cost of maintenance and protection of this force. These factors will increase in significance in the next few years. It is currently clear that in the normal fluctuations of effectiveness as between defensive weapons and offensive weapons, it is becoming increasingly difficult to maintain a predetermined amount of attack potential by long-range aircraft without increase in force requirements. The development of the thermonuclear weapon would tend to arrest this trend by allowing the packaging of some of our retaliatory attack in a small number of units.

The development of a vehicle to carry the thermonuclear weapon to its target is a problem which remains to be solved in conjunction with the development of the weapon itself. The trend of this vehicular development will depend largely upon the anticipated characteristics and physical dimensions and weight of the weapon. It is impracticable at this time to anticipate the exact nature of the eventual carrier. It is apparent that, for the US, a large airplane will be a basic requirement initially. The following possibilities suggest themselves: a drone aircraft; an aircraft with a detachable parasite escape ship, the bomb

to be exploded by a time mechanism; an improved B-36 type with an underbelly weapon attachment; etc. In consideration of the technical problems to be solved in the development of the weapon as compared to the carrier, it is believed that the carrier problem, although difficult, is the lesser of the two.

4. *Hypothesis: Possession by Both Countries.* It is clear that under these conditions the world would be precipitated into the atomic age much more rapidly than would otherwise be the case. Such requirements as dispersal of industry, dispersal on the battlefield, avoidance of reliance upon ports, beachheads, large airfields, etc., would become more mandatory and on a considerably larger scale than is now indicated by mutual possession of fission weapons. Under such conditions it can be anticipated that great stress will be placed by each protagonist on the attempt to deliver as the initial act of hostilities a paralyzing blow on the offensive atomic capabilities of the enemy such as air bases for the atomic carrier force. Accordingly it appears reasonable to forecast that great effort must be made in the fields of research and development and the development of suitable techniques of operational employment which will allow the required dispersion in order to achieve an adequate degree of invulnerability of the retaliatory attack force.<sup>2</sup>

5. *Hypothesis: Firm Determination of Infeasibility.* Because of the tremendous military implications which would result from the development of a thermonuclear weapon, it is imperative to determine conclusively the feasibility of a thermonuclear explosion and its characteristics. Such determination is essential for US defense planning, preparations for retaliation, and direction for our research and development programs. There are undoubtedly a number of possible social, psychological and moral objections which may be considered to argue against research and development by the United States leading to the development and test of a thermonuclear weapon. The above considerations decisively outweigh such objections. The United States has enjoyed and relied upon a measure of technological advantage over the USSR. This advantage lies principally in our industrial capacity, our stockpile of atomic weapons, and our ability to deliver these weapons. We no longer have a monopoly of atomic weapons, which fact lessens our degree of technological advantage. There are indications that the USSR also has some capability of producing a thermonuclear weapon. To stop arbitrarily our atomic research at the

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<sup>2</sup> This paragraph concludes with the following sentence which has been scratched out on the source text: "Under these conditions the advantage of the surprise attack could become as significant as to make the option of the initiative, in its relation to a clear definition of an overt act, more meaningful."

frontier of thermonuclear reactions would guarantee the loss of our technological advantage and further would not prevent development of this weapon by the USSR as long as war remains a possibility. If we do not determine the feasibility of a thermonuclear weapon before a war, we would be forced to make this determination on a "crash" basis upon the initiation of hostilities. In the meantime our military planners would be faced with a dilemma in military operations. To plan needlessly on the basis of enemy possession of this weapon would result in granting the enemy the historical advantages which accrue to a protagonist when his strength is over-estimated. We would be forced to abandon effective techniques of warfare on the erroneous basis that such techniques were no longer sound. The ultimate detrimental effect upon our strategic and diplomatic intentions with regard to western Europe can hardly be estimated. On the other hand, the acceptance of a risk by undertaking operations on the assumption that the enemy does not possess this weapon could lead to disastrous results. In view of the above it is considered that the cost involved in a determination of feasibility of a thermonuclear explosion is insignificant when compared with the urgency to determine firmly the ceiling on atomic development.

6. *Consideration of Current Policy on International Control.* The military is in strong support of the United States position in the United Nations on international control of atomic energy. Preliminary studies indicate that the possible existence of a thermonuclear weapon does not appear to warrant change of the attitude of the military, with the exception that serious consideration must be given to the probability that adequate control would be more difficult and that successful violation of control would be much more significant. Detailed studies by the United States in this regard are indicated and should be undertaken without delay.

7. *Considerations of Timing and Intensity of Effort.* The overriding considerations which indicate a necessity for the development and test of a thermonuclear weapon occur in conjunction with the analysis of the situation which would exist if the USSR had sole possession of a thermonuclear weapon. Accordingly our plans must be on such a scale that we not lose an appreciable amount of time in determining the feasibility of a thermonuclear weapon. The following program is considered to constitute the minimum effort which should be undertaken in this field at this time:

a. The determination of the technical feasibility of a thermonuclear explosion.

b. The necessary ordnance developments and carrier programs should proceed concurrently with *a* above and should not necessarily await trial of a test thermonuclear assembly.



c. Sufficient reactors should be constructed or modified to provide the necessary amount of tritium for the test in *a* above.

d. Decisions pertaining to the production of thermonuclear weapons in any quantity should be deferred pending further determination of the ultimate feasibility of a thermonuclear explosion and the feasibility of an appropriate weapon carrier.

8. *Considerations Regarding Security.* There are many facets to the question of whether it should be made a matter of public knowledge that the United States is engaged in an active effort to develop a thermonuclear weapon. It is considered that public discussion once initiated and encouraged is extremely difficult to control and inevitably leads to a greater disclosure than originally intended. An additional factor of military significance is the divergence of opinion among scientific circles in this country relative to the feasibility of a thermonuclear explosion. It can be expected that such divergence of opinion exists in the USSR on at least an equivalent parity. If the United States announces that we are engaged in an active effort to develop a thermonuclear weapon, such positive knowledge would give added credence and ascendancy to the Soviet group sponsoring development in this field and may result in an earlier start or greater impetus to the Soviet program. For the above two reasons, it is considered that any decisions or actions pertaining to a United States effort to develop a thermonuclear weapon or any determination of its feasibility is military information of the highest security classification.

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Policy Planning Staff Files

*Memorandum by the Deputy Director of the Policy Planning Staff  
(Nitze)*<sup>1</sup>

TOP SECRET

[WASHINGTON,] December 19, 1949.

*The Problem:* To state the tentative position of the State Department with respect to an acceleration of the program to test the feasibility of a thermonuclear reaction.

*Assumptions:*

1. That the present state of knowledge in the atomic field makes it appear that a thermonuclear reaction has at least a 50% probability of being possible either for us or for the USSR;

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<sup>1</sup> A handwritten notation at the top of the source text indicates that copies of this memorandum were transmitted to Lucius D. Battle, Special Assistant to the Secretary of State, presumably for the Secretary, to Savage, and to Arneson.

2. That the cost in dollars and diversion of technical personnel and materials will be approximately as outlined in the A.E.C. memorandum;<sup>2</sup>

3. That in the view of the Department of Defense knowledge as to whether or not such a reaction can be made to take place and knowledge as to its potentialities and limitations as a weapon are of importance to the national defense;

4. That it is not proposed at this time to decide whether, in the event such a reaction is proven to be feasible, actual weapons will be constructed or, if constructed, the conditions under which they might be employed.

*Considerations:* The Department of State is of the view

1. That the most immediate risks facing the security of the free world and ultimately of the U.S. are in the ideological, economic, and political aspects of the cold war;

2. That emphasis by the U.S. on the possible employment of weapons of mass destruction, in the event of a hot war, is detrimental to the position of the U.S. in the cold war;

3. That, even though it is probable that the USSR would actually use weapons of mass destruction only in the event of prior use by others, it is essential that the U.S. not find itself in a position of technological inferiority in this field;

4. That more is to be feared from a growing fission bomb capability and a possible thermonuclear capability on the part of the USSR than is to be gained from the addition of a thermonuclear possibility to our growing stockpile of fission bombs.

*Conclusions:* It is recommended

1. That the President authorize the A.E.C. to proceed with an accelerated program to test the possibility of a thermonuclear reaction;

2. That no decision be made at this time as to whether weapons employing such reaction will actually be built beyond the number required for a test of feasibility;

3. That the N.S.C. reexamine our aims and objectives in the light of the USSR's probable fission bomb capability and its possible thermonuclear bomb capability;

4. That, pending such a review, no public discussion of these issues on the part of those having access to classified materials in this field be authorized.

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<sup>2</sup> Reference is presumably to the memorandum by the U.S. Atomic Energy Commission, November 9; for text, see p. 576.

Policy Planning Staff Files

*Memorandum by the Secretary of State*<sup>1</sup>

TOP SECRET

[WASHINGTON, December 20, 1949.]

I. It is of immediate importance that the United States Government review and decide its position regarding the essentiality and probable use of weapons of mass destruction—particularly atomic weapons—so far as our security is concerned.

Why?

1) Because we are, in effect, deciding now to rely upon and use such weapons.

Why is this so?

a) Because while we had atomic weapons and no other nation had, it came to be regarded as a powerful deterrent to war and guarantee of our security; the Atomic Energy Act authorizes production of weapons upon this theory; they came to play a large part in military planning; and Russian behavior over the past few years overcame popular aversion to the use of the weapon. Thus acceptance of and reliance upon it has grown more subtly than through any articulate major premise.

b) Because, having assumed commitments relating to the defense of Western Europe, as necessary for our own defense, we do not have any other military program which seems to offer over the short run promise of military effectiveness.<sup>2</sup> Therefore, we are proceeding with the development of atomic weapons and carriers.

(Note: This reasoning does not prove that atomic weapons provide the promise of military success. That will be examined later.)

<sup>1</sup> The source text is accompanied by the following note by Savage:

"This memorandum was dictated by Secretary Acheson presumably on December 20, 1949. He handed it to Mr. Nitze on the evening of that day. Mr. Nitze made some changes during the evening just before he left for vacation. On the morning of December 21, Mr. Kennan, Mr. Hooker and Mr. Savage made some further changes. The attached memo contains the changes made by the four of us. It was sent to Mr. Acheson on the morning of December 21 and he used it presumably as a basis for the conversation he had during the afternoon with Secretary of Defense Johnson. It is understood that he did not give a copy to Secretary Johnson. Copies were distributed in the Department to Messrs. Arneson and Fisher."

No record of the Acheson-Johnson conversation of December 21 has been found in the files of the Department of State.

On December 22, the Special Committee of the National Security Council (Acheson, Johnson, and Lillenthal) met in Acheson's office. Commissioner Smyth, General Bradley, and LeBaron were also present. The discussion, which arrived at no final conclusion, is described in Hewlett and Duncan, p. 398.

<sup>2</sup> The question of atomic weapons and the North Atlantic Treaty arose during the development of the "Strategic Concept for the Integrated Defense of the North Atlantic Area." Point 7a of the report approved at Paris by the North Atlantic Defense Committee on December 1 stated that a basic undertaking of the Treaty was to "insure the ability to carry out strategic bombing promptly by all means possible with all types of weapons without exception. This is primarily a U.S. responsibility assisted as practicable by other nations." For the full text of the Strategic Concept as approved December 1 by the Defense Committee and related documentation, see vol. iv, pp. 1 ff.

*c)* And because also our proposals for international control will not be accepted by the Russians, a situation which produces deadlock and means the inevitable continuation of production and mutual plans for use.

2) It is also necessary to review and decide our position regarding the essentiality of atomic weapons because without it our position on international control (as well as other policy matters noted below) becomes confused and dangerous.

*a)* We cannot over a period of time carry conviction (and this is of vital importance in the cold war) in advocating and directing the effort for international control and abolition of atomic weapons, if at the same time our military reliance upon them is growing.

*b)* We cannot consider profitably any proposals which might be acceptable to the Russians and might prohibit for practical purposes in peace time all production of fissionable materials in sufficient quantity to make bombs, unless we know whether we want to do so, or not.

*c)* If we proceed with further development of atomic weapons, without a clear idea of our attitude toward their use, control or abolition, we will affect the attitude of the Russians—and the chances of avoiding war—, the attitude of our allies—and the course of the cold war—, and the attitude of our own public. In other words, we will affect in various ways the direction of drift.

3) The absence of a clear decision will confuse military planning and this in turn will confuse foreign policy and commitments.

*a)* Planning for the defense of Western Europe will before long raise in acute form questions of the use of atomic weapons.

- i. If plans are based on non-use, or use in retaliation only, serious consequences may follow, unless the full implications of such plans are taken fully into account in other areas of policy and action.
- ii. If plans are based upon initial use, and others rely thereon, the United States may have lost the moral right of freedom of action even though, at a later date, our national interest may demand different action.
- iii. If alternate plans are made, an impression of indecision is given.

*b)* Aside from these immediate problems, the task of the planners will be gravely affected by a decision one way or the other on this central question and by the developments which would grow out of either decision.

4) It is important to review and decide our position on the use of these weapons because to do so will enable us to identify and possibly decide some major questions affecting foreign policy. Some of these are:

*a)* Which are the most immediate dangers to our security? Those involved in the cold war or those involved in military aggression?

b) Will military aggression, if it comes, be directed against us or against our allies?

c) If against us, what are the problems involved and how does use or non-use of atomic weapons affect their solution?

d) If against our allies, the same questions.

e) How does the availability of atomic weapons to both sides now affect the possibility of their use? The possibility of precipitating war? The outcome of the cold war? What will be the trend in this respect in the future?

II. Which danger is most imminent and pressing upon us? That which pertains to the cold war, or the danger of military aggression?

1) Soviet theory warns us that their primary attention is directed toward the former.

a) They believe that the capitalist world is doomed by internal decay.

b) They do believe and advocate active and subversive activities within capitalist societies by the communist parties.

c) They do not believe that the overthrow has to come through communist arms in the first instance, but they believe that the capitalist world will not finally surrender power without a resort to arms and that, therefore, at some time they may be attacked.

d) They would prefer a war between capitalist countries in which they intervene at the decisive moment, but in view of the unlikelihood of that coming about might intervene in confused situations created by satellites or subversive groups.

2) Russian history is divided, but Soviet history seems to be against military adventures which entail any risk.

a) The Crimean war, the Russo-Japanese war and World War I show tendencies toward aggressive adventure. So does the Polish affair of 1921 and 1939 and the Finnish war. But these latter may be said to have involved no great risk and to have lessons that risk is hard to estimate. The great care to escape involvement in the "capitalist" war of 1939 supports the thesis that the lesson was learned.

3) A cold appraisal of the world situation would seem to give the Politburo reason to think that their chances in the cold war are not bad, that their dogmas are being proved true, and that military risks to speed the inevitable are not necessary or desirable. They might well conclude that more effort was needed to grease the wheels of economic and social confusion abroad.

4) This would be a sensible conclusion. Our allies are not strong and have a long way to go to get strong. They are divided on some of the essential steps—Germany, colonialism in Asia and Africa, policy in the Middle East. The American people may tire or become confused. Our problems take perseverance of purpose and use of resources. They take a large degree of unity and persistence of purpose. Democracies are not noted for these qualities.

5) This is important. They need and want the people, industry and resources of Western Europe. They do not want to destroy them. Success in the cold war achieves these. The hot war may lose all this and more too.

6) This is also important. The loss of Western Europe or of important parts of Asia or the Middle East would be a transfer of potential from West to East, which, depending on the area, might have the gravest consequences in the long run.

*Conclusion on Point II.* The weight of the evidence leads to the belief that the Russians will put their chief reliance on the cold war. It is here that we must meet the most pressing dangers and not from military aggression.

Against this is the danger that—

a) They may think they are going to be attacked and foolishly attack first.

b) That failure in the cold war, the growth of Titoism, and the possible instability of the regime may lead to unpredictable action. This seems unlikely but not impossible.

The point made is not to disregard the dangers of military aggression, but to devise policy to give priority to what comes first.

III. In the case of military aggression by the U.S.S.R. is it likely to be directed first against us or against our allies?

The answer would seem to be, either a simultaneous attack against both, or an attack against some other nation or nations. An attack against the U.S. alone seems too difficult, pointless, and hazardous.

The point which the question and answer, if correct, brings out is this: The function of the atomic weapon in regard to the defense of continental United States is to prevent the attack or to stop it by reason of the general punishment inflicted on the enemy—retaliation. It can hardly have, in this field, a more specific military purpose. In the case of a protracted war, other factors would immediately have important bearing.

These other factors would have to do with the course of the war in other areas. Before coming to this, let us appraise the influence of atomic weapons on preventing or stopping the war.

IV. What can be said about the effect of atomic weapons in preventing or stopping the assumed war against the United States?

Without treading on military ground, consider the problem in two parts: (a) a war started against the United States and others simultaneously; and (b) a war started against our allies only.

1) If there were no atomic weapons, it seems unlikely that an attack would be made against the United States. This leaves out of consideration other weapons of mass destruction. If there were none of these,

the conclusion that there would be no attack against us seems highly probable, through sheer difficulty.

2) Would the same be true if it were firmly believed on both sides that such weapons would not be used except in retaliation; but that they would be promptly and vigorously used in retaliation? This involves a calculation as to whether the enemy believed the risks were worth it. In this case it is fair to believe that the risks would not be worth it and there would be no direct attack on the United States, or that the probability of attack would be lessened. This is no inconsiderable consideration to be ignored, if true.

3) Inject a new factor. Suppose a third nation, say Britain, had atomic weapons. Two questions: Would that make use against us more likely? Would Britain use them if others did not, except for retaliation?

A fair answer in both cases is, No.

So, as to an attack on the United States, it would seem much less likely if it were known that we would not precipitate atomic warfare, but would retaliate if such warfare were introduced by others.

4) Insofar as an attack on our allies is concerned, the considerations are different. Suppose both the United States and Russia had stockpiles but that ours was greater, would the known determination on our part to use them in the first instance deter attack? No one can say. It would be a factor. Possibly a great factor. But let us suspend judgment and consider other aspects of the problem.

5) Would it stop an attack once begun by other weapons? Here we are not speaking of technical military use, but of its effect on changing the will of the rulers to press on with the war. We can say with more assurance that it is doubtful whether its use would have such an effect. By hypothesis its use would have been expected and discounted. Aside from its military effect upon troops in motion, the effect would have to be worse than the expectation to break the will of the aggressors.

6) Would it stop the attack by destruction of war industries and supplies? This postulates a fairly long war and a possibility of sustained strategic air penetration of the enemy's territory. If troops were equipped and in motion fairly close to objectives, and not faced by strong resistance, these factors would not be of great importance.

7) Would it stop the attack by purely military means? This is for the military to answer, but it is hard to see how this could be done.

V. What is the real relation of the atomic weapon to the vulnerability of our western allies to Russian attack?

1) To what degree does our accumulation of atomic weapons act as a defensive shield for our allies? What can be done to substitute for this shield?

2) Does a continued reliance upon the atomic defensive shield prevent progress toward the substitutes therefor?

3) How important would be a further substantial strengthening of the economies of Western Europe?

4) How important would be incorporating western Germany into Western Europe?

5) What contribution would the withdrawal of Russian troops from Eastern Europe make?

6) What could be done in the field of conventional armaments either to build up adequate European defensive strength or through international control of conventional armaments to restore a balance in Europe?

#### VI. The effect of passage of time upon these considerations.

1) Would a continued accumulation of atomic weapons and means of delivery actually stimulate the outbreak of war? It does not appear that this would be likely until such time as the U.S.S.R. considered that its atomic capabilities were sufficient to offset ours and had a clear superiority in other fields.

2) Is it true that within 5-10 years the U.S.S.R. may be expected to have a stockpile of atomic weapons of sufficient size effectively to neutralize the present advantage which we possess and might this time be shortened if the U.S.S.R. developed a thermonuclear reaction?

3) If this is so, would we be better off addressing ourselves now to finding substitutes for the defensive shield our atomic weapons are now giving our allies?

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Department of State Atomic Energy Files

*Memorandum of Conversation, by Mr. Joseph Chase of the Office of the Under Secretary of State (Webb)*

SECRET

[WASHINGTON,] December 21, 1949.

Subject: Atomic Energy Questions Concerning France and the United States

Participants: Mr. Francois de Rose—Member of French Delegation to the United Nations

Mr. R. Gordon Arneson—U

Mr. Joseph Chase—U

Mr. de Rose called at his request to discuss a number of matters with Mr. Arneson prior to his departure for France where he will commence a tour of duty in the French Foreign Office. Among other duties, he will be the Foreign Office expert on matters related to atomic energy. He indicated that he would like to get some idea of what United States plans were for the United Nations negotiations because, unlike the situation which prevailed in the past, namely, that the French Delegation to the United Nations would request and usually



receive the instructions it desired, from now on, the Foreign Office will forward the necessary instructions in the first instance. These will be originated by de Rose.

Mr. Arneson stated that it was our present intention to continue the consultations in the forum of the permanent members of the UNAEC. We are also preparing to make informal expositions of a number of aspects of the United Nations plan, such as stages and quotas, which are not understood too well. We also have the problem of examining the various proposals submitted during the General Assembly. He expressed the opinion that there was not much to be expected from any of these proposals and suggested that for the next General Assembly, we might all consider the possibility of shifting the emphasis from atomic energy discussions to a broader base.

Perhaps this could best be done by building up the work in the Commission for Conventional Armaments so that we would have demonstrated the validity of our present position; namely, that the solution to the problem of international control of atomic energy and to the problem of regulation and reduction of conventional armaments differ considerably from each other. We must make clear, however, that the implementation of these two solutions should be coordinated. Mr. de Rose thought well of the idea and stated he would keep it in mind.

As regards the work to be done before the next General Assembly on atomic energy, de Rose suggested that we might make clearer our position on such matters as stages and quotas and perhaps even on organization and staffing. The possible possession of atomic weapons by the Soviets has introduced a sense of reality to the question of stages and any clarification of this point and of quotas would be to our advantage. Mr. Arneson believed that we could do something in an informal way on these points.

Mr. de Rose then outlined the situation that faces Western Europe, and France in particular, in the present world situation. As he saw it, immediately after the war, there was considerable hope that the entire world, including the Soviet Union, would cooperate to maintain the peace. The United Nations solution for the control of atomic energy fitted very neatly into such a world framework. For reasons of their own, the Soviet Union refused to play its necessary role. We have all become convinced that the objective of peace in such a cooperative world is at present unattainable. We, therefore, have to pursue a lesser objective, namely, that of increasing our strength, or rather of correcting our weaknesses so that the Soviet Union would not be tempted to aggress in Western Europe. This lesser objective admits the possibility that war may break out at some time. Therefore, we must be prepared for such a war to the extent that we are able to do so. This raises the question of the role of atomic weapons in any such

conflict and of the role atomic weapons are to play in the grand strategy of the North Atlantic Pact.

Mr. de Rose stated that the recent public evidences of disagreement on this point in the United States itself was not of great concern to him. On the contrary, he was happy to see that this problem was being very seriously considered. He did not want personally to know what answers the United States might come up with, but he did urge strongly and emphatically that, whenever we do come up with some answer, whatever it may be, some responsible member of the French Government should be informed. Perhaps it might be President Auriol when he arrives on a visit to this country next Spring. It might be a member of the French military, who would be in a position to make certain that French military planning takes into account the decisions reached on this matter. He regretted that General Juin<sup>1</sup> refused to leave North Africa for assignment to the Combined Staff under Montgomery.<sup>2</sup> In his opinion, General Juin would have been an ideal choice. Mr. de Rose repeated that he would continue to press his immediate superiors, Parodi,<sup>3</sup> Schuman and even Auriol until he was certain that somebody would be kept informed and that some responsible member of the French Government would know where France stood.

Mr. de Rose felt that it is certainly in the best interests of France and of Western civilization, in which he included the United States, to preserve Western Europe. He did not believe that Western Europe could survive either an atomic war, which might destroy most of its cities, and certainly would not be able to survive Soviet occupation. He also believed that Western Europe as we know it could not survive if it did not have the possibility of regaining its lost ground in the field of science.

Mr. de Rose next raised the question of the future role of science in France. There was no question in his mind that because of what happened during the war, the United States has now taken a pre-eminent position, not only in technology, but in basic science, which was formerly held by Western Europe. The internal situation in France was a most unsatisfactory one, with various uncoordinated and hostile schools in many scientific fields. Joliot Curie, for example, has a stranglehold on atomic energy, which situation is further complicated by the fact that Joliot is a Communist. Although he would have to move very slowly, Mr. de Rose planned to do his best to direct and coordinate French scientific activity, perhaps in collaboration with

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<sup>1</sup> General Alphonse Juin, French Resident General of Morocco.

<sup>2</sup> Field Marshal Sir Bernard Montgomery of Alamein, Chairman of Western European Commanders in Chief Committee.

<sup>3</sup> Alexandre Parodi, Secretary-General of the French Ministry of Foreign Affairs.

other Western European countries. He believed that it was in the best interests of the United States to promote and to assist the countries of Western Europe in order that they might make their proper contribution to basic science. He pointed out that if it is the U.S. desire to have Western Europe play its role and also to preserve Western Europe, there must be a greater exchange of ideas and students than has been the case in the recent past. He hoped to enlist the aid of perfume companies, etc., for financing scholarships to the United States with their dollar resources. Financial considerations have also assumed a tremendous importance. The time is probably past when a first-rate scientist in a relatively small laboratory can make fundamental discoveries. The basic tools of science, particularly in the field of nuclear energy, require equipment that runs into large sums of money. He hoped that any development in France or in Western Europe along the lines he had briefly sketched would not be misunderstood by the United States, and that requests for assistance in techniques and money for such things as betatrons would not be frowned upon. He felt that the emphasis should be on basic research. There was no point in having first-rate European scientists do the work of laboratory assistants, or duplicating discoveries already made but kept classified in the United States.

Mr. Arneson stated that the matter of classification of both information and equipment was being reviewed in the light of the recent Soviet atomic explosion. This review will probably result in a considerable downgrading of information and equipment now classified. To the extent that this occurred, other countries would find that they could secure certain information and equipment which is not now made available.

Mr. de Rose stated that he must move very slowly and thought that perhaps these latter points could be talked over again at the time of the next General Assembly, which he plans to attend.

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Department of State Atomic Energy Files

*The British Ambassador (Franks) to the Secretary of State*

TOP SECRET

WASHINGTON, 29 December 1949.

DEAR DEAN: Here is the British paper I promised to send you when we talked on the telephone yesterday. It represents our attempt to draw up draft proposals based on the last round of discussions.

I have also sent a copy to Hume Wrong.

Yours sincerely,

OLIVER FRANKS

[Enclosure]

*British Draft Proposals for Future Tripartite Cooperation*

TOP SECRET

[WASHINGTON, December 29, 1949.]

ANGLO-CANADIAN-UNITED STATES TRIPARTITE TALKS ON  
ATOMIC ENERGYA. *General*

1. The tripartite discussions held in Washington in September and November have suggested that the following proposals may form the basis of a long-term and binding agreement for co-operation in Atomic Energy between the three countries.

2. There will be complete collaboration in all aspects of atomic energy within the fields within which the three countries are working. This will include research and development; the production of fissile material; the planning, production and trial of atomic weapons; the military aspects of atomic energy; and the development of the peaceful applications of atomic energy.

3. The following are the present stated programmes of the three countries for the large scale production of fissile material.

United States	Five Production Piles Extension to High Separation Diffusion Plant
United Kingdom	Two Production Piles Low Separation Diffusion Plant
Canada	

We propose that the above programmes be accepted, but that each country should be free to vary its programme within the raw materials available to it on giving due notice to the Combined Policy Committee.

4. Estimates of uranium ore likely to be available to the three countries are given in Section B,<sup>1</sup> together with uranium ore requirements to provide for the needs of the above programmes. It would appear that there is likely to be an adequate supply of uranium for the three programmes, and detailed proposals for allocation between the three countries are made in Section B.

5. Detailed proposals for the integration of the Atomic Weapons programme are made in Section C. The objectives shall be to use the combined scientific and technical manpower and production resources of the three countries to produce the maximum number of atomic weapons of most advanced design during the critical period of the next three years.

<sup>1</sup> Sections B through H are not printed.

6. There shall be full co-operation in the military aspects of Atomic Energy. This will include—

- i. Operational discussion
- ii. Joint use of bases
- iii. Storage of atomic weapons
- iv. Radiological warfare
- v. Defence against atomic weapons
- vi. Atomic Energy Intelligence
- vii. Use of nuclear reactors for propulsion of naval vessels and (possibly) aircraft.

Detailed proposals are made in Section D.

7. The proposals for technical collaboration in the remainder of the field are described in Section E. These proposals provide for technical co-operation in the design, development and operation of plants for the production of fissile material; for co-operation in development of new types of reactors directed towards power production and increased supplies of fissile material as well as in the more scientific aspects of the field.

8. The principles to be observed in implementing the technical collaboration programme are described in Section F. They provide for common standards of security to be maintained in the three countries.

9. The present arrangement whereby the three countries have agreed not to transmit classified information, materials and equipment to other countries without the agreement of the other two countries should continue. The present arrangements for co-operation between the United Kingdom and other countries are described in Section G, and proposals are made for their regulation in the future.

10. Co-operation shall continue to be regulated by the Combined Policy Committee under the arrangement described in Section H. The agreement should continue until 31st December, 1955.<sup>2</sup>

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<sup>2</sup> Section H consisted of points 1, 2, 3, 4, 5, and 8 of the *modus vivendi* of January 7, 1948; for text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 679.

Department of State Atomic Energy Files

*Summary Log of Atomic Energy Work in the Office of the Under Secretary of State, February 1, 1949–January 31, 1950*

TOP SECRET

[WASHINGTON, undated.]

## I. UNITED NATIONS ATOMIC ENERGY COMMISSION<sup>1</sup>

At the request of the General Assembly, the UNAEC reconvened on February 28 in order to determine whether there was anything “prac-

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<sup>1</sup> For documentation on the work of the United Nations Atomic Energy Commission, see pp. 7 ff.

licable or useful" that it could do. After a series of meetings, the UNAEC, in two resolutions passed on July 29, 1949, reaffirmed the impasse outlined in its Third Report and stated that there was nothing practicable or useful that it could do until the six permanent members of the UNAEC have found a basis for agreement. The six permanent members first met on August 9, 1949 and, on October 25, 1949, in an interim report to the General Assembly, they stated that no basis for agreement had yet been found. The five non-Soviet members, in a separate report, outlined the basic difficulties to be overcome.

In the General Assembly, atomic energy was debated and a resolution was passed on November 23 by 49 votes to 5, reaffirming support for the United Nations plan and calling upon the six permanent members of the UNAEC to continue their consultations.

## II. COMBINED POLICY COMMITTEE

In the course of the year, major CPC activities involved:

A. Periodic discussions with the United Kingdom and Canada on long-term future relationships (see U.K.).

B. Pending the conclusion of an over-all agreement governing the relationships of the CPC countries, an interim allocation of raw materials for 1950 was agreed to in principle and details were worked out which are awaiting only formal approval to become operative.

C. Negotiations with Belgians regarding 1944 Agreement (see Belgium).

D. Consultations regarding announcement of Soviet atomic explosion in September.

## III. RELATIONS WITH FOREIGN COUNTRIES

### A. EUR

#### 1. *United Kingdom*

Discussions with the United Kingdom and Canada continued on a periodic basis throughout the year, seeking definition of future long-term working arrangements between the three Governments to secure most effective employment of their respective facilities to produce atomic weapons. By mutual agreement, these discussions were placed in indefinite suspense with the development of the Fuchs' case in January.<sup>2</sup>

#### 2. *Sweden and Norway*

a. Toward the close of the year, the Swedes and the Norwegians considered an exchange whereby Norway would furnish heavy water for the projected Swedish reactor and in exchange would receive Swedish uranium. The Swedes approached the American Embassy to

<sup>2</sup> On February 2, 1950, Klaus Fuchs, a British atomic scientist who had participated in the development of the atomic bomb in the United States during the Second World War, was arrested in Britain and charged with passing classified information to the Soviet Union.

ascertain whether we had objection to projected interchange. After consultation with the British, the Swedes were advised that the matter was one for determination internally by the Swedes, although we would be interested in knowing the final outcome. We appreciated the matter having been brought to our attention in light of the 1945 secret discussions, and we hoped that our viewpoint on this case would not impair our position with respect to future cases in which the Johnson understandings would become operative.<sup>3</sup> The Swedes apparently are disposed to go through with the exchange with Norway but this will require amendment of the present law prohibiting the export of uranium. Indications are that the Swedes are proceeding to make appropriate modification of the law in general terms, but we have been assured that no loopholes will exist whereby the Soviet Bloc could have access to Sweden's uranium.

b. The Swedish pilot plant for production of uranium oxide from kolm began successful operations. The Swedes continue their interest to secure U.S. assistance in the design and know-how for a small reactor.

c. The Norwegians still continue to struggle to produce sufficient uranium ore from their deposits to launch a reactor program of their own. Having received no satisfaction from the U.K. or the U.S. in regard to converting their ores to refined uranium, they have been dickering with the French and Swedes. Both Sweden and Norway may turn to France for aid in the fundamentals of atomic development if the U.K. and the U.S. are unable, for various reasons, to cooperate.

### 3. *Portugal*

a. The British concluded an understanding with the Portuguese Government essentially of a contractual nature which would permit the export over the next seven years of uranium concentrates produced from the CDA-owned mines. The British were also able to secure informal assurances that the Portuguese Government would do everything possible to prevent uranium from Portuguese territory reaching "persons inimical to" this understanding, i.e. persons within the Soviet bloc.

b. The Embassy engaged in discussions with parties having available certain refractory uranium ores in Mozambique. In view of the relatively high price asked for the ores, the apparent limited quantities available and the present lack of processing facilities in the United States, it was decided that the U.S. Government had no interest in the purchase of these materials. In consequence, the producers sub-

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<sup>3</sup> For documentation on the discussions which occurred between United States Minister Herschel V. Johnson and Swedish officials during 1945 concerning atomic energy, see *Foreign Relations, 1945*, vol. II, pp. 24-53 *passim*.

sequently signed a contract whereby the French AEC will receive the equivalent of 16 tons of uranium oxide in the next year.

#### 4. *Switzerland*

Discreet discussions with certain Swiss officials were conducted by the Legation with the objective of initiating moves within the Swiss Government toward the establishment of controls over the export of atomic energy items. These informal discussions were unsuccessful and at the close of the year the Legation was disposed to make a formal approach at the highest level of the Swiss Government. A matter of paramount concern to the U.S. in connection with Swiss export controls relates to the continued shipment of large quantities of graphite electrodes to Satellite countries.

#### 5. *Belgium and the Congo*

a. As a preliminary to the formal Governmental talks described below, arrangements were made between the Union Minière and the AEC regarding the distribution of radioisotopes in Belgium. These arrangements were made with the knowledge and approval of the Belgian Government and thus became part of the over-all understandings to be arrived at.

b. Apparently as a result of the prominence given atomic energy developments last fall (Soviet bomb and tripartite discussions), the Foreign Minister requested consideration of Belgium's participation in allocation of Congo ores between the U.S. and U.K. and renewed the desire of Belgium to participate now in benefits of the commercial application of atomic energy. Discussion of these and related problems by representatives of the U.S., U.K., and Belgium commenced in Washington in January and are still continuing. With commercial application still a far distant goal, the U.S. is obviously in no position to supply what the Belgians hoped could be immediately available to them. We have, however, offered to assist Belgium toward attaining fundamental scientific and nuclear competence on a realistic basis. Little satisfaction can be given the Belgians with respect to a price increase, justified as it is ostensibly only on the Foreign Minister's desire to enhance his political position.

#### 6. *The Netherlands*

Following the transfer of sovereignty to the new Republic of Indonesia, the Netherlands Government gave notice to the U.S. and U.K. that it was no longer in a position to fulfill its obligations under the monazite agreement<sup>4</sup> and that with respect to the territories now under the jurisdiction of the Indonesian Republic, the terms of the agree-

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<sup>4</sup>The memorandum of agreement between the Netherlands Government and the Governments of the United States and the United Kingdom, signed in London on August 4, 1945, is not printed, but for documentation on its negotiation, see *Foreign Relations*, 1945, vol. II, pp. 9-36 *passim*.



ment have lapsed. Since The Hague Round Table Agreements<sup>5</sup> provide for the assumption of previous international obligations by the Indonesian Government made by the Netherlands, we are considering an approach to the Indonesian Government at an appropriate time to obtain its accession of the applicable terms of the agreement.

#### 7. *France*

In connection with growing indications that Joliot-Curie would be ousted as head of the French Atomic Energy Commission, we pursued the policy of avoiding any step which would create the appearance that we were pressurizing the French to achieve this end. In view of strong Communist influence in the French AEC, we continued the policy of withholding any aid or encouragement to the French atomic program. The first French plutonium on a minute scale was produced in ZOE at the end of the year. (See also *Export Control* section.)

#### 8. *Italy*

Several alleged discoveries of uranium deposits in Italy were investigated through the Embassy but without definite results. Cooperation of Italian authorities was enlisted to help stamp out black marketeering of the remainders of former German uranium stocks. (See also *Export Control* section.)

#### 9. *USSR*

The most momentous event was, of course, the detection of an atomic explosion occurring somewhere in the Soviet Union late last summer. As a result, a thorough reevaluation of Western security policy appears necessary. The psychological impact on Western Europe and the Asiatic countries has not yet taken definite form.

#### 10. *South Africa*

Negotiations were conducted in Pretoria in November which resulted in a basis for agreement regarding the production and sale of uranium concentrates to the CDA by the South African Atomic Energy Board. Provision was made for the financing of the necessary concentrating plants, probably through an Eximbank loan for this specific purpose. The negotiated arrangements are being considered by the CPC and it is expected that the South Africans will be advised soon that the terms are acceptable to the U.S. and U.K. Governments.

#### 11. *Germany*

For various reasons, there was continued drag in the promulgation of Allied control laws to prohibit manufacture in and export from Germany of atomic energy items. Our strong concern at the lack of

<sup>5</sup> For documentation on the interest of the United States in Nationalist opposition to the restoration of Netherlands rule in the East Indies and consideration by the United Nations Security Council of the Indonesian case, see vol. VII, Part 1, pp. 119 ff. For a summary account of The Hague conference, August 23-November 2, 1949, see Department of State *Bulletin*, December 12, 1949, pp. 958-969.

these controls was expressed, and toward the close of the year it appeared that progress was being made to block shipments of these materials to the Soviet Bloc. Particular emphasis is being laid on the problem of controlling carbon and graphite electrode shipments to Switzerland to prevent diversion to the East.

#### B. ARA

##### 1. *Brazil*

*a. Monazite.* The Brazilians failed to present a promised version of a new *modus operandi* to replace the secret agreement which they claim cannot be reconciled with their 1946 constitution. The satisfactory *status quo* regarding the export of monazite solely to U.S. purchasers continues as a result of assurances from the Foreign Minister. However, with the expiration of commercial contracts at the first of the year the situation is cloudy as to Brazilian future policy. Two bills are being considered in the Brazilian Congress which would provide for the absolute prohibition of export of monazite (as well as of uranium and beryl ores). In view of these legislative proposals, the Embassy has made representations in the form of a memorandum handed to the Foreign Office on December 15. No reply has been received to this approach. The Department, taking cognizance of persistent reports that the embargo legislation is meeting no opposition either in the Congress or from the Executive Branch of the Brazilian Government, is asking the Ambassador for a full report on developments and has indicated that the Department and AEC are to send representatives to Brazil for consultation with the Embassy or for talks with the Brazilians should the latter be viewed by the Ambassador as a means of averting the legislative embargo.

*b. Beryl.* With respect to beryl, which would also be banned for export under the legislative proposals, the Embassy has had no discussions with the Brazilians. It was learned in December that one American beryllium company has been requested by private Brazilian parties to consider the erection of a beryl processing plant in Brazil. It is understood that negotiations are still continuing.

##### 2. *Argentina*

Nothing significant to report.

##### 3. *Mexico*

Through formal representations to the Mexican Government, the Embassy was able to secure return of a slug of uranium stolen from a U.S. atomic energy installation during the war and recovered in Mexico.

##### 4. *Colombia*

An American Minerals Attaché cooperated with Colombian officials to lay out a program for the exploration of radioactive mineral deposits in Colombia.

### 5. *Venezuela*

The Venezuelan Government has indicated a desire to secure the loan of two U.S. geologists to investigate radioactive mineral deposits in that country, although a reconnaissance by the American Minerals Attaché was largely negative.

### 6. *Chile*

Arrangements were completed with the Chilean Government for a cooperative investigation of certain radioactive mineral areas by a team composed of two AEC and two Chilean geologists. The work will take about six weeks.

## C. NEA

### 1. *India*

a. Following on discussions in New Delhi in May and June, negotiations were completed in October in Washington regarding terms of an understanding between the two governments on *inter alia* beryl and a beryllium processing plant. The proposed agreement has been considered at length by the Department and other Governmental agencies concerned. It is now the Department's view that the procurement features of the understandings might be embodied in a procurement contract to be supplemented (optionally) with a *note verbale* containing a unilateral declaration of intent by the United States Government on the extent and manner of assistance to be given the Indians in connection with beryl processing, basic scientific training in atomic energy, and related matters.

b. Erection of a monazite processing plant in accordance with an agreement reached between the GOI and a French company is being delayed for unknown reasons. A small quantity of monazite has been shipped to France for "experimental" work in the training of Indian technicians. It is understood that all thorium recovered will be returned to India. Rumors that the Indian Government might be disposed to sell large quantities of monazite to the U.S. industry have not proved accurate. It appears plain that the Indians are interested in processing all available monazite in their own country and may even erect a second plant on the east coast of Travancore.

## D. FE

### 1. *China*

As a result of the Nationalist debacle on the mainland, the practically finalized agreement concerning field investigation of radioactive deposits in China has become completely meaningless.

## IV. EXPORT POLICIES

A. During the year, with the exception of Switzerland, satisfactory progress was made with all foreign countries having prominence in the field of production of atomic energy items. At the year's end, agree-

ment in principle plus assurances that adequate administrative controls were either operating or would be established had been obtained from the U.K., Canada, Norway, Sweden, The Netherlands, Belgium, France and Italy, including the Allied Trieste Zone. As stated under Germany, progress was being made on long-delayed measures to establish controls there. With regard to Switzerland, the Legation will discuss the matter at the highest level.

B. As the next step in the parallel control program, we are asking our Missions abroad to ascertain the attitude of the other Governments to coordination of the AEC laws with the Military Security laws through appropriate administrative control mechanisms. If the other Governments consider this feasible and desirable, we shall take steps through the Intergovernmental East-West Trade Group now meeting periodically in Paris to coordinate the action on an effective multi-lateral basis.

#### V. RELATIONS WITH ECA

The AEC and the Department were forced to call to the attention of the ECA several instances whereby ECA funds were proposed to be used for the purchase of equipment useful primarily for atomic energy purposes. The ECA acted promptly to prevent use of their funds for these purposes, readily admitting that these could not possibly contribute to the economic viability of Europe.

#### VI. CONGRESSIONAL RELATIONS

Nothing significant to report.

#### VII. RELATIONS WITH DEFENSE ESTABLISHMENT

Formulation of policy governing President's decision on the super weapon, announced February 4.<sup>6</sup>

#### VIII. INTELLIGENCE

The detection of the atomic explosion in the Soviet Union, occurring in late summer of 1949, made necessary a re-evaluation of the status of the Soviet atomic energy program. This event gave an invaluable benchmark of Soviet progress which permitted a more accurate interpretation of the various fragments of information which previously had been impossible to interpret.

<sup>6</sup>Reference is to President Truman's statement on the hydrogen bomb, January 31, 1950, which read as follows: "It is part of my responsibility as Commander in Chief of the Armed Forces to see to it that our country is able to defend itself against any possible aggressor. Accordingly, I have directed the Atomic Energy Commission to continue its work on all forms of atomic weapons, including the so-called hydrogen or superbomb. Like all other work in the field of atomic weapons, it is being and will be carried forward on a basis consistent with the overall objectives of our program for peace and security.

"This we shall continue to do until a satisfactory plan for international control is achieved. We shall also continue to examine all those factors that affect our program for peace and this country's security."

## IX. MISCELLANEOUS

A. *Radioisotopes*

During 1950, the following countries were registered to participate in the AEC program for the foreign distribution of radioisotopes, bringing the total number of countries under the program to thirty-two: Finland, Colombia, Uruguay, Lebanon, Egypt, Japan and Portugal.

Radioisotopes are to be distributed in Japan under the auspices of SCAP.

During the year, Canada instituted a foreign distribution program patterned after ours. The USAEC Liaison Officer stationed at Chalk River has been appointed as the American representative to handle the procurement of isotopes in Canada.

B. *Oak Ridge Institute*

Foreign nationals were accepted for training in radioisotope techniques courses at the Oak Ridge Institute in the following numbers: 6 Belgians, 3 Canadians, 2 British, 2 Indians, 1 Dutchman, 1 Spaniard, 1 New Zealander, 1 Finn and 1 Norwegian, making a total of 18. Applications were received from a much larger number of foreign nationals than could be accommodated.

PROGRESS OF THE PROGRAM FOR THE MODERNIZATION OF THE TREATIES OF FRIENDSHIP, COMMERCE, AND NAVIGATION; GENESIS OF THE INVESTMENT TREATY

800.50 TA/2-849

*Mr. Robert F. Loree, Chairman of the Board, National Foreign Trade Council, Inc., to the Secretary of State*

NEW YORK, February 8, 1949.

DEAR MR. SECRETARY: We have noted with great interest the President's remarks in his Inaugural Address regarding the economic development of underdeveloped areas.<sup>1</sup> We are not entirely clear as to some of the statements made by the President in discussing this subject. We assume, however, that in due course further public elucidation will be made of the President's views.

We are especially concerned that any program to foster capital investment in underdeveloped countries shall not operate in such way as to injure present or future American private investments in such countries, and thus prevent or retard the flow of private investment capital abroad. Since its formation thirty-five years ago the National Foreign Trade Council has taken an active interest in securing the removal of barriers to international trade and investment. In this connection the Council has, over the years, formulated principles and policies which, if adopted and implemented, would provide the necessary safeguards to stimulate the flow of American private capital investments abroad. These safeguards should embrace:

1. *Rights of establishment.*

These should include the right of nationals of the United States to enter capital-seeking countries (including dependent areas under their administration) and to engage in industrial and business activities permitted to nationals of such countries or of third countries, except in cases where such activities are restricted to nationals of the host country because of security reasons; and the right of nationals of the United States to reside and travel in such countries, to own, sell, lease and control property, and to enjoy the same protection of the laws, access to and equality before the courts and privileges respecting the

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<sup>1</sup> For documentation regarding the Point IV program, see pp. 757 ff.

conduct of business activities as are accorded the nationals of the host country or of third countries.

2. *Rights relating to employees.*

Nationals of the United States engaged in business in other countries should have the right to select agents of their own choice and to employ, without regard to nationality, such managers, technicians, foremen, and confidential and key workmen as they deem necessary for the proper operation of the business; and alien employees of enterprises operated within such countries by nationals of the United States should be accorded the same rights regarding residence and amenities of life as are enjoyed by nationals of the host country or of third countries and should not be subject to restrictions on the amount of salaries, wages or other income which they receive from such enterprises, nor to discriminatory or unreasonable taxes or other exactions respecting such income.

3. *Rights pertaining to operation of business.*

American enterprises in other countries should be assured the right of access to raw materials and markets and to labor supply of the host country on the same terms as business enterprises operated therein by its citizens or by citizens of third countries; should be accorded access on nondiscriminatory terms to the capital markets and other facilities of the host country for obtaining funds essential for short-term and long-term business requirements; and should be assured the right to use on nondiscriminatory terms, communications, transportation and other facilities of the host country required in carrying on business operations.

4. *Protection of property rights.*

American properties situated in other countries should be guaranteed against expropriation or nationalization or other governmental acts impairing their value without provision for prompt, adequate and effective compensation in the currency of the country of the owner of the property or in a currency acceptable to him. Such guaranties should include assurances of protection to nationals of the United States against misappropriation or misuse in the host country of their inventions and patents, trade-marks and trade names, and other proprietary rights.

Assurances by other countries respecting property rights of nationals of the United States should provide that, in case the government of the host country decides to engage in competition or to sponsor an enterprise to compete with an American enterprise in such country, the American enterprise will be given the option of selling its business to the government of such country or to the enterprise sponsored by it at a fair price including compensation for goodwill.

American enterprises in other countries should also receive assurance that no provision will be adopted by the host government requiring the participation of local capital in such enterprises or that a specified proportion of the directorate shall be citizens of the host country. Any participation of local capital in such enterprises should be entirely optional with the owner, depending upon the merits of the case as he may appraise them.

5. *Tax treatment.*

American enterprises in other countries should receive assurance of tax treatment no less favorable than that accorded to domestic and other competitors, and of freedom from extraterritorial and double taxation and from unduly burdensome, discriminatory or other unfair tax practices. There should also be assurance that, in no event, will American enterprises in other countries be subject to any capital levy.

6. *Transportation and other facilities.*

Assurances should be sought providing that American transportation, communications, banking, insurance and other trade-facilitating services will receive nondiscriminatory treatment within other countries and that such American facilities will be accorded the right to participate on a fair basis in the movement and servicing of cargo and passenger traffic flowing to and from such countries. Such American services should not be subject to discrimination by other countries with respect to tax and other charges or with respect to use of facilities, such for example, as the establishment of priorities in favor of domestic ships in the use of harbor facilities for the loading and unloading of ocean vessels. In particular, American transportation services should be assured of the opportunity to participate on a fair basis in the transportation of all forms of international commerce and American insurance firms should have the right to compete in the writing of insurance on all cargo and passenger traffic between the United States and other countries.

7. *Foreign exchange regulations.*

Assurances should be obtained from other countries that they will not apply controls over foreign exchange in an unfair or discriminatory manner against nationals of the United States and that private trade will not suffer in the application of such controls as compared with trade conducted by governments or by government trading agencies. There should also be assurances that claimants for exchange to meet interest, dividend and capital repayment requirements will share equitably in the allotment of available exchange with applicants for exchange to cover commercial and government transactions. Assurances should also be obtained that other countries will not apply dis-



criminary taxes on exchange remittances by nationals of this country.

8. *State trading.*

Assurances should be sought providing that countries engaging in state trading will conduct their state trading operations in such way as to permit competition by private traders and to promote expansion of international trade on a nondiscriminatory most-favored-nation basis.

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The foregoing outline of assurances necessary to stimulate the flow of American private international investments is not intended to be all inclusive. It does, however, indicate the kinds of assurances that must be provided if American and other private investors are to place their funds in economic projects abroad.

The principles outlined above for the protection and safeguarding of American capital investments abroad are not merely principles that are of interest to American enterprise alone. They are basic to any program which will encourage international investment on the scale necessary for reconstruction of war-devastated nations and development of economically backward countries, and for the promotion of international trade to the level required for an expanded world economy and rising standards of living for the peoples of all nations.

Assurances of the kind indicated above, where not now provided by existing arrangements, should be sought through the medium of modern and up-to-date Treaties of Friendship, Commerce and Navigation, tax treaties and other appropriate types of agreements. It is respectfully urged that, where necessary, the Government of the United States employ all the bargaining power it possesses by virtue of the Trade Agreements Act, present and prospective foreign aid programs of this country and through other means, to induce foreign nations to enter agreements of the above character with this country.

Apart from efforts to secure the creation of a favorable international environment for private investments, there are certain measures which the United States can take to encourage the investment of American private capital in countries needing such capital. Tax laws of this country should be revised so as to foster capital formation, with a view to providing additional funds for capital investment both in the United States and abroad; and a provision should be adopted stipulating that income earned by American enterprises in other countries shall not be taxed by this country until such income is actually brought home in dollars.

In this connection, the Council has been especially interested in the development of measures for implementation of the transfer guaranties provided for in the Foreign Assistance Act of 1948. It has

recently adopted recommendations for broadening of the facilities of the ECA transfer guaranties. Attached is a copy of these recommendations as transmitted to Mr. Paul G. Hoffman, Administrator of the Economic Cooperation Administration.

The Council would welcome the opportunity to discuss with appropriate officials of the Department the matters dealt with in this letter.

Very sincerely yours,

ROBERT F. LOREE

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800.50 TA/2-849

*The Secretary of State to Mr. Robert F. Loree, Chairman of the Board,  
National Foreign Trade Council, Inc.*

WASHINGTON, March 15, 1949.

MY DEAR MR. LOREE: I refer to your letter of February 8, 1949 expressing concern that any program to foster capital investment in underdeveloped countries shall not operate so as to injure American private investments in such countries. Your letter also suggests in some detail certain principles and policies which your Organization believes would provide necessary safeguards for such investment.

The Department is in full accord with the view of your Council as to the desirability of protecting American investments abroad and agrees that such protection is essential to the stimulation of overseas investment. The Department appreciates the detailed suggestions you have made toward that end and is studying them with considerable interest.

As will be seen by an examination of the Treaty of Friendship, Commerce and Navigation with Italy, which we hope will soon be in force, the Department has been seeking to negotiate assurance of the general sort mentioned in your letter, to the extent compatible with the nature of this kind of instrument.<sup>1</sup> This treaty contains more extensive assurances for the encouragement and protection of investments than any hitherto concluded by this Government; and we have been much encouraged by the favorable reaction your Organization has had to it. The substance of the Italian treaty provides the point of departure for drafts prepared for negotiation with other countries, pursuant to the active program now under way to modernize outstanding commercial treaties and to conclude new ones with countries with which there

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<sup>1</sup> Treaty and protocols signed at Rome, February 2, 1948; ratifications were exchanged at Rome on July 26, 1949 and the treaty entered into force on that date: for text, see Department of State Treaties and Other International Acts Series (TIAS) No. 1965, or 63 Stat. 2225. This FCN treaty with Italy was the first to be negotiated and to enter into force in the program initiated by the Department of State after World War II to update and modernize the commercial treaties of the United States.

are none in existence. However, we are constantly considering what may be done to improve and strengthen the provisions of our basic draft. Two particular points on which we are presently endeavoring to formulate more extensive assurances are in connection with the employment of essential personnel and the withdrawal of returns from investments. You will appreciate, however, that a number of perplexing problems arise in attempting to go beyond the Italian treaty on these two points.

In previous discussions with your Council it has indicated its appreciation of the fact that there are limits to what can be accomplished in a treaty of this kind, owing to its broad, long-term, strictly mutual nature and the circumstance that it is not negotiated in a climate of *quid-pro-quo* bargaining. Because of these limits, the Department gives attention also to other more specialized agreements, such as double tax conventions, for example, which provide more elaborate or more specific treatment of particular subject matters than is possible in the Treaties of Friendship, Commerce and Navigation.

The assumption that the President's Fourth Point would be amplified by further public statements has, of course, been realized to some extent in the past few weeks. Enclosed for your information is an address which I delivered before the Economic and Social Council and a Departmental release on the same subject by the Office of Public Affairs.<sup>2</sup>

If your Council desires, I should be glad to arrange a meeting at your convenience with appropriate officers of the Department, with a view to discussing these subjects at greater length.

Sincerely yours,

For the Secretary of State:

WILLARD L. THORP  
*Assistant Secretary*

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<sup>2</sup> Regarding Assistant Secretary Thorp's address to the United Nations Economic and Social Council on February 25, 1949, concerning an expanded program for technical assistance, see footnote 5, p. 768.

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Current Economic Developments,<sup>1</sup> Lot 70D467

*Extract From Bulletin No. 200, May 2, 1949*

SECRET

*Commercial Treaty Program Reviewed* Our program for modernization and extension of commercial treaties has moved forward during

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<sup>1</sup> Master set of the Department of State classified internal publication *Current Economic Developments* for the years 1945-1969, as maintained in the Bureau of Economic Affairs (FRC Accession No. 72 A 6248, boxes 218-224).

the past nine months with ratification by the two governments of the treaty of friendship, commerce and navigation with China;<sup>2</sup> active negotiations with Australia, France, Ireland, the Philippines, and Uruguay; and presentation of draft treaties to the Benelux countries, Colombia, Costa Rica, and Ecuador, and a revised draft to Cuba. The treaty negotiated with Italy is now under consideration by the Italian parliament.<sup>3</sup> (See page 9, August 23, 1948 issue of *Current Economic Developments*.)<sup>4</sup> Chief problems in negotiating the treaties have arisen over the provisions for national treatment and foreign investment.

Proposals for FCN negotiations have been widely disseminated during the past few years, partly to determine as far as possible the reactions of various countries or groups of countries such as the Near East, the British Commonwealth, and Latin America, and partly in recognition of the possibility that a long period of education might prove beneficial in some of the economically under-developed countries. As a long-range matter, the ultimate conclusion of treaties appears possible with many of the 24 countries to which we have proposed negotiations. Treaties with Ireland, Lebanon, and Uruguay may be concluded during 1949, and, granted the satisfactory solution of certain important issues, treaties may also be entered into with France and the Benelux countries this year. The conclusion of a treaty with any one of these countries in the immediate future is a matter of considerable importance, since it would represent the first successful negotiation of the new, improved, standard draft and might have a salutary effect on a number of other negotiations.

*Draft Improved* The basic treaty draft has been rewritten to give it a uniform style, to strengthen its provisions by the elimination of loopholes and the removal of damaging reservations, and to incorporate new material, including provisions on social security, freedom of information, commercial arbitration, government participation in business, and withdrawal of earnings.

*National Treatment is Main Negotiating Problem* The experience of the past six or eight months in particular has shown that the main negotiating problem is the reluctance of many foreign countries to grant national treatment for a wide variety of economic activities. This reluctance is the cause of the present impasse in the French negotiations, has prolonged the Irish negotiations, and may possibly

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<sup>2</sup> Negotiations for this agreement had been initiated in 1943. The treaty and protocol were signed at Nanking, November 4, 1946; and exchange of notes was signed and ratifications exchanged at Nanking on November 29 and November 30, respectively, the agreement entering into force on November 30. For texts, see TIAS 1871, or 63 Stat. (pt. 2) 1300.

<sup>3</sup> As noted above, ratifications were exchanged with Italy on July 26, 1949.

<sup>4</sup> Not printed.

delay conclusion of a treaty with Uruguay. For the most part, the attitude of foreign countries is determined by their fear of undue American influence in their economies or of undue economic penetration by other countries through operation of the most-favored-nation principle. The fear of US interference may develop either through "colonization" of important segments of their industry to the detriment of vested domestic interests or through exchange stringencies caused by extensive withdrawals of earnings. Even when quite liberally inclined, these countries tend to insist on the right to withhold national treatment during emergency situations. In some cases foreign countries realize Americans are unlikely to avail themselves of these treaty rights to a great extent but fear that they would be forced to give the same rights to neighboring countries which would extensively use them, probably with undesirable results. The French fear Italian and Spanish penetration, particularly in the petty retail trade; the Filipinos fear similar penetration by the Chinese; the Irish fear Great Britain; the Uruguayans, Argentina.

*Investment Problem* Another problem that has caused major negotiating difficulties arises in connection with investments. Nearly all foreign countries profess to welcome US capital but nearly all of them also consider themselves as being in difficult economic circumstances and needing protection for a considerable time against economic dislocations which might develop as a result of relaxed exchange controls or liberal treatment of foreign corporations. Accordingly they desire that the investment provisions of the treaty afford them adequate protection while they complete the adjustment of their national economies to postwar conditions, feeling in this regard that the US, by virtue of its wealth and economic strength, is able to export capital without needing an immediate return on its investment.

*US has Little Bargaining Power* As a practical matter, much of the difficulty in negotiating FCN treaties results from the relatively small degree of bargaining power such treaties possess. The main reason for this lack is that, notwithstanding many popular notions to the contrary, State and Federal laws governing the treatment of aliens in the US are quite liberal. Consequently the US is in the position of seeking through the FCN treaties to secure for its citizens abroad a reasonable approximation of the rights aliens already enjoy in this country. It was thought that the interest of foreign countries in obtaining US investments would improve our bargaining position. Since, however, foreign countries foresee difficulties in permitting extensive investment by foreign interests and do not consider themselves able to take advantage of treaty rights for investment in the US, this inducement has not yet proved especially effective.

NAC Files,<sup>1</sup> Lot 60D137

*Memorandum by the NAC Staff Committee to the National Advisory Council*

CONFIDENTIAL  
NAC Doc. No. 838

[WASHINGTON,] June 13, 1949.

Subject: Treaty Provisions Covering Protection of United States Foreign Investment

*Discussion*

In its consideration of the commitments regarding investments which should be incorporated in treaties the Committee has endeavored to strike an appropriate balance between the following: (a) commitments which are sufficiently strong to encourage new investments, (b) commitments which have a reasonable prospect of being acceptable to foreign countries, (c) commitments which are feasible from the standpoint of U.S. laws and probable congressional views, and (d) commitments which are considered fair and reasonable from the standpoint of both parties.

The Committee has considered the views of private organizations and individuals, of existing multilateral commitments of governments and of existing and proposed provisions in treaties of friendship, commerce and navigation. It has set forth its recommendations as to the principles which should be incorporated in investment clauses under five main headings as follows:

1. Equitable treatment.
2. Reasonable freedom to operate, control and manage an enterprise.
3. Expropriation and compensation therefor.
4. Withdrawal of funds and exchange restrictions.
5. Taxation.

The majority of the Committee accepted mutuality as a basis for all commitments.

With the exception of item 4, the Committee has not attempted to draft precise language. However, with respect to the other sections, it is the opinion of the Committee that the State Department draftsmen should follow where practicable the language used in the statement of principles, and that a model draft of articles incorporating the principles should be presented to the NAC and ECEFP for consideration.

The recommendations with respect to the content of investment clauses represent the majority views of the working group and of the

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<sup>1</sup>The National Advisory Council on International Monetary and Financial Problems (the NAC was established in August 1945 pursuant to the provisions of the Bretton Woods Agreements Act of July 31, 1945 (59 Stat. 512), to effect coordination in the formulation and implementation of the foreign financial policies of the United States.

Staff. In the main, the results of the work represented a compromise of shades of view. It was felt, however, that the Council might wish to note the minority views on three issues:

1. *Withdrawal of funds and exchange restrictions.*

It was the view of some members on the Staff that, with respect to the withdrawal of funds and exchange restrictions, the investment clauses should provide some guaranties of minimum annual withdrawals of earnings and capital, even in times of exchange stringency, with the exception that such guaranties would not be binding if the International Monetary Fund specifically found that the exchange position of the country did not warrant any servicing of foreign investments. Such minimum guaranties would not necessarily be uniform for all countries.

2. *Expropriation and compensation therefor.*

It was the view of the minority that transfers into dollars of payments for expropriated property should not be subject to exchange restrictions. The only exception would be in connection with measures necessary to protect a country's essential security interests.

3. *Reasonable freedom to operate, control and manage an enterprise.*

It was the view of the minority that the provisions relating to this subject should specifically include clauses permitting, in cases where United States investors so desire, majority ownership of stock and majority control of the Board of Directors or other governing body.

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NAC Files, Lot 60D137

*Minutes of Meeting (No. 130) of the National Advisory Council,  
Washington, June 14, 1949*

SECRET

[Here follow list of persons present (24) and discussion of a prior agenda item.]

2. *Treaty Provisions Covering Protection of United States Foreign Investment*

Mr. Glendinning<sup>1</sup> pointed out that under the recommended action the Council would advise the Department of State that it favored negotiation of treaties which would provide adequate protection for United States enterprises and investments abroad. The action would further express the opinion of the Council that proposals for substantial deviations from the principles outlined should be referred to the Council (NAC Document No. 838).

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<sup>1</sup>C. Dillon Glendinning, Acting Secretary of the National Advisory Council.

Mr. Glendinning explained that a joint NAC-ECEFP working group had been considering the problem over a considerable period of time. The outline of provisions submitted was not intended (with the possible exception of item IV) to indicate the actual wording to be included in treaties. The attempt had been to state broad principles. After the State Department had prepared a model draft of articles incorporating these principles, the matter would come again to the Staff Committee, and would be reviewed in the Council if considered desirable. The paper presented for Council consideration was in the main an agreed paper and represented compromises on many items. However, there were minority views on certain points. The subject matter was divided into five principal categories:

(1) *Equitable treatment.*—There was a general statement that United States investors should be accorded non-discriminatory treatment. This would mean that United States investors would obtain national treatment with respect to investments in all lines except banking, extractive and public utility activities. With respect to the latter categories United States investors would receive most-favored-nation treatment. One broad exception related to measures concerned with national security. There was also a general provision for consultation on questions as to what would constitute equitable treatment.

(2) *Reasonable freedom to operate, control and manage an enterprise.*—The broad principle was stated that United States investors should have such freedom. Specific provision would be made for the right of United States enterprises to hire personnel wherever they choose. This was directed at legislation requiring that a certain percentage of employees be of local nationality. A minority felt it desirable to spell out that United States nationals should have the right to own a majority of the stock and have majority voting rights on the Board of Directors.

(3) *Expropriation and compensation therefor.*—There was a broad statement that compensation should be prompt and in full and that provision should be made therefor at the time of taking. This did not necessarily mean that payment would be made immediately, but that provision should be made for compensation. It was felt that the United States could not ask for more than we were willing to give and since compensation here is not paid prior to taking it was not thought we could ask for more favorable treatment. A minority held that local currency payments to parties having property expropriated should not be subject to exchange restrictions except in connection with measures necessary to protect a country's essential security interests.

(4) *Withdrawal of funds and exchange restrictions.*—The provision favored by the majority was that countries should not impose exchange restrictions either on transfer of capital or earnings, except in time of exchange stringency. Priority would be established for



payments for goods and services deemed essential to the health and welfare of the people. It would also be recognized that where the International Monetary Fund had authorized restrictions for this purpose the country might impose them. If restrictions were imposed there should be consultation within three months for the purpose of establishing some arrangement for some transfer of funds. A minority view on this point was that there should be some provision for a minimum transfer of earnings and capital regardless of the degree of exchange stringency. This minimum might vary from country to country but some provision for transfer should be included. The only exception would be where the International Monetary Fund had specifically authorized the country concerned not to make payments for capital and interest.

(5) *Taxation.*—The general provision was that we should obtain not less than national treatment. The only exception would be where under our own regulations we did not provide national treatment, e.g., in cases where foreign corporations were not considered resident in the United States. In other cases it would be provided that we should receive at least most-favored-nation treatment and that the division of levies on income from various foreign sources should be reasonable. These latter provisions had been reviewed by the tax experts.

Mr. Thorp said that he felt that the Staff Committee had done an excellent job in setting forth the best use of the treaty device in eliminating obstacles to private capital investment abroad. He added that the State Department would be prepared to take a very firm line with respect to these provisions. He warned, however, that there would have to be prolonged discussion with many countries before they would be prepared to accept this kind of understanding. We would have to make clear that new investment would have to come in voluntarily—not provided through taxation of the American public. The suggested provisions ran clearly counter to the national feeling of many countries and to legislation that now exists. He had no doubt that it was the right line for us to take, but he did not want the Council to feel disappointed if a number of treaties were not negotiated immediately. If we were quite firm a good many countries would come toward the desired position. During the recent visit of the President of Brazil there had been indications of a realization that opening up of channels to provide investment was the way to get the economic development they want.

Mr. Thorp then referred to the bilateral agreements under ECA as an example of the fact that identical results cannot be obtained in negotiations with a series of countries. National pride or existing laws affect the way a thing is said and more provisions may not be appro-

priate. It would be necessary to come back to the Council from time to time to discuss particular situations. In some instances the question may be raised as to whether it would be worth going ahead with a treaty where modifications of the basic position would be involved. As foreign countries see it they would be making concessions to us and would not be getting much in return that they do not already have. We would be giving them American investment but in the treaty this would not be a reciprocal item. The treaty concessions should be thought of as the conditions that must be set up before there can be a flow of investment. The Chairman observed that there would be no reciprocity if loans were made without adequate preparation. In the negotiations foreign countries should be told we are laying the ground work on our side in encouraging investment and if the investment does not flow there would be no obligation on their part. There would only be a concession on their part if there was United States investment abroad. Both sides would have to work together to bring about full reciprocity. Mr. Thorp agreed that in the large sense the proposal was reciprocal.

Mr. Gaston<sup>2</sup> said he assumed the treaties would be effective retroactively and that existing investments would be covered. It was agreed that this assumption was correct.

Mr. Gaston also observed that he thought it was dangerous to introduce into any such agreement the concept of a minimum rate of return or a minimum amount to be transferred. Such a minimum quickly becomes a maximum. He presumed that these negotiations and treaties would be the prerequisites referred to in the action of the Council regarding guaranties. His earlier reaction had been that little was to be gained from guaranties, and that if countries established conditions favorable to investment they would get investment without guaranties. Now he was not so sure that was true since there are differences between making an investment subject to foreign law and making an investment subject to a guaranty which makes the United States a party to requiring the foreign country to abide by the conditions of investment. In the latter instance the guaranty would become a substantive thing.

Mr. Blaisdell<sup>3</sup> felt that the State Department in undertaking a program of negotiation of treaties of this kind was faced also with the question of broader treaties such as the treaties of friendship, commerce and navigation. A treaty will in all probability do very little to stimulate investment in itself and do no more than finalize an agreement between two countries where a flow of capital is going on and a

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<sup>2</sup> Herbert E. Gaston, Export-Import Bank.

<sup>3</sup> Donald C. Blaisdell, Department of Commerce.

treaty can take care of the fringe edges. He believed the broader treaties, which deal with matters of significance to investment, such as navigation and commercial rights, would be preferable to purely investment treaties. He observed that the statement before the Council did not preclude the broader kind of treaty.

Mr. Glendinning observed that in the Staff Committee this problem had been considered and in presenting the document the Staff did not intend to deal with an investment treaty *per se*. The Staff was concerned with the content of certain provisions regardless of context, whether in an FCN treaty or negotiated separately. It was not intended to prejudge the issue.

Mr. Thorp said that from the point of view of the State Department it was very desirable to get the broader type of treaty, covering the rights of persons, shipping rights, etc. The Department hoped to press for a broad type of treaty containing these investment provisions.

Without further discussion the recommended action was approved as reflected in the majority statement.

*Action.* The following action was taken (Action No. 334):

The National Advisory Council advises the Department of State that it favors negotiation of treaties which will provide adequate protection for United States enterprises and investments abroad and which will include the principles set forth in the attached outline of provisions. The Council is of the opinion that proposals for substantial deviations from these principles should be referred to the Council.

#### *Outline of Provisions*

##### *I. Equitable treatment.*

United States investors shall at all times be accorded non-discriminatory, reasonable, fair and equitable treatment. In particular they shall be accorded national treatment as a minimum with respect to the right to establish and engage in all economic activities except fiduciary, deposit banking, extractive, transport, communications and public utility activities.

They shall be accorded most-favored-nation treatment as a minimum for the excepted activities noted above, and also for all activities enjoying national treatment whenever most-favored-nation treatment is more favorable than national treatment.

This treaty shall not preclude the application of measures necessary to fulfill the obligations of a Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests.

Upon the request of either Party there shall be consultation regarding any action or proposed action which such Party considers to be in derogation of obligations undertaken in this treaty.

II. *Reasonable freedom to operate, control and manage an enterprise.*

United States investors shall have the right effectively to operate, control and manage enterprises which they have established within the other country.

Investors shall have the right to engage employees of their choice, regardless of nationality, also technical experts, who shall have the right, among other things, to make examinations, audits and technical investigations, and to render reports in connection with the planning and operation of enterprises in a foreign country, regardless of the extent to which they may have qualified for the practice of a profession within such country.

III. *Expropriation and compensation therefor.*

Property shall not be taken except for public purposes nor without prompt payment of just compensation. Such compensation shall be in an effectively realizable form and shall represent the full equivalent of the property taken, and adequate provision shall have been made at or prior to the taking for the determination and payment thereof. If such compensation is paid otherwise than in the currency of the investors it shall be convertible into the currency of the investor as provided in Article—— (see item IV 4).

IV. *Withdrawal of funds and exchange-restrictions.*

(1) The treatment prescribed in the present Article shall apply to all forms of control of financial transactions, including (a) limitations upon the availability of media necessary to effect such transactions, (b) rates of exchange, and (c) prohibitions, restrictions, delays, taxes, charges and penalties on such transactions; and shall apply whether a transaction takes place directly, or through an intermediary in another country. As used in the present Article, the term "financial transactions" means all international payments and transfers of funds effected through the medium of currencies, securities, bank deposits, dealings in foreign exchange or other financial arrangements, regardless of the purpose or nature of such payments and transfers.

(2) Financial transactions between the territories of the two Parties shall be accorded by each Party treatment no less favorable than that accorded to like transactions between the territories of that Party and the territories of any third party. Each Party, however, reserves rights and obligations it may have under the Articles of Agreement of the International Monetary Fund, except to the extent such rights and obligations are waived by the provisions of paragraph 4 of the present article.

(3) Nationals and companies of either Party shall be accorded by the other Party national and most-favored-nation treatment with re-

spect to financial transactions between the territories of the two Parties or between the territories of such other Party and of any third country.

(4) Nationals and companies of either Party shall be permitted to withdraw freely from the territories of the other Party, by obtaining exchange in the currency of their own country,

- (a) earnings, whether in the form of salaries, interest, dividends, commissions, royalties or otherwise; and funds for amortization of loans and depreciation of direct investments and transfers of the whole or any portion of the compensation referred to in paragraph \_\_\_\_\_ of Article \_\_\_\_\_ (see III *supra*) and
- (b) funds for capital transfers.

If more than one rate of exchange is in force, the rate applicable to the withdrawals referred to in the present paragraph shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of such specifically approved rate, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

(5) Each Party shall retain the right in periods of exchange stringency to apply: (i) exchange restrictions to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people; and (ii) exchange restrictions that are specifically approved by the International Monetary Fund, in the case of a member of the Fund; it is understood that exchange restrictions shall not be applied to the withdrawals referred to in paragraph (4) (a) of this Article, except at a time when exchange restrictions shall have been applied with respect to payments for goods other than those essential to the health and welfare of its people. In the event that either Party applies exchange restrictions, it shall, within a period of three months in consultation with the other Party, make reasonable and specific provision for the withdrawals referred to in paragraph (4) (a) of this Article, together with such provision for the withdrawals referred to in paragraph (4) (b) of this Article as may be feasible, giving consideration to special needs for other transactions, and shall afford the other Party adequate opportunity for consultation at any time regarding such provision and other matters affecting withdrawals. Such provision shall be reviewed in consultation with the other Party at intervals of not more than 12 months.

(6) In general, any control imposed by either Party over financial transactions shall, subject to the reservations set forth in paragraphs 2 and 4 of the present Article, be so administered as not to influence disadvantageously the competitive position of the commerce or in-

vestment of capital of the other Party in comparison with the commerce or the investment of capital of any third country.

### V. Taxation

Investors generally shall be accorded not less than national treatment. However, in the case of nonresident alien individuals and foreign corporations not engaged in business in the United States, it is recognized that national treatment may not be possible, and in such cases an approximation to national treatment will be accorded.

Investors shall be accorded most-favored-nation treatment and in the event that most-favored-nation treatment is more favorable than national treatment investors shall enjoy the more favorable of the two.

In the case of income derived from two or more countries, each country agrees not to levy against more than that proportion of the total income which is reasonably attributable to it.

(Note: All taxation provisions should be subject to the advantages (1) in minor respects accorded to contiguous countries, (2) arising from double taxation agreements, and (3) based upon reciprocal agreements with other countries.)

[Here follows discussion of other subjects.]

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Current Economic Developments, 70D467

*Extract From Bulletin 227, November 7, 1949*

#### SECRET

*Commercial Treaty Program Reviewed* Continuing progress is being made in our commercial treaty program, both in the negotiations with specific countries and in improving the basic draft, principally with respect to the more technical features of investment. (See page 1, May 2, 1949<sup>1</sup> issue of *Current Economic Developments*.) Within the past six months proposals for the negotiation of treaties of friendship, commerce, and navigation have been made to Greece and Peru; arrangements have been made for instituting treaty projects with Denmark, Paraguay, Portugal, and Syria as soon as circumstances in those countries permit; and substantial further progress has been made in the current negotiations with France, India, Ireland, Lebanon, and Uruguay. In addition, other countries are studying draft treaties which we have submitted to them.

*National Treatment Remains Problem* The main negotiating problem continues to be the reluctance of many foreign countries to grant national treatment for a wide variety of economic activities. In a number of cases these countries desire to screen foreign investments, per-

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<sup>1</sup> *Ante*, p. 636.

mitting the establishment of only the enterprises they deem beneficial. In more extreme cases, foreign countries wish to retain the right, subsequent to screening, to regulate the operations of legitimately established enterprises on a discriminatory basis. In any event, once screening has occurred, it appears difficult to avoid some measure of subsequent control at variance with the general rule of national treatment. In addition, the collateral problems of expropriation and exchange control have continued to present a substantial negotiating difficulty.

*European Negotiations* Negotiations with the Benelux, originally scheduled for August but postponed at the request of the Dutch, will probably begin the end of November. Both the Belgians and the Dutch are definitely interested in concluding a treaty with the US, but postponement has been necessary because of difficulties in completing arrangements for the Benelux union and pending settlement of the Dutch-Indonesian problem. The impasse which had developed in the French negotiations over the investment issue was apparently resolved by a mutually agreeable formula on screening which was worked out with Foreign Minister Schuman when he was in Washington last September and it is expected that negotiations may be concluded in the near future. The suggested settlement of the investment question calls for a special protocol permitting the French to screen American investments on balance-of-payments grounds. This reservation would be transitional in character, terminable when balance-of-payments difficulties are past, and applicable only to the entry of capital; and, once admitted, American business enterprises would receive full national treatment. The treaty negotiated with Ireland is now before the Irish Cabinet for approval, and Legation Dublin is optimistic about prospects for signature within the near future. The Greeks have shown definite interest in the draft presented them last August, and it is hoped negotiations may begin very soon. It was planned to present a draft treaty to Portugal last spring but in view of the unfavorable atmosphere resulting from the reduction in ECA funds for Portugal, presentation was withheld. Now, however, since Portugal's financial position has improved as a result of OEEC allocations, the draft will probably be formally presented soon.

*Negotiations with American Republics* The FCN treaty negotiated with Uruguay has been under final consideration by the Uruguayan Council of Ministers for some months, but approval has been delayed, chiefly because of objections raised by the Bank of the Republic to the exchange control provisions. The Bank wishes to add a protocol provision reserving the right for Uruguay to discriminate against the US and in favor of third countries with respect to the issuance of import permits and the remittance of earnings when Uruguay possesses balance of currencies of such third countries and the free convertibility

of currencies has not been re-established. We have proposed certain adjustments in the exchange control provisions which it appears Uruguay may accept, making early signature of the treaty possible. Although Brazil has not replied to our suggestion that we begin commercial treaty discussions on the basis of a draft submitted last June, there is evidence that, in contrast to the rather indifferent attitude displayed toward the draft treaty presented in 1946, the new draft is receiving active consideration. Brazil is known to be interested in the Point Four program and in joint action to stimulate the flow of private capital there. It may be possible to conclude a treaty with Brazil provided satisfactory arrangements can be worked out with respect to a double tax convention and with respect to their proposal for a joint guarantee fund. Chilean interest in negotiating an FCN treaty with us is questionable. During exploratory conversations last spring, the Chileans were unsympathetic to the idea. Recently, however, there have been some indications of interest in the Point Four program, which may mean that some change may be made with respect to treaty commitments. Colombia has indicated that the treaty provisions are acceptable in principle but is delaying actual discussions until we can take definite action with respect to the negotiation of a double tax convention. Cuba apparently wishes to make the conclusion of a treaty contingent upon incorporation of a provision which would stabilize the market for Cuban sugar in the US, probably in the form of a commitment not to reduce the present Cuban percentage participation in the US domestic sugar quota. Copies of the new standard draft have been furnished Peru, where it is believed to be under study, although there has been no indication from that government as to opening negotiations.

*Negotiations with Other Countries* The most recent version of the standard draft has been given Egypt as a possible replacement for the draft presented in 1946 and is currently under study. Meanwhile, Egypt has made its long-promised counter proposal to the 1946 draft. As anticipated, this counter proposal is limited to a draft establishment convention, the provisions of which seem generally inadequate, consisting mainly of most-favored-nation guarantees. We are now considering possible methods of obtaining Egyptian acceptance of a more satisfactory basis for negotiation.

The special conditions which precluded Afghan acceptance of the standard FCN draft have been discussed with an Afghan official, and a simplified draft prepared as a possible basis for negotiations is now under consideration in the Department. The new draft is designed to afford a substantial measure of protection to American nationals and enterprises in Afghanistan, while avoiding provisions likely to occasion embarrassing demands on Afghanistan by the Soviet Union, India, and other neighboring countries. In general, this draft is also



designed to be readily adaptable to use in connection with other countries in a rudimentary stage of political and economic development.

Following an extended period of preliminary conversations between the Embassy at New Delhi and the Indian Minister of External Affairs, formal discussions were held at New Delhi during August and September. While substantial progress was made, these discussions raised the possibility of a serious divergence of views over the investment issue, as the Indians not only wish to reserve the right to subject American investments to extensive screening but also seek to continue discriminatory measures against American business enterprises after they become established in India. In addition, a number of secondary issues have been raised, principally in connection with exchange control, expropriation, and territorial preferences. Consideration is currently being given to the desirability of making a concession on screening and to the advisability of postponing further discussions for several months since there is a reasonable possibility that a more favorable attitude toward the main negotiating issues may develop within the Indian government in the near future. Informal conversations with Pakistan officials last August disclosed no serious objections to the draft of a treaty which is currently under study by that government. Agreement has been reached with Lebanon for the substitution of a new text, conforming with the revised basic draft, for the treaty text negotiated in 1947, so that early signature may be possible.

The Department has not been disposed to press the Philippine government for high-level political decisions on the critical issues which led to the suspension of these negotiations last year, until after the coming presidential elections. Recent reports from Manila indicate, however, that the Philippine government has been giving serious study to these issues, has apparently reconsidered its stand upon a number of them, and may propose resumption of the negotiations in the relatively near future.

MATTERS RELATING TO THE GENERAL AGREEMENT ON  
TARIFFS AND TRADE (GATT) : THE NEGOTIATIONS AT  
ANNECY (FRANCE), APRIL-AUGUST 1949

848A.5151/11-648

*The Secretary of State to the South African Minister (Andrews)*

The Secretary of State presents his compliments to the Honorable the Minister of the Union of South Africa and refers to the Legation's note of November 6, 1948<sup>1</sup> in which it was stated that the Government of the Union of South Africa has found it necessary to impose restrictions on exchange for imports from non-sterling areas and to prohibit the importation, from all sources, of limited lists of non-essential goods.

It appears to the Government of the United States that the aforementioned restrictions and prohibitions are directly related to certain obligations of the Government of the Union of South Africa under the General Agreement on Tariffs and Trade<sup>2</sup> and under the Articles

<sup>1</sup> Not printed.

<sup>2</sup> For the text of the Protocol of Provisional Application of the General Agreement on Tariffs and Trade (familiarly known as GATT, and often cited as the General Agreement), concluded at Geneva, Switzerland on October 30, 1947, see Department of State Treaties and Other International Acts Series (TIAS) 1700 (two volumes) or 61 Stat. (pts. 5 and 6). The many agreements that modify, rectify, or provide for accession to the General Agreement are printed as appropriate in the TIAS series and in the United States Statutes at Large, and also in *United States Treaties and Other International Agreements (UST)*. The *United Nations Treaty Series* includes both the basic agreement and subsequent protocols. A convenient reference source for this period is *Basic Instruments and Selected Documents, Volume I, Text of Agreement and Other Instruments and Procedures* (GATT Doc. 1952-1953 series, Geneva, 1952) and *Basic Instruments and Selected Documents, Volume II, Decisions, Declarations, Resolutions, Rulings and Reports* (GATT Doc. 1952-1953 series, Geneva, 1952).

For a comprehensive analysis of the basic agreement of 1947, see Department of State Publication No. 2983, *Analysis of the General Agreement on Tariffs and Trade* (Washington, Government Printing Office, 1947). Briefly, the General Agreement on Tariffs and Trade consists of three basic types of provisions, namely (1) tariff concessions, which set a maximum limit to the height of enumerated rates (plus some limitations on margins of preferences), (2) general provisions, which are intended both to set certain rules of trade conduct and to safeguard the value of the tariff concessions, and (3) administrative provisions, such as the procedures for accession to the General Agreement, the territorial application of the Agreement, and the method of taking decisions.

Footnote continued on following page.

of Agreement of the International Monetary Fund.<sup>3</sup>

This Government has received a document from the Chairman of the Contracting Parties to the General Agreement on Tariffs and Trade transmitting a letter dated November 12, 1948<sup>4</sup> from the Department of External Affairs, Union of South Africa, stating that the restrictions were imposed in accordance with the provisions of Articles XII(2)(a)(1) and XIV(1)(b) of the General Agreement.<sup>5</sup> In this connection, reference is made to Article XII 4(a) of the General Agreement which requires that a contracting party instituting restrictions under this Article consult with the Contracting Parties as to the nature of its balance of payments difficulties, alternative corrective measures which may be available, and the possible result of such measures on the economies of the other contracting parties. It

Footnote continued from preceding page.

For the most part this and other chapters regarding the General Agreement that will appear in subsequent volumes of the *Foreign Relations* series will be concerned principally with matters relating to (2). For documentation on the Geneva negotiations leading to the conclusion of the General Agreement, see *Foreign Relations*, 1947, vol. 1, pp. 909 ff.

The authority under which the United States Executive entered into the General Agreement on Tariffs and Trade, and continued after 1947 to negotiate within its framework, was the Tariff Act of 1930 (46 Stat. 560), as amended by the Act of June 12, 1934, as amended (48 Stat. 943, 57 Stat. 125, 59 Stat. 410, 19 U.S.C. (1940 edition), sec. 1351). The basic amendment was in the Act of 1934 (known popularly as the Reciprocal Trade Agreements Act), by way of adding a new Part III, entitled "Promotion of Foreign Trade", at the end of Title III of the 1930 Act. Part III consisted of one section only, section 350, which "For the purpose of expanding foreign markets for the products of the United States. . ." authorized the President ". . . from time to time—(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and (2) To proclaim such modifications of existing duties and other import restrictions . . . as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. . ." (48 Stat. 943, 944). This authority was granted to the President for three years in section 2(c) of the 1934 Act (*ibid.*, 944), and subsequent acts were simply trade agreement extension acts in prolongation of the President's authority. The Act of 1948 unusually provided for an extension of this authority for only one year, and also restricted the President's discretion by requiring him to consult closely with the U.S. Tariff Commission in the phase preceding actual diplomatic negotiations (62 Stat. 1053).

<sup>3</sup> The Final Act of the Bretton Woods Conference of 1945 contained as Annex A and Annex B the texts of the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development; see Department of State Publication No. 2866: *Proceedings and Documents of the United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, July 1-22, 1945* (Washington, Government Printing Office, 1948), 2 volumes (the texts of the Articles of Agreements are in volume 1), or TIAS No. 1501 (the Fund agreement) and 1502 (the Bank agreement).

<sup>4</sup> Neither printed. The Chairman of the Contracting Parties to the General Agreement on Tariffs and Trade, which held their first two sessions at Habana, Cuba (February 28–March 24, 1948) and Geneva, Switzerland (August 16–September 14, 1948), respectively, was L. Dana Wilgress of Canada.

<sup>5</sup> The provisions of Article XIV had to do with *exceptions* to the general GATT rule of nondiscrimination, for balance of payments reasons, and were the object of particular concern for the Contracting Parties at their First Session held at Habana, Cuba in February–March 1948; see *Foreign Relations*, 1948, vol. 1, Part 2, pp. 901–909.

is required that, where practicable, such consultation take place prior to the imposition of the restrictions, otherwise immediately afterwards.

The Government of the United States considers the consultative obligations of the contracting parties under Article XII to be of paramount importance in connection with the taking of action under this Article. This Government, therefore, is communicating with the Chairman of the Contracting Parties, pointing out the requirement for consultation contained in Article XII, and suggesting that, in view of the present practical difficulties in holding the type of consultation envisaged in that article, the letter of November 12, 1948 from the Department of External Affairs, Union of South Africa, be considered, for the time being, an appropriate form of compliance with Article XII 4(a) on the understanding that if this Government or the governments of the other contracting parties have questions regarding the matter which have not been resolved when the Third Session of the Contracting Parties convenes in April 1949 they will be placed upon the agenda for that meeting. This Government will not regard this procedure as a precedent for future cases.<sup>6</sup>

Reference is made also to Article XII 3(c) (ii) which commits the contracting parties not to apply restrictions so as to prevent unreasonably the importation of any description of goods in minimum commercial quantities, the exclusion of which would impair regular channels of trade. It is suggested that, in conformity with the foregoing requirement, the Union Government might find it practicable to apply a "token import scheme" to the list of items the importation of which is prohibited from all countries.

With respect to the obligations of the Government of the Union of South Africa under the Articles of Agreement of the International Monetary Fund, the Government of the United States invites attention to Article VIII (Sections 2 and 3) of that Agreement which requires that no member shall impose restrictions on the making of payments and transfers for current international transactions, or engage in any discriminatory currency arrangements, without the approval of the Fund. It is understood by the Government of the United States that this matter is under consideration between the Union Government and the Fund.<sup>7</sup>

WASHINGTON, January 7, 1949.

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<sup>6</sup> These views were communicated to Mr. Wilgress in a letter in the name of the Secretary of State from the Chief of the Division of Commercial Policy (Willoughby), January 11, 1949, not printed.

<sup>7</sup> In an instruction of January 13, 1949, not printed, the Secretary of State transmitted copies of this note and the letter to Mr. Wilgress to the Legation in South Africa (Pretoria).

560.AL/1-2749

*The Chargé in the United Kingdom (Holmes) to the  
Secretary of State*

RESTRICTED

LONDON, January 27, 1949.

No. 139

SIR: I have the honor to refer to the Department's Circular Airgram dated December 20, 1948,<sup>1</sup> requesting current reports on any steps taken by the United Kingdom Government toward acceptance of the ITO Charter.<sup>2</sup>

Reduced to its crude essentials the British position, as conveyed to me informally on more than one occasion by the President of the Board of Trade,<sup>3</sup> maintains that the United Kingdom will take action on the Charter as soon as the United States has accepted it. Only yesterday Mr. Wilson repeated this, adding that any British measure would certainly be passed by Parliament, even if a three-line whip were necessary.

Officials of the Board of Trade, with whom I discussed the matter this afternoon, expressed this basic intention in somewhat more involved terms. Stephen Holmes<sup>4</sup> read to me from his statement before the Havana Conference at the time of British agreement to sign it, in which he indicated that he was authorized to sign the draft Charter but that the ability of British Ministers to recommend its acceptance by Parliament would depend on future developments, including some circumstances beyond British control, particularly the balance of payments position and Britain's trading position with other countries. (In other words, no ECA assistance,<sup>5</sup> no ITO Charter.) The subject has also been mentioned in Parliament, when the President of the Board of Trade indicated that the question of accepting the Charter had not been considered by Ministers since the end of the Havana Conference, but that if circumstances were favorable a recommendation might be made to Parliament at some future date.

With Stephen Holmes I discussed the problem of timing, which may be of considerable importance. The Board of Trade would be par-

<sup>1</sup> Not printed.

<sup>2</sup> For documentation on the formulation of the Charter for the International Trade Organization at the United Nations Conference on Trade and Employment which met at Habana, Cuba, November 21, 1947-March 24, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, pp. 802 ff. For texts of the Habana Charter, see United Nations Doc. ICITO/1/4 (a document of the Interim Commission of the International Trade Organization set up by the Final Act of the Habana Conference), or Department of State Publication 3117 (Commercial Policy Series 113), 1948, entitled *Havana Charter for an International Trade Organization and Final Act and Related Documents* (Washington: Government Printing Office, 1948).

<sup>3</sup> Harold Wilson.

<sup>4</sup> Stephen L. Holmes, Second Secretary, British Board of Trade.

<sup>5</sup> For documentation regarding U.S. assistance to the OEEC countries through the Economic Cooperation Administration (ECA), see vol. III, pp. 352 ff.

ticularly grateful if the Department could indicate in a general way how it is proposed to fit the Trade Agreements Act <sup>6</sup> and the Charter legislation into the calendar of the 81st Congress.<sup>7</sup> Taking into account what we already know of important legislation which will have to be considered, it was my guess that the Charter might be acted upon in late May or early June, especially since the Trade Agreements Act must be passed before June 30 and I should think that the Trade Agreements program and the Charter might have to be considered by Congress at the same time. If American action on the Charter were taken in June the British would then bring it up promptly in London, where Parliament will be in session throughout July.

In general the Board of Trade officials feel that we should proceed more or less in unison with the Charter legislation, although the British must be a step behind. It is understood that in the United States an act of Congress will be necessary, in view of Charter provisions which require some modification of existing legislation. In Great Britain no legislation will be necessary and it is contemplated that action will be taken by presenting a resolution to both Houses of Parliament, followed by a debate lasting not more than two days in each House. If it would assist the Department in its relations with Congress the British might be able to time their action so that Congress would have assurance of a British intention to act promptly. For example, as soon as the American legislation is reported out of committee the British might introduce their resolution, although the debate and the approval would have to be timed to follow definitive favorable action by Congress.

Stephen Holmes indicated that the debate in Parliament would inevitably be lively, particularly on the question of preferences, since there is a hard core of Conservative opposition to the Charter commitment limiting the right to grant preferences. He also suggested that quantitative restrictions for undeveloped territories might be an issue likely to be aired. He doubted much British interest in the investment article.

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<sup>6</sup> The Trade Agreements Extension Act of 1948 was due to expire June 30, 1949. A renewal of the Presidential authority to negotiate trade agreements was considered by the Administration to be a matter of priority, in terms of the conduct of U.S. commercial policy within the multilateral negotiating framework of the General Agreement on Tariffs and Trade.

<sup>7</sup> The U.S. Executive had chosen not to submit the Habana Charter to the Congress in 1948 for several reasons, including the setting of a higher priority on other legislation considered to be more urgent, such as the European Recovery Program. Also a difficult political climate obtained in the second session of the 80th Congress.

Another question arising out of the Charter is its relationship with the Financial Agreement.<sup>8</sup> I indicated that we have been having some inter-Departmental discussions about this, and that there is some opinion in Washington which favors automatic supersession of Article 9 by the relevant Charter provisions, in order to avoid opening up the Financial Agreement to Congressional action.<sup>9</sup> Holmes questioned the legal basis for this, although he recognized the desirability of handling the problem in this way. I told him that we have not yet taken a definite position in the matter, and that the problem is now under examination by legal experts in the Treasury and in the Department. The British would very much like to know the result promptly, and hope that they will be informed through their Embassy in Washington.

It would be appreciated if the Department would forward its comments on the substance of this despatch, with particular reference to the question of timing, in order that the Board of Trade may be prepared to take appropriate action in good season.

Respectfully yours,

For the Chargé d'Affaires ad interim :

DON C. BLISS

*Counselor for Economic Affairs*

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<sup>8</sup> For documentation on the negotiations at Washington leading to the conclusion of the Anglo-American Financial Agreement of December 6, 1945, see *Foreign Relations, 1945*, vol. vi, pp. 1 ff. ; for text see 60 Stat. (pt. 2) 1841, or TIAS No. 1545.

<sup>9</sup> Section 9 of the Financial Agreement, entitled "Import Arrangements", provided that "If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not discriminate against imports from the other country in respect of any product. . . ." (*ibid.*, pp. 1843 and 1844) This had the effect in 1946-1948 of freeing U.S. trade from British discriminatory restrictions but at the same time of making more difficult Britain's export and foreign exchange problems. Relevant provisions of the Habana Charter would permit discrimination under certain circumstances, for which the British trade situation seemed to qualify in 1949.

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560.AL/2-1149 : Circular telegram

*The Secretary of State to Certain Diplomatic Missions*<sup>1</sup>

CONFIDENTIAL

WASHINGTON, February 11, 1949—3 p. m.

In preparing position for probable reopening question MFN for Japan at 3rd session GATT,<sup>2</sup> Dept interested extent consideration given by Govt to which you accredited question since Nov meeting

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<sup>1</sup> London, Canberra, Wellington, Ottawa, New Delhi, Capetown, Karachi, and Colombo.

<sup>2</sup> The third session of the Contracting Parties was scheduled to be convoked at Annecy, France on April 8, 1949. For documentation on previous discussion of the question of extension of the most-favored-nation treatment principle as embodied in the General Agreement to the Occupied Areas (Germany, Japan, and Korea), see *Foreign Relations, 1948*, vol. I, Part 2, pp. 802, *passim*; there is also unpublished documentation in the central indexed files of the Department of State, principally in the 560.AL series.

London and, assuming protocol similar to that for Germany,<sup>3</sup> probability acceptance US position. In Emb's opinion would establishing single yen exchange rate be essential prerequisite get acceptance?

Emb requested unless objection perceived raise question appropriate officials, pointing out position US Govt unchanged.

For Emb's background US Govt considers assurance nondiscrimination during occupation period important consideration proper planning Japanese rehabilitation and trade program and success economic reforms. Dept feels other Govts should be willing offer this assistance to responsibility which U.S. is bearing on behalf all allies. SCAP authority being used to prevent renewal prewar Japanese competitive practices. SCAP has announced enlarged opportunities private foreign trade, e.g., foreign cos in Japan given rights re exporting similar Japanese cos. SCAP and Dept making every effort achieve single exchange rate and other steps toward normal economic relations.

Political implications equally urgent. Lack success progress towards self-support will retard broad objective democratic oriented Japan. Also failure countries, particularly those receiving US aid, grant assurances non-discriminatory treatment for Japan while receiving US financial support may cause unfavorable impression US Congress.

Dept preparing draft protocol similar German.

ACHESON

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<sup>3</sup> For text of the Agreement on Most-Favoured-Nation Treatment for Areas of Western Germany under Military Occupation (with annex), signed at Geneva, September 14, 1948, see *United Nations Treaty Series*, vol. 18 (1948), pp. 267 ff., or TIAS No. 1886.

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560.AL/1-2749 : Telegram

*The Secretary of State to the Embassy in the United Kingdom*

SECRET

WASHINGTON, February 17, 1949—12 noon.

558. For Bliss from Brown.<sup>1</sup> Renewal Trade Agreements Act passed House [of Representatives] Feb 9 (urdes 139 Jan 27). Consideration Senate expected shortly. President will submit ITO Charter Cong upon favorable action TA Act, probably in few weeks. Charter not on legislative calendar but Dept working Cong leaders on this and expect decision week or two. Unlikely hearings begin in House before end Mar and likely take two months or more before final Cong action.

Timing important. Dept feels it natural other countries awaiting leadership U.S. Dept feels Parliamentary debate on Charter concurrent with Cong debate confusing rather than helpful but hopes Brit prepared take action as soon as Cong has acted.

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<sup>1</sup> Winthrop G. Brown, Director of the Office of International Trade Policy.



Re Fin Agree nothing report since conversations State-Treasury Jan 5, copy sent Emb.<sup>2</sup> Will keep Emb informed timing ITO legis and consideration Fin Agree. [Brown.]

ACHESON

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<sup>2</sup> The memorandum of January 5 recording the conversation referred to herein is not printed. The participants from the two Departments were concerned that questions would be raised in impending Congressional hearings on European Recovery Program legislation, with respect to the supersession of section 9 of the Financial Agreement by relevant provisions of the ITO Charter. There was agreement that though the British had "substantially observed" section 9 in the past, the 1948-1949 ECA United Kingdom program would "undoubtedly involve discrimination". This would be allowable under the ITO Charter, and "there was agreement that the relevant provisions of the ITO Charter should supersede section 9". (560.AL/1-549) The Embassy in London later reported in its telegram 1703, May 3, 2 p. m., that this information had come to the Embassy through U.S. Treasury channels, that it had been communicated informally to British Board of Trade officials who were "gratified" (560.AL/5-349). Subsequently in 1949 the question ceased to have practical meaning in this particular form with the indifferent progress of the ITO legislation in the Congress.

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560.AL/2-1949 : Telegram

*The Secretary of State to the Embassy in the United Kingdom*

SECRET

WASHINGTON, February 19, 1949-11 a. m.

588. For Douglas from Thorp.<sup>1</sup> Department desires importance US Govt attaches MFN for Japan be reemphasized Brit Govt at sufficiently high level gain reasonable assurance position Brit will take at Ancey (Depcirtel Feb 11). Failure Brit make sincere effort reach satisfactory formula, particularly if takes form seeking influence other countries against US position, wld be regarded as inconsistent our agreed commercial policy objectives.

Dept desires earliest possible determination nature modifications Ger protocol insisted on or assurances required. Assumes major obstacles lack yen exchange rate and fear Jap textile competition. Effort being made to estab exchange rate and shld succeed by early summer. If not estab by end Ancey Conf, might consider making effective application protocol hinge on subsequent estab. Suggest non-committal exploration this possibility.

As to fear competition, Dept recently informally approached by Brit Emb and Sir Raymond Street <sup>2</sup> re possible joint mission to Jap US-UK industry groups to discuss future Jap textile industry. (Memorandum being air mailed). In Emb opinion would Dept acquiescence such project to exchange views Tokyo leaning toward better understanding mutual problems, but not restrictive agreement, have significant bearing Brit attitude re MFN issue?

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<sup>1</sup> Lewis W. Douglas, Ambassador in the United Kingdom, and Willard L. Thorp, Assistant Secretary of State for Economic Affairs.

<sup>2</sup> Sir Raymond Street, Chairman of the British Cotton Board.

Dept believes if estab exchange rate will remove substance Brit opposition, opposition other grounds less likely gain support other Govts, your estimate present views Brit Govt desired earliest.<sup>3</sup> [Thorp.]

ACHESON

<sup>3</sup> Repeated to Tokyo (59), Canberra (31), Sydney (47), and Capetown (16). Repeated in substantially the same form on February 24 to Wellington, New Delhi, Karachi, and Colombo (560.AL/2-2449). Cables substantially similar in content but with variations and organized quite differently were sent to Paris (575) and Brussels (206) also on February 24 (560.AL/2-2449). In cables to Capetown (18) and Canberra (33) on March 2 these missions were instructed to approach the governments to which they were accredited "on a sufficiently high level" to indicate the importance of the issue to the United States (560.AL/2-1949, 560.AL/2-1549). This instruction had also been included in the aforementioned cables to Wellington, New Delhi, Karachi, and Colombo. Responses from the Commonwealth countries tended to be noncommittal, although Australia was most explicit in its opposition to the U.S. proposal. It was understood that a Commonwealth Conference was to convene in London on March 31 to discuss issues prior to the opening of the conference at Ancey, and this was to include the question of most-favored-nation treatment for Japan. In the meantime the Department undertook to discuss with the U.S. Political Adviser in Tokyo possible revisions of the German protocol of September 1948, so as to formulate an instrument corresponding more closely to the Japanese situation (Department's telegram 80, to Tokyo, March 7, 3 p. m., 560.AL/3-749).

560.AL/2-2349 : Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

LONDON, February 23, 1949—7 p. m.

666. Bliss discussed MFN for Japan yesterday with Stephen Holmes and Shackle<sup>1</sup> of BOT (Depcirtel Feb 11 and 588, February 19, reiterated US position as developed November meeting<sup>2</sup> and insisted on community of US-UK economic and political interests in this problem. Pointed out US prepared meet Commonwealth suggestions to greatest extent possible, solicited suggestions for adopting German protocol to Japan, and indicated US working seriously to establish exchange rate.

Holmes felt that few salient new points emerged from discussion but noted and would consider implications of exchange rate suggesting might be necessary postpone application MFN until rate fixed definitely. Shackle will study the protocol further but doubtful will wish suggest changes. General opinion was that visit textile mission to Japan might help reassure Manchester, if SCAP able convince Street, but BOT not taking initiative. Holmes stated that BOT not convinced

<sup>1</sup> R. J. Shackle, Adviser on Commercial Policy, British Board of Trade.

<sup>2</sup> Informal conversations were held in London from November 1 to November 4, 1948, between representatives of the United States and the United Kingdom-Commonwealth countries regarding the U.S. desire to have most-favored-nation treatment extended to Occupied Japan.

that MFN for Japan has any practicable economic significance for US or SCAP and that trade agreements represent best current approach to trade development. He feels that US interest is psychological which Embassy representative amended to political.

Further argument on economic basis seems to offer little hope for breaking impasse, although possible removal exchange rate difficulty represents great progress. Further discussions must emphasize political arguments, and Embassy will meet Makins<sup>3</sup> and others in FonOff along lines of Deptel 588. Results these two discussions cannot be expected immediately.

DOUGLAS

<sup>3</sup> Roger Makins, Assistant Under Secretary of State, British Foreign Office.

560.AL/2-2349: Circular airgram

*The Secretary of State to Certain Diplomatic Missions*<sup>1</sup>

RESTRICTED

WASHINGTON, February 23, 1949.

1. Question has arisen recently in case of two countries (Sweden and Greece) whether we would object to disclosure to non-governmental groups or individuals of our definitive rate request lists on these countries for the tariff negotiations opening Ancey Apr 11. Dept has replied that this Govt cannot agree to distribution these requests to non-governmental groups or individuals; that, moreover, we do not see any need for this as a means of obtaining views of affected domestic interests in the countries concerned which was stated as the reason for such disclosure. Dept pointed out that this Govt obtains views US interests affected through trade agreement organization procedure of public notice and hearings, but that we refrain scrupulously from giving any indication outside Govt agencies directly concerned of possible concessions which may be either sought or offered during negotiations until agreement concluded and signed.

As corollary foregoing Dept also pointed out that this Govt earnestly hopes all delegations participating Ancey negotiations will include only official governmental representatives and no non-governmental groups or individuals; that it is essential for success of negotiations that no publicity whatever be given concessions involved in negotiations prior conclusion thereof. This practice was followed successfully in 1947 GATT negotiations at Geneva and we assume will again be adopted Ancey.

<sup>1</sup> Sent to the following Embassies and Legations: Beirut, Bogotá, Brussels, Canberra, Capetown, Ciudad Trujillo, Colombo, Copenhagen, Damascus, Habana, The Hague, Helsinki, Karachi, Lima, London, Luxembourg, Managua, Monrovia, Montevideo, Nanking, New Delhi, Oslo, Ottawa, Paris, Prague, Port-au-Prince, Rangoon, Rio de Janeiro, Rome, San Salvador, Santiago, Wellington. Sent also to the consulate at Johannesburg for Southern Rhodesia.

You are requested at an appropriate opportunity to discuss this matter informally with appropriate officials in sense of foregoing, emphasizing that US Govt attaches greatest importance this matter.

2. You may also inform appropriate officials that the US representation at Third Session of Contracting Parties to GATT and Ancey Tariff Negotiations will consist of a single Delegation of about 75 persons, as follows: Chairman, Vice-Chairman, and Delegates, 9; Advisers, 9; 7 Tariff Negotiating Teams, 28; Administrative and Secretarial Staff, 29. Names of members of Delegation will be communicated as soon as formally approved. You should also state that we hope that other Govts will come to Ancey prepared to make their tariff offers at the opening of the Session on April 11, as provided for in GATT/CP.2/26, para IV (v), and to press forward with the negotiations so as to conclude them by early June, pursuant to the timetable being distributed by Wyndham-White.<sup>2</sup>

ACHESON

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<sup>2</sup> Eric Wyndham White, Executive Secretary of the Interim Commission of the International Trade Organization, ICITO, located at Geneva, Switzerland, had undertaken to perform secretariat duties for the Ancey conference.

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560.AL/3-2249: Circular telegram

*The Secretary of State to Certain Diplomatic Missions*<sup>1</sup>

SECRET

WASHINGTON, March 22, 1949—2 a. m.

Czech has put on agenda forthcoming GATT session Ancey alleged failure US carry out obligations under GATT involving discriminatory policy in issuing export licenses. Czech Amb presented here Dec 2, 1948, note listing denials export license applications for Czech and noting that US "system export licenses stands in way normal development trade relations between our two countries."<sup>2</sup>

USDel response to Czech charges will be initially in general terms noting charges are repetition those pressed in previous internatl mtgs. Such charges adequately answered Comite 2 UNGA Nov 4, 1948 and ECE Feb 1949.<sup>3</sup> In latter mtg Feb 19 Czech-Pol res calling for full report on question discrimination including "attention to economic effects US discrimination policy and extent of differential application US export licensing system in light theory and practice internatl commercial policies" was rejected by vote 11 to 6. Voting against res were fol GATT countries: Belg, Luxem, Neth, Nor, Fr and UK. USDel

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<sup>1</sup> Sent to London, Wellington, Canberra, Oslo, Capetown (repeat to Johannesburg for Southern Rhodesia), Brussels, Luxembourg, The Hague, and Paris.

<sup>2</sup> Not printed.

<sup>3</sup> For documentation on U.S. export controls imposed on East-West trade, see vol. v, pp. 61 ff.

will emphasize largely polit nature charges likely hamper amicable attainment coop objectives GATT mtg, and will maintain US justified in export controls on grounds short supply and natl security both of which recognized by GATT.

If further discussion necessary, case can be elaborated more specifically as fol :

1. In large part, export controls imposed by US represent measures "essential to the acquisition or distribution of products in general or local short supply." Furthermore, countries participating ERP are cooperating to increase own production thus remove necessity such controls. US also cooperates this effort by controlling its exports to Eur to assure equitable distribution and most effective utilization possible of limited supplies available. These export controls help implement the multilateral arrangements under OEEC for equitable distribution products in short supply and are thus in accord GATT provision requiring that such controls "shall be consistent with any multilateral arrangement directed to an equitable distribution such products." Czech unwilling accept responsibilities and obligations participation ERP and has aligned self in opposition to major efforts of European countries to achieve recovery. This decision Czech's, hence seems reasonable consideration shld be given in allocation exports to responsibility assumed. Such consideration not "arbitrary or unjustifiable" within meaning introductory language GATT Art XX.

2. In addition export controls imposed for reasons short supply. US clearly entitled under Art XXI to restrict shipments for security reasons, as fol :

*a.* Under sub-para (b) (i) US restricts export fissionable materials.

*b.* Under sub-para (b) (ii) US restricts shipments arms, ammunition, implements war, and other materials "directly or indirectly for purpose supplying mil estab."

*c.* Under para (a) US prevents export commodities incorporating technological info whose disclosure by export of prototype considered by US as "contrary to essential security interests."

For info of Mission, certain export license denials involve goods of recognized strategic importance which are nevertheless only remotely related to supplying mil estab. Room for debate as to indirect mil importance such commodities, but it appears undesirable in light political implications to introduce all-inclusive exception in GATT sub-para (b) (iii) which wld permit "action necessary for protection essential security interests in time of war or other emergency in internatl relations." This aspect shld not be discussed with Fon Govt. Matter will of course be discussed with Fon Dels at Anney prior to GATT mtg. Since largely political issue, appears useful also take it up with Govts of contracting parties preferably prior to departure their delegations for Anney. Basis US position is that GATT instrument for promoting expanding economic intercourse among countries accepting premise of beneficial nature of freeing trade from barriers

and discriminations. Since Czechs dominated by political policy antagonistic to this premise, purely technical approach to their complaint wld ignore basic problem involved. You therefore instructed discuss Czech attack and proposed US response confidentially with appropriate officers of Govt to which you accredited in order obtain support for US position in possible vote at Anney. Report reaction.<sup>4</sup>

Principal difficulty GATT discussion will be consideration in highly specialized technical forum of question which has important political aspects and is, as far as European contracting parties concerned, closely related to common US-OEEC security aims represented by Atlantic Pact and ECA negots on parallel strategic controls. For these reasons, it appears likely to Dept that European contracting parties and Canada will probably support US position. To assure majority in possible vote, it will be particularly important ascertain views of Austral, NZ, Southern Rhodesia, Union of SoAfr. If these countries plus Can and European GATT countries support US position, a majority would be assured.<sup>5</sup>

ACHESON

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<sup>4</sup> Replies were substantially favorable, although in almost all instances some concern was expressed about some aspect of the U.S. position. The most blunt opinion was that from The Hague, the Embassy reporting that "Economic Affairs official believe US answers Czechoslovakian charges weak; Netherlands unable take strong position but will fully support US stand. . . ." (Telegram 307, April 1, from The Hague, 560.AL/4-149).

<sup>5</sup> There is a small collection of documents dealing with the question of the Czech charges in the file series 560.AL. The item was not considered by the Contracting Parties until June 8, at which time they voted 17 to 1 that the United States had not failed to carry out its obligations under the General Agreement through its administration of the issue of export licenses. India and Syria-Lebanon abstained and Luxembourg and Burma were absent. (Telegrams 196 and 197, June 8, from Anney, 560.AL/6-849)

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560.AL/4-549 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, April 5, 1949—7 p. m.

1400. From Willoughby.<sup>1</sup> Discussions London Bliss and brief talk Shackle and Holmes indicated both for reasons advanced previously including uncertainty regarding exchange rate, firmly opposed MFN Japan. Possibility but no assurance Foreign Office will over-rule. UK position probably to be decided Cabinet level and may not be ready

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<sup>1</sup> Woodbury Willoughby, Chief of the Division of Commercial Policy, Chairman of the Interdepartmental Trade Agreements Committee, and at this time designated as Chairman of the United States Delegation to the Third Session of the Contracting Parties to the General Agreement on Tariffs and Trade, and of the Tariff Negotiations Meeting, opening at Anney, France on April 8. Mr. Willoughby, enroute to Anney, had stopped in London for brief discussions with Embassy and U.K. officials regarding the MFN question as it related to Japan.

prior opening Ancey post, at best US position would be supported grudgingly. MFN Japan had not been discussed formally Commonwealth meeting prior my departure London, but Wilgress said he sensed general opposition.

In view negative reaction reported Brussels telegram 471 to Department,<sup>2</sup> lukewarmness French, and adverse reaction previously received some other countries, becomes increasingly evident will be difficult if not impossible obtain sufficient support to conclude worthwhile agreement. I continue believe UK support US position prerequisite and favor withdrawing item from agenda if not obtained. If withdrawn believe US should indicate intention raising question later, probably after exchange rate determined.

Will report any further information obtained but seems unlikely general picture will change immediate future. Political factors important or paramount most countries and decision whether support US position will not be decided by technicians Ancey. Difficult appraise whether proposed visit State and NME officials certain European capitals worth while. If UK support not forthcoming visit would be wasted.

On other hand, such mission might be too late to be useful if delayed until we know what UK response will be.

Repeated London for Bliss 247. [Willoughby.]

CAFFERY

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<sup>2</sup> March 31, not printed.

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560.AL/4-1249: Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

SECRET US URGENT

LONDON, April 12, 1949—5 p. m.

1472. Foreign Office has indicated informally to Embassy in advance of formal letter replying our representations that Cabinet yesterday considered MFN of Japan. Decided inform US Government that His Majesty's Government cannot consider MFN for Japan until yen exchange rate established and experience gained with it. Foreign Office has nothing to add to this.

In our opinion this statement represents form of words behind which lies basic British fear Japanese textile competition already described fully in our reports. This decision also reflects full discussion among British Government Departments and must be accepted as conclusive British attitude for considerable period at least through 1949, particularly since this is an election year.

Sent Department 1472, repeated Ancey 2 for USDelGATT.

DOUGLAS

848A.5151/4-1949

*The South African Ambassador (Andrews) to the Secretary of State*

WASHINGTON, 19th April, 1949.

The Ambassador of the Union of South Africa presents his compliments to the Honourable the Secretary of State and in reference to the Department's note of the 7th January, 1949, has the honour to state, by direction of his Government, that prior consultation with the Contracting Parties to the General Agreement on Tariffs and Trade was impossible at the time the Union of South Africa instituted exchange control. It should, however, be borne in mind that *prior* consultation is not a prerequisite in terms of Article XII of the Agreement, which clearly indicates that in circumstances which make such consultation impossible, *consultation after the institution of restrictions* will meet the requirements of the Agreement.

As the United States Government are aware, consultations of this nature have been in progress with individual contracting parties for some time, resulting in some cases in modifications of the restrictions applicable to all contracting parties affected. In addition, the Union Government have furnished the Contracting Parties as a group with full information regarding their exchange restrictions and the Third Session of the Contracting Parties will undoubtedly provide a suitable opportunity for joint discussions on the matter.

It should be emphasized that the undertaking contained in Article XII(3) (c) (ii) of the General Agreement is intended solely to permit exporters to keep their products before the eye of consumers in the Union of South Africa and to enable them to maintain their contacts in the Union market. Before the institution of exchange control by the Union Government, however, local importers had placed orders abroad on such an abnormally large scale that they possess ample stocks to meet the demand for some time. Goods, the import of which is prohibited under the Union's Control Scheme, will therefore be available to a reasonable extent for some months to come and there is consequently no need to introduce a scheme to permit the import of minimum commercial ("token") quantities of such goods at this juncture.

When local stocks have declined and specific articles are no longer available on the Union market, the Union Government will be prepared to consider representations from contracting parties regarding the import of minimum commercial quantities. It is not, however, the understanding of the Union Government that Article XII (3) (c) (ii) of the General Agreement requires that the initiative must necessarily be taken by the country applying restrictions. On the contrary, a scheme of this nature can only be introduced after the Union Government have been acquainted of the wishes of the interested contracting



parties and it is considered that the readiness of the Union Government to consider such representations at a suitable time should be sufficient evidence of their sincere efforts to fulfill their obligations under the General Agreement.

In regard to the matter mentioned in the final paragraph of the State Department's note, the Union Government have been in communication with the International Monetary Fund and the following is an extract of a letter which has been received from the Managing Director of the Fund:—

“As you are aware it has been recognised in the Fund that the sharp increase which took place in South Africa's adverse balance of payments on current account in 1947 and 1948 made it necessary for the Union to take corrective measures. Accordingly the Fund noted with satisfaction that South Africa took steps last November to reduce the large deficit in its current account balance of payments, and, in these circumstances, I am able to inform you that the Fund approves the exchange restrictions which have been put into effect.

The Fund also authorises South Africa to adapt these restrictions to changing circumstances without prior consultation with the Fund. To determine whether an exchange measure constitutes no more than an adaptation of restrictions may occasionally be a difficult question to decide. If any such borderline case should arise, the Fund would be happy to discuss it with you”.

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560.AL/4-2249

*Memorandum by the Assistant Secretary of State for Economic Affairs  
(Thorp) to the Secretary of State*

CONFIDENTIAL

WASHINGTON, April 22, 1949.

Subject: British Support at Ancey on a Most-Favored-Nation Agreement for Japan.

*Discussion:*

In recognition of the need for (1) a substantial growth in Japan's foreign trade if a self-supporting status, and consequent relief to United States taxpayers, is reached in the foreseeable future, (2) the development of this trade along sound economic lines in the context of a multilateral trading system and (3) the avoidance of an increasing network of discriminations against Japan (already 10 of the 23 members of the General Trade Agreement discriminate against Japan) which might create the basis for dangerous economic and political frictions in the future, the Department strongly desires British acceptance of an agreement, substantively similar to that concluded last year for Germany, covering for the period of the occupation most-favored-nation treatment for Japan on a reciprocal basis and British

support of acceptance of the agreement by other countries during the Third Session of the Contracting Parties to the General Agreement on Tariffs and Trade now being held in Annecy.

The Department of the Army considers such an agreement highly important; it has strongly pressed for aggressive action toward this end. In recent weeks Secretaries Forrestal, Royall, Draper and West have reiterated this position.<sup>1</sup>

Failure so far, covering two years of effort, is largely attributable to British opposition. This opposition stems from (1) fear of Japanese competition in world markets (textiles, ceramics), (2) the desire to trade within the aegis of sterling agreements and (3) uncertainties surrounding Japanese trade (lack of exchange rate, competitive practices). The Department rejects the thesis that bilateral arrangements of the sterling agreement type are acceptable as substitutes for the most-favored-nation trading principle, believes SCAP can assure fair trading practices during the occupation period and expects determination of a yen exchange rate in the near future.

The British Cabinet has now decided it can make no commitment until an exchange rate is established and sufficient time elapsed thereafter to see what happens. This indefinite postponement prejudices the chance for a general acceptance during the Annecy Conference.<sup>2</sup>

*Recommendation:*

It is recommended that you hand the attached *aide-mémoire* to the British Ambassador<sup>3</sup> and take the occasion to emphasize the strong desire of the United States Government for a reconsideration of the British position on the ground that it is inconsistent with our agreed commercial policy objectives, that it is difficult for our people to understand British refusal to assure non-discrimination to Japanese trade while the United States is underwriting the occupation authority and at the same time is materially contributing to British recovery, and that British support is the key to success of the United States objective of general acceptance of an agreement at Annecy where the Third Session of the Contracting Parties to the General Agreement on Tariffs and Trade is now in session. The earliest possible response should be urged.

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<sup>1</sup> James Forrestal, Secretary of Defense; Kenneth T. Royall, Secretary of the Army; William H. Draper, Assistant Secretary of the Army for Occupied Areas.

<sup>2</sup> The conference had convened on April 8; for information regarding the organization and work of the conference and of the U.S. Delegation thereto, see editorial note, *infra*.

<sup>3</sup> Not printed. This draft was never presented. A subsequent draft, substantially similar, but modified to take into account events described hereafter, was eventually handed to the British Embassy on June 17.

*Editorial Note*

During April–August 1949 the United States participated in two separate negotiations at Annecy, France, under the General Agreement on Tariffs and Trade: the Third Session of the Contracting Parties to the General Agreement; and a tariff negotiating conference, the so-called “second round” under GATT. In respect of the tariff reduction negotiations, the 23 original contracting parties to the Agreement negotiated with ten countries applying at Annecy for accession to the Agreement. The newly acceding ten included Denmark, the Dominican Republic, Finland, Greece, Haiti, Italy, Liberia, Nicaragua, Sweden, and Uruguay. They were represented by observers at the CP’s Third Session. Also present in an observer status at the Third Session were the International Monetary Fund (IMF), the Organization for European Economic Cooperation (OEEC), and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The same delegation represented the United States at both Annecy conferences, headed by Mr. Woodbury Willoughby, Chief, Division of Commercial Policy, Department of State, and Chairman of the Interdepartmental Committee on Trade Agreements (TAC). John W. Evans, Director, Commodities Division, Office of International Trade, Department of Commerce, was Vice-Chairman. The Delegation was considerably larger than those attending the First and Second Sessions of the Contracting Parties at Habana and Geneva in 1948, consisting of four delegates and ten advisers. For a complete listing, see Department of State *Bulletin*, April 24, 1949, pages 520 and 521. The Delegation Chairman submitted one Official Report to the Secretary of State for both meetings, an informative 40-page document which is not printed here (see editorial note, page 715). Separate classified reports for each of the conferences were also submitted by Mr. Willoughby; see pages 715 ff.

Both conferences opened on April 8. The thrust of the documentation that follows has to do mainly with certain issues that were considered by the Contracting Parties at the Third Session, rather than with the tariff reduction negotiations, which were conducted on a bilateral basis. The documentation printed here is highly selective and represents only a very small part of the great quantity of paper on the two Annecy conferences which is found in the Department of State’s central indexed file 560.AL; and in the United States Delegation files located in Lot 57D284, Boxes 109 and 110. The Delegation files consist of cables, position papers, memoranda, working reports, correspondence, and public documentation (press releases, etc.) (Box 109); and a comprehensive file of official GATT documentation, including minutes of committee meetings, working party meetings and reports, and

official documents (Box 110). Attention is invited to an official GATT *Documents Index*, Doc. GATT/CP/INF/3/Pt. 1, published by ICITO in November 1951, covering 14 categories of official public GATT documentation from 1947/1948 through November 5, 1951, that is, through the Torquay Tariff Negotiating Conference and the Sixth Session of the Contracting Parties.

560.AL/5-749: Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNEXY, May 7, 1949—5 p. m.

Unnumbered. USDel will shortly receive details new South Africa import restrictions for consultation under relevant provisions GATT. Please telegraph immediately any useful information, particularly on need for South Africa discrimination against hard currency imports. Also available info on current IMF discussions with South Africa.

Passed to Capetown as number 1.

WILLOUGHBY

560.AL/5-749: Telegram

*The Secretary of State to the Chairman of the United States Delegation (Willoughby), at Annecy*

SECRET NIACT

[WASHINGTON,] May 10, 1949—4 p. m.

87. SoAfr (a) gold and US dol and (b) sterling (including balance of 80 million lbs. gold loan to UK, payable in sterling on demand) in millions of dols (rounded) urtel May 7, 5 p. m.

May 28, 1948	(a) 415	(b) 645
Nov 5	(a) 235	(b) 515
Nov 30	(a) 200	(b) 495
Dec 31	(a) 195	(b) 450
Jan 28, 1949	(a) 200	(b) 410
Feb 11	(a) 195	(b) 380
Apr 14	(a) 175	(b) 275

Thus, from Nov 30 to Feb 11, gold and dol holdings practically stabilized with new small decline in Apr 14 figures. Nov 30 to Apr 14 sterling decline 44%. Note virtually all remaining sterling reserve Apr 14 represented by unexpended balance gold loan (see Pretoria A-119 sent you Apr 2). Status Eximbank loan: Prelim exam by Eximbank of additional info requested Jan just recd indicates application continues be request for balance-payments credit to maintain hard currency imports. No specific project data included re items of

which US interested in increased output, despite Eximbank specific request these data. View NAC Staff Feb 2 was (a) credit shld be preceded or accompanied by effective balance-payment and inflation controls, (b) specific project credit wld induce greater output items US interested in. Eximbank continuing study application and new info. Has agreed consult Dept when ready discuss, e.g., question of further NAC consideration. Position Dept: no polit objection. For strategic, trade, and other considerations is in US interest maintain strengthen friendly relations. Dept emphasizes consideration loan on econ grounds shld be paramount.

Fol 1948 balance payments (millions of lbs): merchandise imports 144 sterling, 210 non-sterling; merchandise exports 76 sterling, 58 non-sterling; gold exports, 163; gold production, 99 (net after domestic gold consumption); net capital inflow, 75 (mostly UK); UK loan, 80; IMF drawing, 2.

Dept feels important adhere strongly to position that restrictions shld not be more severe on hard currency areas than others. If, in spite our info, SoAfr able make convincing case they are in much better position sterling than hard currency, and obtains CP's consent to new regulations, US Del shld serve notice we intend put strict interpretation on 1(a) (i) Annex J.

SoAfr Emb here recently issued press release repeating statement by a SoAfr Min that objective SoAfr is to cut its overall imports in coming year by 40%. Said they will cut non-sterling imports by 50%. Treas figures cut in sterling will be 25%, soft currency less than 50%, dollars more than 50%. Compare this with other official statements that 250 million lbs total available for 1949 imports. AmEmb Pretoria feels latter possibly too optimistic; also that greater part used first 6 months.

Dept very much concerned this matter. Suggests might be desirable have Emb London approach Brit if evident UK putting pressure on SoAfr. If concur, suggest Willoughby contact Bliss. London, pls assist all possible respects. Rptd London [1588]. Summary to Capetown.

ACHESON

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560.AL/5-1049: Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNECY, May 10, 1949—7 p. m.

97. Situation MFN Japan follows: Informal conversations Anney indicate:

1. Under UK leadership major trading nations British Commonwealth strongly opposed. Opposition Canada stiffened since Ottawa

talks March.<sup>1</sup> Australia and Union South Africa adamant. Czechoslovakia, China, Netherlands, Benelux countries, Cuba, Syria, and Lebanon all will vote against. Position France, India, New Zealand, Ceylon, Burma, Southern Rhodesia, Brazil and Chile uncertain and possibility that most of these might be persuaded sign protocol. Liberia, Nicaragua, Haiti, Dominican Republic, Colombia, Norway, Denmark, Sweden, Greece, Finland, Italy and Pakistan probably would support. Of countries which would support US, four already give Japan formal MFN treatment and at least four more have single tariff schedules applicable Japanese goods. Diplomatic<sup>2</sup> protocol approved by doubtful countries as well as those known to be favorable possible immediate benefits would at most affect 5% Japanese trade.

2. Any working party MFN Japan would include countries with chief trading interest, most of which strongly opposed. Favorable report, therefore, impossible.

3. Instructions to Ancey delegations re MFN Japan by major trade countries determined Cabinet level after careful consideration. Strong pressure exerted pre-Ancey Commonwealth conference oppose MFN Japan and important Dominions sufficiently committed so reversal position extremely difficult. Impossible cause change positions by discussions with technicians here.

4. Seems unlikely UK will reverse position even if *aide-mémoire* reported Deptel 80, May 5<sup>3</sup> presented. Reversal position conceivable only as result such strong pressure that will be deeply resented UK as well as Dominions which have been persuaded follow UK line. If *aide-mémoire* not yet delivered UK Embassy, recommend reconsider. Concur view despatch 679, April 14,<sup>4</sup> from Bliss London, that, except in most extraordinary circumstances, would not expect British attitude modified for at least year (mytel unnumbered [1400], April 5, from Paris).

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<sup>1</sup> Merrill C. Gay, Assistant Chief of the Division of Commercial Policy, had visited Ottawa in mid-March for the specific purpose of discussing with Canadian officials Canadian-Japanese trade problems in the setting of the U.S. desire to secure most-favored-nation treatment for Japan (memorandum of conversation by Gay, Ottawa, March 18, not printed, 560.AL/8-1849). This visit was an outgrowth of a lengthy conversation in Washington on March 5 between officers of the Division of Commercial Policy, the Office of Far Eastern Affairs, and the Department of the Army on the U.S. side and Canadian Embassy officials and officers of the Canadian Departments of External Affairs and Finance, regarding Canada's views on the U.S. proposals for the treatment of Japanese merchandise trade within the framework of the General Agreement (memorandum of conversation by J. F. Shaw of the Division of Commercial Policy, March 5, not printed, 560.AL/3-549).

<sup>2</sup> The text in the Delegation Conference file has the word "IF" in place of "Diplomatic", reading "If protocol approved. . . ." (Lot 57D284, Box 110)

<sup>3</sup> Not printed. Among other things, it reported that ". . . proposed *aide-mémoire* now in Secretary's hands. Circumstances may prevent Secretary immediately presenting to [British] Ambassador. . . ." (560.AL/5-549)

<sup>4</sup> Not printed.

5. Pressure being exerted, especially by Acting Chairman Blankenstein,<sup>5</sup> complete by end May GATT matters except windup meeting after end tariff negotiations. Told chairman US not ready MFN Japan item. Said would try meet this schedule but awaiting further instructions Washington.

6. While had doubted before opening Annecy desirability sending mission selected European capitals in order influence instructions their delegations, believe now too late be useful. US technicians would be unable cause quick reversal Cabinet decisions made after forcible presentation US views by Embassies.

7. Discussion in meeting Contracting Parties, and defeat by strong majority of item believed considered by US of major import and damaging prestige and particularly undersirable in view insignificant practical benefits obtainable. Unless Department can secure reversal UK, Canada and Benelux position through high level diplomatic channels, which I consider completely impracticable, especially in view short time available, recommend withdrawing item from agenda. Suggest circulation statement indicating US firmly convinced merits MFN Japan and intends bring up later whether GATT meeting or bilaterally.

8. In view continual pressure begin discussion remaining agenda items urge instructions soonest.

9. Have agreed departure Maynard May 12. Campbell in Cairo available short notice if required.<sup>6</sup>

10. If, contrary above recommendation, Department instructs US Del proceed discussions MFN Japan in GATT request Gay be sent immediately. Otherwise not necessary now.

11. AP release London dated May 5 states US has called upon FEC relax controls of Japanese economic and foreign policy. Request information to resound [*respond*] queries several delegates re significance.

12. Schockner<sup>7</sup> and Maynard concur.<sup>8</sup>

WILLOUGHBY

<sup>5</sup> H. van Blankenstein, Chairman of the Netherlands Delegation.

<sup>6</sup> SCAP headquarters, Tokyo, had two representatives at the Annecy talks; these were David M. Maynard and Carl C. Campbell.

<sup>7</sup> Lt. Col. Lester F. Schockner, GSC, Department of the Army, was an adviser on the U.S. Delegation. He had attended all conferences in 1947-1948 (Geneva, Habana, and London) at which the most-favored-nation question had been discussed, with particular reference to the matter as it related to (the Western zones of) Occupied Germany.

<sup>8</sup> In telegram 100, May 14, 2 p. m., the Department replied: "Department reconsidering MFN Japan in view US Del 97 and agrees cannot be taken up prior end May. However, reluctant pull from agenda this stage. *Aide-Mémoire* has been signed by Secretary but not presented. Instructions following." (560.AL/5-1449)

560.AL/5-1149 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNECY, May 11, 1949—2 p. m.

99. For CP and OFD. Informed NAC discussing European exchange rates.<sup>1</sup> Have received repeated confirmation several sources believed reliable that regardless public statements officials UK responsible commercial policy, allegedly including Cripps,<sup>2</sup> convinced Europe unable compete United States and necessary maintain indefinitely European prices at high level by means trade and currency controls. This view discussed unofficially by British national at length recent dinner officials OEEC countries now Anancy. British apparently believe high price area Europe will assist empire preference and sterling block discriminations bolster own high cost economy.

At same dinner meeting other countries reportedly did not voice clear-cut opposition but from other indications believe continental countries more amenable than UK to persuasion desirability equalizing price levels to permit elimination discriminatory controls. Continental countries also less strongly opposed adjusting exchange rates where appropriate to accomplish this result.

Convinced greatest importance develop US policy re exchange rates and other monetary problems to ensure real progress near future toward reduction discriminatory trade controls. Must be done while ECA bargaining power strong and domestic situation US would permit revaluation European currencies without effective opposition protectionist interests US charging exchange dumping.

Sent Department, repeated Paris 6, for Harriman and London 2.

WILLOUGHBY

<sup>1</sup>The National Advisory Council on International Monetary and Financial Problems (NAC) was an interdepartmental committee established by the Bretton Woods Agreements Act of July 31, 1945 (59 Stat. 512). The act provided for U.S. participation in the International Monetary Fund and the International Bank for Reconstruction and Development. The National Advisory Council was to coordinate policies and operations of the U.S. Government with respect to U.S. relations with the two Bretton Woods institutions.

<sup>2</sup>Sir Stafford Cripps, British Chancellor of the Exchequer.

560.AL/5-1149 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET URGENT

ANNECY, May 11, 1949—4 p. m.

Unnumbered. For CP only. Following is text of memo received from South African delegation. Observe utmost secrecy in handling in



accordance with our unnumbered telegram May 7. Repeat to Capetown if Department thinks desirable.

"1. Union Government propose publish 15 May, or soonest thereafter, their regulations announcing details new scheme for physical import control which is to be introduced as from 30 June, next.

"2. These regulations will provide, briefly, that after 30 June, no goods may be imported into Union without a permit issued in terms new scheme. Exceptions in respect of this rule will be allowed for:

"(1) Sterling goods shipped before 31 May and

"(2) non-sterling goods ordered under existing non-sterling quotas and in respect of which acceptance orders by suppliers was confirmed to Union banks by 30 June.

"3. Under new scheme, it proposed compile an estimated South Africa's earnings hard currency after taking into account any payments to be made hard currency areas in respect of invisible items. To arrive this figure, we would take South Africa's total earnings hard currency from visible and invisible exports plus its current gold production and deduct therefrom any portion its gold output which may be needed to maintain its statutory reserves as well as certain figure which to be set aside to cover South Africa's purchases from hard currency countries goods other than those referred to in paragraph 4 below as category A goods.

"4. This amount 'hard currency', as calculated last paragraph, will be distributed between various classes essential goods (category B goods) and licenses will be issued for import of such goods on fully nondiscriminating basis from any source whatsoever. It anticipated that both hard currency and sterling and soft currency countries will secure share of category A business.

"5. Goods outside category A will formally be prohibited, but this restriction will be relaxed on following lines:

"(a) Imports from hard currency sources will be permitted to extent of amount hard currency specifically set aside for such purchases out of total calculated in terms paragraph 3 above. (Figure set aside will be adequate enable hard currency exporters of category B goods keep their goods before South African consuming public).

"(b) Imports from sterling and soft currency countries will be permitted to extent sterling and soft currency resources available Union after taking into account any payments to be made to sterling and soft currency countries in respect of invisible items.

"(c) Nonessential goods maintained prohibited list and completely prohibited from all sources. This restriction, however, will be relaxed in course of time to extent that South Africa's balance of payments will allow Union Government to do so.

"6. Payment for all purchases from hard currency countries will, naturally, be made in appropriate hard currency which will be obtained, as may be necessary, by sale gold. Not intended settlement individual transactions in Category A goods from sterling and soft currency countries should be made in gold, but, since whole of accruals sterling and soft currencies to South Africa will be absorbed by im-

ports in terms paragraph 5(b) above, any amounts required Category A purchases in such countries will necessarily have to be obtained by sales gold. Assuming, therefore, no abnormal capital movements take place, effect will be same as if individual transactions were settled in gold.

"7. Anticipated that initially soft currency countries will include all countries outside Western Hemisphere with exception of Switzerland and Belgium. Position Belgium is, however, still being examined.

"8. Proposed take action indicated paragraph 5 in accordance provisions of Annex J GATT."<sup>1</sup>

Since above memo received Working Party held secret meeting at which South Africa without reference to memo, outlined verbally and very briefly to Working Party substance of paragraphs 1, 2, 3, 4, 5(a) and 5(b), omitting reference to "token import" provisions in paragraph 5(a). Stated would present further information soonest though implied this might not be before publication. Statement also implied that memo may not be exact terms of restrictions. Working Party will meet this p. m. to state views of delegates and contracting parties will meet secretly tomorrow. Information in Deptel 87 most useful and USDel will take position based thereon. Also will express doubts about usefulness of prior consultation based on fragmentary information (i.e., the information given to the Working Party orally by South Africa). Further comment follows.

WILLOUGHBY

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<sup>1</sup> On March 24, 1948, at their First Session, Habana, Cuba, the Contracting Parties concluded a Special Protocol which modified Article XIV of the General Agreement (see footnote 5, p. 652) and added an Annex J to the original Agreement, with an "Interpretative Note" on Article XIV (62 Stat. (pt. 2) 2000 or TIAS No. 1764).

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560.AL/5-1549: Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNEXY, May 15, 1949—1 p. m.

110. Our A-12 May 13<sup>1</sup> outlines developments past week in consultations new South Africa import restrictions. Suggest follow-up in Department to ensure immediate distribution upon receipt. Following are main points of airgram:

1. Prior consultation, this case was practically useless owing inability South African delegate submit details new restrictions which will be published May 15. Consultation will continue as post-consultation: South Africa hopes this not last over one week.

2. In absence details, not possible ascertain extent discrimination. We had assumed effect requirement use gold or hard currency all pur-

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<sup>1</sup> Not printed.

chases category A essentials whether purchased hard currency countries or not would result sharp discrimination and initial elimination purchases in US category B semi-essentials. Heard secondhand Norval<sup>2</sup> told UK and Western Europe countries last night new information indicates not only all gold and hard currencies but also all available soft currencies needed for category A during second half 1949.

3. Strong pressure for discrimination was put on South Africa by UK and to lesser extent Western Europe countries. Gist of UK argument: Viability of UK and Western Europe dependent on receipt large share of South African gold, traditionally earned by exports to South Africa. If those exports are threatened, UK will have to cut imports from South Africa and cut capital flow to South Africa regardless consequences. South Africa also stated Western Europe countries traditionally principal markets South African exports, mainly non-essentials, and those countries would only buy from South Africa to extent they are enabled buy South African imports from them.

4. US and Canada took strong position against discrimination in somewhat stormy bilateral discussions with South Africa. Issues clearly drawn in working party, inadequate time for prior consultation necessitating presentation by South Africa to working party, discussion by working party, drafting report and approval report in one day, made it impossible make all issues clear in very sketchy report presented to contracting parties next day. In contracting parties the issues were not drawn, both UK and South Africa avoiding any discussion of discrimination. Time factor also precluded effort to put pressure on UK through Embassy London. US stated saw no justification discrimination on basis inadequate information available, and reserved all rights when details known. Must now decide course to be followed in post-consultations. Tentatively planning urge in working party South Africa refrain any discrimination next six months during which neither soft nor hard currency available except for category A and reconsider at end that time. In event failure, which is probable, will circulate written statement US views. Suggestions welcome.

Assuming increased discrimination involved in new restrictions obviously great importance that information to be supplied CP's by IMF should be complete as soon as possible on factors for or against discrimination, that our position should be consistent with any discussions this issue by US representatives IMF. Suggest close liaison with US IMF representatives on matter, and Department requested keep USDel informed on relevant developments, discussions and decisions IMF.

As Department will realize UK position this problem has much broader implications than this case, raising fundamental questions (1) bilateralism versus multilateralism, and (2) relationship of non-discriminatory trade practices to viability planning ERP countries. UK, in disregard objectives GATT and other commitments, using its bargaining power to force South Africa discriminate though not justified

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<sup>2</sup>Dr. A. J. Norval, Chairman of the South African Delegation to the Annecy Conference.

by exchange situation. Net effect will be cause South Africa pay more than necessary its imports and reduce total world trade. Very unlikely influence UK Ancey to stop pressuring South Africa as former knows has backing Western Europe countries which get at least short run benefit as well as most of Commonwealth. If London Embassy believes representations would be effective urge this be done immediately.

Note time schedule contemplates completion consultation this week. Therefore important that any instructions or information pertinent to South Africa restrictions be received soonest.

Sent Department 111, repeated London (for Bliss) 3, Capetown 2.  
WILLOUGHBY

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560.AL/5-1849 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANCEY, May 18, 1949—4 p. m.

120. Latest information South African import restrictions is that South Africa will not submit to contracting parties detailed information necessary for resuming consultations until latter part next week. Understand South African sterling position now become so serious South Africa sending monetary expert London this week discuss problem and decide corrective measures. South African Government proposed send these experts Ancey but South African and UK delegations here urged London instead. UK representative South African working party (Thompson-MacAusland<sup>1</sup>) left for London today to participate.

UK asked member of Canadian delegation whether new South African restrictions would be more acceptable if all South African hard currency earnings were pooled with say 20 million pounds proceeds sterling exports, total to be spent for essential imports. Canadian replied could not discuss figures but this was obviously step in right direction. Asked if UK and South Africa were going to decide details of new restrictions in London, UK replied negative.

In conversation with IMF representatives, we get impression they envisage somewhat indefinite continuance of consultations and doubt ability to supply much information until full details of restrictions available. In view importance of our having most complete data on balance payments, reserve positions etc. in time for relatively brief consultation envisaged by South Africa, we reemphasize suggestion in our 110, May 15 Department maintain close liaison with IMF and

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<sup>1</sup> M. L. Thompson-McCausland, Adviser, British Board of Trade. It was reported in Ancey's airgram A-12, May 13, that "Thompson-McCausland has participated closely in drafting South African restrictions. . . ." (560.AL/5-1349)

send us maximum available information. Would be extremely helpful if IMF could be persuaded take active part as observer consultations assuming their views will be close position USDel. Important also we have current information from Capetown.

Sent Department 120, repeated London 6, Capetown 4.

WILLOUGHBY

560.AL/5-1849 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNECY, May 18, 1949—4 p. m.

123. In view changed timetable South African consultations, worsened South African sterling position, and apparent shift focus of negotiations from Annecy to London (Deltel 120) believe time and opportunity now exist to put further pressure on UK and South Africa in London, Washington and Capetown with some prospect success.

2. Our position briefly as follows: British pressuring South Africa to discriminate without justification on balance payments grounds, and attempting use extreme South African difficulties to extort preferential treatment South Africa and channel trade between UK-West Europe and South Africa on bilateral basis. In so doing British demonstrating callous disregard multilateral nondiscriminatory trade objectives GATT and other instruments to which committed, and disregard of interests of South Africa, Canada, US and even UK long term interests. British action particularly inappropriate in view current action by US re supersession section 9. Under circumstances US reaction must be most unfavorable as situation definitely harmful to working relations between our two governments as well as to future international economic cooperation under GATT-ITO.

3. If Department agrees suggest appropriate instructions to London and Capetown. London Embassy might have discussions with South African mission when it arrives London as well as with appropriate British officials.

WILLOUGHBY

560.AL/5-1649 : Telegram

*The Secretary of State to the Chairman of the United States Delegation (Willoughby), at Annecy*<sup>1</sup>

SECRET

WASHINGTON, May 19, 1949—4 p. m.

115. SoAfr Min Econ Affairs Louw called May 17 on UNSecy to discuss number matters. UNSecy referred him Brown re import

<sup>1</sup> Repeated to London (1729) and Capetown (52).

restrictions. (Uretels 110, May 15, 112, May 16)<sup>2</sup> Brown stated out concern over fact general info we have re new restrictions seems envisage increased discrimination hard currency countries even tho SoAfr's exchange position appears about as poor in sterling as dols. Louw expressed surprise this feeling, stating that at time he left SoAfr 6 weeks ago plans had been formulated on non-discriminatory basis. Said he was unaware developments since then but would look into situation on his return SoAfr May 21. SoAfr Emb officials also expressed surprise but said they had not been kept informed re restrictions. All intimated unaware Annecy discussions. Louw had appt earlier with Eximbank. Dept has feeling threat of discrimination and withholding announcement new restrictions related loan discussions and surmises that announcement perhaps waiting discussions with Louw on his return SoAfr. Dept representatives at meeting all felt Louw not entirely frank. Airmailing memo conversation.<sup>3</sup>

NAC Staff considering May 19 instr US representatives IMF re Fund consideration restrictions. Dept and Treas position that, based on present info, discrimination unjustified.

ACHESON

<sup>2</sup> Latter not printed.

<sup>3</sup> Not printed.

560.AL/5-1949: Telegram

*The Secretary of State to the Chairman of the United States  
Delegation (Willoughby), at Annecy*

CONFIDENTIAL

WASHINGTON, May 19, 1949—7 p. m.

120. From Brown. Dept agrees your appraisal difficulty situation re MFN Jap Annecy (US Del tel 97<sup>1</sup>). However Dept strongly desires you do everything possible to postpone discussions issue till near end conference in order retain chance for possible favorable developments in meantime. For your info Dept plans present *aide-mémoire* Brit Amb and upon being informed presentation you authorized show copy Shackle.<sup>2</sup> Gay coming over via London to discuss further course action.

Precise course action to be taken end conference can be decided then. Dept studying possibility raising issue context broader objective Jap adherence GATT third round negotiations<sup>3</sup> with modified protocol covering period prior adherence.

<sup>1</sup> Dated May 10, p. 670.

<sup>2</sup> R. J. Shackle was Chairman of the British Delegation to the Annecy Conference.

<sup>3</sup> The series of tariff negotiations that would follow those at Annecy, the latter being the "second round" of multilateral tariff negotiations under the General Agreement (not to be confused with the *third session* of the Contracting Parties to the General Agreement, also meeting at Annecy). In any event, the third round occurred at Torquay, England, September 1950-April 1951.

Foregoing course based on most serious reconsideration problem following US Del tel 97 and sympathetic view US Del's position, particularly with respect effect US prestige adverse vote. Can you hold line? While Del authorized discretion decide action in case emergency, consult Dept if possible. Only in event impossible postpone vote and major defeat inevitable is Dept willing that you withdraw item from consideration this session in which case statement should be made along lines para 7 urtel. Reply soonest. [Brown.]

ACHESON

560.AL/5-1949 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNECY, May 19, 1949—7 p. m.

129. Discussed South African problem Shackle yesterday. Explained was not speaking on instructions, and had incomplete information. Referred to apparent lack justification for discrimination and general impression Anney UK attempting force South Africa into discriminatory preferential arrangements. Such course inconsistent with our mutual policy under GATT-ITO and liable arouse bitter resentment. Particularly inopportune when US preparing advocate publicly supersession of section 9. Stressed necessity greatest possible cooperation between two governments, and our manifest desire to strengthen economy of UK and Western Europe. Urged short-sightedness UK policy re South Africa and need for avoidance policies which would make difficult close cooperation our governments.

Shackle denied UK exerting any pressure on South Africa except to include Western European countries with dollar countries in administration controls (this contrary to fact or at best quibbling). His thesis that in order reach truly multilateral trade necessary to strengthen Western European currencies as well as pound. Spoke of necessity for "step backwards" in order ultimately move forward. Said Cripps and UK Government no less convinced than US of desirability sterling convertibility and multilateral trade. Said would pass on my comment to London.

I feel interview which was expressed forcefully was useful. Doubt Shackle convinced UK position wrong but think he was impressed with importance we would attach to British leadership forcing South Africa to discriminate unjustifiably.

Sent Department; repeated London 7 for Bliss, Capetown 5.

WILLOUGHBY

560.AL/5-2149 : Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom*

SECRET US URGENT

WASHINGTON, May 21, 1949—4 p. m.

1772. For Bliss. Dept greatly concerned Annecy reports re UK pressing SoAfr institute discriminatory import controls. In accordance Deltel 134 from Annecy<sup>1</sup> rptd London as 8, pls take matter up with Brit not later May 23 along lines Deltel 129 from Annecy, rptd London as 7. NAC agencies here agreed unanimously that no discrimination is justifiable in SoAfr case.<sup>2</sup>

Sent London 1772, rptd Annecy 128, rptd Capetown 55.

WEBB

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<sup>1</sup> Not printed. In this Annecy cable the Embassy in London had been urged to discuss the matter of the South African import restrictions with appropriate British officials not later than May 23 (560.AL/5-2149).

<sup>2</sup> Frank A. Southard, U.S. Executive Director on the International Monetary Fund was authorized by the National Advisory Council (NAC) to take this position at an IMF meeting on May 20 (Department's telegram 127, to Annecy, May 21, 1949, 560.AL/5-2149).

560.AL/5-2149 : Telegram

*The Acting Secretary of State to the Embassy in South Africa*

SECRET US URGENT

WASHINGTON, May 21, 1949—4 p. m.

56. Dept greatly concerned contemplated institution discriminatory import controls SoAfr (Deptel 115 to Annecy,<sup>1</sup> rptd to Capetown as 52). Dept considers SoAfr proposal made Annecy May 11 evasion GATT obligations. Viewed here as serious challenge to principle multilateral nondiscriminatory trade. AmEmbassy London being requested take matter up with Brit. Pls take matter up soonest SoAfr officials indicating our deep concern and belief that discrimination not justifiable in view fact SoAfr's exchange position appears as weak in sterling as in dollars.

Until June, pls keep Annecy current on developments in gold, dollar and sterling holdings central bank, and drawings UK loan.

Sent Capetown as 56, rptd Annecy as 129, London as 1773.

WEBB

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<sup>1</sup> Dated May 19, p. 678.



560.AL/5-2149 : Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

SECRET

LONDON, May 21, 1949—1 p. m.

1997. For State, Treasury and ECA. Reference Anney cable to Department 134, May 21<sup>1</sup> repeated London 8, and preceding telegrams same subject.

1. British Treasury today confirmed talks beginning with South Africans early next week. Treasury spokesman seemed uncertain of exact present status South African thinking. Felt South Africans groping for ways to cope with situation which is really serious, without having formulated clear plan for procedure. Acknowledged that South African situation very serious, and foresaw stringent import restrictions.

2. Earlier in week, another British spokesman stated UK expected severe drop UK exports South Africa immediate future, to such extent that British not counting on receiving South African gold even in early part 1950. Did not rule out possibility, but thought gold receipts could not be counted upon. Uncertainty arises in part because of technical question involving Article 6 South African loan agreement. Precise analysis present interpretation this section and impact on UK gold receipt prospects following separate ECA cable.<sup>2</sup> Spokesman today stated British hoping to receive gold but did not indicate certainty.

3. Embassy representative noted that seriousness of South African position might raise question of new sterling loan from UK in near future. Treasury spokesman had evidently not considered matter. Revealed that South Africans have now made 7 drawings of pounds, 5 million each, under loan agreement, and admitted that pounds 80 million might be exhausted by end of summer. Timing would of course depend on nature of new import restrictions. Embassy representative observed UK had recently rejected South African overtures for floating municipal loans in London, at which time UK took viewpoint that if capital needed, it should be drawn from 80 million pound balance. Observed that with dissipation of gold loan sterling imminent, situation might be so critical that South Africa would seek both dollar and sterling credits. Treasury spokesman observed that of course private investment in mines would continue, but would not hazard guess as to whether South Africa might request, or UK might favorably consider, new sterling loan.

<sup>1</sup> Not printed. It repeated information contained in Capetown's 49, May 19, to the effect that Dr. Norval, head of the South African Delegation was leaving Anney for consultations in London on import policy (560.AL/5-2149).

<sup>2</sup> Not printed.

4. Treasury spokesman doubted whether anything definitive would come of talks with South Africans before late in week. Impression gained through British still unclear as to South African plans and general situation. However, Treasury will be contacted again next week, and Bliss will discuss import restriction aspects with BOT Monday, by which time situation may be somewhat more clarified. Sent Department 1997, repeated Ancey unnumbered.

DOUGLAS

560.AL/5-2149 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNECY, May 21, 1949—7 p. m.

139. For Brown. Work of Contracting Parties has been proceeding slowly past week and can avoid raising MFN issue immediate future (Deptel 120, May 19). Effort to defer till end conference would, however, be strongly resisted because top personnel several delegations will leave when GATT agenda concluded leaving only tariff negotiations personnel here. Contemplated that last Ancey meetings would be concerned mainly formalities and arrangements third tariff negotiations avoiding important substantive matters.

Wish to avoid taking matter up with Acting Chairman Blankenstein but will consult Wilgress<sup>1</sup> upon his return in one week.

WILLOUGHBY

<sup>1</sup>L. D. Wilgress of Canada was Chairman of the Contracting Parties.

560.AL/5-2249 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET

ANNECY, May 22, 1949—7 p. m.

140. Norval called on me Friday, stating he would go to London Saturday to participate talks with British. Wished to obtain my reaction certain ideas which he had as to possible solutions South Africa problem. Said first South African sterling as well as dollar resources exhausted and for next 6 months would therefore be no discrimination (but this not borne out by Pretoria's 54, May 21<sup>1</sup>). However, would be necessary to reach agreement now with United Kingdom on course of action at end of 6 months. He thought of 3 alternatives:

(1) Same as original South African plan (Ancey's Unnumbered May 11).

<sup>1</sup> See footnote 1, p. 687.

(2) Extend Category (A) in Plan 1 to include goods of somewhat lesser degree essentiality. To purchase these all gold plus hard currency earnings plus an equal amount soft currency would be set aside. Imports would be on basis of price and nondiscriminatory. All hard currency would be first used up, whether for purchases in hard or soft currency area. After this exhausted, the soft currency allocation would be used in soft currency countries. A reduced Category (B) would remain as in Plan 1. Would probably be a token import provision in Category (B).

(3) Only gold would be available for Category (A) which would be limited to goods strictly essential (nondiscriminatory imports). All remaining goods would be classified according to degree essentiality, perhaps 6 or 7 classes. Hard and soft currencies would be allocated to each category in proportion to total amount available and hard currency so allocated used only in hard currency countries and soft currency in its area.

We gave Norval our personal views as follows: Difficult to see now what type of control plan necessary in 6 months. Fundamental point remains that discrimination must be justified on basis of GATT provisions. If balance payments position justifies discrimination at end of 6 months, US will have no grounds for objecting. Reemphasized present indication is discrimination not justified. Regarding his alternative proposals, we said No. 3 seemed least discriminatory though a variant of this plan would be preferable, i.e.: not to set gold apart but to allocate (1) all gold plus hard currency and (2) all soft currency among the several categories of goods, allowing use of any currency within each category for imports regardless of source (Norval said reason for separating gold from hard currency was to encourage exports to US since imports of all but strict essentials would under Plan 3 be permitted only up to amount of hard currency earned by exports). We made it clear this represented only tentative first reaction without careful study and particularly without adequate consideration as to relation of such a scheme to provisions of Articles 12, 13 and 14 GATT, with which it might or might not be consistent.

Norval expressed appreciation our views and said would give possibilities further consideration. Emphasized his suggestions purely personal.

Sent Department 140; repeated London 9; Capetown 6.

WILLOUGHBY

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560.AL/5-2449 : Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

SECRET

LONDON, May 24, 1949—5 p. m.

2022. Embassy representative discussed South Africa discrimination with Burgess BOT Monday afternoon. Burgess in middle of dis-

cussions with Norval and Treasury representatives but stated talks still exploratory and no definite South African position has yet emerged. (Deptel 1772, May 21) Embassy represented US views as in Anney 7, May 19<sup>1</sup> stressing seriousness US attitude which Burgess acknowledged.

Burgess indicated UK has no formal government position but outlined thinking among officials now hardening into conviction in general terms paragraph 8 Anney A-12, May 13,<sup>2</sup> received today. He further argued that gold earnings European countries seeking dollar viability extraordinarily precious to them. Consequently if volume such earnings reduced by non-discrimination requirement they would be more reluctant purchase South African exports since every such purchase would reduce South African net gold payments to them. Result would be shrinkage in soft currency trade since UK and Europe unable maintain exports under non-discriminatory regime and South African exports such as wool, fruits and wines not saleable anywhere for dollars and must be sold against soft currencies or not at all. Consequence non-discrimination therefore general reduction volume South African trade.

From this analysis Burgess concludes that discrimination would result in trade volume greater than that attainable under non-discrimination. Technically therefore this discrimination within terms of GATT.

Embassy representative stated UK argument implied inability UK compete with US in third market and in their own interest British should not seek a protected trade area but should work toward reduced costs and prices. Burgess countered with observation that US apparently trying preserve accidental postwar trade pattern US exports to South Africa. Also expressed feeling that US hustling British too fast toward non-discrimination although British concur with ultimate goal.

Burgess confirmed considerable confusion between South African delegation Anney and own government, indicating government anxious set up trade controls on strictly non-discriminatory basis. They feel strongly must be permitted buy in cheapest market, since important keep down cost of living and cost of gold production.

In general Burgess gave impression UK determined fight for maximum availability gold even if this involves discrimination against hard currencies in favor of soft. Denied UK pressure on South Africa

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<sup>1</sup> Anney telegram 129, to the Department, p. 680.

<sup>2</sup> The essential point of a rather complicated paragraph was, that if the U.K. were not able to earn its traditional share of South African gold production via an import system favorable to the U.K., and plans for economic viability by 1952-1953 were thereby jeopardized, then Britain would be forced to reduce its imports from South Africa and restrict the flow of capital to South Africa (Anney airgram A-12, May 13, 1949, 560.AL/5-1349).

in absence of any effective weapon and pressure seems to take the form of pointing out to South Africans UK conviction that strict non-discrimination would force UK and western Europe countries to limit imports non-essentials from South Africa and restrict exports capital.

Burgess suggested timing South African action might be postponed, indicating that establishment import control will be more intricate problem than South Africans realize. However, UK press today reports speech by Acting Minister Capetown<sup>3</sup> which seems to imply decision to impose differential restrictions has been made.

Sent Department 2022, repeated Ancey 6 for USDel GATT.

DOUGLAS

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<sup>3</sup> Apparently the Acting Minister for Economic Affairs.

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560.AL/5-2549 : Airgram

*The Ambassador in South Africa (Winship) to the Secretary of State*

SECRET

CAPETOWN, May 25, 1949.

A-46. Deptel 56, May 21, 1949. I wish inform Department I approached Union Government May 24 on possible discriminatory features of new import control measures announced by the Acting Minister Economic Affairs Dr. T. E. Donges. Following is text *aide-mémoire* I handed Secretary External Affairs:

"With reference to the statement on import control made yesterday, May 23, by the Union Government, the US Government had cherished the hope that such restrictions would not contravene the provisions of GATT and would uphold the principle of multilateral non-discriminatory trade.

"When Minister Louw called at the Department of State on May 17 he declared that at the time he left the Union the plans for import restrictions had been formulated on a non-discriminatory basis.

"Dr. Norval also informed the American delegation at Ancey on May 20 that since South Africa's sterling as well as dollar resources were exhausted there would be no discrimination for the next six months.

"In view of the fact that South Africa does not appear to be in a significantly better position in sterling than in dollars the US wishes to express its deep concern and belief that discrimination against hard currency countries is not justifiable on the basis of information currently available."

Both the Counselor Embassy C. E. Dickerson and I have taken every opportunity to bring this matter to the attention of Mr. Forsyth, Secretary for External Affairs; Dr. Dekock, Government Reserve Bank; and officials of Ministry of Finance.

Very little comment has been forthcoming from South African officials except to justify the Union's contention that no discrimination

is involved. It is felt that South Africa should buy from those countries which purchase the larger share of its exports. Mr. Forsyth mentioned in passing that by buying from and selling to Europe the Union would be contributing in the only way it could to European recovery by stimulating trade with those countries.

WINSHIP

560.AL/5-2549 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET      PRIORITY

ANNEXY, May 25, 1949—6 p. m.

149. For State and Treasury.

1. We were notified May 19 that South Africa would discuss new import restrictions here May 30 and 31.

2. Upon receipt Pretoria's 54, May 21 and 56, May 23<sup>1</sup> to Department indicating South Africa had reached decision and supplied text to press May 20 or earlier for future release, submitted both cables to South Africa here Tuesday for comment. They confirmed paragraphs 1 and 2 of Pretoria's 54, but denied any knowledge of remaining paragraphs. Note also from London's 2022, May 24 to Department that on May 23, British then conferring with South Africa also said no definite South African position had emerged.

3. London newspapers May 23 reported fully South African announcement May 23 confirming Pretoria's cables.

4. Fund representatives here yesterday recommended that Fund comment fully on all aspects since there is now official South African plan. Conferred yesterday with Canadian who will seek to reach Rasminsky at sea to have him firm Parkinson's position in Fund.<sup>2</sup>

5. Canadian also revealed (a) that South African importers have already exhausted entire balance gold loan by sterling orders confirmed and committed through banking system, leaving South Africa with zero sterling reserves, (b) UK-South African gold loan agreement of 1948 committed UK to purchase specified quantities South African fruits and wines for several years, but this commitment to expire with total repayment loan and (c) UK drafted bill to restrict capital movements to South Africa last year, and are now threatening to resurrect and enact bill. These provide UK with bargaining power.

<sup>1</sup> Pretoria telegram 54 reported that there had been a premature news release about import controls. Pretoria telegram 56 informed the Department that the Acting Minister for Economic Affairs had presented a statement in Parliament about new import controls. (Annexy Conference File, Lot 57D284, Box 132)

<sup>2</sup> Louis Rasminsky, a Canadian national, was an elected Executive Director of the International Monetary Fund. Joseph F. Parkinson, also from Canada, was his alternate.

6. Announced plan apparently still lumps continental currencies with dollars. However, possible that London negotiations involve revision South African payments agreements to permit treating soft currencies as sterling.

7. Belgium probably will support US position and seek neutralize Netherlands which heretofore supporting British.

8. London please comment on paragraphs 5(b) and 6 above.

Sent Department 149; repeated London 11, Pretoria 1.

WILLOUGHBY

560.AL/5-2649 : Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

SECRET PRIORITY

ANNECY, May 26, 1949—2 p. m.

156. South Africa announced Monday new import restrictions effective July 1 discriminating in favor of sterling area and against rest of the world. However, they are working out some scheme to offer preferential treatment to European soft currency countries so that whole weight of discrimination would rest on Western Hemisphere, Switzerland and probably Belgium. This plan apparently adopted by South Africa unwillingly under Great Britain's pressure. I conferred yesterday with André Phillip, head of French delegation here and solicited his support for condemnation of South African discrimination even if South Africa should offer to buy French support by some discrimination in France's favor. Pointed out that discrimination by South Africa, whose foreign exchange availabilities are mainly convertible currency in view of importance of its gold production, would constitute serious blow to multilateral trade principles US is promoting through GATT, ITO and ECA and would tend to perpetuate sterling area as high priced preferential trading bloc. Appealed to French interest in achievement of multilateral trade and destruction of imperial preference system. Phillip non-committal but said he would be in Paris over week-end to confer and receive instructions. Probably to be considered working party May 30 and CP's May 31. We are likely lose on vote here unless we can get support European continental countries. If suitable opportunity arises before May 30 indication of interest by Embassy or OSR to Baraduc<sup>1</sup> or other appropriate French official would be useful. Similar approach OSR to Dutch or Norwegians useful. Belgium and Luxembourg probably supporting US.

<sup>1</sup> Pierre Baraduc, French representative in the trade and payments section of OEEC.

Department previously fully consulted and backs USDel position. Understand Tasca<sup>2</sup> familiar problem.

Sent Paris 10 Harriman for Tasca; repeated Department 156.

WILLOUGHBY

<sup>2</sup> Henry J. Tasca was on the Paris staff of the Special Representative in Europe of the President (Harriman). At this time he was also one of two alternates to the U.S. Appointed Executive Director of the International Monetary Fund.

560.AL/5-2649 : Telegram

*The Acting Secretary of State to the Chairman of the United States Delegation (Willoughby), at Annecy*

CONFIDENTIAL

WASHINGTON, May 26, 1949—7 p. m.

141. View your continued insistence virtual impossibility effective postponement MFN Japan until end session Dept willing have item withdrawn agenda rather than face sharp defeat. Meeting today between Army and Dept reached agreement this point on understanding strong and immediate efforts be made by other means toward same end. This will likely be bilateral negotiations key capitals and perhaps continuing informal discussions Annecy. Will info later. *Aide-mémoire* going ahead, omitting reference Annecy session.<sup>1</sup>

In withdrawing item statement<sup>2</sup> should be made including following points.

1. Withdrawal definitely not to be interpreted as diminution major importance US attaches to objective.

2. Withdrawal primarily due technical difficulties result pressure finish substantive discussions agenda items immediate future.

3. US anxious fullest cooperation all governments this objective which it considers so eminently reasonable and in line commercial policy principles all CP's have espoused. Accordingly intends continue to encourage strongly other governments make the desired assurances for the period US financially supporting Jap program.

WEBB

<sup>1</sup> For the text, see p. 694. The *aide-mémoire* was not presented to the British Embassy until June 17.

<sup>2</sup> The U.S. Delegation Chairman's letter to the Conference Chairman withdrawing from the agenda the item "most-favoured-nation treatment for occupied areas" is printed in GATT Doc. GATT/CP.3/41, 9 June 1949 (Annecy Conference File, Lot 57D284, Box 110).

848A.5151/5-2749 : Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

SECRET

LONDON, May 27, 1949—7 p. m.

2092. Embassy representative met with Strong, UK treasury group, regarding talks with South African experts. British assert neither Sec-



tion 7 (Capital Transactions) nor Section 8 (Purchase of Specified Non-essentials) of gold loan agreement<sup>1</sup> discussed.

In response our questioning British representative stated UK in these discussions did not threaten South Africa with economic warfare. However, both sides well aware that UK requires South African gold and British representative indicated that discussion did cover the possibility of British measures to adjust the trade pattern to produce some gold. British denied that legislation curtailing capital flow to South Africa in readiness. Some study of this problem middle of last year, but no thought of review in recent months.

Discussed question of whether or not legislation necessary under Exchange Control Act 1947 and after some debate among themselves British concluded new legislation would be necessary. In response to specific inquiry also expressed view that the alternative, expulsion of South Africa from scheduled territories, would not be carried out without Parliamentary sanction.

In reply to question re lumping continental currencies with dollars, officials stated South Africa had outlined plans to UK in strict confidence. Prior to disclosure Anney, UK did not feel free to discuss details. Agreed Article 6 gold loan agreement operates to lump continental currencies with dollars, and stated no revision this article discussed. Pointed out article would lapse when loan repaid. Embassy representative discussed alternatives suggested last paragraph our 2068, repeated Anney 7, May 27, but British indicated no such questions arose and both sides assumed loan would be fully repaid this year judging by present trends. No other South African financial agreements appear relevant your paragraph 6 (separate treatment South African-Swiss transactions 1948 Anglo-Swiss agreement not characteristic most recent Anglo-Swiss agreements.)

Your paragraph 5a, British state data not available but extremely doubtful balance gold loan already committed for South African imports.

Sent Department 2092, repeated Anney 8 for USDel GATT.

DOUGLAS

<sup>1</sup> Apparently a reference to an agreement between the United Kingdom and South Africa in October 1947; see Department's telegram 145, to Anney, May 27, p. 691.

560.AL/5-2749: Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

SECRET

LONDON, May 27, 1949—7 p. m.

2093. Supplementing Embtel 2022, May 24, repeated Anney No. 6.

Further discussion with Burgess today summarized South African negotiations as follows:

1. (For USDel GATT) UK stressed key significance South African gold to European viability and Norval agreed that this is important to South Africa also in view possible damage to exports if viability impaired.

2. Norval stressed importance to South Africa of price level and consequent necessity to enforce competition and maintain non-discrimination.

3. UK took account of US protest and discussed various possibilities for meeting US and Canadian view point. Felt however that there are limits to what can be done in this direction.

4. Discussions ended up with no agreement and amounted to friendly clarification of problems arising out of South African situation including many not relevant to Annecy issues.

5. Norval discussed various plans and British know fairly well what he will probably recommend but do not feel free to disclose at this time. Presumably after Norval has reported to his government and received instructions he will consult Willoughby.

Sent Department 2093, repeated Annecy 9.

DOUGLAS

560.AL/5-2649: Telegram

*The Acting Secretary of State to the Chairman of the United States Delegation (Willoughby), at Annecy*

SECRET

WASHINGTON, May 27, 1949—8 p. m.

145. Dept believes SoAfr efforts to work out scheme to offer preferential treatment to European soft-currency countries (urtel 156, May 26) may be explainable in light of para 6, UK-SoAfr Agreement, Oct 1947 which states: "The Union Govt will arrange for the SoAfr Reserve Bank to sell gold to the Bank of England against payment in sterling for the equivalent of the net amount of payments as from the 1st January, 1948, made by residents of the Union, through the UK, in favour of persons resident in countries outside the sterling area whether made in sterling or other currencies. Settlements in respect of this paragraph shall take place at times and on the basis of data to be agreed between the SoAfr Reserve Bank and the Bank of England." It is likely that under this clause SoAfr can offset soft-currency surpluses against hard-currency deficits. If so, SoAfr surpluses with soft-currency countries wld tend to reduce UK gold receipts from SoAfr (or possibly bring about net dollar outlays by UK on behalf SoAfr). This may explain apparent pressure by UK on SoAfr to discriminate in favor soft-currency countries.

2. IMF Executive Board today examined new SoAfr restrictions announced May 23. Basis for discussion was Fund Special Staff Memo No. 64, Supplement 13, copy of which is being air pouched to you today. Board was unable in available time and on basis available facts to reach agreement as to whether or how much discrimination is justi-

fied in SoAfr's present situation. UK and SoAfr Directors expressed belief discrimination justified. US Director, supported by others, expressed opposite view. Consequently Fund Board reached no definite decision on this issue and confined itself to forwarding Staff study contained in Supplement 13 to Saad<sup>1</sup> with instructions to Saad to delete last para page 6. Del requested not reveal contents deleted para to persons outside USDel.

WEBB

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<sup>1</sup> Ahmed Zaki Saad (Egypt), an elected Executive Director of the International Monetary Fund, and IMF observer at the CP's Third Session (see editorial note, p. 668).

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*Editorial Note*

In a series of telegrams from June 1-3 (Annecy 173, 174, 175, and 184), the United States Delegation reported at length the details of a proposed formula in "continuous day and night meetings on South African matter", whereby the United States would recognize the right of South Africa to discriminate in its import policy in favor of "war-disrupted countries" rather than "soft-currency countries". The Department gave conditional approval to the scheme in its telegram 169, to Annecy, June 3 (560.AL/6-249). However, Annecy reported further on June 9 (telegram 204, 560.AL/6-949) that "Further discussion revealed tentative compromise . . . was understood differently by various parties . . . under these conditions obvious plan would not meet conditions your 169 . . . Working Party is completing report here to conclude consultations which will indicate divergent points of view on issues involved but will not reach any conclusions. To try to press for conclusions at this time would involve risk defeat on substance added to reluctance delegates to push to definitive conclusion in a consultation this character." (560.AL/6-949) (This was the first application of the consultative procedure provided for in Article XII of the General Agreement.)

The Chairman of the United States Delegation (Willoughby) subsequently reported to the Secretary of State: "The principal interest of the United States in these consultations was to ensure that any discrimination against dollar countries involved in the South African restrictions was necessary and justifiable under Article XIV of GATT. The consultation enabled the United States to make its viewpoint clearly known to the South African Government in advance of the imposition of its new restrictions, and it gave the South African Government an opportunity to consider in advance the effects of the proposed measures not only on its trading position but on its relations with the United States and other countries." (Public Official Report to the Secretary of State by the Chairman of the United States

Delegation, transmitted under cover of a letter of November 10, 1949, neither printed, 560.AL/11-1049)

560.AL/6-1649 : Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom*<sup>1</sup>

CONFIDENTIAL

[WASHINGTON,] June 16, 1949—7 p. m.

2072. Douglas from Thorp. Fol tel sent to Brussels and similar one to The Hague and Paris.<sup>2</sup>

"Dept has authorized withdrawal this subject [most-favored-nation treatment for Japan] from agenda of Conf at Annecy in favor pushing efforts bilaterally key countries, concentrating first in Brit, Neth, Fr, Canad and Belg. Dept and NME continue place great importance getting commitment from these countries covering period Jap occupation and desire press for either unilateral instrument similar in form and substance to Ger protocol or bilateral instrument similar in substance to Ger protocol but to which SCAP adheres. Acting Sec presenting strong *aide-mémoire* to Brit Amb (copy airmailed for your info).<sup>3</sup>

Dept desires that you reopen question on high level and make strong effort get early favorable response. To assist in negotiations Dept sending Martin<sup>4</sup> to arrive early July. Schockner being sent from Annecy as Army Rep along with Rep of SCAP. Martin familiar possible modifications in agreement, particularly escape clauses, Dept could accept. Dept sending draft *aide-mémoire*<sup>5</sup> for use in your discretion prior group's arrival and draft agreement for immediate presentation. Emb should initiate necessary groundwork in advance group's arrival so that matter be brought to head while this group there and avoid any tendency stalling tactics. For same purpose group will have discussed matter with Belg Reps at Annecy prior arrival. Further instructions re exact time arrival."<sup>6</sup>

*Aide-Mémoire* (Depinst 271, June 10<sup>6</sup>) not yet presented here. Emb will be notified immediately upon presentation. Emb instructed to follow up with Brit authorities as soon as sufficient time elapsed for *aide-mémoire* to be considered. Martin and Schockner can probably assist.

<sup>1</sup> Repeated to the U.S. Political Adviser, Tokyo (267).

<sup>2</sup> Sent on June 14 as No. 722, No. 511, and No. 2089, respectively.

<sup>3</sup> *Infra*.

<sup>4</sup> Edwin M. Martin, Deputy Director of the Office of International Trade Policy.

<sup>5</sup> Forwarded under cover of instructions on June 24 to Brussels (No. 84), The Hague (No. 84), and Paris (No. 330), none printed.

<sup>6</sup> A copy of the *aide-mémoire* to be presented to the British Embassy was forwarded with the instruction. In the instruction the Embassy was informed: "Both the Department of State and the National Military Establishment continue to attach great importance to obtaining a commitment from the major trading nations to accord most-favored-nation treatment to Japanese products. Renewed efforts looking toward securing these commitments are under consideration and are expected to be the subject of telegraphic instruction." (560.AL/6-1049)

Timing to be worked out with Martin who is arriving soon connection export control discussions. [Thorp.]

WEBB

560.AL/5-2049

*The Department of State to the British Embassy*<sup>1</sup>

CONFIDENTIAL

AIDE-MÉMOIRE

The Department of State views with concern the continuing reluctance of the British Government to undertake accession to an agreement whereby the merchandise trade with Japan would be carried on during the period of occupation under a reciprocal adherence to the principle of most-favored-nation treatment. It is understood that the present position of the British Government is that such adherence cannot be assured until sufficient time elapsed from the introduction of the new yen exchange rate to allow an observation of the effects of such rate on trade. Indefinite postponement of a British decision prejudices to a serious extent the possibility of obtaining general acceptance of a most-favored-nation agreement covering Japanese trade.

The Department believes that it is to the mutual advantage of the United States and the United Kingdom, and in fact to the general advantage that:

(1) There be such recovery in Japan's foreign trade as will permit attaining a minimum self-supporting status for the Japanese economy. Such attainment in the foreseeable future is of particular immediate concern to the United States whose people are contributing heavily toward Japanese recovery.

(2) That the development of Japanese trade be along sound economic lines in the context of a multilateral trading system, thus minimizing the danger of future economic disturbance.

(3) That there be an avoidance of an increasing network of discriminations against Japan, which would create the basis for highly dangerous economic and political frictions in the future. Already there are numerous discriminations against Japan; ten of the present contracting parties to the General Trade Agreement practice such discrimination and there will be continuing pressures for such action.

The Department of State believes that an assurance on the part of the leading trading countries of adherence to the most-favored-nation principle in trading with Japan during the period of occupation is an important element in respect of the foregoing considerations. It is

<sup>1</sup> Presented to Sir Derick Hoyer Millar, Minister in the British Embassy, on June 17. The Embassy in London was so informed in Department's telegram 2093, June 17, 7 p. m., not printed (560.AL/6-1749). The Embassies in Brussels, The Hague, and Paris were informed on June 21 in Department's telegrams 752, 539, and 2209, respectively, none printed (560.AL/6-2149).

important to the occupying authorities in directing the proper rehabilitation of the Japanese economy and it is important from the standpoint of American public opinion in the light of the heavy burden of Japanese support assumed by the American people along with the heavy burdens they are called upon to bear in other parts of the world for general economic recovery.

The Department of State believes, with respect to the alleged fear of extreme Japanese competition, that fundamental changes in the Japanese cost structure will inevitably militate against a marked and sustained Japanese competitive advantage over a broad area of commodity trade. It feels confident that during the period of occupation the occupying authorities can assure the absolute minimum of unfair competitive practices. It believes that the established policy for pricing Japan's exports and the demonstrated readiness of the occupation authorities to consult with respect to alleged dissatisfactions fully justify this confidence. The Department has repeatedly indicated a readiness to consider reasonable assurances concerning these matters.

The Department of State believes that the establishment of the new yen rate of exchange will substantially remove the uncertainties which have surrounded Japanese trade to the present time. This development should materially lessen the need for and justification of bilateral arrangements such as the sterling agreement which the United States Government has never accepted as a satisfactory substitute for an effective application to Japan of the most-favored-nation trading principle.

On the basis of the objectives and related considerations set forth above it is impossible for the Department to find adequate justification for the continued refusal of the British Government to give assurances with respect to Japanese trade which the United States Government has for the past two years been seeking. In fact it cannot conclude other than that such continued refusal constitutes a serious inconsistency with the agreed commercial policy objectives which the United States and the United Kingdom Governments have helped to sponsor and establish. The Department further cannot overlook the increasing difficulty on the part of the American public in understanding a persistent refusal of the British Government to assure non-discriminatory treatment to Japanese trade for the period that Japan is under a United States supported occupation authority while at the same time our two Governments along with the governments of other friendly countries are collaborating in efforts to hasten world economic recovery.

The Department of State therefore strongly urges that the British Government undertake to reconsider its position on the question of most-favored-nation treatment for Japanese trade in a sincere effort

not only to accept on its own behalf the assurances sought by the United States Government but to support the United States Government in its continuing efforts to encourage other governments likewise to accept these assurances.

WASHINGTON, [June 17, 1949.]

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560.AL/6-2449 : Circular airgram

*The Secretary of State to Certain Diplomatic Missions*<sup>1</sup>

CONFIDENTIAL

WASHINGTON, June 24, 1949.

This airgram relates to the project for the establishment of an International Trade Organization (ITO) and the problem of maintaining the continuing interest and support of other countries for this project and of reassuring them of the high importance which this Government attaches to the ITO.

At the United Nations Conference on Trade and Employment, which was held at Havana from November 21, 1947 to March 24, 1948, a proposed Charter for an International Trade Organization was completed. This achievement marked the culmination of some two years of negotiation directed toward the development of an ITO. The Charter as drawn up at Havana was then submitted to the Governments represented at that Conference for their approval. The approval of 20 countries is required to put the Charter into force.

From the outset it was clear that the prospects for establishing the ITO hinged largely on whether or not the United States would accept the Charter. This Government was the principal inspirer of the project and the prime force in its development. The conceptions in the Charter are largely those which have guided the foreign economic policy of this country in the past fifteen years. With the United States as a principal trading country and economic power of the world, the participation of this country in the ITO is essential to the establishment and successful functioning of such an organization.

As a result of these considerations, most countries of the world have been marking time and awaiting action on the Charter by the United States before they themselves take action. To the Department's knowledge only two countries, Liberia and Australia, have approved the Charter, the approval of Australia, however, being conditional upon acceptance of the Charter by the United States and the United Kingdom.

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<sup>1</sup> Sent to Canberra, Brussels, Rio de Janeiro, Rangoon, Ottawa, Colombo, Santiago, Canton, China for Embassy Office, Habana, Paris, New Delhi, Beirut, Luxembourg, The Hague, Wellington, Oslo, Karachi, Johannesburg for Southern Rhodesia, Damascus, Capetown, London, Bogotá, Cairo, San Salvador, Athens, Rome, Mexico City, Manila, Copenhagen, Stockholm, and Anney.

So far as the United States is concerned, the President has submitted the Charter to Congress for approval,<sup>2</sup> and it now awaits hearings before the Foreign Affairs Committee in the House. Because of the pressure of other business, notably the ERP, the North Atlantic Pact, and domestic matters, it now appears that it will not be possible to complete consideration of the Charter at this session.

The Department is concerned that this delay in United States action on the Charter and in the establishment of the ITO may result in a loss of interest and support by other countries for this program and in a questioning as to whether the United States will ever approve the Charter and as to whether the ITO will ever come into force. These countries may feel some measure of skepticism that this Government is in fact wedded to and intends to follow the liberal principles of economic policy espoused in the Charter and that these principles offer any sound guide for their foreign economic policy.

You are therefore instructed, unless you perceive objection, to approach an appropriate, high-level official in the government to which you are accredited with a view to reassuring such government as to the intentions of the United States regarding the Charter. You should indicate that the Administration intends to seek the earliest possible approval of the Charter and that only the pressure of other urgent business, such as the ERP, the North Atlantic Pact, and domestic matters, has prevented Congressional consideration of the Charter thus far. You should point out that if the Congress meets this fall, an effort will be made to get the Charter considered at that time. You should indicate further that if there is no fall session of the Congress, it is intended to press ahead with the Charter at the next regular session beginning in January. Finally, you should emphasize the high importance and value which this Government attaches to the objectives and principles of the ITO Charter as a guide to the conduct of international economic policy and as a basis for the promotion of prosperous and peaceful relations among the nations of the world. In this connection you may wish to refer to the fact that in his latest foreign policy address of June 11, 1949 President Truman reemphasized the need for "a permanent international trade organization to apply standards of fair dealing in commerce among nations".

In order to stress the importance this Government places on the ITO program, it is requested that the head of mission or the next

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<sup>2</sup> The President's message in transmitting the Habana Charter to the Congress, asking for approval in a joint resolution, together with an explanatory memorandum from the Secretary of State, is printed in 81st Congress, 1st session, Senate Document No. 61 (April 28, 1949). There is documentation in the file series 560.AL, which is not printed, that deals with the question of whether Congressional approval should be sought through the joint resolution or the treaty process; although Senate leaders of both parties seemed to favor the latter, the Executive seems never to have considered seriously any alternative to the joint resolution.



highest ranking officer communicate the foregoing to the appropriate, high level official in the government concerned.

This airgram is repeated to USDel, GATT, Annecy, for information only.

ACHESON

560.AL/6-2949: Telegram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

CONFIDENTIAL

ANNECY, June 29, 1949—5 p. m.

PRIORITY

292. From Willoughby, Martin, Schockner and Campbell.<sup>1</sup>

1. In discussion among ourselves purpose and tactics proposed meetings French, Belgian, UK and Dutch Governments on MFN for Japan attention given following recent developments:

*a.* Belgium in midst change of government. Hence impossible for some weeks to get policy reversal required to authorize negotiation of agreement. Pressure now apt to result in confirmation previous position as easiest way to dispose of problem.<sup>2</sup>

*b.* UK in midst of trade crisis leaving little time for Cabinet to reconsider position and strongly prejudicing any decision likely to affect adversely trade position any part of sterling bloc. Informal checks Board of Trade and Foreign Office officials by Martin indicated no disposition reconsider position seriously at this time.

*c.* Dutch about to start negotiations respect new government for NEI whose trade principally involved MFN principle and unlikely want to commit that new government on such matter in advance such negotiations.

*d.* From reaction Canadian delegation here exploratory talks held with Canadians did not soften Canadian opposition to MFN for Japan.

2. In light these factors question wisdom presentation *aide-mémoires*<sup>3</sup> to Belgian and Dutch Governments. Moreover feeling here is that success unlikely without kind of pressure that can only come from personal talks between Secretary of State and respective ambassadors. Undesirable present unless appropriate and likely to be useful to follow through promptly and vigorously for Cabinet level

<sup>1</sup> Carl C. Campbell, SCAP expert on Japanese commerce and trading practices, arrived at Annecy from Washington on June 28. It is presumed that Campbell carried with him the draft agreement for most-favored-nation treatment for Japan that is mentioned in several documents beginning with this telegram. The draft has not been found in either the central indexed files of the Department of State or in the Annecy Conference lot file (57D284). It is known that the draft agreement was still being cleared in the Department on June 24; it was available at Annecy on June 29.

<sup>2</sup> Several telegrams from Brussels, none printed, had emphasized the problem arising from the change of government then taking place in Belgium, especially telegram 919, June 28, noon (560.AL/6-2849).

<sup>3</sup> Drafts had been sent from Washington under instructions dated June 24.

decision on policy which will permit negotiation of agreements. Political decision at Cabinet level must precede negotiations of agreement. In all circumstances consider unwise to seek such decision now. Prospects of success along lines previously contemplated highly doubtful. Unfavorable Cabinet decisions at this time would make difficult another approach for six months to year. Question whether desirable press French if other action to be delayed.

3. Desirable to follow up removal from Annecy agenda. Schockner, Martin, Campbell visits might be made as scheduled with these purposes:

- a. Make clear continuing interest US Government this problem.
- b. Explore proper timing Cabinet review.
- c. Discuss alternative forms of agreement, nature of escape clauses useful, etc.

Such discussions would be primarily with top civil servants, though ministerial level useful where possible without embarrassment. Do not propose that case be reargued in view Canadian experience and past discussions Geneva, etc., which have fully covered matter.

4. In UK would do as above and also express willingness postpone answer to *aide-mémoire* until more propitious time.

5. Insofar as Washington expected this delegation to negotiate agreements, believe under circumstances described in paragraph 1 this not practicable within any reasonable time period. In circumstances this mission<sup>4</sup> does not carry necessary diplomatic stature to bludgeon through reversal of present policy positions these governments. Attempt to press for detailed negotiations in absence political decision at Cabinet level on central policy issue would do more harm than good. If you still desire to have *aide-mémoires* presented prior our visits, we would propose to do the following:

- a. By our personal presence from Washington and Tokyo reemphasize importance US attaches this question.
- b. Urge that answer to *aide-mémoire* receive full Cabinet review and not be handled in routine fashion.
- c. Discuss concrete illustrations of kind of agreement we want and possible provisions to meet their problems, as agreement may look less formidable in concrete than in abstract.

6. Will continue discussions here with Annecy delegations in case can pick up any pointers and to indicate further our continuing interest.

7. Request delay presentation *aide-mémoire* at Paris, Hague and Brussels if not too late pending new instructions from Department. Please repeat messages this subject Willoughby at Annecy and Martin at Paris.

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<sup>4</sup> That is, the U.S. Delegation at Annecy.

Sent Department 292, repeated Paris 22, London 27, The Hague 2, Brussels 2. Department pass Army. [Willoughby, Martin, Schockner, and Campbell.]

WILLOUGHBY

560.AL/7-149 : Telegram

*The Secretary of State to the Embassy in France*<sup>1</sup>

CONFIDENTIAL

WASHINGTON, July 1, 1949—5 p. m.

2381. For Martin from Gay. MFN Japan. Dept agrees that to press for detailed negots may be impractical in time available but in view action taken Brussels<sup>2</sup> Dept believes *aide-mémoires* should be presented Paris. Due special problem NEI presentation Hague shld be postponed.<sup>3</sup> (Urtel 292 June 29) At all four capitals you should:

1. Push ahead with discussions top civil servants and ministerial level if possible to give maximum emphasis importance US attaches to question.

2. Discuss concrete agreement, using Annex 1 as basis, and possible provisions to meet their problems.<sup>3</sup>

3. Urge that answers to *aide-mémoires* (except at Hague) receive full cabinet review and not be handled in routine fashion.

4. Explore proper timing bringing issue to head in Cabinets at same time making clear US intends continue press for satisfactory agreement.

Re your Para 3 last sentence,<sup>4</sup> some explanation basis US objectives probably desirable, turning emphasis on importance peaceful, well integrated Jap. Re Para 1 b and Para 4 believed wise avoiding encouraging prolonged postponement.<sup>5</sup> [Gay.]

ACHESON

<sup>1</sup> Repeated to Annecy (269), Brussels (811), The Hague (578), and London (2276).

<sup>2</sup> The Embassy at Brussels had presented the *aide-mémoire* to the Belgian Ministry for Foreign Affairs on June 30, prior to receiving Annecy's telegram 292 to the Department, June 29, 5 p. m. (telegram 933, from Brussels, June 30, not printed, 560.AL/6-3049)

<sup>3</sup> This point had been emphasized again by the Embassy at The Hague in its telegram 554, June 30, 4 p. m. The Embassy had cited other economic factors also as boding "serious resistance in obtaining assurances" from the Netherlands Government, and cautioning that "US may have to resort largely to political arguments." (560.AL/6-3049)

<sup>4</sup> Refers to the draft agreement.

<sup>5</sup> References in this paragraph are to numbered paragraphs in Annecy's 292, June 29, *supra*.

560.AL/7-849 : Telegram

*The Ambassador in France (Bruce) to the Secretary of State*

CONFIDENTIAL

PARIS, July 8, 1949—1 p. m.

2814. From Martin, Schockner and Campbell.

1. As instructed Deptel 2381, July 1, 1949, *aide-mémoire* re MFN

treatment Japan presented Foreign Office July 2. In view previous French position (Embtel 1217, March 24, 1949<sup>1</sup>), following paragraph substituted for last two paragraphs Department's draft (Department's instruction 330, June 24, 1949): "In view, therefore, of the agreed commercial policy objectives which our respective governments have helped to establish, the Government of the US strongly hopes that the French Government will be prepared to adhere to an agreement assuring, under appropriate safeguards, most-favored-nation treatment to Japan."

2. Accompanied by Terrill and Cameron of Embassy,<sup>2</sup> we discussed MFN agreement Japan with Baraduc and staff of Foreign Office on July 6. After exposition US point of view, French reaffirmed their acceptance in principle of MFN treatment Japan (Embtel 1217, March 24, 1949); however, stated their belief that negotiation MFN agreement premature at this time on view.

a. Uncertainty development French relations Indochinese Government (later in discussion French mentioned possibility that Indochina might be excluded from such agreement);

b. Need for exploratory review Japanese tariff, trading and general economic policy affecting trade;

c. Failure to line up countries of real importance Japanese trade. French thought that most GATT countries should be signatory to agreement rather than only few countries and preferred to have matter discussed at next meeting contracting parties. We emphasized to French importance world opinion acceptance of MFN principle by country like France even though trade with Japan not large and impossibility ever making progress if unanimity always required before action taken.

d. Present dissatisfaction with German MFN agreement and economic policy affecting German trading position. Emphasized, however, that if German agreement could be clarified, it would assist government greatly in accepting agreement for Japan. (Policy statement binding German rates for period of agreement may possibly meet this point.) We endeavored to reassure French on prospects successful solution German problem. French may use Japanese agreement as bargaining point in influencing US economic policy in Germany. (For example, French complained against selling coke to France at higher prices than sold locally in Germany.)

3. Copies of Appendix A without 60-day clause or last interpretive note left with French.<sup>3</sup> Urged them to review agreement, discuss with Embassy any problems it raises, and investigate as fully as they think necessary Japanese trade policy with their representatives in Tokyo and possibly in Washington. Also urged that action be taken at highest level on *aide-mémoire* but only after full opportunity for us to discuss with them any further difficulties.

<sup>1</sup> Presumably circular airgram, June 24, p. 696.

<sup>2</sup> Robert P. Terrill and Turner C. Cameron, Jr., First and Second Secretaries of Embassy in France, respectively.

<sup>3</sup> Refers to the draft agreement.

4. Believe French will go along if UK and Benelux agree to MFN Japan. Will suggest possibilities of continuing action after discussions in Brussels, Hague, London.

Sent Department; repeated USDel Anney 4; Department pass Tokyo unnumbered. [Martin, Schockner, and Campbell.]

BRUCE

560.AL/7-949 : Telegram

*The Ambassador in the Netherlands (Baruch) to the Secretary of State*

CONFIDENTIAL

THE HAGUE, July 9, 1949—4 p. m.

582. From Martin, Schockner and Campbell. Accompanied by Steere and Beede<sup>1</sup> of Embassy staff discussed Japanese MFN with eight representatives of Netherlands Ministry Foreign Affairs, Economic Affairs and Overseas Territories, headed by Van Kleffens of Ministry Economic Affairs. Discussions were frank and friendly. Results were as follows:

1. Dutch reaffirm their inability to make decision prior clarification position of Netherlands vis-à-vis US of Indonesia. Suggested probability that as result round table discussion question of MFN for Japanese exports to Indonesia would be entirely up to new Indonesian Government. Although unable to predict what views new government might be, pointed out that slow rehabilitation Indonesia industries, past history of Japanese economic exploitation in Indonesia and memory of Japanese occupation are all present obstacles to agreement by the new government to MFN treatment.

2. Dutch expressed view that adherence by Japanese to GATT was more favorable solution our problem than MFN agreement alone. Such adherence more permanently binding on the Japanese, would cover more completely possible trading policy problems between the Japanese and other countries and would be more likely to carry over beyond period of occupation kind of trading policy everyone wants to continue. Also interested in getting as much on future trade policy in peace treaty as possible. It was indicated that US Government would consider carefully possibility of Japanese adherence GATT. We pointed out strong feelings believed to be held by the governments now member GATT, respect Japanese adherence and inability without peace treaty or further decisions of policy by Far Eastern Commission of Japan to undertake such international commitment.

3. Van Kleffens suggested more important for US to reaffirm vigorous non-discriminatory policy on part Japanese and to press for MFN

<sup>1</sup>Lloyd V. Steere, Counselor of Embassy for Economic Affairs in the Netherlands, and Kenneth C. Beede, a senior economic analyst, attaché in the Embassy.

agreement by countries now discriminating. Did not feel signing of such agreement by countries like Netherlands which are not now discriminating would accomplish much either economically or in determining future Japanese trade policy.

4. Copies of appendix A<sup>2</sup> were left with them with request they examine them and raise any questions with Embassy. They expressed appreciation and agreed to follow suggested course of action.

5. Subsequently saw Boon acting Secretary General Foreign Office who reaffirmed Netherlands support for Japanese adherence GATT. Expressed appreciation of consultation by US, referring to Netherlands surprise at recent US announcement re Japanese reparation which Netherlands will protest.

Sent Department, repeated Tokyo unnumbered, Ancey unnumbered. [Martin, Schockner, and Campbell.]

BARUCH

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<sup>2</sup> Refers to the draft agreement.

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560.AL/7-1149: Telegram

*The Ambassador in the United Kingdom (Douglas) to the Secretary of State*

CONFIDENTIAL  
PRIORITY

LONDON, July 11, 1949—6 p. m.

2696. From Martin, Schockner and Campbell.

1. Accompanied by Bliss and Ringwalt of Embassy staff,<sup>1</sup> met with representatives of Board of Trade and Foreign Office chaired by Stephen Holmes BOT.

Holmes had received *aide-mémoire* within last few days. British comments along following lines:

*a.* Insufficient time had elapsed since establishment of exchange rate to determine whether or not rate is satisfactory.

*b.* Untimeliness in view of unfavorable balance of Japan and sterling area trade plus economic crisis in Empire.

*c.* Inference Japan was now reverting to unfair competition in conduct of trade (markings and export subsidies).

*d.* MFN agreement as proposed will have little material effect in expanding Japanese trade with UK. They contend closer cooperation by SCAP with sterling area would prove more beneficial to Japan than MFN agreement.

2. US group stressed points as outlined in cables from Paris, Brussels, Hague and explained an immediate answer to *aide-mémoire* not expected; suggested response to *aide-mémoire* expected within

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<sup>1</sup> Don C. Bliss, Counselor of Embassy for Economic Affairs in the United Kingdom, and Arthur R. Ringwalt, First Secretary of Embassy.

two to three months provided that provisions of annex A<sup>2</sup> be discussed in some detail in the interim. Further pointed out that appendix A<sup>2</sup> should be reviewed in the light of working towards a solution and urged that any British proposals for escape clauses be presented for discussion. Pointed out importance not rejecting in principle on grounds which might be taken care of by such means. Agreed to clarify by factual presentation apparent UK misunderstanding on points raised in 1c above.

3. Believe very little accomplished today. British appeared to be stalling with little prospect of changing Cabinet decision as outlined Embtel 1472, April 12.

4. Solution seems to hinge upon formal UK acceptance principle MFN for Japan. After such acceptance, terms of agreement could be worked out and these terms would probably be satisfactory to France, Belgium and Netherlands. Conversations confirm previous conviction that this matter cannot be resolved on technical level, with economic arguments. The acceptance of principle will undoubtedly be based primarily upon political rather than economic considerations.

Sent Department 2691; repeated Tokyo unnumbered; Annecy 15. [Martin, Schockner, and Campbell.]

DOUGLAS

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<sup>2</sup> Refers to the draft agreement.

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560.AL/8-249: Circular telegram

*The Secretary of State to Certain Diplomatic Missions*<sup>1</sup>

RESTRICTED

[WASHINGTON,] August 2, 1949—8 a. m.

Request you approach Govt to which accredited along following lines:

"In view prospects \_\_\_\_\_country becoming contracting party to GATT as result tariff negots Annecy, attention drawn to agreement open for signature to GATT contracting parties at Geneva in Sep 1948 for accordng MFN treatment to Western Ger. Agreement deposited with UN at Lake Success and may be signed there at any time by acceding countries. US hopes \_\_\_\_\_country will sign agreement and also attached memo of understanding relating to accord MFN Western Sectors Berlin agreed to by signatory countries at meeting at Annecy Jul 25 at which reps all acceding countries invited to attend.

US endeavoring obtain widest possible application MFN treatment Ger in order promote its econ recovery and enable it resume sound econ relations with world. US believes these ends most important for

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<sup>1</sup> Sent for action to: Athens, Bogotá, Copenhagen, Ciudad Trujillo, Helsinki, Managua, Monrovia, Montevideo, Port-au-Prince, Rome, and Stockholm. Sent for information to Annecy, Berlin, Frankfurt, and Tokyo.

development peaceful and democratic Ger and accordingly for econ and polit stability in Eur. MFN in accord principles GATT for reducing trade barriers and placing trade on non-discriminatory basis implementation of which essential to conduct world trade on fair and expanding basis. US particularly interested this matter in view large sums it expending for support of Ger econ in interests of above objectives."

If objection raised that signature MFN agreement Ger wld create precedent similar agreement Japan you may reply that although US believes same treatment shld apply Japan signature Ger agreement wld be without prejudice position regarding signature any similar agreement for Japan. For your info agreement similar to one already existing for Ger proposed for Japan at Geneva and Annecy sessions of GATT but due strong opposition matter dropped from agenda. US still desires obtain such agreement.

Matter signature Ger agreement discussed with reps all acceding countries at Annecy and USDel Annecy believes most or all will recommend signature to their Govt.

ACHESON

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560.AL/8-2549 : Airgram

*The Chairman of the United States Delegation (Willoughby) to the Secretary of State*

CONFIDENTIAL

ANNECY, August 25, 1949.

A-34. There is attached a copy of the Confidential Record of certain statements reported in USDel's 12 to USPolAd, Berlin,<sup>1</sup> together with its two Annexes.

The Confidential Record has been noted without objection by the Military Governors, and has been formally given to the signatory countries in Annecy.

The text of the statement of the Military Governors as received by the US, UK, and French differed slightly, presumably because of errors in transmission, and the text was issued as it appeared likely to have been sent, and was noted without objection by the Military Governors.<sup>2</sup>

WILLOUGHBY

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<sup>1</sup> Not printed; sent to the Department as telegram 418, July 26.

<sup>2</sup> This was reported in Frankfurt telegram 1854, August 18, 5 p. m. (repeated to Annecy as 15 and to Berlin as 139): "Military governors at meeting today noted without objection statement on tariff policy as formally read at July 26 [25] meeting at Annecy." (560.AL/8-1849)



[Attachment]

## CONFIDENTIAL RECORD OF MEETING HELD AT ANNECY ON 25TH JULY 1949, TO DISCUSS MATTERS ARISING ON WESTERN GERMANY

There were present representatives of the three Occupying Powers (France, United Kingdom and the United States), Belgium, Canada, China, Denmark, Dominican Republic, Greece, India, Italy, Netherlands, Norway, Sweden and the Union of South Africa. The representative of the Netherlands took the chair.

1. *Statement by the Delegations of France, the U.K. and U.S.A. on behalf of their Military Governors regarding the tariff of the Western Zones of Germany.*

The U.K. representative on behalf of the three Occupying Powers formally made the Statement attached (Annex 1) and stated that this was now released for public issue.

In discussion on the Statement the following points were made:

(a) In reply to enquiries whether the reduced rates of the German tariff resulting from the German-Czechoslovak tariff agreement of 1920 were now in force, the U.K. representative undertook to make enquiries.

(b) In regard to paragraph 1 of the Statement, an explanation was given of the phrase "quantitative and qualitative restrictions are not being applied". It was emphasized that this Statement referred not to absolute quantitative restrictions on imports but merely to what are customarily called "tariff" or "customs" quotas. Further, that it referred merely to cases where the conventional (i.e. the lower) rate was subject to a quantitative or qualitative condition. In such cases the conventional rate is now applied without regard to these quantitative or qualitative conditions.

There was no implication that the existing German tariff classification is being simplified or varied in any way.

(c) The view was generally expressed in the meeting that it was necessary for the tariff as now applied to be available as a publication. It was agreed that the representations made would be passed on to the appropriate authorities in Western Germany.

(d) In regard to paragraph 2 of the Statement, the Leader of the Netherlands Delegation stated that he realised it was not possible at this meeting to discuss any future tariff of Western Germany but on behalf of the Netherlands and other countries he expressed the hope that they will not be confronted later with a finalised new German tariff before they have had the opportunity to negotiate on it, and that any such tariff would not be a high one applied for bargaining purposes.

This statement was noted.

2. *Memorandum of Understanding relative to application to the Western Sectors of Berlin of the Agreement on Most-Favoured-Nation Treatment for areas of Western Germany under Military Occupation.*

The U.K. representative while expressing preference for an informal Statement, agreed in view of the feeling of the meeting, to accept the Memorandum of Understanding (of which the text is attached as Annex 2) subject to a proviso to the effect that the Memorandum of Understanding would only apply provided that the present relationship between the Western Sectors of Berlin and the Western Zones of Germany is maintained or strengthened. This was agreed in substance but it was decided that the proviso should be inserted not in the Memorandum of Understanding itself but in the confidential record of the meeting.

(b) The hope was widely expressed, and noted, that all possible steps would be taken to safeguard the conditions of the Agreement in regard to the Western Sectors of Berlin.

(c) It was agreed that the Memorandum of Understanding should be put into formal shape and opened for signature at Annecy (subsequently remaining open for further signatures at Lake Success) by Governments which have already subscribed or which simultaneously subscribe to the Agreement regarding most-favoured-nation treatment for Western Germany of 14th September, 1948.

[Subattachment 1]

ANNEX 1

STATEMENT BY THE DELEGATIONS OF FRANCE, THE UNITED KINGDOM,  
AND THE UNITED STATES ON BEHALF OF THEIR MILITARY GOVERNORS  
REGARDING THE TARIFF OF THE WESTERN ZONES OF GERMANY

1(a). The Customs Law of 20 March 1939 and the Customs Tariff of 1939, as amended, are in force in the occupied areas of Western Germany insofar as they are not in conflict with Military Government laws, regulations or directives.

(b). The conventional rates, based on tariff agreements in force on 1 September 1939, are being applied to all countries in lieu of the statutory rates in all cases where such conventional rates existed. Seasonal restrictions to the application of such rates still apply but quantitative and qualitative restrictions are not being applied.

(c). It is intended that tariff rates and customs procedures will be applied uniformly throughout the areas of Western Germany, and the necessary steps towards this end are already being taken.

2. During the life of the Most-Favoured-Nation Treatment for Germany Agreement, the appropriate authorities in Western Germany undertake to consult with the signatories to the Agreement on any duties which the latter consider to involve hardship, with a view to granting reductions in cases where the duties in force prevent the normal operation of trade.

[Subattachment 2]

ANNEX 2

MEMORANDUM OF UNDERSTANDING RELATIVE TO APPLICATION TO THE WESTERN SECTORS OF BERLIN OF THE AGREEMENT ON MOST-FAVORED-NATION TREATMENT FOR AREAS OF WESTERN GERMANY UNDER MILITARY OCCUPATION<sup>3</sup>

1. The undersigned, representing Governments now signatory to the Agreement on Most-Favored-Nation Treatment for Areas of Western Germany under Military Occupation, signed September 14, 1948 (hereinafter referred to as "the Agreement"), agree, since the same policy considerations as apply to the extension of most-favored-nation treatment to the areas clearly covered by the Agreement also apply to the extension of such treatment to the sectors of Berlin under occupational control of France, the United Kingdom and the United States, that the provisions of the Agreement applicable to Western Germany shall from the signature hereof be construed as applicable in like manner to such sectors of Berlin.

2. This Memorandum shall be deposited with the Secretary General of the United Nations who shall transmit a certified copy thereof to each government specified in paragraph 2 of Article VI of the Agreement. This Memorandum shall be open for signature by each Government which has signed, or hereafter signs, the Agreement.

Done at Annecy, in a single copy, in the English and French languages, both texts authentic, this [13th] day of [August], 1949.

<sup>3</sup> Signed at Annecy, August 13, 1949; for text, see TIAS No. 2047 or Department of State Publication No. 3797 (Washington: Government Printing Office, 1949).

*Editorial Note*

The documents that immediately follow relate to the development of the British financial crisis during the months of the Annecy meet-

ings (see volume IV, pages 781 ff.) and the notice which was taken of it at the Third Session of the Contracting Parties. The first document is of a background nature and was prepared for a series of ministerial level meetings held in Washington in September; see volume IV, pages 822-830.

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International Trade Files, Lot 57D284, Box 159

*Memorandum by Mr. Leonard Weiss of the Division of Commercial Policy*<sup>1</sup>

SECRET

[WASHINGTON, July 29, 1949.]

## GATT IMPLICATIONS OF BRITISH IMPORT RESTRICTIONS

### PROBLEM

In connection with its current economic and financial crisis the United Kingdom has proposed two types of measures affecting trade both of which have the effect of increasing the degree of discrimination against the dollar area. One type envisages an intensification of existing restrictions against dollar imports without any comparable intensification of restrictions against imports from non-dollar areas. The other type contemplates a relaxation of restrictions against imports from European and sterling area countries (and possibly other non-European soft currency countries) without any comparable relaxation of restrictions against imports from hard currency areas.

With regard to the first category of measures, the United Kingdom has already put into effect a suspension of all dollar purchases on government account except those provided for under existing contracts or commitments or otherwise required in the "urgent national interest". In addition, Sir Stafford Cripps announced in the House of Commons on July 14 that the United Kingdom intended to reduce imports from the dollar area in the period 1949-50 by \$400,000,000, a cut of about 25 percent from the 1948 level. These restrictions are not expected to be placed into effect until about September. The Finance Ministers of the British Commonwealth sterling countries at their recently concluded conference in London "agreed to recommend to their governments action comparable in its results to that already decided upon by the United Kingdom". Presumably, therefore, these

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<sup>1</sup> This paper was prepared by Weiss for the Working Group on Britain for the forthcoming United States-United Kingdom-Canadian financial conversations to be held in Washington in September (see vol. iv, pp. 822-830). It carried the serial number WGB D-4. A covering memorandum by Bradley Patterson, Jr., of the Executive Secretariat, described the paper as follows: "Problem" (pp. 1-3); "Conclusions and Recommendations" (pp. 3-6); and "Discussion", in turn divided into these units—"Basis for Discrimination" (pp. 6-16), "Consultation Requirements" (pp. 16-20), "Token Imports" (pp. 20-21), and "The Future of the GATT Program" (pp. 21-24).

sterling countries will place into effect 25 percent cuts on dollar imports similar to those contemplated by the United Kingdom.

As regards the second category of measures, the British have proposed a relaxation of restrictions with respect to imports from the OEEC countries exclusive of Switzerland (with Belgium being subject to special conditions), from the sterling area, and possibly from other non-OEEC soft currency areas. Under this plan the United Kingdom would establish open general licenses for the import from these countries of a large range of commodities traded on private account. Although the British would be prepared to take the lead and put into effect their relaxations vis-à-vis imports from the other countries concerned without simultaneous, comparable relaxation of import restrictions by such countries, the British would expect these countries to follow their initiative and ultimately institute comparable relaxations on restrictions against imports from each other and the United Kingdom.

The purpose of this paper is to appraise these various measures in the light of the provisions of the General Agreement on Tariffs and Trade (GATT) with a view to formulating for the forthcoming Tripartite talks the United States position on these measures in relation to the GATT.

In this connection it should be observed that the GATT provisions of relevance in appraising these measures are practically identical with corresponding provisions in the ITO Charter. For the sake of simplicity of exposition and in view of the fact that the GATT already is in effect and constitutes an obligation on the United Kingdom and other British Commonwealth countries whereas the Charter is not yet in force, the subsequent discussion runs exclusively in terms of the GATT. It may be assumed, however, that the comments made respecting the GATT provisions in relation to the measures in question apply also to the Charter provisions.

#### CONCLUSIONS AND RECOMMENDATIONS

1. The GATT would appear to offer sufficient latitude for such discriminatory measures as may be required by the United Kingdom to meet its balance-of-payments problem but the United Kingdom would not be free to resort to the basic GATT provision applicable to it for the purpose of discrimination for balance-of-payments reasons, namely the so-called Geneva option, until it is relieved of the obligations of Section 9 of the Anglo-American Financial Agreement.

2. The Geneva option<sup>2</sup> contains some highly useful limitations on the degree of discrimination, such as those relating to the avoidance of

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<sup>2</sup>The General Agreement on Tariffs and Trade in its Article XIV provided two principal, alternative bases for discrimination for balance of payments reasons. One was the so-called "Havana" option which appeared in the text of Article XIV proper. The other was the "Geneva" option which appeared in Annex

price disparities and export diversion. On the assumption that the United Kingdom is relieved of its Section 9 obligations,<sup>3</sup> the United States should insist that the United Kingdom confine its discrimination for balance-of-payments reasons within the limitations of the Geneva option. Similarly, the United States should insist that the other Commonwealth countries bound by the Geneva option in GATT, namely Ceylon, South Africa and Southern Rhodesia, should confine their balance-of-payments discrimination within the same limits. As for the other Commonwealth countries in GATT (Australia, New Zealand, India and Pakistan) which are not bound by the Geneva option and are free to discriminate under the less rigorous conditions of the Havana option, the United States should seek in the Tripartite talks the support of the United Kingdom and Canada in urging these other countries, as a matter of policy, to confine their discrimination for balance-of-payments reasons to the conditions of the Geneva option, particularly those relating to price disparities and export diversion.

3. In connection with the application of the provision of the Geneva option relating to price disparities, the United States should seek particularly to prevent discrimination which might stimulate the development of an excessively high-cost industry incorporating a high ratio of capital as compared with other factors of production.

4. The price disparity provision of the Geneva option should be invoked to urge on the United Kingdom measures designed to reduce progressively over a reasonable period such excess, resulting from discriminatory policies, in the price of its imports as compared with the price of comparable products available elsewhere. In this connection devaluation should be urged on the British as the single, most important measure which it might take to keep to a minimum price-cost disparities between the dollar area and its discriminatory soft currency area.

5. The United States should urge, on general policy grounds, that discrimination for balance-of-payments reasons among the United Kingdom and its territories with which it maintains a common quota in the Fund conform to the various conditions of the Geneva option even though there is no legal obligation to do so.

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J of Article XIV. The texts of these provisions are printed in *Foreign Relations*, 1948, vol. 1, Part 2, pp. 905-909.

Generally under the Havana option a country might apply discriminatory import restrictions equivalent in effect to restrictions on payments and transfers which that country was permitted to apply under Article XIV of the Articles of Agreement of the International Monetary Fund or under an analogous provision of a special exchange agreement entered into pursuant to the General Agreement. Under the Geneva option a country might apply discriminatory import restrictions for balance of payments reasons so long as certain conditions were met regarding price levels and gold and convertible currency receipts (Annex J).

<sup>3</sup> See footnote 9, p. 656.

6. With the Geneva option available as a basis for discrimination, it would appear neither necessary nor desirable for the United Kingdom to rely generally on the war-disrupted economy provision of the GATT to justify its discrimination.

7. The consultations called for under Article XII-4(b) of the GATT should be held as soon as possible after the conclusion of the Tripartite talks.

8. If these talks result in a high degree of consensus between the United States, United Kingdom and Canada on basic objectives and policies and in a program which might profitably be extended to other countries, then consultations under Article XII-5 of the GATT might be useful as a means of bringing other countries into the program. If such a consensus and program do not result from the Tripartite talks, then consultations under Article XII-5 should, if suggested, be opposed.

9. The new British import restrictions should be reviewed on a product-by-product basis to determine what commodities might appropriately be added to the existing United Kingdom token import list in order to prevent their complete or practically complete exclusion from the British market.

10. As to the future of the GATT program as affected by the present British crisis, it is believed that the GATT can sustain the impact of this crisis and contribute materially to its solution.

#### DISCUSSION

[Here follow the first three sections under the "Discussion" heading of the paper.]

#### *Future of GATT Program*

In conclusion, a few general comments may be in order on the effect of the British crisis and the measures taken to meet it on the future of the GATT program. In one sense, of course, the current crisis represents a stiff jolt to this program. Instead of moving toward freer trade on an expanding multilateral basis as envisaged by the GATT, the world economy appears headed as a result of the present disequilibrium toward increased restriction and intensified division of the international economy into exclusive trading areas.

From another, and perhaps more important, point of view, however, the present situation offers some elements of encouragement for the future of the GATT program. For one thing, as indicated above, the GATT appears to contain sufficient elements of flexibility to accommodate the measures which the current difficulties may require. Should it be necessary, for example, to increase the degree of discrimination against the dollar area, such action can be taken fully consistent with the GATT without impairment of its legal integrity.

Secondly, the GATT offers, as suggested above, standards and objectives for limiting and directing the measures to meeting the current crisis so as to provide an effective basis for moving back toward the multilateral system the GATT ultimately contemplates. The requirements of the Geneva option relating to price disparities and export diversion, for example, are useful conditions to insist upon in order to help prevent discriminatory trading arrangements from becoming permanent fixtures in the world economy. In this connection the point made above regarding the maintenance of the legal integrity of the GATT despite the emergency measures which may be required, becomes especially important. If the legal integrity of this instrument can be maintained, the basis is afforded whereby the limitations of the GATT can be invoked so as to prevent the complete disintegration of the international economy and the destruction of the possibility of achieving a new equilibrium on a freer, multilateral trading basis.

Thirdly, aside from these limiting standards and objectives, the GATT affords a mechanism for consultation and systematic review of the measures which are or ought to be taken to correct the present difficulties. Reference was made above to paragraphs 4 (a) and (b) of Article XII as affording two such channels for consultation and review. So long as such facilities are available, there is some hope that nations will not take action unilaterally regardless of the effect on others. Without such facilities, there is little or no hope for enlightened action considerate of the general interest.

Finally, though somewhat perversely, the present crisis may offer precisely the shock necessary to dramatize to this country the necessity for not increasing its own restrictions on trade, for, to the contrary, lowering the barriers to imports from abroad, and for, accordingly, supporting the GATT program for an expanding, multilateral trading system. This line of reasoning is not to argue that the solution to the present British crisis lies solely or even primarily in action to be taken by the United States to reduce its trade barriers; to the contrary, it is believed that though action by the United States may assist materially, the principal economic measures which must be taken, such as exchange rate and price-cost adjustments, lie primarily in the hands of the foreign countries concerned. It is only to argue that the current crisis should patently demonstrate to the American public and Congress that restrictive action on our part can only accentuate the problem. If this thought and its implications are grasped, the current crisis may, paradoxically, stimulate American support for the GATT program.

In the light of the foregoing, it is believed that the GATT can sustain the impact of the present crisis and contribute materially to its solution.



International Trade Files, Lot 57D284, Box 109

*United States Delegation Paper (Third Session of the Contracting Parties)*

INTENSIFICATION OF UNITED KINGDOM IMPORT RESTRICTIONS  
LETTER FROM THE LEADER OF THE UNITED KINGDOM DELEGATION

The following letter dated 5 August has been received from the Leader of the United Kingdom Delegation:

"I have been instructed to address to you the following communication, which you will no doubt circulate to the Contracting Parties as a restricted document.

"As the Contracting Parties will be individually aware, but will no doubt wish to note in their joint capacity, there have recently been certain developments in the balance of payments position of the United Kingdom as a result of which we are under the necessity of revising our import programme. The Annex to this letter contains relevant extracts from the statements on this subject made by the Chancellor of the Exchequer in the House of Commons on the 6th and 14th July.

"In this connection we have taken note of the provisions of paragraph 4(b) of Article XII of the General Agreement, under which the Contracting Parties may in due course wish to invite the United Kingdom to enter into consultations. In this regard I would point out that (as will be seen from the statements quoted in the Annex), we have so far only taken action of a short-term and interim character, and that we shall not be in a position for some time yet to provide particulars of the revised import programme of the United Kingdom which will in due course be worked out, as a basis on which such consultations, if desired, could proceed. We shall, of course, be glad to provide these particulars when the programme has been worked out."

One copy of the Annex<sup>1</sup> referred to containing statements made by the Chancellor of the Exchequer has been distributed to each Contracting Party.<sup>2</sup>

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<sup>1</sup> Annex not printed.

<sup>2</sup> At a meeting of the CP's on August 10 at which this item appeared on the agenda, Mr. Shackle, the British delegate, said that he had little to add to the letter and its annex. He emphasized that until the Washington conversations had been concluded, the British Government would not be able to come up with a definitive import program. The United States Chairman (Willoughby) stated that the United States attached "much importance" to the consultation procedure; and so welcomed the statement by the United Kingdom. Willoughby suggested that the contents of the British letter be noted and the question of the timing of any consultations be left to the Chairman of the Contracting Parties, who should work the matter out with the CP's and particularly the United Kingdom. The Contracting Parties agreed to this procedure suggested by the United States. (United States Delegation files, Lot 57D284, Box 109)

For information regarding the Washington financial conversations, September 7-12, 1949, and text of the Joint Communiqué issued by the United States, the United Kingdom and Canada on September 12, see Department of State *Bulletin*, September 26, 1949, pp. 473 ff.

*Editorial Note*

The Third Session of the Contracting Parties to the General Agreement on Tariffs and Trade, meeting at Annecy, France, ended on August 13, 1949; and the "second round" of tariff negotiations under the General Agreement, being conducted concurrently, was terminated on August 27. There follows a report by the Chairman of the United States Delegation (Willoughby) on the meeting of the Contracting Parties, which was submitted to the Secretary of State on November 10. A supplemental report on the tariff negotiations and an unclassified report which were also transmitted to the Secretary at the same time, not printed, are found under File No. 560.AL/11-1049; their contents are printed in abbreviated form in an article by Willoughby in the Department of State *Bulletin*, November 21, 1949, pages 774 ff.

All of the items discussed in the reports are amply documented in the central indexed files of the Department of State, file series 560.AL; and there is copious documentation on such issues as the question of the Cuban sugar preference. Eight boxes of the consolidated commercial policy lot file (Lot 57D284) contain the files of the United States Delegation to the Annecy negotiations.

For printed official documentation, see the following: "Protocol signed at Annecy, on 13 August 1949", *United Nations Treaty Series*, volume 62, page 113; and "Annecy Protocol of Terms of Accession to the General Agreement on Tariffs and Trade" (with Annex A—Schedules of the Contracting Parties, and Annex B—Schedules of Acceding Governments), October 10, 1949, 64 Stat. (pt. 3), B139, or TIAS No. 2100. For printed Department of State documentation, see Department of State Publication No. 3651, *Analysis of Protocol of Accession and Schedules to the General Agreement on Tariffs and Trade Negotiated at Annecy, France, April-August 1949* (Washington, Government Printing Office, 1949). For a brief discussion of concessions granted to the United States from the tariff negotiations at Annecy, see press release issued by the Department on October 7, 1949, in Department of State *Bulletin*, October 17, 1949, pages 597 ff.

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560.AL/11-1049

*Confidential Report by the Chairman of the United States Delegation  
(Willoughby) to the Secretary of State*

CONFIDENTIAL

[WASHINGTON,] November 10, 1949.

The purpose of this report is to discuss certain aspects of the Third Session of the Contracting Parties which are of particular importance

and interest to the Department, but which are not suitable for inclusion in the report prepared for publication.

*The Significance of GATT and the Development of the Procedures of the Contracting Parties*

The consistent policy of the United States since the inception of the General Agreement has been to avoid in any way giving the impression that the Contracting Parties constitute an international organization. It has been our position that the executive branch of the United States should not foster and participate in such an organization until Congress has acted upon the proposed Charter for an International Trade Organization. In consequence of this policy, the United States insisted that the Contracting Parties should not have their own secretariat, but should be furnished secretariat services on an interim, reimbursable basis by the Secretariat of the Interim Commission for an International Trade Organization.

While this position was consistently maintained at the Third Session, it was clear that the absence of a continuing organization was a handicap to the effective functioning of the General Agreement. This was particularly true with respect to the consultation provisions of Article XII, and the economic development article (XVIII). The absence of any method of beginning the examination of cases arising under these two articles between sessions of the Contracting Parties resulted in much more lengthy considerations in working parties and plenary meetings of the Third Session than would otherwise have been necessary. With a view to alleviating this situation, the United States Delegation supported proposals, which were ultimately adopted, establishing inter-session committee procedures for initiating action and thereby reducing the burden on the subsequent meetings of the Contracting Parties.

However, there was also a general feeling among the Contracting Parties that this inter-session machinery, particularly the consultation procedure, should be used only in exceptionally urgent cases. It is furthermore clear that such interim procedures cannot take the place of a permanent, well-organized and efficiently staffed organization. All this points to the conclusion that until the International Trade Organization is established, the sessions of the Contracting Parties will of necessity be lengthy and difficult and will require the participation of a sizeable number of experts on delegations of the United States.

The experience of the United States Delegation in connection with the operation of the consultation procedures of Article XII (in the South African import restriction case) also indicated the need for good coordination within our own government in connection with the operation of the General Agreement. The efficient operation of many articles of the agreement, particularly Article XII, depends on close coopera-

tion between the Contracting Parties and the International Monetary Fund, and the decisions taken by the Fund in related aspects of cases which are at the same time the concern of the CONTRACTING PARTIES obviously are of great importance to them. For instance, in approving the exchange restrictions imposed by South Africa in November 1948, the International Monetary Fund had given some consideration to the justification for discrimination against the dollar area. This problem became of greater importance, and indeed was the fundamental issue, when the consultation between South Africa and the Contracting Parties took place at the Third Session. It was obviously of the utmost importance that the positions of the United States with respect to both the exchange and import restriction imposed by South Africa, i.e., the positions taken in the Fund and in the Contracting Parties, should be completely consistent, and that the influence of the United States in the International Monetary Fund should be used with a view to ensuring that the information supplied to the Contracting Parties by the Fund in accordance with the provisions of the General Agreement should be adequate for the purposes of maintaining the position of the United States in cases before the Contracting Parties.

At least prior to the current reorganization of the Department, it is doubtful that there was adequate coordination for these purposes between the financial side of the Department and the National Advisory Council structure, on the one hand, and the commercial policy side and the trade-agreements organization, on the other. It is strongly urged that the Department give continuing consideration to this problem.

*Bilateralism vs. Multilateralism: Fundamental Conflicts of Policy*

The South African import restriction consultation, referred to in the previous section, was the agenda item of the Third Session on which the fundamental issue of bilateralism vs. multilateralism emerged most clearly. The issue is an old friend (or enemy) of the drafters of the General Agreement and the ITO Charter. Its reappearance was no surprise. The matter was fully reported to the Department in the course of the session, and it does not seem necessary to discuss it in detail in this report. The principal point at issue in the South African case was whether or not discrimination by South Africa against the dollar area was justified. In the opinion of the United States Delegation the facts regarding South Africa's balance-of-payments position and her reserve position indicated discrimination was not justified. Nevertheless strong pressure for such discrimination was put on South Africa by the United Kingdom and to a lesser extent by the Western European countries. The arguments used were purely bilateralistic: if South Africa did not buy from the United Kingdom, the United Kingdom would cut its imports from South Africa and curtail the flow of capital to South Africa (the United Kingdom argument ran). The Western European countries similarly stated

that if South Africa did not continue to buy their goods, they would further reduce their imports from South Africa.

In the opinion of the United States Delegation, the United Kingdom and to a lesser extent the other Western European countries in this case demonstrated a callous disregard for the multilateral, non-discriminatory trade objectives of the General Agreement, as well as a disregard of the interests of South Africa, Canada, the United States, and even of their own long-term interests. The fact that the attitude does exist, and has been demonstrated once more so clearly, emphasizes the need for continual vigilance in combatting such attitudes.

#### *Alignment of "Blocs" in the Contracting Parties*

The South African case demonstrated another problem which must be taken into account in considering matters before the Contracting Parties. This was the policy of the British sterling area countries to align themselves on the same side of most important issues and to give firm support to each other's position. The situation applied particularly to the United Kingdom, Australia, New Zealand, and Southern Rhodesia, and to a slightly lesser degree to South Africa. Canada, of course, was not generally on the same side, and indeed was almost always consistently on the side of the United States.

It is perhaps inevitable that blocs of this sort should exist, though it has unfortunate effects in a body such as the Contracting Parties. It may be remedied to some extent as more governments accede to the General Agreement.

#### *Most-Favored-Nation Treatment for Japan*

Immediately after the opening of the Conference at Annecy the United Kingdom informed the American Embassy in London that it could not consider an M-F-N agreement for Japan until after the establishment of an exchange rate and sufficient time to show the effect of the new rate. Conversations in The Hague and Brussels indicated that the Benelux countries would oppose such an agreement at Annecy and conversations in Annecy indicated that other countries, including the key trading countries were also opposed. It became apparent that any working party which might be set up to consider such an agreement would be opposed to the proposal. For this reason and because of the pressure of time the item was withdrawn from the agenda.

#### *Relations with Cuba*

Developments at the Third Session with respect to Cuba are covered fully in the Department of State's files, in copies of notes exchanged between Cuba and the United States, in the communications from the Delegation, and in the comprehensive memoranda on the principal problems which the Delegation forwarded to the Department. The issues raised by Cuba fell in four principal categories, namely, reductions in the margins of preference extended by the United States to

Cuba, the "crisis" in the Cuban textile industry, the renegotiation of six items in Schedule IX (Cuba) of GATT, and renegotiation of Cuban duties on colored woven goods.

With respect to the preference question—which was the most important of the issues—the Cubans maintained that the United States should negotiate with them and obtain their approval before reducing or eliminating any margins of preference by reductions in the most-favored-nation rates. The United States Delegation maintained that the United States had an obligation to consult with Cuba and extended an invitation to the Cuban Delegation to consult on any product in which it was interested, an invitation that was not acted upon except in the case of the raw sugar offer which had been made to the Dominican Republic. The United States Delegation did not agree that we were required by GATT or the exclusive agreement with Cuba to obtain Cuba's consent in order to reduce or eliminate any margins of preference. Cuba raised this question in WP/1 during the drafting of the terms of accession to GATT and was overruled. She was also overruled when the report of WP/1 (CP 3/37) was approved by the Contracting Parties. At both times, however, the Cuban Delegation reserved its position.

Throughout the session the United States Delegation sought a solution which, while maintaining intact our legal right to cut preferences, would prevent a serious loss of face for the Cuban Delegation and avoid strained relations with Cuba. Prior to the discussion by the Contracting Parties of this issue the Delegation was informed that the Cuban Ambassador in Washington had again urged withdrawal of our sugar offer to the Dominican Republic and suggested that if this would be done Cuba would withdraw its statement on the preference issue and would cease to object to preference reductions in favor of Haiti. Before the Contracting Parties took a decision on the legal issue the Chairman and Vice-Chairman of the United States Delegation made one further effort to reach settlement with the Cubans—based on the Department's conversation with the Cuban Ambassador. They asked whether Cuba would withdraw its paper and cease to press objections to other cuts should the United States withdraw its offer on sugar. The Head of the Cuban Delegation denied knowledge of any such proposal by the Cuban Ambassador in Washington and later, upon instructions, rejected the proposal. Subsequently Mr. Evans speaking for the United States announced to the Contracting Parties our decision to withdraw the sugar offer and indicated that we would be willing to see the withdrawal of the resolution settling the legal issues involved provided that it would be fully understood that we were going to maintain our other offers affecting preferences and that no other delegation should object to the legality of this move except Cuba, which would reserve its position. The United States and Cuba

could then enter bilateral negotiations in an attempt to reach a satisfactory solution. The Cuban Delegation, although pleased with the withdrawal of the sugar offer refused to accept this proposal. They also said that they would press their case unless the United States withdrew all of its preference offers or reduced the preferential rates so as to avoid any reductions in the margins.

When the Contracting Parties voted 14 to 1 in favor of the resolution that clearly settled the legal issues involved the Cuban Delegation withdrew from the Third Session. It should be noted that before the resolution came to a vote the Delegates of Norway, United Kingdom, United States and Canada met to decide upon the exact wording of the resolution that would be acceptable to the Empire countries as well as to us. At this meeting the position of the United Kingdom and Australian Delegates was that while agreeing that Cuba had no legal right to veto, language should be avoided that might imply that compensation in negotiations need not be given to the country suffering from a reduction of preference. The resolution as finally adopted by the Contracting Parties was acceptable to all of the above.

Throughout the discussion of the preference issue it was apparent that the majority of the Contracting Parties were opposed to Cuba's contentions and although this fact was obvious to the Cuban Delegation they refused to withdraw their statement or accept a compromise on other than their own terms. The Brazilian and Indian representatives were the principal supporters of the Cuban position. The former, although opposed in principal to preferences, continued to advocate that the United States should offer compensation to the Cubans should any margins of preference be reduced. Although there was no support for the legal position, there was a certain amount of sympathy evidenced by the contracting parties for Cuba's economic position and a feeling that the United States should offer assistance to Cuba should the Cuban economy be adversely affected by any reduction in the United States margins of preference through reductions in the most-favored-nation rates.

The next most pressing problem that had to be dealt with was the so-called "crisis" in the Cuban textile industry. When Cuba presented its statement on this crisis a long discussion ensued concerning the terms of reference of a Working Party to handle this matter. The Cuban Delegation demanded a Working Party with wide terms of reference and was definitely opposed to referring the matter to Working Party II on Article XVIII. At length the Contracting Parties agreed to the formation of a new Working Party. Throughout the discussion of the terms of reference and formation of a new Working Party Cuba was supported by Chile and Brazil and other undeveloped economies, which regarded Working Party II with suspicion in view

of its strict interpretation of the provisions of Article XVIII and the careful analysis given to all applications referred to it.

The Cubans at first demanded release and later a waiver on virtually all textile items in their Schedule. When it was suggested that an investigating commission be sent to Cuba the Cubans would not agree unless an advance waiver would be granted them. When no solution was forthcoming the United States and Cuba entered into bilateral negotiations. During these negotiations Cuba, in response to our request, presented a minimum list of tariff items on which waivers were sought. Our estimates showed these items comprised over 80% of United States textile exports to Cuba. At no subsequent time did Cuba recede from these demands. The list of items on which Cuba would consider offering compensatory concessions to the United States was totally unsatisfactory from the point of view of the United States Delegation since the list did not include any of those items which the Delegation felt would be of any particular interest to the United States.

When it became clear that an agreement could not be reached, the Working Party prepared a non-controversial report; however when the report was presented to the Contracting Parties, after the Cuban Delegation had withdrawn from the Conference, the Indian Delegate unexpectedly presented a paper prepared by the Cuban Delegation which was read but not distributed. It presented a prejudiced account of the entire matter. The United States representative found it necessary to reply orally and give the principal facts concerning the Cuban claims and the efforts of the United States Delegation to meet them half way.

The renegotiation of 6 items in Schedule IX, authorized at the Second Session of the Contracting Parties, was delayed for several months because of the delay in settling several important points at issue between the United States and Cuba. They finally were undertaken at Havana. After the Annecy Conference had begun, however, the Cubans requested that the renegotiation be shifted from Havana to Annecy. The United States Delegation was opposed to this transfer because of the inherent delays in such a move and because of the press of other business. In May, however, we agreed to their transfer to Annecy. Although agreement was reached on some of the items involved, it was not possible to conclude the renegotiation at Annecy since no agreement was possible on nylons and tires and tubes. After Cuba withdrew from the Third Session the Indian Delegate read a Cuban statement which implied that the renegotiation had failed. The statement contained a biased and inaccurate account of what had occurred. Its presentation was contrary to the normal practice under which both parties to a negotiation present a joint report.



The United States Delegation feels strongly that the offers made to Cuba during the renegotiation were generous and ample that further increases in the duty could not be defended or justified.

At Cuba's request the renegotiation of the Schedule IX rates of duty on colored woven goods was undertaken at Annecy. No agreement was reached, however, in this matter before Cuba's withdrawal from the Third Session.

[Here follows discussion of events relating to a request by the Director General of UNESCO to the Contracting Parties that they consider the lowering of tariff barriers on a long list of items of an educational, scientific and cultural nature. "The entire project at Annecy received only hasty and preliminary consideration."]

### *Special Exchange Agreements*

At the Third Session the Contracting Parties unanimously approved the draft for the special exchange agreements, the execution of which by Contracting Parties not members of the Fund is called for in the GATT. The United States representative on the Committee on Special Exchange Agreements, who was the Committee's Chairman, has covered so adequately the work of the Committee in his report to the National Advisory Council Staff Committee that it is felt to be unnecessary to go into great detail concerning its work in this report.

As he pointed out in his report (NAC Staff Doc. No. 356)<sup>1</sup> the Annecy sessions of the Committee were primarily sessions on the "New Zealand Problem". Although New Zealand's personnel had changed, that country's desire to filibuster to prevent the adoption of a Special Exchange Agreement had not. During a committee recess New Zealand promoted support for a move to postpone the whole question of an agreement until the Fourth Session and had marshalled promises of support from a majority of the Committee members. The question would have been postponed had not the United States representative threatened to oppose the majority of the Committee in the full meeting of the Contracting Parties, and had not the Fund representative brought forth the substance of a final compromise. Once New Zealand agreed to settle for a special dispensation, the whole matter was cleared up very quickly on the basis of a text which had been redrafted on the suggestion of Belgium.

New Zealand was determined to avoid the Special Exchange Agreement until after its elections scheduled for late in 1949. To accomplish this the New Zealand representative raised many issues. It is felt by the United States representative, however, that the real change that New Zealand wants in the Agreement is some qualification of the requirement of prior approval for exchange restrictions after the

<sup>1</sup> Not printed. The NAC files of the Department of State are in Lot 60D137 (FRC Accession No. 71A6682, boxes 362-376).

transitional period, and would have given up every other point if it could have gotten somewhere on this point. The United Kingdom was put in the embarrassing position of desiring to support New Zealand and also avoid being drawn into a position of trying to undermine Fund obligations. Ceylon seemed to side with New Zealand at Annecy. Belgium and Pakistan firmly supported the United States. Burma avoided taking positions and the Burmese Delegation left Annecy during the recess so that Burma was not represented in the later meetings of the Committee. France made strenuous efforts to be on both sides of the most controversial issues.

In the judgment of our representative the final text of the special exchange agreements and the final general arrangements for signature are entirely satisfactory from our point of view, and are entirely consistent with instructions given. The special exemption for New Zealand is theoretically difficult to defend, but is preferable to any watering down of the Agreement itself. It will be difficult for New Zealand to make a case for any different provisions, now that a definite text has been approved and will be signed by other countries.

#### *Third Set of Tariff Negotiations*

The Contracting Parties delayed consideration of plans for a third set of tariff negotiations until the last day of the Third Session largely because of the United States' legislative difficulties. Some of the delay was due in part, however, to other delegations, e.g., the British did not appear to be too interested in a third round and the French indicated that a third set would be of little benefit to France. A Working Party under the chairmanship of the United States was appointed which met at Annecy after the conclusion of the Session and formulated plans for a third set with the exception of the questions whether to invite Western Germany, Japan and Korea. These questions were discussed in London at a short series of meetings which were convened there on September 26. (The Honorable Dana Wilgress chaired the London meetings). The United States was able to participate fully in all discussions, but could make no commitments until after the Reciprocal Trade Agreements Act had been extended and Presidential authority had been obtained for United States participation in a third set of negotiations.<sup>2</sup> At Annecy at the United States' request, all reference

<sup>2</sup>The House of Representatives passed a trade agreements extension bill in February 1949 (H.R. 1211), but the Senate did not act favorably on this House bill until September. The new Trade Agreements Extension Act of 1949 became law with President Truman's approval on September 26, 1949; it provided for a 2-year extension of the Presidential authority to negotiate reciprocal trade agreements (63 Stat. 697). An important change effected by the 1949 Act was to include a Commissioner of the United States Tariff Commission in the membership of the Interdepartmental Committee on Trade Agreements (TAC). On October 5, 1949 the President signed Executive Order 10082, providing for the administration of the reciprocal trade agreements program on the basis of the new legislation; for text see 14 *Federal Register* 6105, or Department of State *Bulletin*, October 17, 1949, pp. 593-595. See text of White House press release of October 5, 1949, *infra*.

by the Secretariat to the press to a third set of tariff negotiations was kept to a minimum.

The Secretariat prepared a memorandum on the rules of procedure for a third set of negotiations patterned after a similar document circulated prior to the Ancey negotiations. The Working Party, using this document and guided by the Contracting Parties' oral comments, prepared a memorandum on the conduct of the third set for circulation among the Contracting Parties and acceding governments. The discussion in the meeting of the Contracting Parties and Working Party were centered largely upon the question as to what countries should be invited to participate in the third set. The United States advocated that Western Germany, Japan and Korea be extended invitations. In the Contracting Parties' discussions only Brazil supported an invitation at this time to Western Germany and China indicated an interest in seeing one extended to Korea. The Netherlands representative proposed that invitations be extended in such a way as to prevent one being sent to Indonesia. Czechoslovakia was quite hostile to one being sent to Germany and indicated that should one be sent, it might be impossible for Czechoslovakia to attend the third set of negotiations. Australia was hesitant about Japan. After the Working Party reconvened in London agreement was reached to invite Western Germany and Korea. It was not possible to obtain agreement concerning an invitation to Japan and the United States filed a minority statement for inclusion in the Working Party report pointing out why it thought Japan should be invited. The early opposition concerning Germany stems from the latent fear of unfair competition such as was practiced prior to World War II. In addition to fear of unfair competition from Japan several other factors, such as antipathies resulting from the War and political and sociological reasons, are responsible for the hostility against inviting that country.<sup>3</sup>

#### *The Persistent and Widespread Application of Import Restrictions*

The provision of Article XII, paragraph 5, of the General Agreement requiring the Contracting Parties to initiate discussions, if there is a persistent and widespread application of import restrictions, indicating the existence of a general disequilibrium restricting international trade, was discussed only briefly at the Third Session, but its future importance is one to which the United States should give prompt

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<sup>3</sup>There is considerable documentation in the file series 560.AL on the post-Ancey meeting at London and its discussion of the issues described here. The final views of the Department of State at this time on the Japanese question were cabled to London on September 26, as follows: "Although Dept believes we should go forward with a Japanese peace settlement we cannot assume the success of our efforts in that direction and should therefore not halt efforts through established channels secure our objectives for Japan. Also, although peace treaty might incorporate broad rights economic and commercial activities, negotiations to reduce tariffs possible only in GATT." (telegram 3494, to London, September 26, 1949, 6 p. m., 560.AL/9-2649)

attention. It is of course obvious that the "widespread disequilibrium" contemplated in the Article does in fact exist. Although the Delegation originally proposed, on instructions from the Department, that studies should be undertaken with a view to enabling the Contracting Parties to consider whether and what action should be taken under the provision, the Delegation subsequently in accordance with revised instructions from the Department urged postponement of any action along these lines, and action was deferred by the Contracting Parties.

Nevertheless, the Chairman of the Contracting Parties in his closing remarks, raised the question again in a context which cannot be ignored. He predicted that in the very near future perhaps half of the Contracting Parties, including the United Kingdom and all of the countries of the sterling area, would be obliged to intensify their import restrictions substantially and hence to consult with the Contracting Parties under Article XII(4) (b). This, he said, would be a situation which Article XII, paragraph 5, was clearly intended to cover. It is urged that full consideration be given by the Department and by Treasury as to the extent to which Article XII consultations can be useful under the circumstances mentioned by the Chairman, and as to the policy to be followed with respect to Article XII, paragraph 5.

*The Leadership of the United States and the Future of the GATT-ITO Program*

The United States Delegation operated at Annecy under two very serious handicaps. The first was the situation created by the failure of Congress to act upon the Habana Charter.<sup>4</sup> This situation has resulted in a definite impression which could not entirely be dispelled, that the United States is withdrawing from the position of leadership it has always maintained in the development of the General Agreement and the proposed International Trade Organization. This impression was inevitably strengthened, in spite of all the assurances which could be given to the contrary, by the insistence of the United States Delegation that no action be taken which might in any way be construed as an effort to put any aspect of the Charter into force prior to Congressional consideration of the Charter.<sup>5</sup>

The delayed Congressional action on the Reciprocal Trade-Agreements Act added to the doubts of the Contracting Parties, and was

<sup>4</sup>The Administration was laying plans at this time (November 1949) for the consideration of the international trade organization legislation by the second session of the 81st Congress immediately upon its reconvening in January 1950.

<sup>5</sup>This refers to an effort by the British at Annecy to have the provisions of Chapter VI of the Habana Charter on commodity arrangements put into provisional effect either in an interim organization or under the aegis of the General Agreement. The United States disapproved for reasons noted here and had to mount a strong diplomatic effort to forestall approval.

embarrassing to the Delegation in many ways. In particular it necessitated the extensive modification of time schedules and of technical details. Obtaining the agreement of the other Contracting Parties to these complicated and extensive changes was possible only because of the very cooperative attitude of the Chairman and the Secretariat. In spite of this, it required considerable effort by many members of the Delegation both in meetings and in out-of-meeting "lobbying". The Delegation feels that in these circumstances we were fortunate that the United States position was not overruled on any issue brought to a vote in the Third Session of the Contracting Parties.<sup>6</sup>

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<sup>6</sup> The references here are to the problem raised by the conference time-table for the tariff negotiations, in view of the tardiness of the U.S. Congress in acting on the trade agreements extension legislation. The projected closing date for the tariff negotiations was August 27, and the signing date for the various protocols was set for September 10. When by mid-August the Congress had not acted and the lapse of the Presidential authority continued, the Department of State and the U.S. Delegation at Annecy initiated a strenuous diplomatic effort to win a postponement of the signing date from September 10 to October 10 and thus to have the *situs* of the ceremonies transferred to Lake Success, New York. A very considerable documentation exists in file series 560.AL on this phase of the U.S. diplomatic effort at Annecy.

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*Press Release Issued by the White House, October 5, 1949, Regarding Executive Order 10082*<sup>1</sup>

#### PROCEDURES PRESCRIBED AND PRACTICES REVOKED

The President today signed Executive Order No. 10082, superseding Executive Order 10004 of October 5, 1948, and prescribing revised procedures for the administration of the reciprocal trade-agreements program in accordance with the Trade Agreements Act of 1934, as amended, and the Trade Agreements Extension Act of 1949.

The new order establishes procedures which are in accordance with the Trade Agreements Extension Act of 1949 and revokes certain practices required under the provisions of the Trade Agreements Extension Act of 1948 which was repealed by the passage of the 1949 act. The order prescribes procedures to be followed by the Trade Agreements Committee in concluding trade agreements; by the Committee for Reciprocity Information in obtaining the views of interested persons on agreements; and by the Tariff Commission in the event of serious injury or threat of serious injury to domestic industry.

The Interdepartmental Committee on Trade Agreements will continue to function as the central operating committee, giving effect to the requirement of the Trade Agreements Act that the President seek information and advice from certain government agencies before con-

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<sup>1</sup> Reprinted from Department of State *Bulletin*, October 17, 1949, p. 595.

cluding a trade agreement. Members of the Committee will include a Commissioner of the United States Tariff Commission and persons designated from their respective agencies by the Secretaries of State, Treasury, Defense, Agriculture, Commerce, and Labor, and by the Administrator for Economic Cooperation, under the chairmanship of the representative from the Department of State. Under the 1948 act Tariff Commission members and employees were prohibited from participating in the decisions or recommendations of the Trade Agreements Committee. This prohibition was removed by the Trade Agreements Extension Act of 1949.

The Committee for Reciprocity Information, which will continue to receive, digest, and circulate to the entire trade-agreements organization the views of interested persons regarding any phase of proposed or existing trade agreements, is to consist of the same persons as those who are members of the Committee on Trade Agreements. The chairman of the Committee for Reciprocity Information will be the member or alternate from the Tariff Commission.

The order provides that, as before, the Trade Agreements Committee shall submit to the President for his approval a list of articles on which possible United States tariff concessions may be considered in the negotiation of a proposed trade agreement. Upon approval of the list by the President, the Trade Agreements Committee will publish the list and a notice of intention to negotiate. Pursuant to the provision of the order that the Committee for Reciprocity Information accord reasonable opportunity for the presentation of views by any interested persons, the Committee for Reciprocity Information will afford opportunity to make written representations and will hold public hearings concerning concessions to be offered and granted.

The Tariff Commission is to continue to furnish to the interdepartmental trade-agreements organization factual data relative to production, trade, and consumption of articles under consideration for concession by the United States, and to supply facts on probable effects of granting concessions and on the competitive factors involved.

The Department of Commerce is to continue to furnish to the Trade Agreements Committee studies of the trade in and other facts regarding each article exported from the United States on which the United States may consider seeking a foreign concession in a trade agreement.

Each Department and agency represented on the Trade Agreements Committee is authorized to make, within the sphere of its responsibilities, special studies of particular aspects of proposed trade agreements from the point of view of the interests of American agriculture, industry, commerce, labor, and security.

On the basis of all the data available, the Trade Agreements Committee will recommend to the President concessions to be sought and

offered. A full report to the President must also be made by the dissenting member or members on any dissent from the Committee's recommendations.

In conformity with past practice, each future agreement is to contain a most-favored-nation commitment and, as required in earlier orders, all trade agreements are to be made subject to a comprehensive escape clause. This clause is to provide that future tariff concessions may be modified or withdrawn, and other obligations may be suspended if, as a result of unforeseen developments and of the concession or other obligation in the trade agreement, any article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic industry. Procedure is also provided for, as in an earlier order, for the Tariff Commission to investigate, determine, and recommend to the President for his consideration whether the escape clause should be invoked.

Both the Trade Agreements Committee and the Tariff Commission are to keep informed at all times on the operation and effect of agreements in force. At least once a year the Tariff Commission is to submit to the President and to Congress a report of the operation of the program.

In order to facilitate transition from the procedures of the 1948 act to those of the 1949 act, specific provision is made that action under the former by the Trade Agreements Committee and the Committee for Reciprocity Information shall be considered as complying with the new order, provided opportunity is given for the Tariff Commission member to present advice and recommendation on action taken by the Trade Agreements Committee between June 25, 1948, and the date of this amending Executive order.

UNITED STATES FOREIGN FINANCIAL POLICIES: VIEWS  
OF THE UNITED STATES GOVERNMENT WITH REGARD  
TO DRAWINGS ON THE INTERNATIONAL MONETARY  
FUND, AND REPURCHASE OF DRAWINGS

NAC Files,<sup>1</sup> Lot 60D137

*Memorandum by the United States Executive Director of the International Monetary Fund (Andrew N. Overby) to the National Advisory Council*<sup>2</sup>

SECRET

[WASHINGTON,] March 3, 1948.

NAC Doc. No. 623

Subject: Policy with Regard to Use of Resources of the Fund\*

I

THE MAIN DETERMINANTS OF ELIGIBILITY

There is little doubt that there was general agreement among the participants of the Bretton Woods Conference that the Fund was to be drawn on by members only for assistance in meeting a temporary disequilibrium in the balance of payments. Not only is this strongly suggested by the statement of purposes in Article I, but also by the provisions of Article V, Section 8 which establish charges

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<sup>1</sup> Master file of the documents of the National Advisory Council on International Monetary and Financial Problems for the years 1945-1958, as maintained by the Bureau of Economic Affairs of the Department of State (FRC Accession No. 71A6682, boxes 362-376).

<sup>2</sup> The official and comprehensive history of the International Monetary Fund published by the Fund in 1969 describes authoritatively the organization and membership of the Executive Board of the Fund for this and later years of the Fund's history. See J. Keith Horsefield (author, vol. I; editor, vols. II and III), *The International Monetary Fund 1945-1965 Twenty Years of International Monetary Cooperation*, 3 vols. (Washington, IMF, 1969). The National Advisory Council on International Monetary and Financial Problems was established pursuant to the provisions of the Bretton Woods Agreements Act of July 31, 1945 (59 Stat. 512), to effect coordination among U.S. Government agencies in the formulation and implementation of the foreign financial policies of the United States.

This 1948 document and that following are printed as being relevant to the statements regarding U.S. policy on Fund drawings that were made by the U.S. Executive Director to the Board of Executive Directors of the IMF in 1949.

\* In this memorandum eligibility is not used in the legal sense of the Fund Agreement, i.e. of a member being eligible to draw on the Fund unless it has been declared ineligible by the Fund, but as a shorthand term to designate a request for the purchase of exchange which meets the test of being consistent with the objectives of the Fund Agreement. [Footnote in the source text.]



which increase progressively both with the extent of the member's net indebtedness to the Fund and the length of time it has been in debt to the Fund. Again, reference may be made to Article XIV, Section 1 which states that the Fund is not intended to provide facilities for relief or reconstruction. As is well known, however, the U.S. Congress was not satisfied in this regard and as a result through the Bretton Woods Act instructed the U.S. representatives on the Fund to secure an interpretation on the nature of the assistance to members to be provided by the Fund.<sup>3</sup> In compliance with this request the Executive Board of the Fund made the following interpretation to which no objection was made when it was presented at the First Annual Meeting of the Board of Governors of the Fund:

"The Executive Directors of the International Monetary Fund interpret the Articles of Agreement to mean that authority to use the resources of the Fund is limited to use in accordance with its purposes to give temporary assistance in financing balance of payments deficits on current account for monetary stabilization operations."

This interpretation can be regarded as the primary determinant of eligibility.

From this primary determinant, read in conjunction with the Articles of Agreement, may be derived a number of other determinants or corollary policies. These may be stated as follows:

(1) *The resources of the Fund should not be available to a member whose exchange rate so overvalues the member's currency that it is restricting the flow of exports below an economically desirable level.* The chief arguments in support of this are that a fundamental and continuing disequilibrium will exist until the exchange rate is adjusted and use of the Fund's resources in these circumstances will probably result in the assistance being more than temporary. The Fund would in effect be using its resources to prevent correction of a fundamental disequilibrium and to sustain untenable exchange rates. With regard to this test, the cases of Chile, Iceland, Denmark and France may be cited. In the case of Iceland the over-valuation is so extreme that the Fund has indicated informally that a request would almost certainly be denied. With regard to Denmark, although one request has been reluctantly granted, the discussion by the Board indicated such strong misgivings on the part of the U.S. Director that no further requests have been made. The last two French requests were also vulnerable to attack on this ground.

(2) *A member should not be allowed access to the resources of the Fund when its balance of payments difficulties appear to arise chiefly through attempts to finance reconstruction or development through an inflationary process.* Requests of Mexico, Chile and several other Latin American countries could be or have been challenged on this

<sup>3</sup> For official documentation regarding the Bretton Woods Conference, the Bretton Woods Agreements and the Bretton Woods Act, see footnote 2, above. These events etc., are chronicled, analyzed, and documented in detail as they relate to the Fund in the official history cited above, including the text of the Fund Agreement.

score. Even the U.K. requests might similarly be questioned in view of the acknowledged "suppressed inflation" concurrently with a large scale use of resources for capital formation and investment.

(3) *A member should not be allowed access to the resources of the Fund if it appears that the Fund is being drawn on to fill the gap between the long-term foreign credits projected in its reconstruction or development program and the amount of credits it has in fact been able to secure.* The Netherlands requests are highly vulnerable on this score as well as the French drawings.

(4) *A member should not be eligible to use the resources of the Fund if its balance of payments deficit results primarily from extension of long-term credits to other countries.* A Canadian request would raise very sharply this policy issue.

The foregoing tests of eligibility admittedly may be difficult of application. Their application depends in part on the availability and disclosure of complete and accurate information. In addition, much must be left to interpretation and judgment. Nowhere in the Agreement is "temporary" defined, though it is believed that the consensus of the Executive Board would be that repurchase should be foreseeable within five years at the outside. On the other hand, the Articles of Agreement contain the injunction in Article XIV that during the transition period the Fund in its dealings with its members shall give the members the benefit of any reasonable doubt during the post-war transitional period.

## II

### USE OF THE FUND'S RESOURCES DURING THE FIRST TWELVE MONTHS OF OPERATION

The Fund announced that it was ready to begin exchange transactions on March 1, 1947. During the first twelve months of operations the Fund has sold \$506 million of exchange of which \$500 million has been dollar exchange and \$6 million has been sterling. \$475 million of exchange sales have been to countries who are participants in the European Recovery Program. These sales are shown in detail by country, amount and date in Appendix I. Of the remainder of the exchange sales, \$22.5 million have been to Mexico and \$8.8 million to Chile. Nearly one-half of the exchange sales have been to one customer, namely, the United Kingdom. The second largest purchaser, \$125 million, has been France.

So far the record of exchange sales, particularly in view of the world-wide demand for dollars, gives some ground for satisfaction. In the first place, the Fund has made some contribution, albeit a modest one, to easing the world-wide exchange stringency. More importantly, perhaps, the pessimistic forecast of critics of the Fund that all members except the United States would immediately withdraw their gold contributions has not been realized. The circumstances would appear

to justify the assertion that, as a whole, members have recognized that the Fund was to be regarded as second line of reserves and should not be drawn on with complete disregard of whether or not the drawings were likely to be of a temporary or long-term nature. It of course should not be overlooked that some of the members in the most desperate financial plight, namely, China, Greece and Italy, have not agreed par values with the Fund and hence are unable to use the Fund's resources without special conditions. The same was also true of Poland, Yugoslavia and Brazil.

The Fund was of course not designed to meet balance of payments disequilibrium of the magnitude or character that general speaking prevails today. The United States has recognized this in proposing the European Recovery Program<sup>4</sup> and in making no allowance for possible assistance from the Fund in the implementation of that program. It can be argued that, considering the world-wide prevalence of inflation and the general disequilibrium that exists, the Fund has gone very far in giving members the benefit of a reasonable doubt in most of the drawings which it has so far permitted. In this connection, the French drawings are perhaps most open to question, particularly the \$50 million drawn subsequent to July 1947 by which time evidence began to appear that the French exchange rate might be impeding the movement of French exports. During the particular period under discussion, however, it must be conceded that there were many extenuating circumstances. To begin with, it is extremely difficult to put members in the position of having been worse off as the result of joining an institution designed to assist them in times of crisis. In other words, until a country has withdrawn exchange from the Fund in excess of its gold contribution, it is very difficult not to stretch the concept of reasonable doubt. Secondly, it was difficult not to give countries such as France and the United Kingdom the benefit of every reasonable doubt at a time when the United States Government had launched its European Recovery Program and had not yet dealt with the problem of interim assistance. The last two French drawings were a particularly notable example of this dilemma. It is a fair statement that no one on the Fund board will ordinarily oppose drawing by any member unless the United States takes the lead. The United States representatives were the only ones to raise any questions at all about the last two French drawings. Finally, if the Fund had permitted no drawings at all during the first few months of operations, the conclusion might well have been drawn by the public at large that the Fund was incapable of providing any assistance to its members in the deepening financial crisis.

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<sup>4</sup> For documentation on the genesis of the European Recovery Program, 1947, see *Foreign Relations, 1947*, vol. III, pp. 249 ff.

## III

## THE IMMEDIATE POLICY PROBLEM

The essence of the policy problem now facing the Fund is whether it continues to give members the benefit of a reasonable doubt to the degree which it has previously done so, or whether it should more strictly apply the tests of eligibility described in the first section of this memorandum. As has been indicated above, during the first twelve months of operations the Fund has paid out only \$500 million. This is only one-seventh of the total amount of gold and dollars with which the Fund began operations. If it is assumed that all of the drawings so far will in fact turn out to be long-term assistance and any of the drawings made during the next few years would be of similar category, the present rate of utilization could continue for three and one-half years before one-half of the Fund's gold and dollar resources would be "frozen." On the other hand, continuance of "liberal policies" might easily result in drawings of approximately a billion dollars a year, particularly if members generally began to forecast the exhaustion of the Fund's holdings of gold or dollars in two or three years.

It must be admitted that the estimates of the European Economic Cooperation Committee and of the Administration as to the balance of payments deficit in 1952 are not reassuring with respect to repurchases of their currency from the Fund by ERP countries. There is grave doubt that any substantial amount of drawings by ERP countries over the next three or four years can be very directly related to the concept of either temporary assistance or monetary stabilization, except as the latter is interpreted to mean assistance in avoiding hardship or possibly an imminent collapse. It would accordingly seem that one of the major objectives of the Fund should be to preserve the bulk of its gold and dollar holdings to such a time as the ERP has tapered off and the ERP countries will be in a position to pay for the greater part of their imports by their own exports. At such a time the ERP countries should have some reasonable prospect of maintaining exchange stability with the amount of assistance available from the Fund as supplemented by stabilization loans from the United States to restore gold reserves to a level which will provide some margin for working balances in addition to the minimal reserves required to prevent panic every time there is a moderate decrease in these reserves to meet in part temporary balance of payments disequilibrium.

Whether or not the ERP is approved by Congress in substantially its projected amount,<sup>5</sup> it would appear desirable for the Fund to tighten up on access to its resources during the next few years. Unless the recent break in commodity prices foreshadows a substantial defla-

<sup>5</sup> For the legislative history and other documents relating to the establishment of the Economic Cooperation Administration in 1948, see *Foreign Relations*, 1948, vol. 1, Part 2, pp. 959 ff.

tionary trend, the amount of ERP assistance will presumably reflect Congress' estimate of how much in goods the United States can afford to spare and above all be paid for by imports. A liberal policy by the Fund might lead to an adverse Congressional reaction if the Fund were supplying dollars whose use was largely directed to purchase of commodities in short supply. Secondly, the ERP program itself, since it is designed to meet such a large part of the world dollar deficit, would justify particularly careful scrutiny of further claims for assistance on balance of payments grounds. On the other hand, should the program fail of enactment or be drastically reduced, there would be a particular necessity to screen requests to purchase exchange from the point of view of whether or not the requests were not essentially for relief or reconstruction. Unless there is a complete reversal of previous Congressional opinion on the matter, it will be very risky for the Fund to supply long-term financial assistance merely because the ERP is inadequate or the World Bank is unable to contribute significantly to the financing of reconstruction or development.

Finally, it must be recognized that the Fund is not designed exclusively to assist European countries. In other words, even though drawings by ERP countries taper off during the coming year, this may be off-set in part by drawings by countries in other areas of the world. There is already indication that India with a quota of \$400 million intends to draw in the near future. It is not unlikely that Australia with a quota of \$200 million may also find it necessary to draw on the Fund. Unless Canada which has a quota of \$300 million improves its exchange position more rapidly than appears likely, it may also seek to draw on the Fund. Brazil with a quota of \$150 million is both in a stringent financial position and is making some moves now in the direction of agreeing a par value in the not too distant future. Further drawings by the United Kingdom appear both probable and difficult for the Fund to deny. It should be noted that any policy of particularly liberal treatment of European countries by the Fund is likely to generate something in the nature of a run on the Fund by countries from other areas who might feel that they had better get their cut of the gold and dollars while the chance still remains. This would be particularly likely to happen if the Fund permitted without strict conditions drawings by European countries in excess of 25 per cent of quota per year which is the ordinary limitation.

#### IV

#### POSSIBILITY OF USE OF FUND UNDER SPECIAL CONDITIONS TO PROVIDE INTERIM ASSISTANCE

The Fund may be able to be of some assistance in meeting the problem of interim aid until ERP aid becomes available. As indi-

cated by Appendix I<sup>6</sup> the ERP countries most urgently in need of such assistance are either those which have already largely utilized their first year quotas or are unable to draw without special conditions because they have not yet agreed a par value with the Fund.<sup>†</sup> Most of these countries have only very small gold and dollar reserves remaining. It might be possible to allow countries in either group to draw on the Fund under suitable arrangements for prompt reimbursement from the proceeds of ERP assistance. If sufficiently certain arrangements could be made, a member might be allowed to either exceed 25 per cent of quota limitation or to draw even though it had not agreed a par value. The fact that these arrangements were of a special nature would presumably prevent the establishment of undesirable precedents.<sup>7</sup>

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<sup>6</sup> Not printed; it set forth in tabular form the exchange transactions of European Recovery Program countries during 1947 and early 1948.

<sup>†</sup> i.e. Italy and Greece. It is assumed that for policy reasons France would be excluded from the special arrangements suggested. [Footnote in the source text.]

<sup>7</sup> Further to the relationship between the IMF and the ERP, see J. Keith Horsefield, *The International Monetary Fund 1945-1965 Volume I: Chronicle* (Washington, IMF, 1969), pp. 212 ff. Regarding the so-called "ERP Decision", taken by the Executive Board of the Fund on April 5, 1948, see J. Keith Horsefield (editor), *The International Monetary Fund 1945-1965 Volume II: Analysis* (Washington, IMF, 1969), pp. 394; the essential point was "that [ERP] members should request the purchase of United States dollars from the Fund only in exceptional or unforeseen cases. . . ." (*ibid.*, p. 395)

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NAC Files, Lot 60D137

*Memorandum by the NAC Staff Committee to the National Advisory Council*

SECRET

[WASHINGTON,] April 23, 1948.

NAC Doc. No. 674

Subject: Policy with Regard to Use of Resources of the Fund  
*Problem*

The United States Executive Director on the Fund has submitted a memorandum to the Council (NAC Document No. 623)<sup>1</sup> reporting on the use of the Fund's resources and raising questions about the policy to be pursued in the immediate future. The international economic developments of the past twelve months and the unfavorable outlook for the restoration of general world equilibrium in the near future make necessary a careful re-examination of policy with regard to the use of the Fund's resources, particularly in the light of the European Recovery Program.

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<sup>1</sup> *Supra.*

*Discussion*

## I. Character of Transition Period

It has become increasingly clear over the past few months that the post-war transition period during which most of the members of the Fund would be able to attain equilibrium in their balance of payments may be far longer than the three to five years contemplated at the time of the Bretton Woods Conference. A number of the members of the Fund have been unable to provide even the basic essentials necessary for the operation of their economies without substantial assistance from the Western Hemisphere. Even if at the end of the four year ERP program the countries of Western Europe are on a self-sustaining basis, it is unlikely that they will be able to abandon the use of exchange and quantitative trade controls for some time in the future. In the case of China, and certain other countries of Asia, the possibilities for the restoration of equilibrium conditions within the foreseeable future are perhaps even more remote. The Latin American economies may also find it difficult, if not impossible, to abandon controls in the face of large demands for foreign exchange to finance government-sponsored development projects. Altogether, therefore, the restoration of conditions suitable to the normal operations of the Fund as contemplated in the Articles of Agreement appears very unlikely for the next few years.

## Implications for the Use of the Fund's Resources

The basic policy of the Fund in selling currencies, as provided in the Articles of Agreement, is that the Fund should permit its members to draw currently needed foreign exchange to tide them over temporary deficits in their balance of payments. The Fund's resources were not to be used to finance relief and reconstruction. No definite maturity was provided for the extension of foreign exchange credits by the Fund but purchasing members are required to repurchase the Fund's holdings of their own currencies *pari passu* with an improvement in their gold and foreign exchange reserve position. The Articles also provide for interest charges that increase with the length of time that currency is held by the Fund and they envisage penalty charges by the Fund if repurchase does not occur within a few years. It is clearly implied therefore that the Fund's resources would be used only in cases where there was a reasonable expectation that the borrowing countries would be able to restore equilibrium in their balance of payments and repay the Fund within a relatively short period of time.

The current international position of most of the Fund's members raises serious questions as to their eligibility to draw foreign exchange from the Fund. Many countries have fundamental maladjustments in the structure of their balance of payments, especially in relation to

the United States, which may very well prove to be chronic and of long duration. Moreover, improvement in their position may result merely in the relaxation of their exchange controls or trade regulations rather than an increase in their monetary reserves to a point where the repurchase obligations become mandatory. Hence these provisions cannot be relied upon to assure the maintenance of the Fund's holdings of convertible currencies.

There is a very real danger that liberal or semi-automatic use of the Fund's resources under present conditions may lead to dissipation of the Fund's gold and dollar resources which will not then be available for use in accordance with the purposes of the Fund as stated in the Articles of Agreement. On the other hand a decision to close the doors of the Fund to any further financial assistance to its members for an indefinite period until the return of general world economic stability and equilibrium would seriously impair the influence of the Fund over the international exchange policies of its members. Both of these extreme positions should be rejected. Under prevailing conditions some moderate use of the Fund's resources during the transitional period in conformity with the Fund's Articles, would be desirable so long as it does not involve too rapid exhaustion of the Fund's dollar assets.

## II. Powers of the Fund To Prevent Misuse of its Resources

There is a clear implication in the Articles of Agreement that members which have attained a reasonable degree of economic stability and are in a position to employ the resources of the Fund in a manner consistent with its purposes will have a more or less automatic right to draw on the Fund in time of need. Nevertheless it is equally clear that the Fund was intended to have adequate powers to safeguard its resources from use in a manner which would contravene the provisions and purposes of the Articles of Agreement. The sections of the Articles of Agreement which relate to this matter are, however, not entirely unambiguous. This is largely the result of the fact that they represent compromises between the British concept of an automatic Fund and the United States concept that use of the Fund's resources should be subject to effective safeguards. In part, the obscurity of the language is deliberate. Consequently the interpretation of these sections of the Articles has been extremely difficult and has given rise to lengthy debates in the Executive Board.

The decisions of the Board with respect to the Fund's powers to control the use of its resources may be summarized as follows:

(1) Under Article XX, Section 4 (i), "the Fund may postpone exchange transactions with any member if its circumstances are such that, in the opinion of the Fund, they would lead to the use of the



resources of the Fund in a manner contrary to the purposes of this Agreement or prejudicial to the Fund or to members." The Board has ruled that this section may be applied at any time up to the completion of a member's first exchange transaction with the Fund, but that it may not be used thereafter.

(2) Under Article V, Section 5, the Fund may declare a member ineligible to use the resources of the Fund or limit or impose conditions upon the use of its resources by a member whenever the Fund is of the opinion that the member is using the Fund's resources in a manner contrary to the purposes of the Agreement. The Board has interpreted "is using" broadly; i.e., that a member is using the resources of the Fund when the member has made a drawing on the Fund and the Fund's holdings of the member's currency exceed 75 percent of its quota.

(3) The Fund may challenge the correctness of a declaration by a member under Article V, Section 3(a)(i) on the grounds that the payments for which the Fund's resources are requested are not "consistent with the provisions of the Agreement". Thus, if the Fund determines that a particular declaration by a member is incorrect, it may reject the request or accept it subject to conditions. It is the view of the Board, however, that this power should be used sparingly and only when the Fund has good reason to doubt the correctness of the member's declaration. Use of this section is not regarded by the Board as a general substitute for action under (1) or (2).

These decisions represent a substantial defeat of the concept of automaticity. Together they may be considered to have established reasonably adequate safeguards over the use of the Fund's resources. It should be noted, however, that it is the practically unanimous view of the Executive Board that in order to exercise these powers consistently with the spirit of the Articles of Agreement, members should as a general rule be notified, in advance of exchange requests, that the Fund does not consider the member in a condition to make proper use of the Fund's resources. Unless a member has been so notified, it may presume that it is entitled to draw on the Fund. Secondly, a majority of the Board feel that rather than invoke the formal procedures envisaged in Article V, Section 5, for declaring a member ineligible or limiting the use of the Fund's resources, it is preferable to indicate the Fund's views informally and to seek an informal understanding with the member that it will not make requests without prior consultation. From the practical point of view, this means that the Board finds completely unacceptable a procedure involving a review of individual requests for exchange at the time they are made. Instead, the Fund must keep the economic situation of members constantly under review and take the initiative in approaching and warning members. In a sense, this means that the burden of proof is on the Fund to establish that a member is not entitled to draw on

the Fund. Experience to date has made it clear that these powers will seldom be exercised except on the initiative and insistence of the United States Executive Director.

### III. Application of Policies

A policy for the next year intended to conserve the Fund's dollar assets mainly for the post-transitional period, when they may be used more effectively to support exchange stability and the elimination of discriminatory exchange practices, may properly give different treatment to the countries participating in ERP and to the other members. In the course of its first year of operations the Fund's resources were used principally by the participating European countries. While these advances of dollars undoubtedly have served an important function in this critical period, they may be subject to the objection that under XIV, 1, the Fund's resources are not to be used for relief or reconstruction. The large amount of aid provided by the United States under the ERP, which is directed toward relieving the balance of payments deficit of the ERP countries with the Western Hemisphere, would seem to preclude additional drawings of dollars from the Fund by these countries. There may be exceptional circumstances which would justify the use of the Fund's resources by these countries, but each case should be regarded as a special case and decided on its own merits.

For members other than the ERP countries the Fund should be prepared to furnish such dollars or other currencies as they need for purposes that are consistent with the objectives of the Fund. However, because of the desirability of conserving the Fund's dollar assets, the Fund should in general exercise great care to see that the use of its resources by these countries is very clearly for the purpose of meeting temporary disequilibria in accordance with the purposes of the Fund.

It seems desirable, however, that the Fund be lenient in applying this test to drawings by members other than the ERP countries where the amount requested, in combination with all previous drawings by the given country, amounts to 25 per cent or less of the country's quota. This exception seems necessary as a measure of fairness between one member country and another. During the first year the Fund has been less rigorous in passing upon applications, and has permitted some member countries to make drawings up to 25 per cent of their quotas under circumstances where a rigorous application of the Articles of Agreement might have resulted in the denial of their applications. Hence, it might seem unfair if very rigorous standards were applied to the initial drawings of countries that did not elect to draw during the first year. It is for this reason that there seems justification for giving any member the benefit of reasonable doubt until its aggregate purchases have reached 25 per cent of its quota.

#### IV. Conclusion

The Staff Committee is of the opinion that it would be desirable in the course of the next year to restrict purchases of dollars from the Fund by the European countries and also by other members to see to it that purchases of currency really serve the objectives of the Fund. The Staff Committee realizes that it is difficult to lay down absolute rules for the guidance of the Executive Director but it also realizes that there is a danger that the Fund's dollar resources may be substantially diminished during the transitional period with the consequence that it will not have sufficient dollars available to carry out its policies and the United States objectives in this area at the conclusion of the transitional period when these resources could be used most effectively.

#### V. Recommendation

The following action is submitted for the consideration of the Council:

The National Advisory Council advises the United States Executive Director on the Fund that he should be guided by the principles set forth below in acting on applications of members for the purchase of currency from the Fund or in determination of the Fund policy with respect to the use of its resources by the members.

1. With a view to conserving the resources of the Fund the use of these resources by any member should be subject to close scrutiny to assure that any purchases conform strictly to the tests required by the Articles of Agreement, and that the purchasing member may reasonably be expected to be able to repurchase its currency within a relatively short period of time. With the qualifications set forth below, this should be achieved primarily by resolving doubts and presumptions in favor of the Fund rather than in favor of the member.

In particular the Fund should be satisfied in appropriate cases that the member concerned will:

(a) Adopt appropriate monetary, fiscal and other economic policies necessary for the restoration of internal and international economic stability.

(b) Adjust its exchange rate to a realistic level in consultation with the Fund when the existing exchange rate is imposing an unjustifiable burden upon the balance of payments of the member.

2. Countries participating in the European Recovery Program should not be permitted to purchase dollars from the Fund except under special circumstances. The United States Executive Director need not object to the purchase in moderate amount of currencies other than dollars from the Fund by these countries.

3. In the case of countries other than those participating in the European Recovery Program, a member applying for the purchase of currency should be given the benefit of reasonable doubt if it represents that the funds are needed for current payments in that cur-

rency for purposes consistent with the agreement, and if such purchase would not bring its net purchases of currency from the Fund to more than 25 percent of its quota.

4. Under present circumstances it would be unwise for the Fund to rely solely on the repurchase provisions of the Articles of Agreement for repayment. Members asking to draw beyond 25 percent of their quota should therefore be required to demonstrate to the Fund how they expect to be able to repay within a relatively short period of time in the light of their anticipated balance of payments.<sup>2</sup>

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<sup>2</sup>This paper was discussed and its recommendations adopted by the National Advisory Council at its meeting on May 5, 1948 (NAC Minutes, Meeting No. 94, May 5, 1948, Lot 60D137); the decision was recorded as NAC Action No. 249, May 5, 1948. Among those present of the NAC membership at this meeting were Secretary of the Treasury John W. Snyder (in the chair); Willard L. Thorp, Assistant Secretary of State for Economic Affairs representing the Department of State; William McChesney Martin, Chairman of the Export-Import Bank; Wayne C. Taylor, Economic Cooperation Administration; Andrew N. Overby and George F. Luthrigner, U.S. Executive Director and U.S. Alternate Executive Director, respectively, of the International Monetary Fund; Eugene R. Black, International Bank for Reconstruction and Development; and Frank A. Southard, Jr., Treasury Department.

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NAC Files, Lot 60D137

*Memorandum by the NAC Staff Committee to the National Advisory Council*

CONFIDENTIAL

[WASHINGTON,] May 16, 1949.

NAC Doc. No. 827

Subject: Policy with Regard to Fund Drawings

*Problem*

The prospect of further requests for substantial drawings on the International Monetary Fund in the near future has raised the issue of the possible depletion of the Fund's resources before the objectives which the United States sought to realize through the Fund had been attained. It therefore appears appropriate for the Council to review its statement of United States policy with regard to Fund drawings (NAC Action No. 249, May 5, 1948).

*Discussion*

1. The Fund's Sales of Currencies

The Fund has up to date sold \$708 million (exclusive of \$6 million sold against gold) in addition to sterling and Belgian francs aggregating the equivalent of \$17 million. At the present time the Fund's holdings of dollar currency amount to \$1,367 million and its gold to \$1,424 million. The currency purchases of five countries have reached or exceeded 25 percent of their quotas, while two additional countries

have purchased dollars in amounts slightly under 25 percent as shown below.

(In \$ Millions)			
<i>Country</i>	<i>Quota</i>	<i>Drawings</i>	<i>Percent</i>
Netherlands	275	75.3	27.4
(dollar drawings)		(\$62.5)	(22.7)
Mexico	90	22.5	25.0
Costa Rica	5	1.25	25.0
Nicaragua	2	.5	25.0
India	400	100	25.0
France	525	125	23.8
U. K.	1,300	300	23.1

In the past the Fund has, with a few exceptions, permitted drawings up to 25 percent of the quota in a 12 month period without serious objection. If this rate were continued, the annual drawings could amount to \$1,321 million so that the Fund's holdings of gold and dollars would be exhausted in about two years. At the present time the ERP countries may not draw dollars from the Fund except under exceptional circumstances. If this limitation is continued in effect, the annual drawings at the 25 percent rate could amount to \$632 million. Under these circumstances the Fund holdings of gold and dollars would be exhausted in slightly more than four years. This calculation of the possible rate of exhaustion of the Fund should be qualified in so far as some countries do not at the present time have par values and thus are unable to draw, and also by the possibility that some relatively small amounts of dollars could be repaid by some of the members under the repurchase provisions of the Articles.

There is thus a serious danger that the Fund's hard currency resources will be exhausted before the transitional period ends, or shortly thereafter so that the Fund will not be in a position to attain the basic objectives of the Articles.

2. Relation of the Fund Drawings to the Objectives of the Fund  
Stripped of the formal language of the Articles of Agreement, the Fund's basic objectives are to use its resources, its legal rights of approval or disapproval, and its consultative functions to:

- a) Maintain the convertibility of the currencies of the members for current transactions;
- b) Assure the elimination of restrictions on current transactions;
- c) Assure that exchange rates will be appropriate for the maintenance of equilibrium in the international accounts of the members; and
- d) Assure that the members should adopt unitary nondiscriminatory exchange rate systems.

The Fund's resources were intended to assist members in overcoming *temporary* deficits in their balance of payments and were not intended to finance programs of reconstruction, rehabilitation or development,

nor to provide means for the settlement of international debts previously incurred. The Fund has on two separate occasions officially stated that its resources were restricted in use to dealing with temporary disequilibria. Thus, in its interpretation of the Articles, made at the request of the United States Governor on September 26, 1946, the Fund declared that its resources were "limited to use in accordance with its purpose to give temporary assistance in financing balances of payments deficits on current account for monetary stabilization operations." In a statement issued to all members on June 7, 1947 (Executive Board Memorandum No. 75, reproduced in NAC Document No. 441),<sup>1</sup> the Fund declared that its resources "must be used to meet temporary needs—they cannot, for example, be used for large and sustained capital movements, for relief, reconstruction, or to meet indebtedness arising out of the war, or to support overvalued currencies when adequate measures are not being taken to correct the disequilibrium." The Fund also stated that in engaging in exchange transactions with members, it must consider the prospects of repayment to the Fund and the means of correcting a disequilibrium either through adjustment of exchange rates or other measures. Accordingly, the members should be expected to repurchase their currency within a relatively short period of time so that the Fund's assets will not be depleted. The appropriate repurchase period will of course vary with the particular circumstances which are regarded as justifying the drawing. In most instances it would seem that a period of 3 to 4 years would be sufficient both to enable a country to take remedial action through adjustment of exchange rates or otherwise and to repay the Fund.

Due to the extreme scarcity of foreign exchange during the first two years of the Fund's operations, the Fund has frequently permitted countries to withdraw the equivalent of their gold contribution. Moreover, it should be pointed out that, in the past, members have been given the benefit of the doubt in drawings up to 25 percent of their quotas, even though their gold contributions may have been of smaller amount.

The Fund's action with regard to countries participating in the European Recovery Program recognized that they were in a state of fundamental disequilibrium. Even where the United States is not providing special assistance to foreign countries, the resources of the Fund should not be used for programs of reconstruction or development, or other purposes inconsistent with the objectives of the Fund. In such cases recourse should be had to other methods of financing.

### 3. Repurchase of Currencies

The Fund's Articles provide various deterrents to excessive use of the Fund's resources. The Fund may challenge the members' repre-

<sup>1</sup> Not printed.

sentation that the currency requested is needed for purposes consistent with the Articles. The sliding scale of charges was to act as a further deterrent but in the light of the present international financial situation, the incentive to repurchase on this score is not great. Moreover, the Fund's Articles provided for compulsory repurchase in accordance with a formula based on the Fund's purchases of the members' currency and changes in its monetary reserves. Under present conditions of inconvertibility of almost all of the members' currencies, these repurchase provisions can not be relied upon replenish the Fund's holdings of gold and dollars at a rate sufficient to prevent the deterioration of the quality of its resources. For these reasons it is necessary for the United States to adopt a policy in the Fund which will assure that future Fund drawings conform strictly to the requirements of the Articles and that the Fund's assets should, for the most part, be preserved until the end of the transitional period when there is greater prospect for the realization of the objectives which the United States sought in projecting the Fund.

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NAC Files, Lot 60D137

*Minutes of Meeting (No. 125) of the National Advisory Council,  
Washington, May 18, 1949*

CONFIDENTIAL

[Here follow list of persons present (26) and discussion of a prior agenda item.]

2. *Policy with Regard to Drawings on the International Monetary Fund*

Mr. Glendinning<sup>1</sup> pointed out that a year had elapsed since the Council had reviewed overall policy with respect to drawings on the International Monetary Fund. To date some \$700 million of drawings had occurred and a number of countries had drawn up to 25 percent of their quotas. It was anticipated that a number of the latter countries were likely to request further drawings and it was felt advisable by the United States Executive Director and the Staff for the Council to review the statement of policy. The proposed action was unanimously agreed to by the Staff and was presented in the form of an amendment to last year's action (NAC Document No. 827<sup>2</sup>).

Mr. Southard<sup>3</sup> observed that this action would not be welcome in the Fund. One or two directors might support it wholeheartedly and a few more might give it lukewarm support but the rest, including the British, would oppose it. The second point he wished to make was that

<sup>1</sup> C. Dillon Glendinning, Acting Secretary of the NAC.

<sup>2</sup> *Supra.*

<sup>3</sup> Frank A. Southard, Jr. became U.S. Executive Director of the Fund on March 1, 1949 (A. N. Overby resigned effective February 8, 1949). His alternates were Henry J. Tasca and John S. Hooker.

the action was not self-enforcing. The action involved a set of criteria which the United States Executive Director could insist upon and endeavor to have the Fund Staff apply in order to avoid being pushed step by step in the next twelve months into a series of drawings on the Fund, each one seeming to be justified on general terms, much as had happened during the last twelve months. He inquired whether there would be any objection to his making known the Council action in whole or in part to the Fund.

The Chairman <sup>4</sup> thought it was essential to make it known in whole to the Fund. If the United States did not take a firm stand now, it was likely to be in an embarrassing position in a few years when the International Monetary Fund's dollar funds would be exhausted. Positive action was necessary in order to prevent the Fund's resources being entirely dissipated. Mr. Szymczak <sup>5</sup> added that there would be an advantage in having the United States Executive Director make known the overall standards we would like to have incorporated in Fund policy, so that it would permit the United States Executive Director to cast a negative vote when appropriate. Mr. Knapp suggested that paragraph 4 of the action, concerning the desirability in appropriate instances of obtaining undertakings to repay drawings from the Fund within a specified period of time, should not be included in the material made available to the Fund. Mr. Southard agreed and said that this provision would be used for bargaining purposes and that he was concerned with making known the first three paragraphs of the action concerning the general criteria governing drawings on the Fund. The fifth paragraph relating to ERP countries had already been accepted by the Fund and would create no problem so long as ECA is in existence. He added that some cases were coming up which would make it highly desirable to get some discussion of this matter in the Fund without reference to any particular country.

Mr. Thorp requested that the Council be informed by the Executive Director when the matter was considered in the Fund since Council agencies would be discussing financial problems with these countries and should know when it became an expressed policy. Mr. Southard said that he would circulate promptly a minute with respect to any meetings on this subject.

The recommended action was approved unanimously without further discussion.

*Action:* The following action was taken (Action No. 327):

The National Advisory Council amends Action No. 249 of May 5, 1948 to read as follows:

The National Advisory Council advises the United States Executive Director on the Fund that he should be guided by the principles set

<sup>4</sup> The Secretary of the Treasury, John W. Snyder.

<sup>5</sup> M. S. Szymczak, Board of Governors, Federal Reserve System.



forth below in acting on applications of members for the purchase of currency from the Fund or in determination of the Fund policy with respect to the use of its resources by the members.

1. The U.S. Executive Director should call to the attention of the Board the interpretation of the Fund concerning the use of its resources made at the request of the U.S. Governor, and those portions of Fund Executive Board Memorandum No. 75, which stress the temporary nature of Fund drawings and the need for assurances of repayment. Consistent with this interpretation and with a view to conserving the resources of the Fund, the use of these resources by any member should be subject to close scrutiny to assure that any purchases conform strictly to the general spirit and purposes of the Fund, as well as to the specific provisions of the Articles of Agreement. Any doubts should be resolved in favor of the Fund rather than in favor of the member, especially in the case of members drawing in excess of 25 percent of their quotas.

2. It is the view of the United States that, quite aside from the obligations under the repurchase provisions of Article 5, Section 7, countries drawing currencies from the Fund have an obligation to repay the Fund within a short period of time. This general obligation, which is particularly significant in the case of countries with planned balances of payments, is implied in the provisions of the Articles of Agreement with respect to the purposes for which the Fund's resources are to be used. Accordingly, the purchasing member should demonstrate its ability to repurchase its currency within a relatively short period of time.

3. The United States Executive Director should take the view that a country which finds it necessary to ration its dollar resources through the application of exchange restrictions on current transactions or quantitative import controls should be considered *prima facie* to be suffering from a fundamental disequilibrium. Therefore, the United States Executive Director would not support dollar drawings by members of the Fund exercising such controls except under the following conditions:

- (a) A specific determination by the Fund that the par value of the member is appropriate.
- (b) A specific determination by the Fund that the circumstances which give rise to the proposed drawing are in fact due to a temporary rather than to a fundamental disequilibrium.
- (c) A specific determination by the Fund that the proposed drawing cannot primarily be attributed directly or indirectly to requirements engendered by programs of rehabilitation or development.
- (d) A specific determination by the Fund that the member is undertaking all steps essential to assume as soon as possible its full obligations under the Articles of Agreement of the Fund, in particular, maintenance of convertibility, avoidance of restrictions on current payments, and avoidance of discriminatory currency arrangements and multiple currency practices.

4. The United States Executive Director should consider the desirability, in appropriate instances, of the Fund's obtaining from mem-

bers determined to be otherwise eligible to draw, undertakings to repay their drawings from the Fund within a specified period of time.

5. In any event, countries participating in the European Recovery Program should not be permitted to purchase dollars from the Fund except under special circumstances.<sup>6</sup>

[Here follows discussion of another subject.]

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<sup>6</sup> At the meeting of the National Advisory Council on May 26, 1949, the U.S. Executive Director of the Fund (Southard) reported: "... that the action taken by the Council at its preceding meeting (Action No. 327) had been made available in modified form to the Fund Board and to the senior staff of the Fund through the Managing Director. Although the United States Executive Director had not asked that the item be put on the agenda, several other Executive Directors had so requested. Mr. Southard added that it was clear that this was an unpopular document and that the Executive Directors were trying to ascertain the background for its issuance." (NAC Minutes of Meetings (No. 126), May 26, 1949, Lot 60D137)

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NAC Files, Lot 60D137

*Memorandum by the NAC Staff Committee to the National Advisory Council*

CONFIDENTIAL  
NAC Doc. No. 897

[WASHINGTON,] October 10, 1949.

Subject: Repurchase of Fund Drawings

*Problem*

The Fund Articles do not provide for the repurchase of drawings from the Fund within any specified period. The Articles provide for the compulsory repurchase of drawings according to a schedule based on changes in the Fund's holdings of the member's currency, and on changes in the member's monetary reserves (gold and convertible currencies). Members may, however, voluntarily repurchase their currencies from the Fund with gold at any time. Under present conditions, the compulsory repurchase requirements will not, in fact, require many members to repurchase, so that drawings from the Fund result in a deterioration of the Fund's assets without any firm assurance of restoration of the original position within a reasonable time. It has, therefore, been proposed that the Fund should make greater use of agreements to repurchase currencies as a condition to drawings.

*Discussion*

The compulsory repurchase provision requires the member to repurchase at the end of the fiscal year an amount of its currency equal to one-half of the increase in the Fund's holdings of its currency within the year, plus one-half of the increase in the member country's monetary reserves, or minus one-half of the decrease in the member's monetary reserves in the same period. In making the repurchase, the mem-

ber must use gold and convertible currencies substantially in proportion to its holdings at the end of the fiscal year. The applicability of this provision is, however, restricted by the requirement that:

“None of the adjustments described in (b) above shall be carried to a point at which

- (i) the member's monetary reserves are below its quota, or
- (ii) the Fund's holdings of its currency are below seventy-five percent of its quota, or
- (iii) the Fund's holdings of any currency required to be used are above seventy-five percent of the quota of the member concerned.”

In practice, these provisions mean (1) that a member whose monetary reserves are less than its quota has no obligation to repurchase; (2) that a country may not in a repurchase use a currency in such amount that the Fund's holdings of that currency would be increased above 75 percent of the quota of the country whose currency is used in the repurchase; and (3) that the repurchase provisions do not apply in the case of a country whose currency has been drawn to the extent that the Fund's holdings are below 75 percent of its quota. There is nothing, however, in the Articles to prevent a member from using gold at any time in the repurchase of its own currency from the Fund.

Under present circumstances relatively few members of the Fund would be obligated to repurchase their currencies under Article V, Sec. 7(b), since monetary reserves at the present time are, for most of the members, smaller than their quotas, while the general balance of payments situation with respect to the United States would indicate little prospect that most of the member countries which might require Fund assistance would increase their gold and dollar reserves to the extent that large repurchases would be required. There are, of course, exceptional cases where a country, such as Belgium, which has drawn from the Fund, may be required to repurchase its own currency.

Countries which exercise a firm control over their balances of payments whether as part of a controlled economy or otherwise can readily avoid becoming subject to the Fund's compulsory repurchase requirements. Thus, they can expend all of their foreign exchange earnings so that their monetary reserves are not permitted to increase, or they may expend their reserves in part and by other devices minimize their repurchase obligations. In any case, it is possible for them in many instances to keep their total reserves below the amount of their quota so that the automatic repurchase provision would be inoperative. Under these circumstances the sale of dollars to such countries will not be followed by a repurchase within the predictable future.

In the case of the sterling area countries, monetary reserves are held in the form of sterling deposits, while the Bank of England holds the bulk of gold and convertible currency needed to meet demands upon

the sterling area. These countries generally have monetary reserves, as defined by the Fund's Agreement, below their quotas and do not have any direct incentive to increase such reserves. Consequently, the sale of dollars to sterling area countries results in an increase of Fund holdings of sterling without great prospects of repurchase of the sterling area currency.

It is, therefore, suggested that the Fund's practice be supplemented by agreements or undertakings on the part of member countries to repurchase their currencies from the Fund according to some agreed schedule. This repurchase could take place under the voluntary repurchase provision of Article V, Sec. 7(a). The Fund's Articles do not specifically provide for repurchase agreements although such agreements are implied under special circumstances under Article V, Sec. 4, and Article V, Sec. 8(d). If the member, as a condition to a drawing, undertakes to repurchase its currency under Article V, Sec. 7(a), there can be no question raised about violation of the Fund's Articles.

No doubt many countries will object to specific repurchase agreements as imposing a more onerous burden upon them than contemplated by the Articles of Agreement. On the other hand, they might be willing to assume such obligations if the alternative is not to be permitted to draw from the Fund. In the few instances in which this problem has arisen previously, the legal difficulties believed to arise from a firm agreement between the Fund and the member covering the time and the amount of repurchase, have been avoided by a voluntary declaration on the part of the member to make the repurchase. It seems probable that the Fund could not impose any more serious sanctions against a member which violated a specific agreement than it could against a member which had failed to carry out its unilateral commitment. In either case, the Fund's sanctions would be limited to a refusal to permit further drawings, or to expel the member. Accordingly, the precise legal form which the repurchase obligation should take can be determined by experimentation and negotiation within the Fund as specific cases arise. Failure to secure such commitments or agreements, however, will result under present circumstances in a steady, if gradual, deterioration of the Fund's assets.

The willingness of a country to enter into a specific repurchase agreement or commitment should not be used as a substitute for the criteria set forth in NAC Action No. 327.<sup>1</sup> That is, the Fund should permit a drawing with a special repurchase agreement or commitment only when the other conditions appropriate for a drawing are satisfied. The purpose of a repurchase agreement or commitment is to supplement the automatic repurchase provisions of the Articles of Agreement at a time when the monetary reserves of many member countries are

<sup>1</sup> Not printed.

below their quotas and when conditions do not indicate that these reserves will increase quickly. It is logical to impose this additional requirement upon countries which are pursuing policies which prevent or appear likely to prevent the repurchase provisions from operating in the manner intended. The agreement or commitment is necessary to bring these members into some relation of equality with other members whose affairs are so ordered that the repurchase provisions can operate as originally contemplated. The repurchase agreement or commitment should not be interpreted as superseding such provisions of the Articles.

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NAC Files, Lot 60D137

*Minutes of Meeting (No. 139) of the National Advisory Council,  
Washington, October 14, 1949*

CONFIDENTIAL

[Here follow list of persons present (25) and discussion of prior agenda items.]

4. *Repurchase of Currencies Resulting from Fund Drawings*

Mr. Willis<sup>1</sup> pointed out that the automatic repurchase provisions of the Articles of Agreement require that countries shall devote to repurchase of their currencies from the Fund sums related to the growth of their reserves in gold and convertible currencies. Since the latter exclude most currencies, particularly sterling, and there is a further provision that there is to be no repurchase so long as reserves are lower than the quota of the particular country, there was little expectation for repurchases under these provisions in the near future. In particular, two classes of countries were following policies that almost guaranteed they would not be in a position to repurchase. The first group comprised members such as Poland, Yugoslavia, and Czechoslovakia which have directed economies and have no interest in accumulating reserves. The second group consisted of the sterling area where reserves took the form of inconvertible currencies.

Mr. Willis continued that after considerable discussion the Staff Committee agreed to recommend to the Council that a general principle be developed of supplementing the automatic repurchase provisions by a determination in the Fund Board that the Fund adopt a policy of objecting to all future dollar drawings unless the member was willing to make an agreement or give a formal commitment to repurchase its currencies within a maximum of five years. It was felt this policy could be defended in discussion in the Fund because the Articles, while they do not provide specifically for such undertakings, do not prohibit them, and the spirit of the Fund Agreement and the

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<sup>1</sup>George H. Willis, Acting Secretary of the NAC.

broad intentions of the Articles clearly contemplated that the Fund would not be a mechanism through which hard currencies were continually converted into soft currencies without any prospect of repayment (NAC Document No. 897 (Revised)).<sup>2</sup>

Mr. Southard said he was fully satisfied with the logic, the language, and the tactics suggested. He assumed the Council realized the proposal would be resisted by some members who honestly believed it was contrary to the spirit and intent of the Articles, and others who would resist it because they would regard it as one more effort on the part of the United States to tighten up in the Fund. It would be his intention to press for immediate discussion in the Fund and if there were any crystallization of views that might indicate that although the present formulation could not be carried, some milder form might be approved unanimously, he would report back to the Staff and the Council to discuss whether such a compromise formulation was satisfactory. He was, however, not suggesting any reservation at the present time. At the appropriate time, the Council could decide whether to insist that the present formula was the one which would guide United States policy. The present proposal had the advantage of going into the Fund and asking for consideration of the policy rather than announcing in connection with a given drawing that the United States was going to proceed in this way.

Without further discussion, the recommended action was approved unanimously.

*Action.* The following action was taken (Action No. 362):

The National Advisory Council advises the U.S. Executive Director on the Fund to make a statement to the Executive Board to the effect that:

(a) In the judgment of the United States the Fund should object to all future dollar drawings unless the member proposing the drawing is willing to make an agreement or will give a firm commitment to repurchase its currency from the Fund within a maximum of five years, preferably according to a definite schedule of repayments; and

(b) This policy is necessitated by present conditions affecting monetary reserves and currency convertibility and it should be continued as long as the Fund considers that conditions require.

The U.S. Executive Director should also point out that a repurchase commitment or agreement would not supersede the requirements of Article V, Sec. 7(b), and that the willingness of a country to enter into a specific repurchase agreement, or to make a firm commitment to repurchase, should in no case be regarded as a substitute for the fulfillment of the criteria appropriate for drawings as previously stated to the Fund in accordance with NAC Action No. 327.

[Here follows discussion of other subjects.]

<sup>2</sup> Not printed.

## THE UNITED STATES FOREIGN ASSISTANCE PROGRAM AS OF DECEMBER 31, 1949<sup>1</sup>

### *Editorial Note*

The summary table (Table I) which follows contains the following headings: loans, property credits, and grants made to foreign countries between July 1, 1945 and December 31, 1949. The data presented here is similar in form to that found in *Foreign Relations*, 1948, volume I, Part 2, page 960, and the scope of the foreign assistance program in 1949 may be derived by comparing the two tables. This table is adapted from the National Advisory Council on International Monetary and Financial Problems, *Semiannual Report to the President and to the Congress: October 1, 1949—March 31, 1950* (Washington, Government Printing Office, 1950) which also contains supporting tables providing a more detailed breakdown of the summary figures incorporated here. Table II, listing foreign aid by types of aid granted during the same time span, is printed on page 756; similar statistical information may also be obtained in the *Economic Report of the President Transmitted to the Congress: 1950* (Washington, Government Printing Office, 1950), page 185.

The various components included in these tables may be defined as follows: *Loans*—Many represent “cash loans” anticipating repayment, in cash, of principal plus interest. Economic Cooperation Administration loans originated in commitments made by the Administrator, with most of the loans being made by the Export-Import Bank as agent for the Economic Cooperation Administration. Intermediate-term loans in connection with certain deficiency material projects are made directly by the Economic Cooperation Administration. Loans, in the case of the Economic Cooperation Administration, generally represent both the goods and funds furnished European Recovery Program participants on a credit basis. Commitments or authorizations approved by the Board of Directors of the Export-Import Bank which had not been formalized by credit agreements are also included in this loan category, as are the loans of agent banks fully guaranteed by the Export-Import Bank.

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<sup>1</sup> Continued from *Foreign Relations*, 1948, vol. I, Part 2, pp. 959-961.

*Property credits*—These represent aid to foreign governments in the form of credits extended in (a) the disposal of surplus property including merchant ships, (b) settlement for “lend-lease” articles and services, and (c) commodity credit used to finance raw material shipments to occupied areas for manufacture and export. Provisions governing the collection of principal and interest varied and called for payment in the form of different combinations of United States dollars, property or improvements to property, and foreign currencies. It should be noted that property credit figures were subject to revision after negotiation with recipient countries.

*Grants*—These represent aid to foreign governments for which no repayment was expected or for which repayment terms are currently indeterminate. In addition to the funds furnished by the Economic Cooperation Administration to the European Recovery Program, to Korea, and to the Chinese assistance program, grants also include: relief, civilian supplies, “lend-lease”, and other grants. Relief included supplies, services, and funds furnished directly by the United States Government or indirectly through international or national agencies. Funds and goods given through UNRRA are included in relief as are funds given through post-UNRRA Relief, Interim Aid, the Intergovernmental Committee on Refugees, the International Children’s Emergency Fund, the International Refugee Organization, the United Nations (Palestine refugee relief), and the governmental component of American Red Cross aid.

Civilian supplies included the value of incentive materials provided Germany and Japan, civilian supplies furnished by the United States Army to occupied areas (including Italy) to alleviate disease and unrest, and the issue of supplies by the United States Navy in the Pacific Islands.

“Lend-lease” included only such aid as was furnished on a grant basis. Among the programs included in the other grants category were aid to cultural and economic programs for the American Republics and China and financial aid provided to China, Greece, Turkey, and the Philippines. A substantial addition to this category was the \$800+ million appropriated for the Military Defense Assistance Program in October. In general, earlier grants were made to rehabilitate national economies to the level of self-sufficiency for minimum needs, whereas relief funds were expended to sustain life and to prevent economic and physical retrogression.



TABLE I.—Summary of U.S. Government foreign credits and grants: utilized, July 1, 1945, to December 31, 1949; and unutilized as of December 31, 1949, by area, and country

[In millions of dollars]

Area and country	Grand Total	Credits plus Grants		Utilized plus Unutilized		
		Utilized	Unutilized	Loans	Property credits	Grants
<b>Total, All Areas</b> .....	<b>33,584</b>	<b>25,933</b>	<b>7,652</b>	<b>8,900</b>	<b>3,095</b>	<b>21,590</b>
<b>Total, Europe</b> .....	<b>25,091</b>	<b>20,122</b>	<b>4,969</b>	<b>6,938</b>	<b>2,304</b>	<b>15,849</b>
<b>Total, ERP Participants</b> .....	<b>23,483</b>	<b>18,539</b>	<b>4,944</b>	<b>6,755</b>	<b>1,994</b>	<b>14,734</b>
Austria.....	716	649	68	13	12	691
Belgium and Luxembourg.....	679	542	137	192	39	449
Denmark.....	190	164	26	51	1	138
France.....	4,040	3,639	401	1,372	749	1,919
Germany (western).....	3,046	2,624	421	5	121	2,920
Greece.....	1,211	1,086	125	15	97	1,100
Iceland.....	11	8	4	2	(*)	9
Ireland.....	112	67	45	86		25
Italy.....	2,175	1,846	329	198	209	1,767
Netherlands.....	1,030	803	227	352	81	597
Norway.....	239	177	62	85	30	124
Sweden.....	80	44	36	23	2	55
Switzerland.....	2	2				2
Trieste.....	38	31	7			38
Turkey.....	280	194	86	73	12	194
United Kingdom.....	6,925	6,486	439	4,098	641	2,186
Unallocated ERP.....	2,710	179	2,532	190		2,521
<b>Total, Other Europe</b> .....	<b>1,608</b>	<b>1,583</b>	<b>25</b>	<b>183</b>	<b>310</b>	<b>1,115</b>
Albania.....	20	20				20
Czechoslovakia.....	213	213		22	8	183
Finland.....	128	123	5	101	25	2
Hungary.....	18	18			16	2
Poland.....	443	443		40	38	365
U. S. S. R.....	465	465			223	243
Yugoslavia.....	320	300	20	20	1	299

\*Less than \$500,000. [Footnote in the source text.]

Area and country	Grand Total	Credits plus Grants		Utilized plus Unutilized		
		Utilized	Unutilized	Loans	Property credits	Grants
<b>Total, Latin America</b> .....	<b>563</b>	<b>398</b>	<b>165</b>	<b>482</b>	<b>43</b>	<b>38</b>
Bolivia.....	37	21	16	35		2
Brazil.....	105	96	9	85	16	4
Chile.....	114	71	44	111		4
Colombia.....	42	25	17	40	1	1
Cuba.....	11	11		10		(*)
Ecuador.....	23	10	13	21	(*)	2
Haiti.....	7	3	4	4	(*)	2
Mexico.....	137	109	28	132		5
Peru.....	8	8		(*)	6	2
Uruguay.....	10	10	(*)	7	2	1
Venezuela.....	12	4	7	10		1
Other Latin America.....	10	9	1	4	(*)	6
Unallocated Latin America.....	46	22	25	21	18	7
<b>Total, Asia</b> .....	<b>5,505</b>	<b>4,567</b>	<b>938</b>	<b>355</b>	<b>580</b>	<b>4,569</b>
Afghanistan.....	21		21	21		
Burma.....	5	5			5	
China.....	1,894	1,753	141	99	146	1,649
India.....	45	45			45	
Indonesia.....	67	67			63	4
Iran.....	37	37			37	
Israel.....	100	7	93	100		
Japan.....	2,052	1,716	337	51	233	1,788
Korea (southern).....	361	293	67		25	336
Philippines.....	700	568	133	70	9	621
Ryukyu Islands.....	89	49	40			89
Saudi Arabia.....	22	18	4	14	8	
Thailand.....	6	6			6	
Other Asia.....	3	3			3	(*)
Unallocated Asia.....	103		103			103
<b>Canada</b> .....	<b>145</b>	<b>141</b>	<b>4</b>	<b>145</b>		
<b>Total, Africa</b> .....	<b>52</b>	<b>37</b>	<b>15</b>	<b>19</b>	<b>32</b>	<b>1</b>
French Morocco.....	5	1	4	5		
Egypt.....	18	18	(*)	7	11	(*)
Liberia.....	23	15	8	4	19	
Other Africa.....	6	3	2	3	2	1
<b>Total, Oceania</b> .....	<b>17</b>	<b>17</b>			<b>13</b>	<b>5</b>
Australia.....	8	8			8	(*)
Other Oceania.....	9	9			4	4
<b>Unallocated, International Organizations</b> .....	<b>645</b>	<b>552</b>	<b>93</b>	<b>65</b>		<b>580</b>
<b>Unallocated, All Areas</b> .....	<b>1,566</b>	<b>98</b>	<b>1,468</b>	<b>895</b>	<b>123</b>	<b>548</b>

\*Less than \$500,000. [Footnote in the source text.]

TABLE II.—Foreign assistance programs of the U.S. Government, grants and credits utilized in the postwar period, by fiscal years, and unutilized as of Dec. 31, 1949

[In millions of dollars]

Program	Utilized in the postwar period (fiscal years)						Unutilized Dec. 31, 1949
	Total Utilized	1950, first half	1949	1948	1947	1946	
<b>Total, All Programs</b> .....	25,933	2,592	6,281	5,385	6,209	5,466	7,652
<b>Total Grants</b> .....	15,688	2,432	5,143	2,689	2,143	3,282	5,902
<b>Economic Cooperation</b> .....	5,292	1,707	3,380	205	-----	-----	3,886
European Recovery Program.....	5,111	1,700	3,208	204	-----	-----	3,706
Chinese aid.....	158	Cr. 9	165	1	-----	-----	113
Korean aid.....	23	16	7	-----	-----	-----	67
<b>Civilian Supplies</b> .....	4,170	482	1,074	1,177	694	744	475
<b>Relief</b> .....	3,700	45	131	949	1,381	1,194	51
UNRRA.....	2,577	-----	(Cr.*)	16	1,377	1,184	-----
Post-UNRRA.....	300	-----	3	296	-----	-----	-----
Interim aid.....	557	-----	24	534	-----	-----	-----
International Children's Emergency fund.....	60	2	25	33	-----	-----	15
Intergovernmental Committee on Refugees.....	4	-----	-----	(Cr.*)	4	(*)	-----
International Refugee Organization.....	177	35	71	71	-----	-----	36
United Nations (Palestine refugee relief).....	15	7	8	-----	-----	-----	1
American Red Cross.....	10	-----	-----	-----	-----	10	-----
<b>Lend-Lease</b> .....	1,213	-----	-----	-----	-----	1,213	-----
<b>Other Grants</b> .....	1,314	199	558	358	68	131	1,489
Inter-American aid.....	31	2	5	6	7	11	5
Chinese stabilization.....	120	-----	-----	-----	-----	120	-----
Chinese military assistance.....	116	14	102	-----	-----	-----	9
Chinese student assistance.....	(*)	(*)	-----	-----	-----	-----	4
Greek-Turkish aid.....	594	77	258	280	-----	-----	76
Philippine rehabilitation.....	452	106	193	92	61	-----	133
Mutual Defense Assistance Program.....	-----	-----	-----	-----	-----	-----	1,264
<b>Total Credits</b> .....	10,244	160	1,138	2,696	4,066	2,184	1,750
Loan to United Kingdom.....	3,750	-----	-----	1,700	2,050	-----	-----
Export-Import Bank.....	2,532	77	214	598	1,085	558	1,319
Surplus property.....	1,365	3	46	292	529	495	-----
Lend-lease.....	1,347	3	4	46	191	1,104	4
European Recovery Program.....	902	47	855	-----	-----	-----	226
Other.....	349	31	19	60	212	28	201

\*Less than \$500,000. [Footnote in the source text.]

## THE GENESIS OF THE POINT FOUR PROGRAM

800.50 T.A./1-2849

*Memorandum of Conversation, by the Secretary of State*

CONFIDENTIAL

[WASHINGTON,] January 24, 1949.

### MEMORANDUM OF CONVERSATION WITH THE PRESIDENT

I mentioned to the President the desirability of developing point 4 of his inaugural address,<sup>1</sup> that is, our assistance in the development of undeveloped areas. I suggested that the Department promptly give him a memorandum containing its recommendations on

(a) An organization which would include the State Department, the Treasury, Department of Commerce, Export-Import Bank, the purpose of which would be to make suggestions as to the next step to be taken and an organization to be responsible for taking it.

(b) A statement of problems which might arise.<sup>2</sup>

DEAN ACHESON

<sup>1</sup> For the text of President Truman's Inaugural Address of January 20, 1949, see Department of State *Bulletin*, January 30, 1949, p. 123.

For a discussion of the relationship between the Point IV concept and existing (as of January 1949) technical assistance programs, see article by Ruth S. Donohue, *ibid.*, February 20, 1949, p. 211. Perhaps the best known of U.S. governmental programs relating to technical assistance or which had technical assistance aspects was that of the Institute of Inter-American Affairs (IIAA); for an informative statement by Willard L. Thorp, Assistant Secretary of State for Economic Affairs, on the IIAA and its program, see *ibid.*, June 19, 1949, p. 795.

For further information on the origin of the Point IV program, see Betty Snead, "Point IV: How Ben Hardy's Idea Became an Historic Speech", in *War on Hunger; A Report From The Agency for International Development*, vol. VII, no. 5, May 1973, p. 7, and a related letter and accompanying memorandum of December 16, 1966, from Francis H. Russell (Director of the Office of Public Affairs, Department of State, in January 1949) to Edwin S. Costrell of the Historical Office (800.50 T.A./1-2849). For a somewhat different account, see Dean Acheson, *Present at the Creation: My Years in the State Department* (New York, 1969), p. 265.

<sup>2</sup> Assistant Secretary Thorp was designated to assume responsibility in the Department of State for developing a program of technical assistance based on the fourth point.

800.50 T.A./1-2849

*Department of State Press Release No. 58*

[WASHINGTON,] January 26, 1949.

TRANSCRIPTION OF EXTEMPORANEOUS REMARKS BY SECRETARY OF STATE  
DEAN ACHESON, CONCERNING POINT 4 OF THE PRESIDENT'S INAUGURAL  
ADDRESS, AT HIS PRESS CONFERENCE, JANUARY 26, 1949

First of all, I hope that you all understand the setting of Point 4 in the President's Inaugural Address.<sup>1</sup> It was one of four major courses of action which the President said would be carried out by his Administration over the next four years, for the purpose of achieving the great objective which he talked about mainly in that address. That objective was to make clear in our own country and to all the world the purpose of American life and the purpose of the American system. That purpose is to enable the individual to attain the freedom and dignity, the fullness of life which should be the purpose of all government and of all life on this earth except in so far as it may be a preparation for some other life.

The President went on to point out that the other theory—of the place of the individual in society—was not a modern theory, was not a radical or a new view, but was reactionary in the extreme. It is a view which goes back to the period before the Renaissance. It is a view which is founded on the basic idea that status is the governing factor in life; that every person is born into the world in a position and that that person becomes a mere cog in a machine. That is a basically reactionary attitude and philosophy. It is not, as I say, modern. It is an attempt to crawl back into the cocoon of history. The American view of life is one which flows directly from the Renaissance and is one which says that the worth and dignity and freedom of the individual are the objectives of government.

Then the President went on to point out courses of action which we were going to take over the next four years to try to bring about that purpose of life, not only in this country, but in any other country which wished our help and association in that effort. To me the essential thing about it is that it is the use of material means to a non-material end. It is not that we believe that other people need or wish things for their own purpose merely to have these material objects. It is not that material objects in and of themselves make a better or fuller life, but they are the means by which people can obtain freedom,

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<sup>1</sup> In the transcript of a question and answer period that followed this passage occurs: "Asked if he had discussed this subject [Point IV] with the President before he made his inaugural address, Mr. Acheson replied in the negative. He added that he was conversant with the draft and in complete accord with it." (800.50T.A./1-2849)

not only freedom from the pressure of those other human beings who would restrict their freedom, but help in the ancient struggle of man to earn his living and get his bread from the soil. That is the purpose; that is the objective of this program.

Now, the President was not announcing a project to be completed within a few weeks or months. He was announcing in this, as in the other three respects, a long program for his Administration. It was a program on which much has been done in the past and on which more can be done in the future. The President pointed out that the United States has no monopoly of skills or techniques. Other countries have vast reservoirs of skill. In almost every country there is some nucleus of skill, some group of people whose technical abilities can be expanded with help from the outside. With all of those people, the President stated, we wish to work. He particularly stated that we wished to work through the United Nations and all those affiliated organizations which are associated with it. He pointed out that in so far as his program is successful and in so far as peoples in less developed areas acquire skills, they may also create the conditions under which capital may flow into those countries. He did not say this was to be governmental capital and indeed, if the proper conditions are created, the reservoirs of private capital are very great indeed. He pointed out that these must be two-way operations. There is abroad in the world an idea that there is a magic in investment. There is an idea that if every country can only have a steel mill, then all is well. There is a failure to understand that it is a long and difficult process to develop the skills which are necessary to operate many of these plants. There is sometimes failure to understand that plants should be located where the natural resources exist and not on purely nationalistic bases. There is also in many places a failure to understand that unless the conditions are created by which investors may fairly put their money into that country, then there is a great impediment to development. It is no solution to say, "Well, the private investors won't do it. Therefore, governments must." So he pointed out that it must be a two-way street.

Now, as I say, much has been done in the past to try to make technological skill and advice available from the United States and from other countries, through the United Nations and through many of its organizations. All of those efforts can be brought together and intensified. The President pointed out that we are willing and anxious to work with every country that wishes to really enter into a cooperative system with the rest of the world to this end and with every country that wishes to help other countries to develop.

Now, that is the broad background of the Inaugural Address. I have talked at some length about this because it seems to me important that it be put in its setting of American foreign policy.

800.50 T.A./1-2849

*Memorandum by the Secretary of State to President Truman*

WASHINGTON, January 28, 1949.

## MEMORANDUM FOR THE PRESIDENT

Subject: Actions to Implement the President's Proposal for Technical Assistance to Underdeveloped Areas

*1. Unified Government Position*

The first requirement for the program of increased technical assistance to other countries is a unified Administration position on organization and broad lines of policy. In order to formulate such a position, interdepartmental consultation is being initiated immediately through the Executive Committee for Economic Foreign Policy.<sup>1</sup> The Committee's membership will be augmented for these discussions by representatives of all non-member departments and agencies having a major interest in the program. Other interdepartmental machinery will be utilized where appropriate.

*2. The Broad Aspects of a Program*

In the light of experience with technical assistance programs financed partly or wholly by the United States Government\* and the objectives stated in the inaugural address, recommendations will be made to the President concerning:

- (a) The kinds of assistance and operating techniques likely to be most effective;
- (b) The criteria and priorities to be taken into consideration in approving projects;
- (c) The extent to which international organizations should be used in providing such assistance; and
- (d) Any additional legislative authority and appropriations needed to carry out this program.

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<sup>1</sup> The Executive Committee on Economic Foreign Policy (ECEFP) was an interdepartmental committee established on April 18, 1944, under authority of a letter from President Franklin D. Roosevelt to the Secretary of State dated April 5, 1944. Membership consisted of the Departments of State, Agriculture, Commerce, Defense, Interior, Labor, and Treasury; the Bureau of the Budget; the National Security Resources Board; and the Tariff Commission. Also represented as appropriate were the Federal Reserve Board, the Securities and Exchange Commission, and the Export-Import Bank. A complete file of ECEFP minutes of meetings, documents, reports, decisions, etc., exists in Department of State Lot File 122.

\* (including both bilateral programs—such as those under the Interdepartmental Committee on Scientific and Cultural Cooperation, the Institute of Inter-American Affairs and the Economic Cooperation Administration—and the programs undertaken by the United Nations and its specialized agencies and by the Organization of American States) [Footnote in the source text.]

### 3. *Organization Required*

In the light of the policies approved, recommendations will be made concerning:

- (a) A continuing interdepartmental organization for policy formulation;
- (b) A small executive staff; and
- (c) Decentralization of operations among the various appropriate government departments and agencies.

### 4. *Consultation on Development of the Program and on its Operation*

(a) Consultations should be undertaken with Congressional leaders as soon as the general outlines of this program have been approved.

(b) Advice should be sought from private business, organized labor, agricultural organizations, educational and other professional groups, etc., with particular emphasis on ways in which the sharing of scientific and industrial technology through private channels can be encouraged and facilitated. Support for, and supplementation of, the government's program should be sought from these private groups and individuals, probably through a continuing advisory organization.

(c) The needs of other countries for technical assistance, their potential contribution to a mutually beneficial program, and the procedures to be utilized in exchanging such assistance should be discussed at an early stage with representatives of the United Nations and its specialized agencies, of the Organization of American States, and of individual foreign governments. The cooperative nature of the program should be stressed to the greatest possible extent.

### 5. *Information Program*

The information facilities of the Department of State should be fully utilized to publicize the purpose and nature of the President's proposal, and its implementation.<sup>2</sup>

DEAN ACHESON

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<sup>2</sup> Notation at the end: "Approved Harry S. Truman."

800.50 T.A./1-2849

*The Secretary of State to the Director of the Bureau of the Budget  
(Pace)*

WASHINGTON, February 2, 1949.

MY DEAR MR. PACE: The President has asked me to set up a small committee to work on the development of a detailed program to implement his "Point Four" proposal for assistance to other peoples in



their efforts to raise their standards of living. I am asking the following agencies and departments to designate representatives to serve on this Committee, under the chairmanship of the Department of State: Department of Commerce, Department of Agriculture, Department of Interior, Department of the Treasury, Department of Labor, Economic Cooperation Administration and Federal Security Agency. I should appreciate it if you would designate a representative to serve as an observer on this Committee. It is anticipated that the Committee will begin its work immediately.<sup>1</sup>

Sincerely yours,

DEAN ACHESON

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<sup>1</sup> Similar letters were sent to the other concerned cabinet officers and agency heads and collectively effected the activation of the Interdepartmental Advisory Committee on Technical Assistance (ACTA).

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Under Secretary's Meetings,<sup>1</sup> 1949-1952, Lot 53-D250

*Minutes of Meeting (UM-1), Department of State, February 3, 1949,  
10 a. m.*

SECRET

[Here follow list of persons present (17) and discussion of prior items on the agenda.]

MAJOR FOREIGN POLICY QUESTIONS FACING THE DEPARTMENT ARISING  
OUT OF POINT 4 OF THE PRESIDENT'S INAUGURAL ADDRESS

7. *Action:* Mr. Thorp, who is responsible for coordination on Point 4 of the President's Inaugural Address, will report back to the meeting developments or policy questions which should be considered by the meeting.

8. *Discussion:* Mr. Thorp pointed out that there are two aspects involved in the President's Point 4: (1) the development of technical assistance, and (2) the making available of capital for the carrying on of projects. At present the technical assistance aspect requires immediate attention. There are about 25 agencies of the Government administering some part of our present programs of technical assistance.

9. Mr. Thorp outlined the major problems involved in developing Point 4.

a. Defining the scope of the program. The question here is how far do we go beyond providing technical assistance for economic purposes. Thus, does it include health and education, indexing of

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<sup>1</sup> Master file of records of meetings, documents, summaries, and agenda of the Under Secretary of State's meetings for the years 1949-1952 as maintained by the Executive Secretariat of the Department of State.

libraries and anthropological studies? The latter, of course, are of great concern to FSA, Library of Congress and Smithsonian Institution, and they wish their programs to go forward.

b. Are we to take an active or passive role in the development of programs in other countries? That is, should we decide on where we want technical assistance to go, or should we wait until countries have requested assistance?

c. Governmental organization for administration. Shall there be a separate agency with a special fund or shall we leave our governmental organization as is, simply supplementing the amount available to them now?

d. Relation of the Government program to private operations in the field. The President indicated that he wants technical assistance carried out with the assistance of private projects such as the Rockefeller, Curie, and Henderson efforts.<sup>2</sup>

e. The problem of the UN. The President wishes the programs developed to be handled through the UN wherever practicable. The UN is already in this field. Presumably, we would not object to giving additional dollars to the UN. However, we may wish to give more technical assistance in a certain area than the UN is prepared for. The UN needs to centralize technical assistance projects now being handled in each of these specialized agencies in order to get a better integration. Projects need to be developed.

f. Area selection and review. To which countries should technical assistance be given or should it be available to every country? There are also the questions of security and defense in connection with where technical assistance is sent.

g. The problem of setting up projects. The President has indicated that he wants others, both American private and foreign, as partners in any technical assistance projects. Reference was made to a joint US-British project under ECA to find strategic raw materials.

h. The basic question of how far we go in areas where the results of technical assistance would create competition with products in the U.S.

10. In summary, Mr. Thorp pointed out that there are two general questions: (1) Whether new legislation will be required, and (2) the question of appropriations. The latter will be very difficult to deal with inasmuch as it will be perhaps impossible to be specific in terms of amount needed at the time legislation goes through.

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<sup>2</sup> The references here are not readily apparent except in the case of Rockefeller. Ex-President Truman in the second volume of his memoirs has this to say: "In developing the [Point IV] program, I made it clear that all existing private and governmental activities would be utilized. American business enterprises overseas and private non-profit organizations such as the Rockefeller Institute or the Institute of International Education could furnish much valuable information and assistance in making technical services available to underdeveloped countries." (*Memoirs by Harry S. Truman, Volume Two: Years of Trial and Hope*, Doubleday, Garden City, N.Y., 1956, p. 233)

For information regarding the Advisory Board on International Development and its membership, chaired by Nelson D. Rockefeller, see Department of State *Bulletin*, December 4, 1950, pp. 880-881, and *ibid.*, December 18, 1950, p. 974.

11. Mr. Allen <sup>3</sup> agreed that the economic aspect of Point 4 is the one which should be stressed. However, he pointed to the Mundt Bill <sup>4</sup> as the legislation which could be the vehicle for carrying on the technical assistance necessary. He feels that very serious consideration should be given at an early stage as to whether that piece of legislation does not meet the requirements.

12. In response to Mr. Webb's <sup>5</sup> inquiry as to whether Mr. Kennan <sup>6</sup> should not be cut in on the preparation on technical assistance, Mr. Kennan felt his need would be met if he simply had an observer sitting in on this.

[Here follows discussion of other subjects.]

<sup>3</sup> George V. Allen, Assistant Secretary of State for Public Affairs.

<sup>4</sup> Public Law 402, January 27, 1948, The United States Information and Educational Act of 1948 (62 Stat. 6), known as the Smith-Mundt Act, authorized the extension of scientific, technical, and cultural interchange to areas of the world outside the Western Hemisphere. A major part of the program was administered by the Interdepartmental Committee on Scientific and Cultural Cooperation (SCC), a committee established originally in 1938 by the Secretary of State at the request of President Franklin D. Roosevelt, and whose operations had been implemented by several acts of Congress since then.

<sup>5</sup> James E. Webb, Under Secretary of State.

<sup>6</sup> George F. Kennan, head of the Policy Planning Staff of the Department.

IO Files <sup>1</sup>

*Position Paper* <sup>2</sup> for the United States Delegation to the Eighth Session of the United Nations Economic and Social Council <sup>3</sup>

RESTRICTED  
SD/E/275

[WASHINGTON, February 7, 1949.]

BASIC POLICIES GOVERNING ORGANIZATIONAL AND FINANCIAL ARRANGEMENTS FOR IMPLEMENTING AN EXPANDED PROGRAM OF TECHNICAL ASSISTANCE THROUGH THE UNITED NATIONS AND THE SPECIALIZED AGENCIES

(Part of Agenda Relating to Economic Development)

PROBLEM

1. Point Four of the President's inaugural address calls among other things for an expanded program of technical assistance to other countries, to be implemented in important part through the United Nations and the specialized agencies. What policies should govern United States proposals as to the method and financing of enlarged technical assistance programs within the United Nations system?

<sup>1</sup> Master Files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State.

<sup>2</sup> Drafted in the Office of United Nations Affairs.

<sup>3</sup> The Eighth Session of the Economic and Social Council (ECOSOC) met at New York, February 7-March 18, 1949.

2. There are three occasions within the near future when United States representatives to international organizations will be required to take positions that will be looked upon as reflecting the attitude of the United States with respect to the implementation of the technical assistance aspects of "Point Four" through the United Nations and the specialized agencies. These are:

(a) the discussion in the Economic and Social Council of the subject of economic development (agenda item 17), which will take place about February 21;<sup>4</sup>

(b) the discussion in the Governing Body of the International Labor Organization, opening at Geneva on February 21, with regard to the budget of the ILO for 1950; and

(c) the discussion in the Executive Board of the World Health Organization, also opening at Geneva on February 21, with regard to the WHO budget for 1950.

In the light of the policies developed under paragraph 1, what, in general, should be the position taken at these three meetings?

#### RECOMMENDATIONS

1. The United States should be prepared to cooperate in enlarging the technical assistance activities of the United Nations and the specialized agencies through:

(a) Making provisions for increased expenditures for technical assistance through the UN. Although it may be possible to expand somewhat the regular budget for these activities, it appears most likely that it will be necessary to develop a procedure for the negotiation of a United Nations special project (or "operating") budget or fund which would be used for technical assistance in aid of economic development and to which the United States would be prepared to contribute a share larger than its percentage share in the ordinary budget. The total amount of this budget, and the scale of contributions to it, would be agreed to by all the countries contributing to it; it would not be voted by the UN itself and no members would be required to contribute without its consent. This budget, as well as sums provided in the ordinary budget for technical assistance, could be used for direct expenditures by the UN and for reimbursing particular specialized agencies or the Organization of American States or its specialized agencies for technical assistance work undertaken by them specifically for economic development purposes.

(b) The creation within the United Nations of such organizational machinery, for example a Commission on Economic Development, as may be necessary or desirable in connection with the special project budget described in (a), above.

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<sup>4</sup> Specifically, the Council had to consider the matter of economic development at its eighth session, growing out of two resolutions, 198 (III) and 200 (III), approved by the General Assembly at Paris on Dec. 4, 1948. (The preamble to Resolution 200 (III) conveniently recites all previous General Assembly and ECOSOC resolutions dealing with economic development and technical assistance, 1946-1948.)

(c) An increase in the ordinary budget of the UN to take care of any enlarged administrative expenditures created by (a) and (b), above, without, however, increasing the present percentage contribution by the United States to the ordinary budget.

(d) The transmission at once to the Congress through the Budget Bureau of recommended legislation for the elimination of the present absolute ceilings imposed by legislation on the contributions of the United States to certain specialized agencies (FAO, ILO and WHO).

(e) The negotiation within appropriate specialized agencies of special projects budgets, and possibly increases in ordinary budgets, to be used for purposes of technical assistance more directly related to the central purposes of the agencies than to economic development as such. As in the case of the suggested operating budget for the United Nations these budgets would be negotiated, not voted. This would not be used as a device for cutting down the size of the ordinary budget.

2. The statements by the United States representatives to ECOSOC, the Governing Body of the ILO and the Executive Board of WHO should be along the following lines:

(a) The United States representative to ECOSOC should indicate, in discussing item 17 of the agenda relating to economic development, that the United States is prepared to cooperate with the United Nations and the specialized agencies in bringing about an expansion of their activities in the field of technical assistance, particularly technical assistance in aid of economic development. He should propose that the Secretary-General, in consultation with representatives of the appropriate specialized agencies and the Organization of American States, should be asked to prepare, for consideration of the Council at its Ninth Session, a concrete program for enlarging the activities of the United Nations in the field of technical assistance. He should suggest that, in developing such a program, the Secretary-General consider the need for and feasibility of a "special projects" or "operating" budget for technical assistance; the organizational machinery which may be needed in the UN in connection with such a program; and the requirements or conditions (e.g. full publicity) which countries might be asked to agree to in receiving technical assistance. The United States representative to ECOSOC should also indicate in his statement to the Council that the Government of the United States will be prepared to consider additional expenditures for technical assistance programs through these agencies. In his statement before ECOSOC the U.S. representative should emphasize the need for assuring comprehensive and coordinated action by the various appropriate agencies concerned in carrying out technical assistance programs in this field.

(b) The United States representative should state that the term "technical assistance" has been used by the UN and specialized agencies to designate the transfer of technical skills from one area to another, and that this term does not fully convey the reciprocal and mutually advantageous nature of the arrangements made through the UN machinery for promoting the flow of technical knowledge. Accordingly, the U.S. representative to the ECOSOC may wish to suggest that the Secretary-General, in preparing his concrete program,

should consider the desirability of designating it by a more accurate term than "technical assistance".

(c) The United States representatives to the ILO and WHO meetings (while at the moment unable to indicate formal support by the United States Government of ordinary budgets which might involve a contribution by the United States in excess of the absolute ceilings imposed by legislation) should refer to the willingness of the United States to participate in an enlarged program of technical assistance within the UN system, as indicated by the United States representative to ECOSOC, and should refer to the possibility of developing special projects budgets for technical assistance programs in a manner consistent with the general UN program.

(d) The US representatives to ECOSOC, ILO and WHO in making the above statements should, of course, avoid implying that the Congress is committed to legislation or appropriations in connection with the program.

#### DISCUSSION

1. Point four will require for its implementation a substantial increase in expenditures by the United Nations and the specialized agencies over and above their present outlays for technical assistance, which amount to about \$7-10,000,000 annually. The United States contribution to the present budget of the UN is about 40%; its contributions to the budgets of the specialized agencies primarily concerned in a technical assistance program range from 18% (ILO) to 38% (WHO). It is the policy of the United States to maintain a reasonable percentage ceiling on the contributions of any one country to the ordinary budgets of international organizations, in the interest of the organization itself. Thus, an enlarged technical assistance program on the basis of present scales of contributions to ordinary budgets would have to be financed in major part by other countries. In view of the large number of small countries involved, which are beginning to feel the impact of the total financial burden of international organizations, and in view of the sensitivity of other middle-sized and larger countries to increased outlays in dollars or other hard currencies for organizational purposes, substantial resistance may be expected to the undertaking of a major program of expanded technical assistance through increasing ordinary budgets. The principal alternative is the development of special projects budgets to which the United States and other more favorably situated countries can contribute larger shares on a voluntary basis and possibly to some extent in soft currencies.

Some increase will be needed in ordinary budgets in order to provide for greater administrative expenses (secretariat) in connection with the management of the special projects budgets. Such increases would be prevented by the present legislative ceilings on the absolute amount which the United States can contribute to FAO, WHO and ILO. These absolute ceilings, which would keep budgets at present levels even though other countries were entirely willing to contribute their full

shares to increased outlays, are inconsistent with outlays, are inconsistent with our international obligation to abide by budgets voted by the organizations concerned. They also weaken our negotiating position on substantive programs because they imply that the United States does not wholeheartedly support the activities of these organizations. Finally, the existence of the ceilings enables other countries to make the United States the scapegoat for preventing enlarged expenditures which they themselves do not support but do not wish publicly to oppose. The absolute ceilings should be eliminated for these reasons as well as to assist in furthering the technical assistance program.

The existence in the UN of a substantial fund which could be used to pay or reimburse the specialized agencies for their technical assistance work undertaken specifically for economic development purposes would exert a general coordinating influence and would promote joint action by the specialized agencies in furtherance of economic development programs for particular areas. This would not preclude enlarged technical assistance programs undertaken by the specialized agencies with their own funds. The net result aimed at is the strengthening of the center of the UN system while protecting against dictation of the operations of the specialized agencies by the UN proper.

2. In the absence of further detailed study, it would be premature to lay before ECOSOC or the specialized agencies a concrete plan. However, certain broad policies should be indicated by the United States representatives. Failure to take some action, particularly upon the principal occasion afforded by the ECOSOC discussion of economic development, would create serious uncertainty and doubt in the international community and may jeopardize the President's program. The positions which it is recommended be taken in ECOSOC, ILO and WHO would enable the United States representatives to provide constructive leadership and to indicate the lines along which it appears inevitable an expanded program must develop without at the moment settling all the details.<sup>5</sup>

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<sup>5</sup> On February 25 at Lake Success, New York, Assistant Secretary Thorp, Chairman of the U.S. Delegation to the Eighth Session of ECOSOC, made a statement and submitted a draft resolution on expanded technical assistance that initiated ECOSOC discussion of the two General Assembly resolutions on economic development; this constituted a major policy statement by the U.S. Government on the subject of expanded technical assistance. For Mr. Thorp's speech, see United Nations, *Official Records of the Economic and Social Council, Eighth Session (February 7-March 18, 1949)*, pp. 304 ff. For text of ECOSOC Resolution 180 (VIII), March 4, 1949 (the U.S. draft as amended), "Technical Assistance for Economic Development", see United Nations, *Official Records of the Economic and Social Council, Eighth Session (February 7-March 18, 1949), Resolutions (Supplement No. 1)*, pp. 2 and 3. The fruit of this legislative activity was the notable (ninth session) ECOSOC resolution of August 14, 1949 (Res. 222 (IX)), subsequently approved by the General Assembly on November 16, 1949 at its fourth regular session (Res. 304 (IV)), providing for a United Nations expanded program of technical assistance (EPTA).

800.50 T.A./2-949

*Operational Memorandum Regarding the Technical Assistance Working Group*<sup>1</sup>

[WASHINGTON,] February 9, 1949.

Responsibility has been delegated by the President to the Department of State for implementing "Point Four" of the Inaugural Address, namely, the "bold new program" of extending technical assistance to under-developed countries. Mr. Thorp has been designated as the responsible officer within the Department to develop this program.

To date, two committees have been set up as follows:

1. The Advisory Committee on Technical Assistance (ACTA), an inter-departmental committee, consisting of the eight Agencies including the Department of State, concerned with the program.

2. The Technical Assistance Working Group (TAG), an intra-departmental committee consisting of representatives from E, C, SA/M, ARA, EUR, FE, NEA, OFD, TRC, ITP, PA, OIR, OEX, SCC and IIAA, and chaired by Mr. Samuel Hayes of E.<sup>2</sup>

TAG has already held four meetings and expects to continue daily sessions (except Wednesdays), so to advance the program as rapidly as possible. Mr. Butterworth<sup>3</sup> has asked me to serve as FE's representative on this committee, and I shall try to keep all Divisions informed as the program evolves.

Prior to the first meeting of TAG, a list of major problems in connection with an expanded technical assistance program was compiled in question form. These questions were assigned to various officers in the Department for the preparation of preliminary papers to be considered by TAG. After TAG has come to a general agreement upon the delineation of a problem, it is planned that the paper will pass to ACTA and in turn will be assigned by them to the appropriate agency within the Government to develop in detail that particular phase of the program. This will then become policy, only after regular intra-agency clearance through the established channels of the SCC, the ECEFP, or other appropriate inter-departmental group. FE will therefore receive two opportunities to review and pass on questions which may come up before the Technical Assistance Committee, once when it is in the preliminary stage in TAG, and finally when the proposed policy is being cleared on an inter-departmental basis.

<sup>1</sup> Drafted by R. D. Weigle of the Office of Far Eastern Affairs for the guidance of FE division chiefs.

<sup>2</sup> This committee, which became known as TAG, was established on an informal basis on February 9, 1949 "to coordinate staff work in the development of a Department of State position with respect to the establishment of the Point IV program".

<sup>3</sup> W. Walton Butterworth, Director of the Office of Far Eastern Affairs.



In the meetings already held, a number of controversial issues have arisen. One major question has arisen in connection with the scope of the program. One group would interpret it as basically a production program, with everything relating thereto. Another group interprets it as a program for economic development in the broadest sense, to include raising the standard of living not only through increased production but also through programs of public health and education. Another has involved the relation to the program of the international flow of capital. The President used the words, "We should foster capital investment in areas needing development". It is not clear whether this refers to private investment alone, or to Government lending as well. The President's statement with regard to "guarantees to the investor" also requires study.

In the meeting this morning the creation of a public advisory committee was discussed. Such a committee would act in an advisory capacity to the Secretary during the formative stages of the program and would seek to rally the support and cooperation of private organizations and groups throughout the country. It is expected that this project will be consummated at an early date, and that a committee of from 8 to 12 prominent citizens will be invited to assist in the evolution of the "Point Four" program.

There are attached hereto copies of all the documents which have been published to date. It will be appreciated if each Division would designate one officer to be responsible for matters connected with the Technical Assistance Program so that future papers may be routed directly to him for comment and clearance.<sup>4</sup>

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<sup>4</sup> None attached.

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Under Secretary's Meetings, 1949-1952, Lot 53-D250

*Minutes of Meeting (UM-6), Department of State, February 18, 1949,  
10 a. m.*

SECRET

[Here follow list of persons present (16) and discussion of prior items on the agenda.]

*Report on Technical Assistance Progress*

5. Mr. Thorp explained that there was a departmental policy committee and an interdepartmental committee working on this problem. The former meets four times a week, the latter twice. The interdepartmental committee's function is to give general guidance on preparations and to consider general policy statements. The Interdepartmental Committee on Scientific and Cultural Cooperation (SCC) is working at the programming level.

6. There are four key documents that have been prepared:

*a. A statement of objectives on the nature of the program.* This has been cleared in the Department and interdepartmentally except for a few agencies which will report their views by Monday. It was explained that there have been protests from the working level in the various agencies on the slowness with which the program has developed. This may be explained, Mr. Thorp said, by the fact that the agency representatives on the top committee have not wanted any programming to be developed at the working level until policy had been pretty well set.

*b. Relation of our technical assistance program to the UN.* This paper has been cleared in the Department and will be cleared by the Executive Committee on Economic Foreign Policy this afternoon.

*c. Flow of private investment in connection with technical assistance.* A paper has been developed in the Department and will be discussed tomorrow with the interdepartmental committee.

*d. Criteria for programs by geographic areas.* This is in preparation.

It is expected that these four papers will be ready to go to the President by the middle of next week.

7. On the operating level, Mr. Thorp reported these developments:

*a.* The SCC is preparing a summary of what has been going on in the technical assistance field. (Mr. Thorp mentioned that already there was on the Hill a detailed budget request for \$30 million for 1950 from the various programs such as SCC, IIAA and ECA. This was established before the Inaugural Address.)

*b.* The Office of Research in the Department has thirty people preparing studies on as many countries. They are examining the question of what kinds of technical assistance will be useful in each of the countries and priorities among these kinds of assistance for each country. These papers, when prepared, will be reviewed by the country experts in the Department.

8. Mr. Thorp mentioned that the Bureau of the Budget has set a legislative dateline of April 15. However, he had set a dateline for completion of the work as March 20. On March 7 there should be completed sufficient studies on what the UN may wish to do, what the IIAA and SCC want to do, so that it will be possible to correlate the ambitions of the various groups wishing to provide technical assistance and the projected demands for assistance. The correlation of these two will give the dimensions of the program. It still, however, will not be programming.

9. Work is going forward on legislative questions such as the authorization to detail United States Government experts to work in foreign countries. By February 23 there will be a report on what type of legislation is needed.

10. The interdepartmental group has wanted to delay the setting up of a public advisory council until the Government had prepared the four key papers listed in paragraph numbered 6 above. Tomorrow

this group will take up the question of the advisory group, for which it has already assembled a list of sixty names as possible candidates as a panel from which the President may make a selection.

11. The organization people wanted to delay working on the organization question until the basic papers had been prepared. The character of the problem, however, can be seen from the estimate that the funds will total somewhere between \$70 and \$100 millions (including the \$30 million already requested). The question is whether the allocating responsibility for this money shall be attached to the White House or to the State Department.

12. The Under Secretary raised the question of how we can get these developments tied definitely to our foreign policy objectives. Mr. Kennan requested that the four key papers referred to be made available to his office.

13. Mr. Allen raised two questions:

*a.* Whether we should not use an existing agency which has experience in making allocation of funds for such programs as against establishing a new one. Mr. Allen referred to the failure of the Millspaugh Mission,<sup>1</sup> which was established in the Near East some time ago, as the type of experience which needs to be drawn upon in allocating funds. He said we must look at our failures and establish principles for the allocation of funds. One inferred that he meant SCC has the experience to do the job.

*b.* Money additional to that which has already been requested of the Congress should be made available mainly to non-ECA countries. Mr. Butterworth agreed with Mr. Allen that this is very important psychologically for the other countries.

14. Mr. Gross mentioned that at the Paris Meeting of the UN<sup>2</sup> he had been the delegate on the Commission for the UN Administration. He had been instructed to urge a limitation of funds for health and social work. Thereupon the Inaugural Address raised this whole question. He expected at the third session to meet in April the Far East and Latin American countries would put pressure for technical assistance. This, he said, was in line with the thinking of Mr. Allen and Mr. Butterworth.

15. The Under Secretary said that he assumed from Mr. Thorp's progress report that the existing interdepartmental machinery was adequate to meet the deadlines that were set up. He was grateful to hear that, in as much as there had been some doubt about it. The Under

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<sup>1</sup> For documentation on the position of American advisers in Iran, with particular reference to Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government, see *Foreign Relations*, 1943, vol. iv, pp. 510 ff.; *ibid.*, 1944, vol. v, pp. 390 ff.; and *ibid.*, 1945, vol. viii, pp. 538 ff.

<sup>2</sup> Refers to the first part of the Third Session of the General Assembly, which met at Paris September 21–December 12, 1948. Ernest A. Gross was Legal Adviser of the Department of State and shortly to be Assistant Secretary of State for Congressional Relations.

Secretary asked whether Mr. Hulten<sup>3</sup> had consulted with Mr. Thorp on the organizational problems. Mr. Hulten replied that there have already been discussions between Mr. Allen, Mr. Thorp and his own office. The picture at the moment is not to his liking but his office is reviewing the whole problem.

[Here follows discussion of another subject.]

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<sup>3</sup> Charles M. Hulten, Deputy Assistant Secretary of State for Administration.

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NAC Files,<sup>1</sup> Lot 60D137

*The Under Secretary of State (Webb) to the Chairman of the National Advisory Council (Snyder)*<sup>2</sup>

CONFIDENTIAL

WASHINGTON, March 1, 1949.

MY DEAR MR. CHAIRMAN: As you know, the Department of State has been considering a number of the policy problems raised by the Point Four proposal of the President's inaugural address, calling for a bold new program of technical cooperation and fostering of capital investment, which would aid underdeveloped countries in their efforts to improve their living standards. It has had most valuable help from the *ad hoc* Advisory Committee on Technical Assistance; the participation of the Treasury representative in this group has been very much appreciated.

It is apparent that the capital investment aspect of this program has a close relationship to the technical cooperation aspect. The Department would find it very helpful, therefore, if the National Advisory Council would undertake to make recommendations as soon as feasible concerning measures that the Government might take in order to encourage the international flow of investment capital, so that we may have the benefit of these recommendations in presenting a rounded program to the President. It is suggested that during the formulation of these recommendations, there should be joint consideration with the Executive Committee for Economic Foreign Policy where appropriate.

The Advisory Committee on Technical Assistance has participated in the development of the enclosed papers,\* describing the general objectives and nature of the Point Four program and the relationship

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<sup>1</sup> Master file of the documents of the National Advisory Council on International Monetary and Financial Problems for the years 1945-1958, as maintained by the Bureau of Economic Affairs of the Department of State (FRC Accession No. 71 A 6682, boxes 362-376). The National Advisory Council on International Monetary and Financial Problems was established pursuant to the Bretton Woods Agreements Act of July 31, 1945 (59 Stat. 512), to effect coordination among U.S. Government agencies in the formulation and implementation of the foreign financial policies of the United States.

<sup>2</sup> Source text from Attachment A to NAC Document No. 811.

\*These papers have been distributed as attachments to NAC Document, No. 797. [Footnote in the source text; papers not printed.]

of capital investment to the technical cooperation aspects of this program, as we see them. I hope the members of the Council will find these useful in considering their recommendations.

Sincerely yours,

JAMES E. WEBB

800.50 T.A./3-1449

*The Secretary of State to President Truman*

CONFIDENTIAL

WASHINGTON, March 14, 1949.

MEMORANDUM FOR THE PRESIDENT

Subject: Progress Report on Point IV

*A. Policy Definition*

I. A general policy paper entitled "Objectives and Nature of the Point IV Program" has been prepared in close collaboration with an Interdepartmental Advisory Committee and the twenty-six agencies active in the field. It is attached for your approval.

II. Detailed policy statements are being prepared and reviewed on the following additional problems:

1) Measures to foster the international flow of investment capital. The National Advisory Council has been asked to develop recommendations on this subject. A paper pointing up the relationship of capital investment to technical cooperation is attached for your information.<sup>1</sup>

2) Geographic scope of the program: definition of "underdeveloped" and "peace-loving".

3) Choice of bilateral, regional or United Nations arrangements, and methods of coordinating all programs supported by this Government or by other governments.

4) Commitments to be required before undertaking technical cooperation activities or measures to foster the flow of capital investment.

5) Relationship of governmental and private activities in the technical cooperation field.

6) Procedure for expanding work of United Nations and Specialized Agencies in technical cooperation field.

*B. Detailed Program of Technical Cooperation*

I. With the cooperation of the other agencies and departments experienced in this field, we are preparing the detailed proposal for technical cooperation activities to be submitted for your approval and for transmittal to Congress. This proposal will be based on:

1) Study of programs now in operation.

2) Study of programs which the various agencies believe can be readily expanded.

<sup>1</sup>Not attached to file copy. Drafts of this and other papers named here are found in the unindexed lot files of the Department of State, Lot 122, Box 34 (15585). President Truman's message of approval cited in footnote 3, p. 776, suggests that only one paper was attached to this memorandum.

3) Study of needs and potentialities for economic development of various countries.

It is not planned to ask foreign governments or the United Nations and its related agencies to submit formal requests for support of technical cooperation programs before presenting a proposal to Congress. The program presented to Congress, therefore, will be illustrative of the needs and possibilities of technical cooperation activities, rather than a final program whose detailed projects Congress would be asked to approve.

II. At the same time, a study is being made of private activities in the international interchange of technical knowledge and skills, of the methods whereby governmental measures can encourage and facilitate private activities, and of the methods of obtaining coordination and mutual reinforcement of private and governmental activities in this field.

### C. *Organization*

A plan of organization will shortly be submitted for your approval, along the following lines:

1) The organization would be granted broad powers to carry out programs of technical cooperation, and would be authorized to use the facilities of the Government agencies as required. It would be responsible for central planning and management of the program and for its coordination and integration with other programs, and it would be accountable for the success of the program.

2) Funds would be appropriated to the President to be allocated through this organization to the various United States and multilateral program activities.

3) This central management organization would have available to it interdepartmental machinery for periodic high-level review and evaluation of the administration of the program.

### D. *Legislative Action*

Review is under way of (1) existing legislative authority, pursuant to which existing technical, scientific and cultural exchange programs are being carried out and can be expanded; and (2) the necessity for new legislative authority to carry out an integrated and expanded program of technical cooperation for economic development. A draft of proposed legislation is being prepared.

### E. *Consultation with Private Groups*

Advice in the development of the program is being obtained from private groups in the following ways:

1) A series of conferences with individuals and organizations having special experience and competence in this field is being carried out.

2) A general conference of interested private individuals is being held on March 19.

3) The appointment of an Advisory Committee on Technical Cooperation, of from eight to twelve members, is being actively considered.<sup>2</sup>

#### F. *Consultations with Congressional Leaders*

The Department of State proposes to initiate consultations with Congressional leaders on this technical cooperation program as soon as the present memorandum receives the President's approval.<sup>3</sup>

DEAN ACHESON

[Enclosure]

### OBJECTIVES AND NATURE OF THE POINT IV PROGRAM <sup>4</sup>

(This paper is intended to state the purposes of the Point IV Program and some of the major results to be expected from it. It is intended for the use of Government personnel in formulating answers to specific policy and programming problems and not for publication.)

#### OBJECTIVES

The Point IV Program, like the other three related courses of action outlined in the President's inaugural address, has the broad objective of promoting peace by "strengthening the free world", and thus "helping create the conditions that will lead eventually to personal freedom and happiness for all mankind".

The Program aims to help attain the "nonmaterial ends" of peace and freedom through "material means", i.e., through improved living

<sup>2</sup> Not to be confused with the interdepartmental committee ACTA.

<sup>3</sup> Approved by President Truman on April 21, 1949, in a memorandum of that date in which he wrote to the Secretary of State as follows: "I have your memorandum of March 14, 1949, enclosing the policy paper 'Objectives and Nature of the Point IV Program.' [New Paragraph] The policies enunciated therein are in accordance with my concept of the program and I herewith give my approval to same." (800.50 T.A./4-2149)

<sup>4</sup> The attached policy paper was first considered and approved by the Advisory Committee on Technical Assistance (ACTA), after several revisions, and then submitted to the Executive Committee on Economic Foreign Policy. There was preliminary discussion by the ECEFP on February 18 with more discussion and final approval as ECEFP Doc. D-21/49 on March 1; minutes of the ECEFP meetings are found in Lot 122, Box 22 (15572). After approval by President Truman on April 21, 1949, the paper was transmitted by the Secretary of State on April 27 to the following cabinet officers and agency and commission heads: the Secretary of Defense; the Attorney General; the Secretaries of Agriculture, Commerce, Interior, and Labor; the Chairman of the U.S. Tariff Commission; the Director of the Bureau of the Budget; the Chairmen of the Securities and Exchange Commission; the Federal Reserve Board; the Export-Import Bank; the National Security Resources Board; the Interstate Commerce Commission; the Administrator of the Federal Works Agency; the Chairman of the U.S. Maritime Commission; the Administrator of the Housing and Home Finance Agency; the Chairmen of the Federal Communications Commission and the Civil Aeronautics Board; the Administrator of the Federal Security Agency; the Chairman of the Council of Economic Advisers; the Administrator of the Economic Cooperation Administration; the President of the Institute of Inter-American Affairs; the Administrator of the Civil Aeronautics Administration.

conditions. In the words of the inaugural address, the aim is "to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens. . . . This Program can greatly increase the industrial activity in other nations and can raise substantially their standards of living".

The Program is broadly economic. It seeks the advancement of peoples of underdeveloped areas through a continuing and balanced expansion of their production and distribution of goods and services essential to meeting their needs. Its emphasis is on helping the "peace-loving" peoples of those great areas that have benefitted only indirectly from our post-war programs of economic aid to Western Europe. It recognizes, however, that by far the greatest impetus and contribution to their economic development must come from the people themselves in those areas.

The United States has had much experience, over many years, in many kinds of cooperative action to foster economic development. It has learned what great benefits it and all other cooperating nations can derive from greatly expanded activities of these kinds. The President's program is "bold and new" in elevating this instrument of national policy to a position of major importance, in coordinating these activities into a vigorous and integrated program of action, and in seeking much greater participation in such a program by the other countries of the world—by countries supplying technology and capital, by countries receiving them, and by countries cooperating in the technical assistance activities of the United Nations and other international organizations, even though they themselves be neither important suppliers nor recipients.

The Point IV Program may be expected to contribute, and should be administered so as to contribute, to the achievement of the following general objectives of United States national policy :

a) *Contributing to domestic economic stability and productivity*, by expanding international trade and avoiding some of the readjustments in the domestic economy that might result from a contraction of international trade. In the absence of capital exports or continuing gifts from the United States, such a contraction would appear inevitable, because United States imports are unlikely to increase sufficiently to maintain present export levels. Although an export surplus of commodities is not considered necessary for the maintenance of full employment, it is important in certain sectors of the economy where decreasing exports would necessitate difficult adjustments in domestic production. If capital flows abroad, such adjustments can be avoided, at the same time that sources of supply for materials needed in the United States are developed. Productivity both at home and abroad can be expected to increase as production is expanded along lines allowing the greatest benefit to be derived from natural advantages.



b) *Strengthening our national security*, by building good will throughout the world and by strengthening "freedom-loving" nations. Good will toward the United States and recognition of mutual interest can lessen greatly the effectiveness of sabotage and subversion by unfriendly nations and can unify our friends and make them more effective. Good will will be greatly strengthened if concrete actions are taken that nullify charges of "imperialism", and if, in carrying out programs in dependent territories their peoples' aspirations for national independence are kept in mind. Good will is particularly important in areas of strategic economic or military significance.

c) *Achieving a better balance in the world economy*. Most recent increases in production have taken place in areas already well developed, without adequate attention to the need to move ahead along the whole production front. This Program helps fill that need. Increased production in underdeveloped areas would not only benefit them, however, but would also benefit other areas. The flow of capital to underdeveloped areas would enable them to buy capital equipment and other manufactured goods from both the United States and Europe. Expanded purchases from Europe would increase Europe's income and hence her ability to pay for imports, from whatever source. As underdeveloped countries increase production of raw and semi-finished materials for export, Europe will be able to import larger quantities from non-dollar sources of supply, while United States raw material shortages will also be eased. A better balance of export possibilities and sales opportunities throughout the world would reduce pressures for autarchic solutions of economic problems.

d) *Strengthening the United Nations system*, by supporting constructive international action for economic development where this will help achieve the objectives of the Point IV Program. Under the United Nations auspices underdeveloped countries may be readier to undertake necessary self-discipline and self-help measures and to adapt their development programs to world needs; countries having technological and capital resources would participate more generally in coordinated technical cooperation activities; and the cry of "imperialism" would find little response. The prestige and effectiveness of the United Nations and related agencies will grow, in turn, with the importance of the tasks successfully carried out by them.

e) *Strengthening political democracy*, by giving the peoples of underdeveloped countries hope in a better future, and quickening that hope by providing concrete evidences of progress toward better levels of living.

f) *Promoting peace*, by strengthening political democracy, strengthening the United Nations, building good will and strengthening our friends, helping Europe support itself, developing sources of needed raw materials, expanding international trade, and, finally, by showing that world development can take place peacefully and with increasing personal freedom, as the energies of the masses of the people are released into channels of constructive effort aimed at greater production, greater exchange, and greater consumption. If international tensions are eased in this way, defense expenditures should decrease, and both current living standards and further economic development would then be able to benefit from the additional resources thus made available.

## SUBSTANCE OF THE PROGRAM

The possible international contribution to economic development has two aspects: sharing knowledge and skills, and fostering their utilization by encouraging investment in facilities and equipment.

Among the many ways in which knowledge and skills can be shared, the following have been extensively and successfully used: basic studies of economic problems, needs, and potential lines of development; expert advisers or missions to advise governments, private organizations or business enterprises; joint financing and administration of foreign government operations (*servicios*) in particular fields; research and experimental centers and laboratories; demonstration projects; operations of business enterprises; on-the-job training; provision and instruction in the use of sample materials and equipment; consultation and advising with foreign visitors; publication and translation of specialized reports; financial assistance to schools and universities in this country and abroad; exchange of students and teachers; conferences and seminars; United States libraries and film services; and special technical staffs attached to diplomatic establishments abroad.

To be really productive, improved techniques must be put to use. Furthermore, the introduction of new techniques can advance economic development most if capital investment is taking place at the same time. The President therefore proposed that, "in cooperation with other nations, we should foster capital investment in areas needing development". Most of the capital needed for economic development must come from domestic sources; and measures to promote domestic capital formation are needed if the Point IV Program is to be fully effective. Important means of fostering capital investment, where foreign capital is desired, would be the creation of political, social and economic conditions favoring such investment, and the establishment of mutual guarantees of fair treatment. Sources of foreign investment funds are private, intergovernmental and governmental. It is particularly important that agreements—either bilateral or multilateral—be sought that would encourage the international flow of private investment capital. It is contemplated that steps will be considered, as conditions warrant, to increase the availability of foreign investment funds.

It is important, however, that neither technical cooperation activities nor measures to foster capital investment be allowed to give an impression that the United States Government thereby becomes obligated to supply the funds needed to finance economic development. The US cannot accept the ultimate responsibility for seeing that economic development really takes place. This responsibility must continue to rest unmistakably on the nations desiring development.

Economic development means the development of productive resources, whether these be natural resources, human resources or capital resources. Improved practices and policies may be needed in both public and business administration, and might include such diverse techniques as fiscal practices and methods of handling materials. Specific areas where the widespread improvement of techniques would be expected to contribute importantly to the productivity of these resources include the following:

(a) Natural resources: soil conservation and utilization; plant and animal husbandry; forest and fisheries management; water control and use, including water supply, irrigation and reclamation, waterways and power development; mining and fuels.

(b) Human resources: health, including sanitation and nutrition; welfare, including social services and social insurance; education, particularly fundamental, rural and vocational; manpower training and utilization.

(c) Capital resources: industrial technology, facilities and equipment; organization of business and finance; housing; transportation; marketing and distribution.

#### EMPHASIS IN THE PROGRAM

Culture patterns may affect the rate of economic development, for changes in habits of thought and methods of work do not come about quickly. Furthermore, the amounts of capital needed can only be accumulated over long periods of years. Substantial changes in applied techniques and in production in underdeveloped countries may take many years, and living standards in those countries can therefore only rise slowly, especially if a community chooses more capital investment at the cost of present sacrifices in consumption or if production does not increase faster than population. It is important to emphasize that this is a long-term program in which spectacular results cannot be expected immediately. Cooperation in such a program should be thought of as continuing for many years, and long-range projects necessary for the most beneficial development of each country's resources must be included.

On the other hand, today's needs are urgent. Without prejudice to the long-range development aspirations of other peoples, top priority should be given to requests for cooperation in connection with economic development projects that can be undertaken promptly and that will make the greatest net contribution to the national product within a reasonable time period.

Cooperation in development efforts, to be most successful, must utilize the operating techniques best adapted to existing development needs. Advisory groups are effective in some situations; in others demonstration projects are necessary; in still others a wide training program must be undertaken. To be most effective in achieving the

several objectives of the Point IV Program, operating techniques should be utilized that (1) reach as many people as possible, and (2) get those people actually doing something in a demonstration or training situation. Broad participation is by far the most successful way of getting improved techniques adopted, in most underdeveloped areas.

In considering possible directions of economic development, it is important not to overlook inter-relationships. From the standpoint of long-term development, it is not enough to help increase agricultural production in an area if that area's transportation facilities remain inadequate to carry larger crops to suitable markets. Economic development may be wasteful, in other words, if it takes place in bits and pieces. There must be close integration of development projects, both in the planning stage and in administration, and both within and among different countries.

It should be borne in mind that there are no stereotyped patterns of economic development, applicable to all or even to many countries; and that this is not a "program of economic development", which suggests planned stages and time periods, but a "program of cooperation" while economic development takes place. Different countries have different needs and different possibilities, and the stages necessary for their development may be quite dissimilar. Proposed development projects must take into account and, so far as possible, be adapted to local resources, attitudes, social and legal structures, customs and practices, and national aspirations. In general, however, in those areas where "economic life is primitive and stagnant", a basic improvement in health and education may well be prerequisite to increased production and improved standards of living. It is also likely that, among the less developed countries, now predominantly agricultural, programs should stress the improvement of techniques in agriculture, local credit facilities, food and fiber processing, rural and small scale industry and transportation, power, and mining where appropriate. Encouragement of trading and entrepreneurial activities may be important both for the economic and for the democratic development of such countries. For the somewhat further developed areas, priorities are likely to be quite different, with emphasis on governmental and industrial techniques, for example, as the situation requires.

The Point IV Program's emphasis on early and greater production in underdeveloped countries should not be understood to imply that other and sometimes competing objectives of these countries need be ignored. Increases in production should be balanced, integrated, and tailored to individual country needs and potentialities. Development activities should attempt to harmonize the basic objectives of conserving natural resources, of long-run improvement, of social welfare and current living standards, of the economic benefits of international eco-

conomic specialization, and the other mutual long-run economic interests of all cooperating nations. Finally, there should be a positive and cooperative effort to increase production of commodities that are short throughout the world, which will contribute to the flow of international trade and thus to the economic well-being of all cooperating nations.

#### RELATIONSHIP TO OTHER PROGRAMS

Many of the programs now conducted and the institutions supported by the United States, such as the ITO and the Reciprocal Trade Agreements Program, the ERP, WHO, FAO, ILO, The International Bank for Reconstruction and Development, and transportation agreements and conventions, have among their several objectives the fostering of economic development and the raising of standards of living. The Point IV Program must be coordinated with the economic development aspects of these programs. At the same time, many programs of educational, cultural, scientific, and informational exchange, while not focused so directly on economic development, utilize similar techniques and help achieve some of the same general objectives. Similarly, existing programs of financial aid for the relief or economic recovery of war-devastated or war-disrupted economies are in part directly related to the Point IV Program, insofar as they stress new development and improved living standards.

Furthermore, economic development requires much more than governmental action. It would be very limited without the cooperation of private institutions and other organizations, of business, finance, agriculture, labor, scientific, educational and other groups and individuals both at home and abroad, in improving the effectiveness of governmental methods of helping get new techniques adopted and encouraging capital investment, and in expanding their own many private activities that will complement and reinforce the governmental program.

#### COOPERATIVE NATURE OF THE PROGRAM

The United States will work with those nations who want its cooperation. This program is not unilateral. Thus, cooperation in spreading better techniques and in encouraging international capital investment is available in response to the requests of other countries, under mutually acceptable conditions. As the President said, "The old imperialism—exploitation for foreign profit—has no place in our plan. What we envisage is a program of development based on the concepts of democratic fair dealing". "New economic developments must be devised and controlled to benefit the peoples of the areas in which they are established". Of course, international capital investment should not be expected to flow without assurances both to the investor and to the recipient. "Guarantees to the investor must be

balanced by guarantees in the interest of the people whose resources and whose labor go into these developments.”

This is a program of working with other people who are trying to make the most of their own resources. This is not doing something *for* others. Outside participation makes it possible for underdeveloped countries to do more for *themselves*. It is a “self-help” program, in which the peoples wishing economic advancement must expect to provide the principal effort.

The cooperation is invited of other nations who are willing to pool their technological resources or who have capital to invest abroad. The United States has no monopoly of either technology or exportable capital, and welcomes participation by other nations in this joint effort. It is anticipated that this cooperative endeavor will bring important direct benefits to all participants, including the United States.

It is a special objective to work together with other nations through the United Nations and its specialized agencies, in close coordination with the Organization of American States and its specialized agencies, wherever this will contribute to the success of the Program. This does not preclude working through other international organizations having objectives in common with those of the United Nations nor does it mean abandoning successful bilateral projects or refusing to initiate new ones. It does, however, mean planning and carrying out technical cooperation activities through international organizations in preference to bilateral arrangements, wherever the latter do not have special advantages, and it means planning bilateral, regional and more broadly international programs so that, insofar as possible, they complement and mutually support each other.

#### CONCLUSION

The Point IV Program, besides recognizing the desirability of economic development aimed at higher levels of living as an end in itself, grows out of a recognition that the instruments being used to accomplish the objectives of national policy prior to the President's inaugural address were incomplete. The Program does not imply a redefinition of United States policy objectives. Rather it means that cooperation in economic development is now raised to a major role among the instruments for the accomplishment of existing objectives.

Of even broader significance is Point IV's new emphasis on the close relation between popular aspirations and the will to freedom. This new emphasis must be brought to bear on existing programs as well as new programs, to ensure they are conceived and administered with full awareness of this relation and in the light of the President's statement that “Democracy alone can supply the vitalizing force to stir the peoples of the world. . . .”

NAC Files, Lot 60D137

*Minutes of Meeting (No. 123) of the National Advisory Council,  
Washington, April 14, 1949*

CONFIDENTIAL

[Here follow list of persons present (15) and discussion of a prior agenda item.]

2. *Financial Aspects of Point IV.*

Mr. Glendinning<sup>1</sup> referred to the fact that the Department of State had requested the Council to make recommendations concerning the financial aspects of the Point Four Program and particularly with respect to encouraging the flow of private capital into foreign investment. Somewhat earlier the Export-Import Bank had requested Council consideration of a proposal that authority be given to the Bank to guarantee the convertibility of foreign currencies resulting from equity or loan investments by United States interests in productive enterprises abroad. He said that a special working group of the Staff Committee had been giving extensive study to these problems over the past six weeks. The working group had in general concentrated its attention on three fields: (1) tax incentives and deterrents to foreign investment; (2) investment treaties; and (3) guaranties. On the question of tax incentives to foster private investment, there was general agreement on the recommendations to the Council. In the main, the changes proposed were not major ones in the tax structure. In reviewing the question of investment treaties there was general agreement that negotiation of meaningful investment treaties would be an appropriate step to facilitate the flow of private investment. There was, however, a substantial amount of additional work to be done on the content of such treaties. In the field of guaranties there was a substantial range of views which were reflected in the rather lengthy recommendations coming up from the Staff. The two main aspects of guaranties explored were: (1) the extent of coverage of risks; (2) additional funds which might be requested in connection with the guaranty program (NAC Document No. 811).<sup>2</sup>

The Chairman<sup>3</sup> indicated that he thought it would be advisable for the Council to devote consideration to some of the broad aspects of the problem prior to detailed examination of the recommendations from the Staff.

Mr. Thorp<sup>4</sup> said that inasmuch as the State Department was responsible for bringing this problem before the Council he thought it might be of value if he outlined the developments to date with respect to the Point IV program. He said that the primary emphasis

<sup>1</sup> C. Dillon Glendinning, Acting Secretary of the NAC.

<sup>2</sup> Not printed.

<sup>3</sup> John W. Snyder, Secretary of the Treasury.

<sup>4</sup> Willard L. Thorp, Assistant Secretary of State for Economic Affairs.

of the program was upon technical assistance and that the Department of State had attempted to draw together and coordinate the views of some twenty-five agencies which were now engaged in activities in connection with this field. He indicated that in connection with the technical assistance program this Government would want to use the UN facilities as far as possible. The Department was about ready to go to the Bureau of the Budget on this phase of the program and the request would probably not exceed \$40 million.

With respect to the financial aspects of the program, he said that the President had laid great stress on the importance of private investment and that his directive to the State Department had referred in a general way to guaranties for investors. However, the President had not indicated any definite ideas as to what he expected to be developed in this field.

Mr. Thorp said that the Staff after rather intensive work had blocked out a program which was before the Council for consideration. He thought it was very important that the Council give intensive consideration to the proposals and therefore suggested that the Council not attempt to take final action at this meeting. He also suggested that as we had no clear idea what the President's reaction might be to some of the proposals, the program might properly be discussed with him before an attempt was made to finalize it.

Mr. Thorp also discussed at some length the importance of establishing a favorable climate for private investment and the significance of investment treaties to this end. He said that the Department had encountered considerable reluctance on the part of governments to enter into reasonable commitments for giving assurance to private investment. He thought that investment treaties were essential to provide the background for any guaranty program which might be undertaken. Relative to guaranties, he said that no one could tell precisely how effective a guaranty program would be or how much private capital it would induce to flow but that the only thing we could do in this field was to start out on a broad basis and experiment.

Secretary Sawyer asked whether the treaties to which Mr. Thorp was referring was those of friendship, commerce and navigation or special treaties.<sup>5</sup> Mr. Thorp said that he was referring to the broad types of commitments which we would like to obtain whether they were included in the treaties of friendship, commerce and navigation or in separate investment treaties. Mr. Thorp indicated that he did not feel that we should hold up the program pending conclusion of treaties but that it should be made clear that we should expect any countries receiving guaranties to enter into such treaties with us.

The Chairman indicated that he felt that the Council should study this question very carefully and agreed with Mr. Thorp that action

<sup>5</sup> For documentation concerning the FCN treaty program, see pp. 631 ff. Charles Sawyer was Secretary of Commerce.



should not be taken at this meeting. He also concurred in Mr. Thorp's statement that the President had not indicated definite ideas as to how the program should be worked out.

[Here follows further discussion, after which it was agreed that NAC members would give further study to the questions raised in the meeting and that further discussion would be undertaken by the Council when appropriate.<sup>6</sup>]

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<sup>6</sup> Final and definitive action was taken by the National Advisory Council in two meetings on June 7 and June 8 (meetings 128 and 129), at which time a number of decisions were made concerning a broad gauge foreign investment program which would include the negotiation of investment treaties, the preparation of a background more conducive to foreign investments through a guaranty program, and the correlation of the technical assistance program with the guaranty program (NAC Action No. 332, June 8, 1949). Specifically, regarding the Point IV program the Council's formal recommendation to the President was that: "In order to encourage the flow of United States private capital into investments abroad as a coordinated part of the Point IV Program, the Export-Import Bank, in consultation with the National Advisory Council, may offer guaranties to United States private capital newly invested in enterprises contributing to economic development in foreign countries." (For NAC discussion and decisions regarding other aspects of the larger program, see pp. 729 ff.)

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Secretary's Memoranda, <sup>1</sup> Lot 53D444

*Memorandum of Conversation, by the Acting Secretary of State*

CONFIDENTIAL

[WASHINGTON,] June 13, 1949

MEETING WITH PRESIDENT, MONDAY, JUNE 13, 1949

HEARINGS ON POINT IV

I informed the President that we were having discussions with the leaders of the Senate Foreign Relations Committee with the thought of programming hearings on Point IV legislation while the Labor Bill is being debated. I indicated that if this were not done we would have little opportunity to get the legislation through in this session. The President indicated his approval of this timing. He does have Point IV related to the Military Assistance Program in his mind and specifically said that he thought it was helpful to have the Point IV program go a little ahead of the Military Assistance Program since one is for peace and one is for war.<sup>2</sup>

JAMES E. WEBB

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<sup>1</sup> Comprehensive chronological collections of the Secretary of State's memoranda, memoranda of conversations, and memoranda of conversations with the President for the years 1947-1953, as maintained by the Executive Secretariat of the Department of State.

<sup>2</sup> On June 24 a Presidential Message was sent to the Congress recommending the enactment of legislation to authorize an expanded program of technical assistance "to assist the peoples of economically underdeveloped areas to raise their standards of living. . . ." For text, see Department of State *Bulletin*, July 4, 1949, pp. 862 ff.

*Editorial Note*

Draft legislation was sent to the Congress by the Secretary of State on July 1 and was introduced in the Congress in two parts: an expanded technical assistance program and a loan guaranty program. A bill to provide for international technical cooperation (H.R. 5615) and an amendment to the Export-Import Bank Act of 1945 to provide legislative authority for government guarantees of United States private investments abroad against certain non-business risks (H.R. 5594 and S. 2197) were introduced in both the House of Representatives and in the Senate, but no action was taken in the Senate to introduce legislation on the former. The loan guaranty legislation moved fairly rapidly through the hearings stage in both Houses and was reported out favorably by the Banking and Currency Committees before the end of September. The House of Representatives Foreign Affairs Committee held hearings on the technical cooperation act in September; in a circular to the field later in the year the Department described Senate inaction in regard to technical assistance as "owing to prior commitments in the legislative program" (Circular Instruction, October 4, 1949, 800.50 TA/10-449). Regarding the relevant Congressional documentation, the President's message and the draft legislation presented by the Executive and the initial House of Representatives draft legislation are printed in 81st Congress, 1st Session, *House Document No. 240*. For the House hearings on the technical cooperation legislation, see 81st Cong., 1st sess., *Hearings on H.R. 5615, Sept. 27-Oct. 7, 1949*; no bill was reported out in 1949. Regarding loan authority legislation in the House of Representatives, see 81st Cong., 1st sess., *Hearings on H.R. 5594, Aug. 17-Aug. 24, 1949*; and 81st Cong., 1st sess., *House Report 1384, Oct 6, 1949 (to accompany H.R. 5594)*. On the Senate side, see 81st Cong., 1st sess., *Hearings on S. 2197, Foreign Investment Guaranties, Aug. 9 and 10*; and 81st Cong., 1st sess., *Senate Report 1101, Foreign Investment Guaranties. Report from [Banking and Currency] Committee to Accompany S. 2197, Sept. 22, 1949*.

From the time President Truman enunciated the Point IV concept in his Inaugural Address of January 20, 1949, the Department of State had mounted an unflagging effort of large proportions to translate the concept into action; this is attested by the copious documentation on Point IV found in the Department of State Committee Files (Lot 122) and the lot file containing the files of the Deputy Under Secretary of State for Administration, 1949-1952 (Lot 54D291). The Department's effort to evolve a Point IV program did not lessen with the delay occasioned by vicissitudes of the Congressional calendar, and its attitude

may be illustrated by the following **passage**, which occurred in the October 4 instruction mentioned above:

“It is possible that legislation may be passed at this session of Congress authorizing the Export-Import Bank to initiate a program of guarantees. It should be realized, however, that passage of basic technical cooperation legislation is not likely to be accomplished in the current session owing to prior commitments on the legislative program. This consideration should be made clear in your conversations with local officials and other interested persons who may be working under a misconception in this regard. At the same time, you should also point out that uncertainty as to the timing of such legislation need not delay local governments in performing the necessary preliminary steps of drawing up and submitting concrete proposals for technical assistance and development and that appropriate agencies of the United States Government are themselves making extensive studies of economic development problems pending the passage of enabling and appropriation legislation.”

## UNITED STATES CONCERN AT CERTAIN AIR AGREEMENTS DEPARTING FROM THE PRINCIPLES OF THE BERMUDA AGREEMENT OF 1946

Current Economic Developments,<sup>1</sup> Lot 70D467

*Extract From Bulletin No. 208*

SECRET

[WASHINGTON,] June 27, 1949.

### *Commonwealth Aviation Trends Matter of Deep Concern to US*

We are seriously concerned over the possible effects on international civil aviation policies of the sharp veer from Bermuda concepts reflected in current aviation developments within the Commonwealth. There is some evidence that these developments may place pressure first on the UK and then on the US to recede from the Bermuda formula to a more restrictive type aviation bilateral—which would hamper US civil airline operations greatly and would destroy the general world-wide aviation pattern along Bermuda lines as accepted by most states.<sup>2</sup>

British civil aviation officials have asked our views on the dilemma confronting the UK with respect to Commonwealth aviation matters.<sup>3</sup>

<sup>1</sup> "Current Economic Developments" was a weekly secret summary of events and developments relating to the conduct of the foreign economic policy of the United States, as seen and compiled by the officers of the divisions and offices of the economic area of the Department of State. It was published by the Policy Information Committee of the Department, and disseminated to concerned Departmental officers and diplomatic missions and consular posts overseas.

<sup>2</sup> The references are to the bilateral air transport agreement concluded between the United States and the United Kingdom at Hamilton, Bermuda on February 11, 1946. For texts of the several instruments signed or initialled at that time, see Department of State Treaties and Other International Acts Series (TIAS) No. 1507, or 60 Stat. (pt. 2) 1499; for documentation regarding the negotiation of the agreement, see *Foreign Relations*, 1946, vol. 1, pp. 1450 ff. For a useful discussion of what is meant by a general world-wide aviation pattern "along Bermuda lines", see article entitled "Bilateral Air-Transport Agreements Concluded by the United States", by Joe D. Walstrom, Department of State *Bulletin*, December 22, 1946, pp. 1126 ff. Essentially, the Bermuda-type agreement barred arbitrary restrictions in carriage capacity, number of flights, and perhaps most importantly the right to set down and pick up passengers and freight at intermediate points between the termini of a trunk route (known as "fifth-freedom traffic"). It was the hope of U.S. policy-makers that the U.S.-U.K. Bermuda bilateral agreement would become the model for other states concluding bilaterals, and that ultimately, when a world-wide aviation pattern emerged along Bermuda lines, it would be possible to hold a general aviation conference to conclude a world-wide multilateral agreement based on Bermuda principles.

<sup>3</sup> The documentation in the Department of State central indexed files relating to the issues described herein, is scattered and sparse. Two basic file series are 741.0027 (aspects of U.K. aviation) and 741.4527 (aspects of U.K.-India aviation).

The Australians are firm in their policy of anti-Bermuda and, without consulting the UK, have just negotiated an aviation bilateral with Pakistan calling for 50-50 traffic division and have agreed to an Indian proposal for joint aviation discussions along the same lines. India, too, is adamant on the 50-50 capacity split and the reserving of India-Pakistan traffic for carriers of those countries. In preliminary talks with the UK, India has taken the position that Bermuda does not work, that US carriers and KLM have carried far more traffic to and from India than is justified and that it plans to renegotiate with the US and the Netherlands soon in order to correct this situation.

The UK claims that it strongly wishes to avoid giving in to the opponents of Bermuda type air agreements, particularly now that the US has brought Canada into the fifth freedom camp.<sup>4</sup> Every effort will be made to achieve a Bermuda type agreement in each case. However, the UK is bound by its practice of reserving the right to conclude other arrangements with the Commonwealth. In the case of India, the UK is anxious to avoid any action which might strain the slender ties binding India to the Commonwealth. In the event the Indians will not give on the fifth freedom issue, the UK will insist that the agreement not become effective until after renegotiation of the US-India bilateral. In our view, this step would have the same effect as if the UK and India were jointly attempting to force the US from the fifth freedom field under the Bermuda principles.

US-UK aviation discussions in 1946 clearly recognized a Commonwealth policy regarding division of traffic between Commonwealth nations—but it did not apply to other than third and fourth freedom traffic between two Commonwealth countries. British extension of that policy to include fifth freedom traffic rights insofar as other than Commonwealth countries are concerned appears to us seriously to threaten Bermuda principles throughout the world.

We are expressing our deep concern to Australia over its recent restrictive agreement with Pakistan and our surprise that the freer competitive provisions of the Bermuda formula, inherent in the US-Australian type agreement,<sup>5</sup> were not followed. We frankly admit our concern over seeing any nation agree to division of traffic on a predetermined basis, considering that such agreements erroneously sacrifice the concept of competitive growth of the transport industry to a doctrine of greater security of operation inherent in predetermination of traffic.

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<sup>4</sup> A United States-Canada bilateral air transport agreement was concluded on June 4, 1949; for text, see TIAS 1934. It was of the Bermuda-type, and was considered by the Department of State to be of especial significance, as it was believed that Canadian non-adherence to such a bilateral had strengthened the opposition of other countries to the Bermuda principles.

<sup>5</sup> A Bermuda-type bilateral air transport agreement was concluded between the United States and Australia on December 3, 1946; for text, see TIAS 1574.

Current Economic Developments, Lot 70D467

*Extract From Bulletin No. 22*

SECRET

[WASHINGTON,] October 3, 1949.

*US-UK Consultation on Aviation Issues.* Although the UK reaffirmed its support of the Bermuda principles during recent aviation talks in London,<sup>1</sup> we feel that future Commonwealth aviation developments bear close watching for any possible further weakening of the British position in the face of a distinct trend away from these principles. It is obvious that there are strong differences of views within the British Ministry of Civil Aviation and that the strength of original proponents of Bermuda has been dissipated by shifts of assignments. Other factors also came to light—such as technical aviation developments—which, by eliminating the economic dependence of British carriers upon fifth freedom “pickup” as well as “fill-up” traffic, may affect their concern for retaining the full five freedoms. Whereas full fifth freedom traffic is basically important to economic operations by US carriers on international trunk routes, the British claim they can operate successful services into the Commonwealth countries based upon third and fourth freedom traffic and some “pickup” fifth freedom.

*UK-Indian Interim Air Arrangements.* These talks were held principally in the hope that some means could be found to bolster British resistance to Indian pressure for conclusion of a restrictive air transport agreement, providing for 50-50 capacity split and reserving India-Pakistan traffic for carriers of those countries. (See page 1, June 27 and page 13, July 5, 1949 issues of *Current Economic Developments*.)<sup>2</sup> The British frankly acknowledge that it would be politically impossible for them to run the risk of having to give up their services to India, which for some time have rested upon precarious extensions of operating permission to BOAC. In consequence, when the British were unable to conclude a satisfactory Bermuda-type agreement with India, they felt compelled to enter into an interim arrangement which would provide for BOAC's operations. The British maintain that this is a *modus vivendi* accepted only as the result of failure to achieve a permanent agreement and that it is purely temporary and without prejudice to the terms of the bilateral agreement to be concluded later. We contend that such an arrangement simply transferred the

<sup>1</sup> These informal talks were arranged at the request of the Department of State, which was “convinced UK-India bilateral negotiations raised fundamental policy issues requiring full and immediate exchange of views. . . .” (Department's telegram 2818, to London, August 9, 1949, 741.0027/8-249) The talks took place in London in mid-August. There seems to have been no reporting about these talks by cable traffic from London.

<sup>2</sup> No extracts are printed from the July 5 issue.

previous operating arrangements from a unilateral airline level to a governmental level and consequently could scarcely fail to prejudice the final agreement. The British have placed us in a most awkward position by accepting an Indian clause providing that if during the interim India secures any restriction on the carriage of traffic between India and Pakistan by US carriers, the UK will accept similar restriction for its airline operations.

The British will try to eliminate this clause from the interim agreement and will make every effort short of terminating BOAC service to and through India to obtain the desired type bilateral. A public statement will be made that the interim arrangement results from a difference of views with India concerning basic principles involved in order to leave the way clear toward further efforts to obtain a Bermuda agreement. If they are unable to achieve this objective during the twelve-month period, we would consider the continuation of the interim arrangement as a lesser evil than conclusion of a non-Bermuda agreement.

*Multilateral Air Transport Convention.* The British think that it might be possible to secure a multilateral agreement if we are willing to modify the Geneva draft<sup>3</sup> of the capacity clause to eliminate the additional or "pickup" fifth freedom language. We are convinced it will not be possible at any time in the near future to secure a multilateral agreement on terms even as favorable as those suggested by the British. This view is more firmly supported by such recent developments as the Australian-Indian bilateral and the French agreement with Spain which reserves traffic between the two countries as a monopoly for French and Spanish carriers. Therefore, reopening the issue at this inauspicious time would be likely to produce undesirable results by informing and coalescing the opposition to Bermuda as occurred during the Geneva conference in 1948. We did agree to exchange our proposed comments to ICAO on the subject of a multilateral agreement, which will be submitted before October 31 to the ICAO Assembly.

[Here follows brief discussion of certain technical problems, and projected arrangements on the part of aviation specialists of the United States and the United Kingdom for addressing themselves to these problems within the framework of the U.S.-U.K. (Bermuda) Air Transport Agreement.]

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<sup>3</sup> This refers to a meeting of the Council of the International Civil Aviation Organization (ICAO) at Geneva in 1947, which "failed in its efforts to achieve a multilateral but did serve as an exceedingly useful forum for the discussion of major issues at stake." (*Current Economic Developments*, Bulletin No. 233, Dec. 12, 1949).

## UNITED STATES POLICY WITH REGARD TO THE ANTARCTIC<sup>1</sup>

### *Editorial Note*

On January 18, 1949, the Governments of the United Kingdom, Argentina, and Chile exchanged statements in London, Buenos Aires, and Santiago in the following terms:

"Being anxious to avoid misunderstanding in Antarctica which might upset the friendly relations between the United Kingdom, Argentina and Chile, the Governments of these three countries have informed each other that in the present circumstances they foresee no need to send warships South of Latitude 60° during the 1948-49 Antarctic season, apart, of course, from the routine movements such as have been customary for a number of years." (*Parliamentary Debates*, House of Lords, 5th series, volume 160, column 419)

Also on January 18, the Department of State issued to the press a statement taking pleased note of the terms of the tripartite declarations and announcing that the United States Government did not contemplate sending any vessels to Antarctica during the 1948-1949 Antarctic season. For the text of the Department's statement, see Department of State *Bulletin*, January 30, 1949, page 149.

For documentation on the antecedents of these declarations, see *Foreign Relations*, 1948, volume I, Part 2, pages 962 ff.

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<sup>1</sup> For previous documentation on this topic, see *Foreign Relations*, 1948, vol. I, Part 2, pp. 962 ff.

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800.014 Antarctic/2-1649

### *Memorandum of Conversation, by the Chief of the Division of Northern European Affairs (Hulley)*

CONFIDENTIAL

[WASHINGTON,] February 16, 1949.

Participants: M. Christian de Margerie, Counselor, French  
Embassy  
Mr. Benjamin M. Hulley, Chief, NOE  
Mr. Caspar D. Green, NOE

M. de Margerie came in this afternoon at his request. He was interested in our reaction to the recent Soviet publicity on the subject of



Antarctica.<sup>1</sup> I told him that it was my feeling that since the Soviet statement was from an unofficial source, no official notice should be taken of it here. I said that I thought it indicated the desirability of coming to an agreement on the subject of Antarctica as promptly as possible since it must be assumed that this non-official Soviet notice will be followed in due course by some official action.<sup>2</sup> M. de Margerie speculated as to the possible desirability of "letting sleeping dogs lie", i.e., taking no further action of any kind and thus depriving the Soviets of any occasion for taking official interest in the subject. (This would seem to be a very optimistic basis on which to proceed.)

I handed M. de Margerie copies of the Belgian note of October 8 and of our reply of December 31, 1948.<sup>3</sup>

I mentioned to M. de Margerie that we are hopeful that the French Government will be able to give us a reply to our *aide-mémoire* of August 9, 1948 in the near future.<sup>4</sup> At his request I gave him a brief recapitulation of the situation to date. Whether deliberately or un-

<sup>1</sup> On February 11, the Soviet newspapers *Pravda* (the organ of the Communist Party of the Soviet Union) and *Izvestiya* (the organ of the Soviet Government) carried lengthy accounts of the February 10 meeting in Leningrad of the All-Union Geographic Society during which Academician Lev Semyonovich Berg, President of the Society, claimed that Russian navigators Captain (later Admiral) Faddei Bellingsgauzen (Thaddeus Bellingshausen) and Seaman (later Admiral) Mikhail Lazarev discovered certain Antarctic territories in 1819-1821. Berg asserted that the Soviet Union had as valid a claim to Antarctic territories as France. The All-Union Geographic Society passed a resolution stating that any decision affecting the Antarctic regime without Soviet participation would lack legal force and that the USSR had every justification not to recognize such decisions. For a summary in English of the *Pravda* and *Izvestiya* accounts, see *Current Digest of the Soviet Press*, vol. 1, No. 6, March 8, 1949, pp. 43-45. During the following two weeks a number of other newspaper articles appeared in *Pravda*, *Izvestiya*, and other Soviet newspapers regarding the Bellingsgauzen-Lazarev Antarctic discoveries (see *ibid.*, No. 8, March 22, 1949, pp. 13-15). On March 22, *Pravda* and *Izvestiya* reported on the radio transmission to the Soviet Antarctic whaling flotilla of a letter from Geographic Society President Berg recalling that the flotilla was cruising the latitudes visited 130 years earlier by Bellingsgauzen and Lazarev and reminding the flotilla that Soviet scientists expected fresh Antarctic information from it (see *ibid.*, No. 11, April 12, 1949, pp. 64-65).

All of these newspaper stories were reported upon to the Department of State in communications from the Embassy in the Soviet Union.

<sup>2</sup> Hulley appraised the Soviet press publicity on Antarctica in similar terms in responses to separate oral inquiries on State Department thinking on the matter from British, Chilean, Australian, Norwegian, and New Zealand Embassy representatives during the week of February 14-21. Telegram 786, March 3, from London, not printed, reported the British Foreign Office feeling that the publicity indicated official Soviet interest (800.014 Antarctic/3-349).

<sup>3</sup> Regarding these notes, see the editorial note, *Foreign Relations*, 1948, vol. 1, Part 2, p. 1010.

<sup>4</sup> For text of the *aide-mémoire* under reference, see *ibid.*, p. 996. A French Embassy *aide-mémoire* of March 1, delivered to the Department of State on March 2, not printed, stated that French officials favored in principle the proposed negotiations on the Antarctic problem and could see nothing but advantages in the international scheme suggested by the United States. The *aide-mémoire* did indicate that the French Government felt that the internationalization of activities in Antarctica could be realized without the abandonment of national claims of sovereignty in the area (800.014 Antarctic/3-149).

consciously M. de Margerie's remarks indicated his thinking that the position set forth in our *aide-mémoire* had been abandoned. I told him that this was not the case. He said he would inform Paris of our interest in receiving a reply.

BENJAMIN M. HULLEY

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800.014 Antaretic/3-2349

*Memorandum of Conversation, by the Chief of the Division of Northern European Affairs (Hulley)*

CONFIDENTIAL

[WASHINGTON,] March 23, 1949.

Mr. Meade<sup>1</sup> came in at his request. He asked about the status of our proposal for a settlement in Antarctica. If it looks like dying, the British Government will contemplate reverting to its proposal to open discussions direct with Argentina and Chile for settlement of their respective conflicting claims.

I said that now that all the replies from the interested governments are in, we are re-examining the question in the light of their preponderantly negative reaction. It seems pretty clear that the plan is not likely to be accepted unless we exert strong pressure which to my mind would hardly be justified. I said we were considering a modified plan which would be confined largely to cooperation in the scientific sphere as a step toward our objective of a settlement of sovereignty claims. We had used the Chilean proposal<sup>2</sup> as a basis and are making certain modifications. I did not know whether or not we would want to follow the Chilean idea of a moratorium on claims. It might be a month or two before I could be more definite.

He said he would report this in a letter to the Chief of the Latin American section of the Foreign Office and would also report my request that we be informed in advance of any definite British plan to proceed with direct negotiations with Chile and Argentina.

He asked again about our plans to announce our claims and I told him that we still had this in mind and that it could happen this year. However, the timing had not been decided. I outlined some of the difficulties in my own mind such as whether possible disadvantages, which might include immediate Soviet claims and irritation of Argen-

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<sup>1</sup> Charles A. G. Meade, Counsellor of the British Embassy.

<sup>2</sup> In July 1948 Caspar D. Green of the Division of Northern European Affairs visited Santiago to discuss Antarctic questions with Chilean Foreign Ministry officials. In the course of these discussions, the principal Chilean representative, Professor Julio Escudero Guzman, a former Legal Adviser in the Chilean Foreign Ministry and an unofficial consultant to the Ministry, offered a plan for a joint declaration by nations interested in Antarctica which would freeze current legal rights and interests for a period of five or ten years. For documentation on the Green mission and the Chilean (Escudero) proposal, see *Foreign Relations*, 1948, vol. 1, Part 2, pp. 962 ff.

tina and other present claimants, would outweigh conjectural advantages such as a stimulation of the claimants to give more favorable consideration to our plan for a settlement. He commented on the recent Russian Geographic Society announcement<sup>3</sup> and we agreed that this had no official standing and no official notice should be taken of it.

He said that if we did decide on a new approach of any kind, he would appreciate being informed of it at as early a stage as possible. I said we would continue consulting with him as we have done for over a year.

BENJAMIN M. HULLEY

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<sup>3</sup> See footnote 1 to Hulley's memorandum of conversation, *supra*.

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800.014 Antarctic/5-349

*The Acting Secretary of the Navy (Koehler) to the Secretary of State*

CONFIDENTIAL

WASHINGTON, 3 May 1949.

MY DEAR MR. SECRETARY: In your letter NOE 800.014 Antarctic/1-1149 of February 28, 1949, it is noted that the Department of State favors actions which tend to diminish emphasis upon national claims in the international rivalry for the establishment of sovereignty in the Antarctic. You also point out that, if the objectives of the proposed naval expedition include strengthening of American claims in the area, the transpolar flights might have to be planned on the basis of an absolute minimum, or possibly complete absence of, international cooperation. You then raise the question whether, for purposes of the expedition proposed by the Department of the Navy, the desirability of strengthening American claims would outweigh the advantages of the cooperation from other countries which could probably be obtained were the U.S. to express its willingness to forego using the expedition as a basis for claims.<sup>1</sup>

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<sup>1</sup> In a letter of January 11, 1949, not printed, the Department of the Navy requested approval from the Department of State for a proposed naval expedition to the Antarctic in the Antarctic summer of 1949-50 for the purpose of cold weather training and equipment testing (800.014 Antarctic/1-1149). In his reply of February 28, the Secretary of State expressed approval in principle to the proposed expedition but raised the considerations recapitulated in the paragraph printed here (800.014 Antarctic/1-1149). In another letter of May 3 to Secretary of State Acheson, not printed, Acting Secretary of the Navy Koehler briefly outlined the aircraft flights to be undertaken in the proposed expedition of 1949-50 (code name—Operation HIGH JUMP II) and asked the Department of State to obtain permission from the Government of New Zealand for the use of landing and port facilities by the U.S. Navy in connection with the expedition (800.014 Antarctic/5-349). Such a request was made in a note of May 19 from the Department of State to the New Zealand Embassy, not printed (800.014 Antarctic/5-349). The New Zealand Embassy, in a note of June 20, 1949, not printed, stated that the New Zealand Government would be happy to make available the facilities requested (800.014 Antarctic/6-2049). On August 16 the Department of the Navy announced that the proposed 1949-50 expedition in the Antarctic had been abandoned for compelling reasons of economy.

As you are aware, the Navy is becoming increasingly interested in training for cold weather operations and in testing of equipment in extreme temperatures. Since the sensitivity of certain foreign governments precludes the desired amount of operations in the Arctic, Antarctica is considered a desirable alternate. While it is recognized that other nations which claim sovereignty over portions of Antarctica may be unwilling to assist in strengthening United States' claims by providing bases and facilities for long range flights over hitherto unexplored areas, it should be understood that the primary purposes of the long range flights, and indeed of the whole operation, are training, testing of equipment and furtherance of our scientific knowledge.

In view of the above, the Department of the Navy desires that, in so far as possible, the whole operation be kept apart from any question of United States' or other nations' claims.

Sincerely yours,

JOHN T. KOEHLER

800.014 Antarctic/5-2449

*Memorandum of Conversation, by the Deputy Director of the Office of European Affairs (Thompson)*

CONFIDENTIAL

[WASHINGTON,] May 24, 1949.

Participants: Admiral Richard E. Byrd<sup>1</sup>  
 Dr. Dana Coman, Research and Development Board.  
 Consultant<sup>2</sup>  
 Mr. Llewellyn E. Thompson, Deputy Director, EUR  
 Mr. Merriam, S/P<sup>3</sup>  
 Mr. Boggs, OIR/GE<sup>4</sup>  
 Mr. Davis, NWC<sup>5</sup>  
 Mr. Mills, NWC<sup>6</sup>  
 General Snow, L/P<sup>7</sup>  
 Mr. Shullaw, BC<sup>8</sup>  
 Mr. Hulley, NOE  
 Mr. Green, NOE

<sup>1</sup> Rear Admiral Byrd, in retirement since the last previous American expedition in the Antarctic in 1946 (Operation HIGH JUMP I), was scheduled to be returned to active duty to command the U.S. Navy's proposed 1949-50 Antarctic exercise (Operation HIGH JUMP II). Planning for the operation was abandoned in August 1949.

<sup>2</sup> Under the direction of the Secretary of Defense, the Research and Development Board was responsible for developing and coordinating programs of research and development for military purposes and advising with regards to trends in scientific research relating to national security. Dr. Coman was President of the American Polar Society.

<sup>3</sup> Gordon P. Merriam, member of the Policy Planning Staff.

<sup>4</sup> Samuel W. Boggs, Special Adviser on Geography, Office of the Special Assistant for Research and Intelligence.

<sup>5</sup> Bainbridge C. Davis of the Division of North and West Coast Affairs, Office of American Republic Affairs.

<sup>6</sup> Sheldon T. Mills, Chief of the Division of North and West Coast Affairs, Office of American Republic Affairs.

<sup>7</sup> Conrad E. Snow, Brig. Gen. Ret., U.S. Army; Assistant Legal Adviser for Public Affairs.

<sup>8</sup> J. Harold Shullaw, Acting Assistant Chief of the Division of British Commonwealth Affairs, Office of European Affairs.

The above group met with Admiral Richard E. Byrd at 3:30 this afternoon. Admiral Byrd had indicated that he felt he might be able to be helpful in connection with the request to New Zealand for landing and port facilities for the proposed naval expedition, HIGH JUMP II.<sup>9</sup> I had suggested that this occasion might afford an opportunity for those in the Department who are concerned with the problem to hear Admiral Byrd's views on Antarctica.

Admiral Byrd led off by speaking at some length on the general subject of Antarctica, stressing its significance as an area where cold weather tests and training could be carried out to develop knowledge and techniques useful in the strategic Arctic area, especially in Northern Canada and Greenland. He indicated that in his opinion HIGH JUMP II would also be of importance in furtherance of U.S. claims.

He outlined the proposed plan of operation of HIGH JUMP II. Two special planes will take off from a carrier at a point on the other side of the pole opposite New Zealand and as near in to Antarctica as the carrier can safely approach. The planes will fly to New Zealand where they will be equipped with skis. Should an emergency develop during this initial flight, the planes might have to put in at Punta Arenas, Chile. From New Zealand they will fly to Little America where a base will have been prepared by a party with icebreakers. From Little America these special planes and possibly others will make flights designed to cross and photograph the unexplored portions of the Antarctic continent. In this connection Admiral Byrd referred to the problem of ground control points for these flights and for purposes of utilizing for mapping photographs taken by previous expeditions, but made no mention of how the problem would be met.

Admiral Byrd wondered whether it would be appropriate for him to address a personal letter to the New Zealand Prime Minister<sup>10</sup> concerning the request for facilities in New Zealand. I said that I did not see why there should be objection to his writing such a letter on a personal basis. However, I did not make a direct reply to his suggestion that he be given a copy of our note to the New Zealanders.<sup>11</sup> General Snow suggested that since there was a chance that the New Zealand reply to our note would be a simple yes, it might well be better for Admiral Byrd to delay writing a letter to the New Zealand Prime Minister until a reply was received, since his letter might possibly result in confusing rather than helping New Zealand consideration of the request.

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<sup>9</sup> Regarding Operation HIGH JUMP II, see footnote 1 to Koehler's letter to Acheson, *supra*.

<sup>10</sup> Peter Fraser.

<sup>11</sup> Regarding the note under reference here, see footnote 1 to Koehler's letter of May 3 to Acheson, *supra*.

Approaching the general aspects of the Antarctic problem Admiral Byrd stated frankly that he had been angry at the Department's failure to consult him last year before its decision to suggest to the claimant countries that an Antarctic solution be discussed on the basis of internationalization. He said that he was a believer in and staunch supporter of international cooperation, as evidenced by his support and sponsorship of a number of organizations and movements, but that he believed that Antarctica is an untapped reservoir of mineral resources and that the U.S. should not give away its right to the largest portion of that continent until real international cooperation and peace are assured. He repeated that 50 years is a short period in the life of a nation and that no one knows what resources may be discovered in Antarctica or what resources the U.S. may badly need. I said that there appeared now no chance of our proposal being accepted and asked Mr. Green to outline briefly the Chilean proposal<sup>12</sup> which I said we were now considering tentatively as a possible alternative. Admiral Byrd thought that this would be a very good approach. I noted that the U.S. would have to enter such understanding as a claimant and also that there would in any case probably be no prospect of arriving at an understanding before next spring. Admiral Byrd thought that this would be a decided advantage since HIGH JUMP II should produce an important expansion of the area which the U.S. could claim. He was decidedly of the opinion that the U.S. had been wise in postponing making an official claim and that the announcement of a U.S. claim should be delayed until after this expedition.

Dr. Dana Coman came into the meeting very late. He remarked that he did not know what had been said before his arrival but that he would like to say that it was his conviction that Antarctica should be made the first "international park", that no nation would be giving up anything of real value in foregoing national claims in favor of such a park. The value of Antarctica is scientific, he said. Admiral Byrd said that he had said much the same thing to the group with a slightly different emphasis. General Snow remarked that he gathered that Admiral Byrd would favor internationalization "among friends". Admiral Byrd agreed.

I said that we would keep in close touch with Admiral Byrd with regard to the request to the New Zealanders and the development of the situation.

Admiral Byrd lent me a copy of the Navy orders setting up the proposed expedition which show that he will be in charge of the HIGH JUMP II task force.

LLEWELLYN E. THOMPSON

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<sup>12</sup> Regarding the Chilean (Escudero) proposal of 1948 under reference here, see footnote 2 to Hulley's memorandum of conversation of March 23, p. 795.

Under Secretary's Meetings; Lot 53D250

*Paper Prepared in the Department of State*<sup>1</sup>

SECRET

[WASHINGTON, undated.]

ANTARCTICA

PROBLEM

To decide upon the next steps to be taken for the implementation of policy on Antarctica.

BACKGROUND

In June 1948 a policy paper on Antarctica was prepared by S/P and approved (NSC-21 paper of July 13, 1948<sup>2</sup>). The gist of this was that control of territory in the Antarctic region is not essential to the security of the United States; the potential worth of Antarctica is chiefly scientific; in view of renewed activity and interest in the area and increasingly acute conflicts of interests, a settlement is desirable. The paper recommended that the United States support in principle the establishment of an international status for Antarctica; that upon agreement by the other interested governments to negotiate an international settlement, the United States in order to make its status uniform with that of the other nations concerned, announce a claim. This paper was accepted by the Joint Chiefs of Staff with the comment that control of the Antarctic area should be maintained in the hands of friendly powers and that possible enemies of the United States should be excluded from possession of any part of the area and from participation in any international administration.

Identical *aide-memoires* were handed on June [August] 9 and 10, 1948 to the missions in Washington of Argentina, Australia, Chile, France, Great Britain and Norway suggesting that a solution of the Antarctic territorial problem be discussed on the basis of internationalization (condominium). At the same time it was stated orally and confidentially to these missions that the United States would expect to announce an Antarctic claim in the near future.<sup>3</sup>

The British accepted our proposal as a basis of discussion. The New Zealanders indicated favorable interest. The Norwegian reply (pos-

<sup>1</sup> Neither the source text nor an identical copy included in Executive Secretariat Files, NSC 21 Series, bears any indication of drafting or originating office or officers, but the paper appears to have been prepared in the Division of Northern European Affairs. The source text was circulated to the members of the Under Secretary's Meeting (top officers of the Department of State who met as often as each week under the chairmanship of Under Secretary of State James Webb to consider major policy problems) as document UM D-52, August 1. For the subsequent disposition of this paper, see the memorandum of August 22 by Assistant Secretary of State Perkins to Under Secretary of State Webb, *infra*.

<sup>2</sup> For text of the policy paper under reference here, PPS 31, June 9, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 977.

<sup>3</sup> For text of the *aide-memoire* under reference here, see *ibid.*, p. 996.

sibly not a firm position) viewed internationalization as unnecessary and as presenting certain national and international difficulties. French thinking is similar to the Norwegian. The Australians have indicated approval of scientific cooperation, skepticism about the necessity for internationalization but a desire to cooperate in working out a solution. Argentina rejects our proposal even as a basis for discussion, on grounds of national sovereignty, but offers assurances of its desire to cooperate in seeking a solution of the problem.

Chile found our proposal unacceptable on grounds of national sovereignty, alleged inconsistency of the proposal with the Rio Defense Treaty, and doubts as to the wisdom of internationalization. Chile proposed consideration of a *modus vivendi*, a freeze of the *status quo* as to claims for a period of 5-10 years, and an agreement for scientific cooperation.

The United States Navy is planning an expedition for the 1949-50 season. (The expedition has not received final Naval approval.) The Department has obtained permission for use by the Navy of port, landing and fuel facilities in New Zealand.

The British appear anxious for the United States to announce its claim, probably because of their interest in placing the United States in a position similar to the British vis-à-vis Argentina and Chile. The British have also said that if the United States does not plan to follow up on its suggestion, they will consider undertaking bilateral settlements with the Argentines and with the Chileans.

#### PROPOSED COURSE

The positions of the various countries listed above indicate the impossibility of obtaining agreement now on our proposal. EUR and ARA have therefore been studying the possibility for action which might lead to ultimate agreement upon internationalization. The best prospect seems to be offered by the Chilean suggestion, modified in order to bring it more closely into line with the United States proposal and to channel its operation towards a final settlement consistent with the terms proposed by the United States.

Briefly, an interim *modus vivendi* along the lines of the Chilean proposal, as the United States would desire to modify it, would: Declare the desire of the eight signatories to avoid conflicts in Antarctica; state that they are engaged in conversations looking toward a solution and are disposed to consider and discuss suggestions for methods of settling the territorial problem; that for a period of 5 or 10 years (possibly longer) any activities carried out in the area will not prejudice such territorial rights as now exist [the United States would, of course, make its claim before entering this arrangement] <sup>4</sup>

<sup>4</sup> Brackets appear in the source text.



and will not be invoked against other signatories as a basis for claims to sovereignty; that the signatories will grant to government and nationals of each of the other signatories permission to conduct exploration and scientific research in the area of its claim; that exchange of scientific information will be carried out amongst the signatories, which signatories will encourage the dispatch of scientific and technical expeditions to the area; and that the signatory governments will create a commission to assist in coordinating plans for expeditions and to have the authority on behalf of the signatory countries to grant permission to countries other than the signatories to conduct explorations and scientific investigations in the area; the signatories will act in cooperation for the advancement of their common interests and protection of their rights in the area; prior to the expiration of the arrangement, the governments will consult regarding the advantages of meeting in an Antarctic conference.

In April 1949, NOE drafted a recommendation, concurred in by ARA, that the United States attempt to obtain an interim arrangement along the above lines (although it is far from certain that the proposal would be accepted by Argentina). In May 1949 this recommendation was reviewed by S/P, which considered that the proposed line of action falls within the general scope of the basic policy decision, and that the details require no further action by S/P.

If this line of action is to be followed, the next steps would be (1) to consult with the British as to their general attitude, and if the British raise no serious objection, (2) consult with the Chileans concerning the manner of bringing the suggestion actively to the attention of the governments concerned. (It seems preferable that this be done by the Chileans if they are agreeable.) For purposes of easing the political tensions which recur annually during the season when expeditions are in the area, it would be desirable to have this suggestion under active consideration this fall.\* Moreover, the Chileans have recently taken up their suggestion in its original form with the British, whose reply will be influenced by our attitude. It is therefore desirable that a decision be made.

#### RECOMMENDATIONS

It is recommended that the line of action summarized above be approved.

\*Although the principal objectives of the proposed Naval expedition for the 1949-50 season are cold weather training, exploration and scientific research, the planned flights will afford a basis for strengthening and expanding the prospective United States claim. However, in the somewhat unlikely event of an agreement along the above lines being concluded prior to the 1949-50 season, the activities of the expedition could not be used for this latter purpose. (The Department, in its exchange of communications with the Navy on this project, pointed out that an international solution was under discussion and that if a solution were reached before the date of the expedition, the expedition would, naturally, have to conform to its terms.) [Footnote in the source text.]

It is recommended that a letter be addressed to the Secretary of Defense informing him of the proposed step, and the reasons therefor.†

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†In view of the S/P opinion cited above that this line of action falls within the scope of the basic policy decision, it is believed that the NME need not be consulted as to this action, especially as it takes full account of the JCS desire that control be retained in friendly hands and that probable enemies be excluded. [Footnote in the source text.]

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S/S-NSC Files : Lot 63D351 : <sup>1</sup> NSC 21 Series

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Under Secretary of State (Webb)*<sup>2</sup>

SECRET

[WASHINGTON,] August 22, 1949.

There is attached the paper on Antarctica (UM D-52<sup>3</sup>) which was discussed at your staff meeting on August 8, 1949. No objection was raised.<sup>4</sup>

A year ago the US proposed to the Antarctic claimant countries that a solution for the Antarctic territorial problem be discussed on the basis of internationalization. This proposal was unacceptable to the majority of the claimant countries. It is, therefore, now recommended that we accept the substance of the Chilean proposal for a *modus vivendi*, amending it so far as possible to bring it into harmony with our views on the desirable eventual solution. As we would seek to amend it, the *modus vivendi* would be a declaration or agreement by the eight claimants to freeze the *status quo* with respect to territorial rights as between the signatories for a period of 5, 10 or more years; to promote scientific investigation; and to cooperate for the advancement of their common interests. (It is far from certain that this proposal will be accepted by Argentina, which has taken an extreme nationalistic position.) If this recommendation is approved, we will take the following steps: 1. Inform the NSC and through the NSC the Secretary of Defense (memorandum<sup>5</sup> attached for signature, if approved). 2. Consult with the British as to their general attitude

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<sup>1</sup> Serial master files of National Security Council documentation and related Department of State material for the years 1947-1961, retired by the Executive Secretariat of the Department of State.

<sup>2</sup> Marginal handwritten notations on the source text indicate that this memorandum was transmitted through and approved by Deputy Under Secretary of State Dean Rusk, was approved by Under Secretary of State Webb, and was forwarded to the Secretary of State.

<sup>3</sup> See *supra*, and footnote 1 thereto.

<sup>4</sup> The Action Summary of the Under Secretary's meeting of August 8, not printed, indicates that the course of action proposed in the undated Department of State paper, *supra*, was to be recommended to the Under Secretary of State for his views before it was forwarded to the Secretary of State Under Secretary's Meetings : Lot 53D250).

<sup>5</sup> For the text of the memorandum under reference as signed by the Secretary of State and submitted to the National Security Council on August 29, see *infra*.

on the proposal. 3. If the British do not raise serious objections, consult the Chileans as to the best manner of bringing the proposal actively to the attention of the countries concerned.

*Recommendation:*

That the attached paper be approved and that the attached memorandum to the NSC be signed.

*Concurrences:*

The following divisions and offices have concurred in the position outlined in the annexed paper (UM D-52) and the text of the memorandum to the NSC: NOE, BC, EUR, NWC, RPA, ARA, OIR/GE, L/P.

[GEORGE W. PERKINS]

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S/S-NSC Files : Lot 63D351 : NSC 21 Series

*Memorandum by the Secretary of State for the Executive Secretary of the National Security Council (Souers)*<sup>1</sup>

SECRET

WASHINGTON, August 29, 1949.

Subject: Antarctica

Reference: NSC 21-July 13, 1948<sup>2</sup>

It was recommended in NSC 21 that the United States seek a solution of the Antarctica territorial problem on the basis of internationalization. It will be recalled that there was included as a part of the paper a memorandum from Admiral Leahy to the Secretary of Defense dated June 25, 1948\* which indicates the acceptance by the JCS of this recommendation, with two observations from the defense standpoint: 1. That control of the area by friendly powers should be assured. 2. That probable enemies of the U.S. be excluded from participation in an international regime.

Early in August 1948 this Department proposed to the governments of Argentina, Australia, Chile, France, New Zealand, Norway, and the U.K. that a solution of the territorial problem in the Antarctic be discussed on the basis of internationalization. The reactions of those countries were such as to make the realization of this objective impos-

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<sup>1</sup> This memorandum was circulated to the National Security Council as document NSC 21/1, August 30, under cover of a note by NSC Executive Secretary Sidney W. Souers stating that no action on the memorandum had been requested by the Secretary of State in view of the fact that the international agreement proposed herein would be consistent with previous National Security Council decisions regarding Antarctica and would take fully into account the observations of the Joint Chiefs of Staff.

<sup>2</sup> Document NSC 21, July 13, 1948 was textually the same as document PPS 31, June 9, 1948; for text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 977.

\*NSC 21, p. 15. [Footnote in the source text.]

sible for the present. Chile, in reply, proposed, as a *modus vivendi*, an agreement or declaration which would freeze the *status quo* with respect to territorial rights as between the signatories for a period of 5, 10 or more years, and provide for scientific cooperation in the area among the signatories.

A careful study has been made, in the light of the positions taken by the various countries, of possible means of *a*) safeguarding U.S. interests, *b*) reducing or eliminating friction or conflict in the area, and *c*) improving the possibility of eventual final settlement on a satisfactory basis. The best prospect of accomplishing these objectives appears to lie in accepting the substance of the Chilean suggestion, seeking to modify it to bring it as closely as possible into harmony with the U.S. view as to the desirable final solution. This would eliminate the friction between countries which tends to become more acute year by year. The fact of its signature, its specific terms, and its operation could be expected to prepare the way for a satisfactory permanent solution of the problem at some time in the future after the present rivalries have diminished.

The agreement or declaration, as we would seek to modify it, would: Declare the desire of the eight signatories to avoid conflicts in Antarctica; state that they are engaged in conversations looking toward a solution and are disposed to consider and discuss suggestions for methods of settling the territorial problem; that for a period of 5 or 10 years (possibly longer) any activities carried out in the area will not prejudice such territorial rights as now exists (the United States would, of course, make its claim before entering this arrangement) and will not be invoked against other signatories as a basis for claims to sovereignty; that the signatories will grant to government[s] and nationals of each of the other signatories permission to conduct exploration and scientific research in the area of its claim; that exchange of scientific information will be carried out amongst the signatories, which signatories will encourage the dispatch of scientific and technical expeditions to the area; and that the signatory governments will create a commission to assist in coordinating plans for expeditions and to have the authority on behalf of the signatory countries to grant permission to countries other than the signatories to conduct explorations and scientific investigations in the area; the signatories will act in cooperation for the advancement of their common interests and protection of their rights in the area; prior to the expiration of the arrangement, the governments will consult regarding the advantages of meeting in an Antarctic conference.

The official U.S. claim would be made prior to the conclusion of the agreement.

Such an agreement would be consistent with NSC-21 and would take fully into account the observations of the JCS referred to above.

The Department of State proposes at an early date to consult with the British Government as to its attitude to this proposal and with the Chilean Government as to the manner of bringing this proposal under active consideration by the governments concerned.

It is requested that this memorandum be circulated to the Members of the Council for their information.

DEAN ACHESON

800.014 Antarctic/9-1349

*Memorandum of Conversation, by the Chief of the Division of Northern European Affairs (Hulley)*

CONFIDENTIAL

[WASHINGTON,] September 13, 1949.

Participants: Mr. C. A. Gerald Meade, Counselor, British Embassy  
Mr. D. C. Tebbit, Second Secretary, British Embassy  
Mr. Benjamin M. Hulley, Chief, NOE  
Mr. Caspar D. Green, NOE

Mr. Meade and Mr. Tebbit came in this afternoon at my request. I handed them copies of the draft for a declaration on Antarctica, embodying the Chilean suggestion for a *modus vivendi*<sup>1</sup> as modified by us. I said that we thought that this represents the best move which can be made now, and that we were handing it to them for their comment. Mr. Meade said that they would send it in the next air pouch to London and request London's cable comment.

Mr. Meade asked if we were giving this to anyone else or consulting anyone else now. I replied in the negative, adding that we plan in the near future to consult with the Chileans as to the best manner of bringing the proposal to the attention of the other countries concerned. I said that we thought the Chileans might prefer to take the initiative since the original suggestion was theirs. Otherwise, we would make a reply, enclosing this draft, to the Chilean *aide-mémoire* of last year, and would circulate the reply to the other interested countries.

In reply to Mr. Mead's inquiry, I confirmed that in the circumstances we would prefer the British not to consult the Commonwealth countries on the subject at this stage. We did want the British comment, but in view of Chile's special position in this instance, we felt that Chile should be consulted next.

Mr. Meade said that it would be his guess that the British Foreign Office would welcome any constructive approach to the question.<sup>2</sup> He

<sup>1</sup> Regarding the Chilean (Escudero) proposal of July 1948, see footnote 2 to Hulley's memorandum of conversation of March 23, p. 795.

<sup>2</sup> Regarding the British response to the draft declaration on Antarctica, see footnote 3, below.

asked whether this represented the approved position of the United States Government or if they should regard it as merely preliminary. I said that it was an approved position.

Mr. Meade inquired if we had had any official Soviet communication on the subject of Antarctica. I replied in the negative. He asked also about the Belgians, and I said that they had continued to demonstrate an interest in the subject. He wondered if there had been indications of special interest or thought on the subject from the claimant countries other than Chile. I replied in the negative.

BENJAMIN M. HULLEY

[Annex]

*Draft Declaration on Antarctica, Prepared by the Department of State*<sup>3</sup>

[WASHINGTON, undated.]

Assembled in the city of \_\_\_\_\_, Messrs. \_\_\_\_\_, duly authorized representatives of the Governments of Argentina, Australia, Chile, United States of America, France, Norway, New Zealand and the United Kingdom of Great Britain and Northern Ireland have examined the Antarctic problem and having regard to the following points:

That in the Antarctic continent there still exist vast regions not yet well explored or mapped;

That the scientific data which may be obtained from the Antarctic on meteorology, terrestrial magnetism, cosmic rays, geology, marine biology, et cetera, are or can be of great value for marine and air navigation, in the use of telecommunications, the development of agriculture and many other human activities;

That it is the desire of the respective Governments to maintain close and friendly relations and avoid any cause for international disagree-

<sup>3</sup> On October 19 British Embassy Second Secretary Tebbit brought to the Department of State an informal Embassy memorandum which set forth the Foreign Office's preliminary views on the draft agreement printed here. The memorandum, dated October 18, not printed, indicated that the United Kingdom Government recognized this draft agreement might afford a useful interim policy and would be willing to accept the proposals as a basis of discussion if other interested powers did so too. The memorandum offered suggestions for drafting refinements for articles 2, 3, and 9 which were later reflected in subsequent revisions of the draft agreement. The memorandum also indicated some British objection to the international committee envisaged in article 8. The British preferred a provision limited to providing for consultation among participating governments in the event a non-participating government wished to undertake activities in Antarctica (800.014/10-1949). In a memorandum of November 8 to Hulley, not printed, Deputy Assistant Secretary of State Thompson stated that the British objection to article 8 had merit, and he suggested redrafting the article so as to eliminate reference to an international committee (800.014 Antarctic/11-849).

ment, and that it is desirable, therefore, to prevent conflicts of sovereignty or of any other kind from disturbing such friendly relations; and

That their Governments are engaged in conversations and exchanges of views looking toward an amicable, mutually satisfactory solution of the territorial problem of Antarctica;

Declare the following on behalf of their Governments:

1. That they are disposed to consider and discuss suggestions for methods of settling the territorial problem of Antarctica.

2. That, for the period of this declaration, the establishment of new stations, the carrying out of expeditions, or the exercise of like activities in territory south of 60° south latitude will not prejudice the rights, as they now exist, of their respective countries within the region, and that the maintenance of present stations, the establishment of new stations, the dispatch of expeditions or the carrying out of other activities during the period of this declaration shall not be invoked against other signatories of this declaration as a basis for claims to sovereignty in the region.

3. That each of the Governments here represented hereby grants authority to the Government and nationals of each of the other countries here represented to conduct exploration and scientific research in the area of its claim.

4. That their Governments will carry out an exchange of scientific information regarding Antarctica, including the regular exchange of books, pamphlets, magazines, maps, navigation charts, photographs, schedules, computations, and in general, scientific data which they may possess or obtain regarding Antarctica.

5. That their Governments will encourage the sending to Antarctica of technical and scientific expeditions and will furnish to expeditions under the flag of any other declarant country facilities for provisioning and other facilities in accordance with international usage.

6. That their Governments will create a committee consisting of one member from each declarant country to which each country will report projected activities in the Antarctic area and the results of scientific investigations and research upon the completion of such activities.

7. That the committee shall not have authority to request changes in the plans of any country, but will provide information concerning prior plans of any other country which may be duplicated by new projects or which may occupy expedition sites which would inconvenience the project.

8. The committee shall have authority, on behalf of the signatory countries, to grant permission to countries other than the signatory countries to conduct exploration and scientific investigation and research in the Antarctic area. However, the signatories will not recognize such expeditions carried out during the life of this agreement as a basis for territorial claims.

9. The signatories of this declaration will act in cooperation for the advancement of their common interests and protection of their rights in the area.

The present Declaration will take effect from this date and will remain in effect for a period of five [ten]<sup>4</sup> years. Six months before the expiration of this time limit, the signatory Governments will consult one another regarding the advantages of meeting in an Antarctic Polar Conference. If none of the signatory Governments should notify the others that it wishes to terminate this Declaration on the date referred to, it will continue in effect for another like period.

Done in the City of \_\_\_\_\_, on the \_\_\_\_\_ day of the month of \_\_\_\_\_ in the year 19 .

<sup>4</sup> Brackets appear in the source text.

800.014 Antarctic/9-1649 : Telegram

*The Chargé in the United Kingdom (Holmes) to the Secretary of State*

CONFIDENTIAL

LONDON, September 16, 1949—11 a. m.

3729. Cecil, assistant head South American Department, Foreign Office,<sup>1</sup> told Embassy assistant officer that UK would be pleased if US would, "do the same as last year", and issue statement welcoming Chilean-UK-Argentine understanding re naval demonstration in Antarctica (Deptel 3250, September 8<sup>2</sup>).

Cecil added as background information that about month ago UK approached Argentina and Chile concerning renewal of understanding with view to evolving less cumbersome procedure than was followed last year. It is UK view that understanding could be renewed in informal manner since understanding is not an agreement and simply "declaration of intent". Argentina had replied promptly agreeing with UK view, but Chile appeared to be not quite sure that deviation from last year's procedure constitutionally possible. Cecil did not feel that Chile was dragging its feet but thought Chileans were perhaps slightly apprehensive lest government seem to be by-passing Chilean Congress. Cecil went on to say that the UK hoped to get matter settled within a month or so and would keep US informed.

Sent Department 3729. Department pass Buenos Aires unnumbered, Santiago unnumbered.

HOLMES

<sup>1</sup> Robert Cecil, Assistant Head of the American Department, in charge of the Latin American Section, British Foreign Office.

<sup>2</sup> Sent also as telegram 297 to Santiago and 573 to Buenos Aires. It reported that the Chilean Embassy had stated that a renewal of the British-Argentine-Chilean declaration of January 18, 1949 (see the editorial note, p. 793) was being discussed. In response to a Chilean inquiry, the Department of State stated that the United States was willing to issue a statement welcoming the renewal of the understanding. The British and Argentine Embassies were also informed of the American position (800.014 Antarctic/1-1749).



800.014 Antarctic/10-1949

*Memorandum by the Officer in Charge of Northern European Affairs (Hulley)<sup>1</sup> to the Assistant Secretary of State for Inter-American Affairs (Miller)*

CONFIDENTIAL

[WASHINGTON,] October 19, 1949.

Subject: Antarctica

*Discussion:*

Pursuant to the recent policy decision as reported in NSC 21/1, dated August 30, 1949,<sup>2</sup> we expect very shortly to be taking up with the Chilean Embassy here the appropriate manner of bringing their proposal for an Antarctic *modus vivendi*, as revised by us, before the interested countries for discussion.

*Recommendation:*

It is suggested that during your visit to Chile next week you say to the Chilean Foreign Minister that the United States has given careful consideration and study to their proposal for a *modus vivendi* for Antarctica, that in present circumstances we believe that this constitutes a most useful approach to the problem, and that we will be taking up with the Chilean Embassy in Washington in the near future the question of the most desirable method of bringing it before the interested countries for discussion. It is recommended that you add that while we view favorably the substance of the Chilean proposal, we have a number of suggestions which we very much hope the Chilean Government will study sympathetically and find itself in a position to accept.<sup>3</sup>

*Concurrences:*BNA, EUR, L/P, OIR/GE, NWC, RPA, ARA—Mr. Barber.<sup>4</sup>

[BENJAMIN M. HULLEY]

<sup>1</sup> In the Department of State reorganization of October 3, 1949, Hulley was in the Office of British Commonwealth and Northern European Affairs of the Bureau of European Affairs.

<sup>2</sup> See Secretary of State Acheson's memorandum of August 29 to the National Security Council, p. 804.

<sup>3</sup> A marginal handwritten notation by Caspar D. Green (of the Office of British Commonwealth and Northern European Affairs after October 3) on the source text as this point reads as follows: "Mr. Miller reports statement made to Chilean For Min [German Riesco], who was very pleased."

<sup>4</sup> Willard F. Barber, Deputy Assistant Secretary of State for Inter-American Affairs.

800.014 Antarctic/11-1449 : Telegram

*The Acting Secretary of State to the Embassy in Chile*

CONFIDENTIAL

WASHINGTON, November 14, 1949—6 p. m.

376. Chil and UK Embs confirm that exchange of notes renewing tripartite understanding of Jan 18 will take place Nov 18 (Deptel 297, Sep 8<sup>1</sup>). Text of notes identical with previous text except for omission word "routine". Dept will issue press release similar release Jan 18 upon Emb Santiago confirmation exchange notes has taken place<sup>2</sup> Chil desires our press release be issued same day.

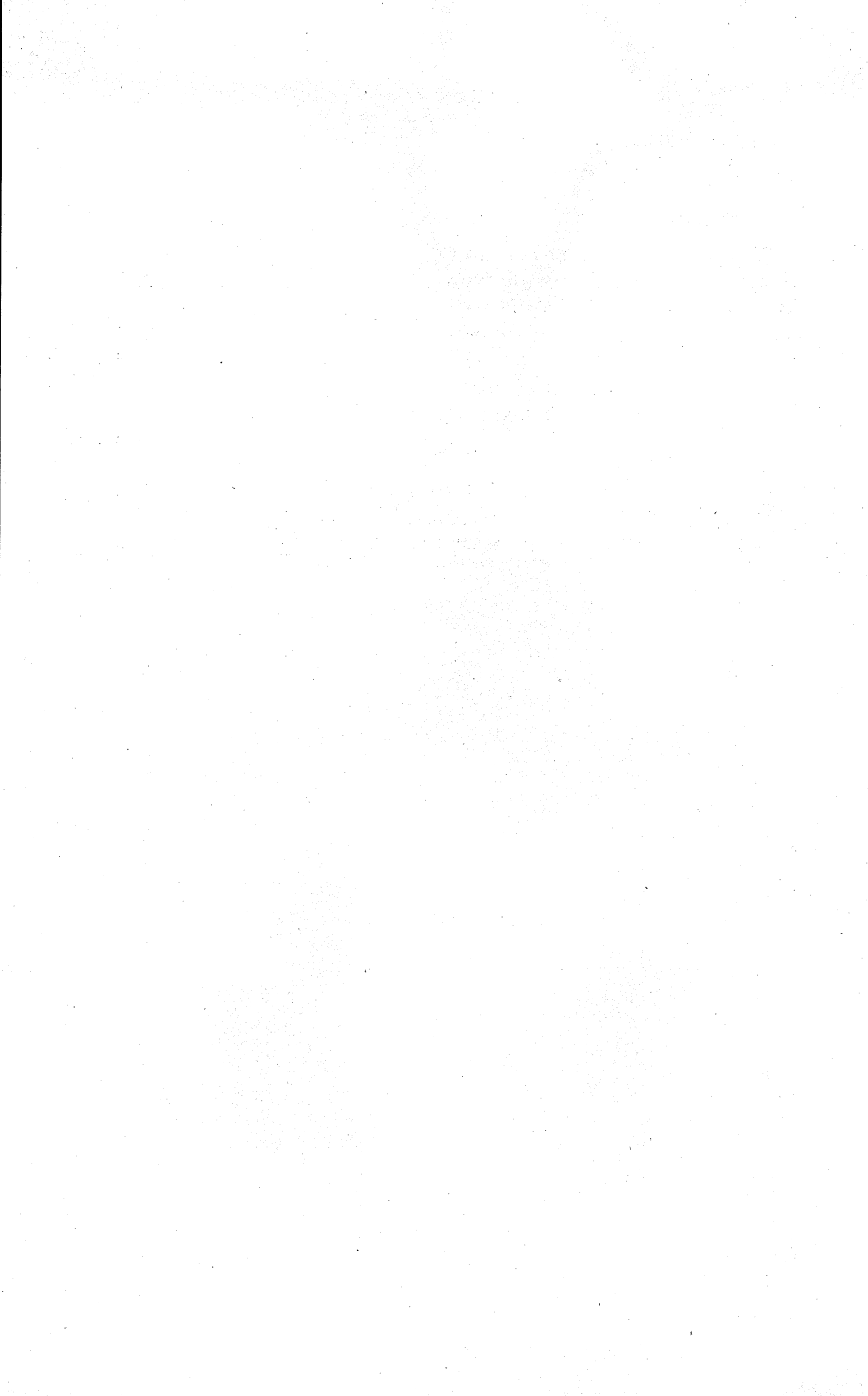
To Santiago as 376; London as 4101; BAires as 685.

WEBB

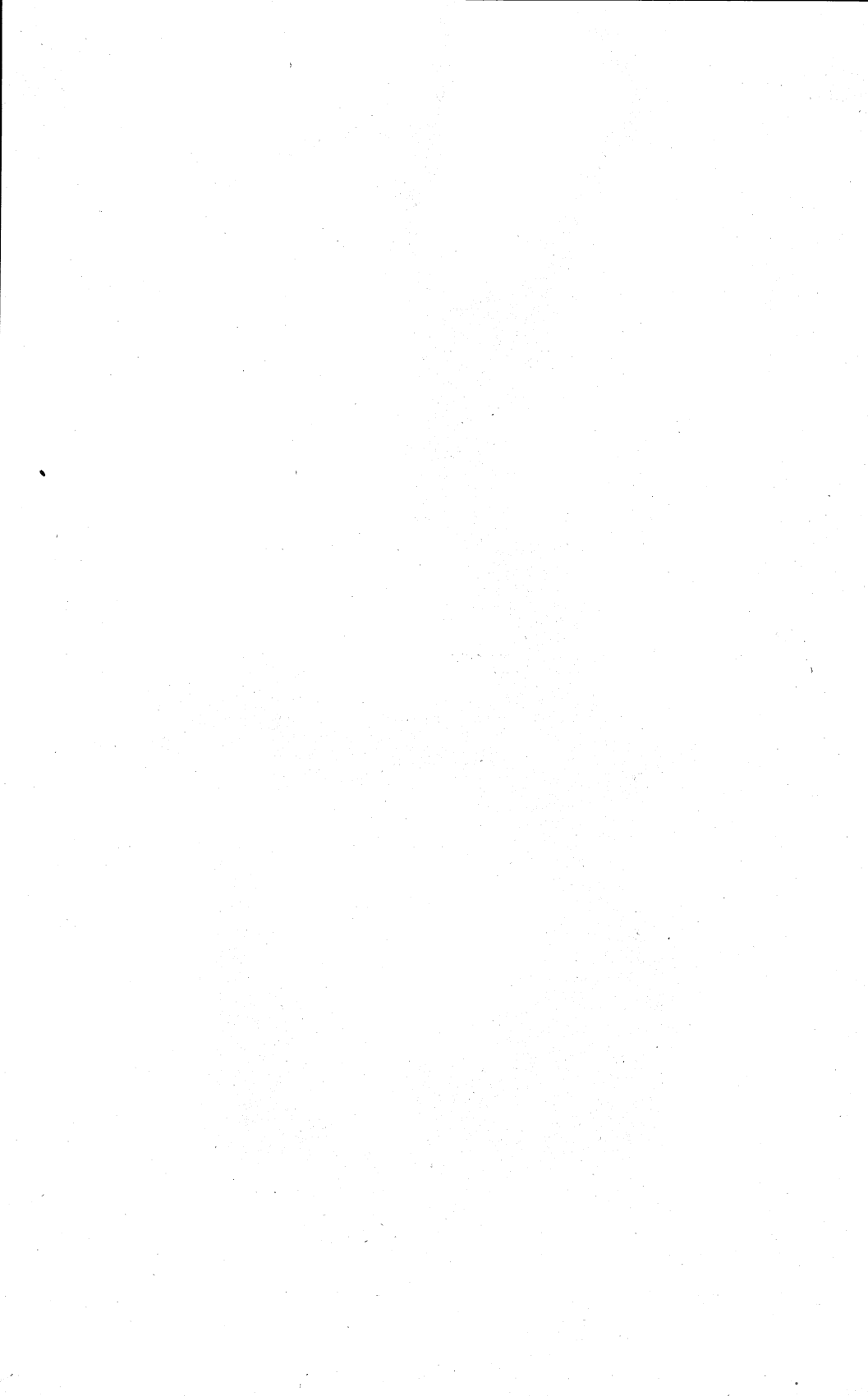
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<sup>1</sup> Not printed, but see footnote 2 to telegram 3729, September 16, from London, p. 809.

<sup>2</sup> For the text of the statement issued to the press on November 19, see Department of State *Bulletin*, November 28, 1949, p. 833. Regarding the Department's statement to the press of January 18, see the editorial note, p. 793



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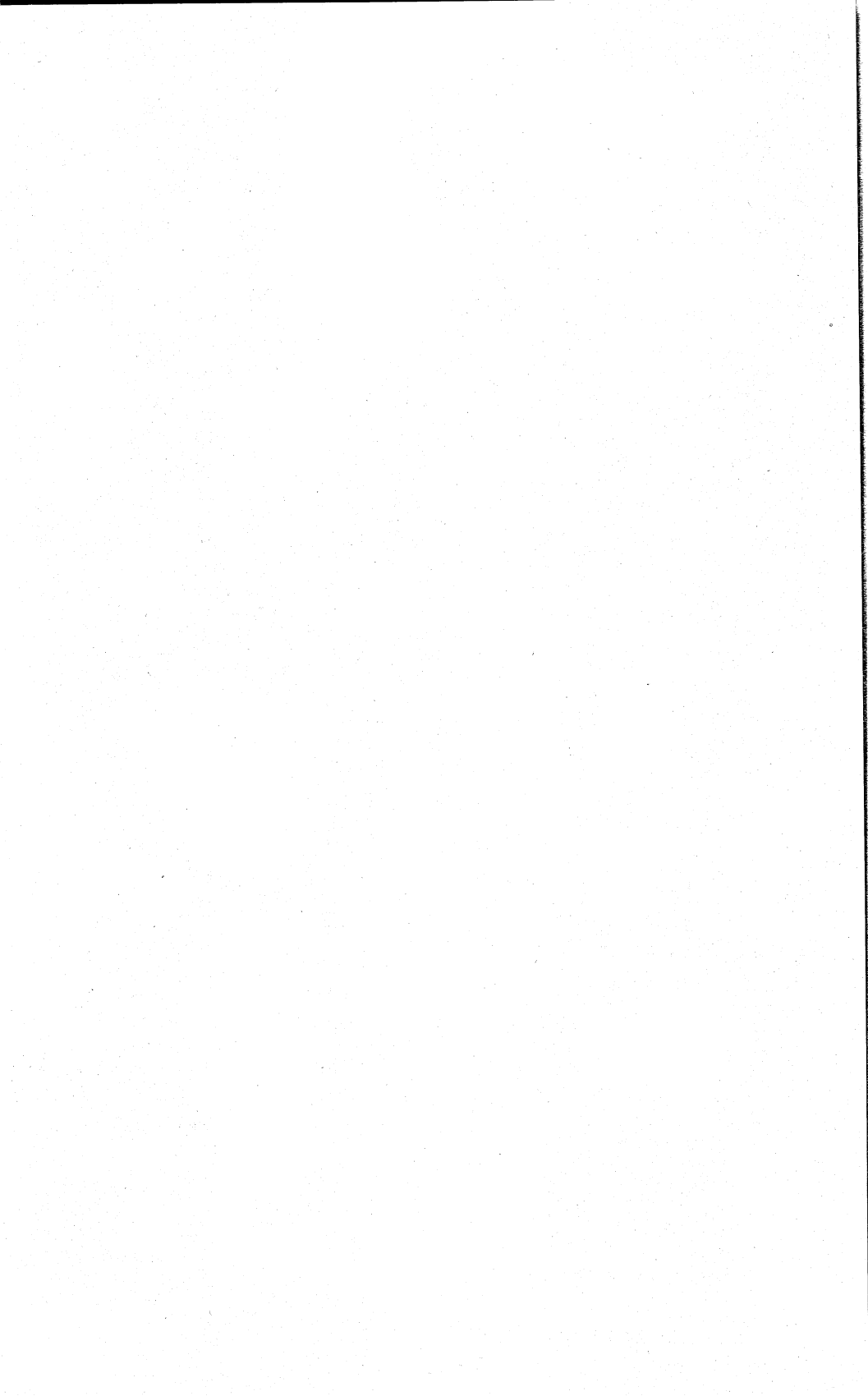
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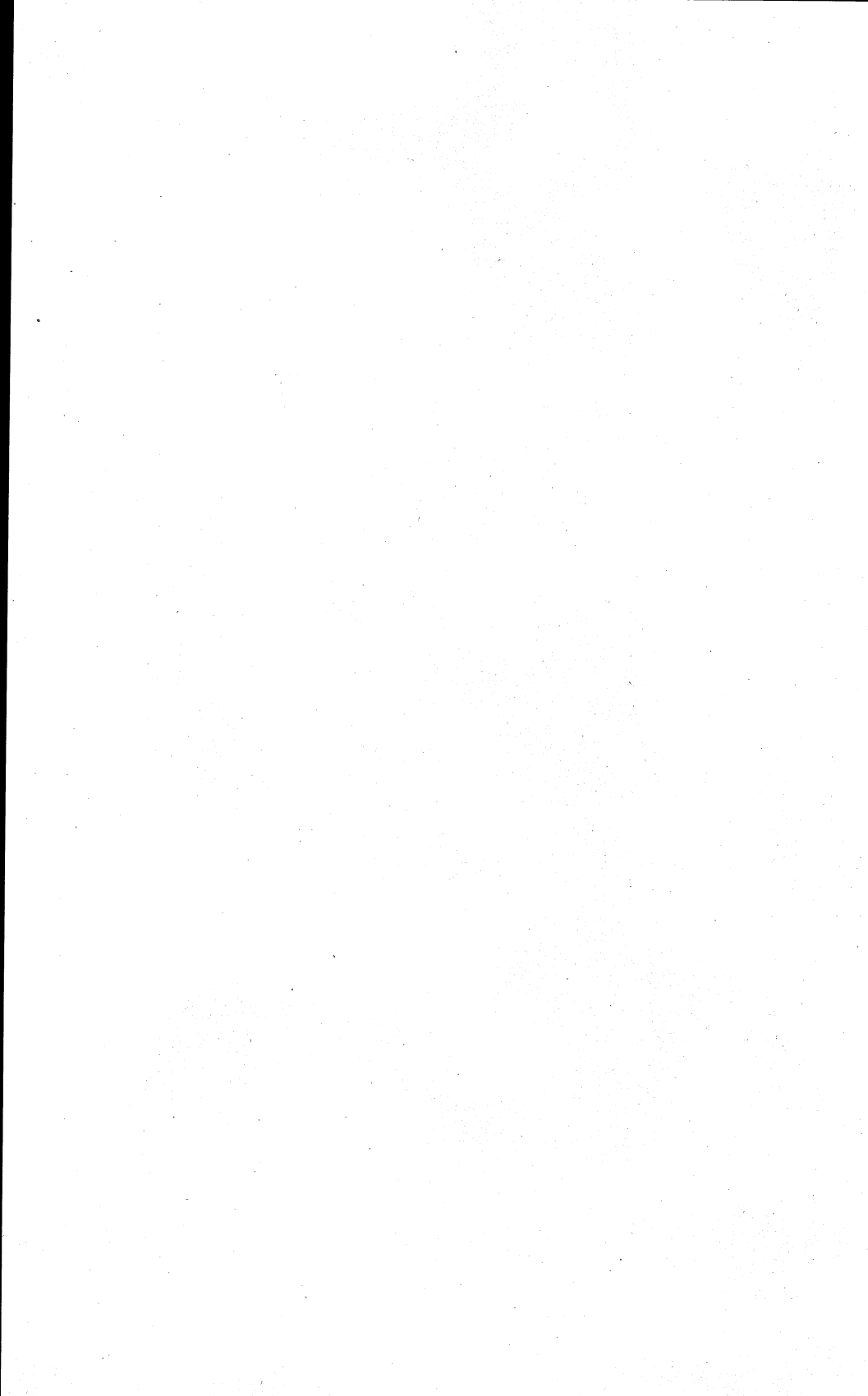
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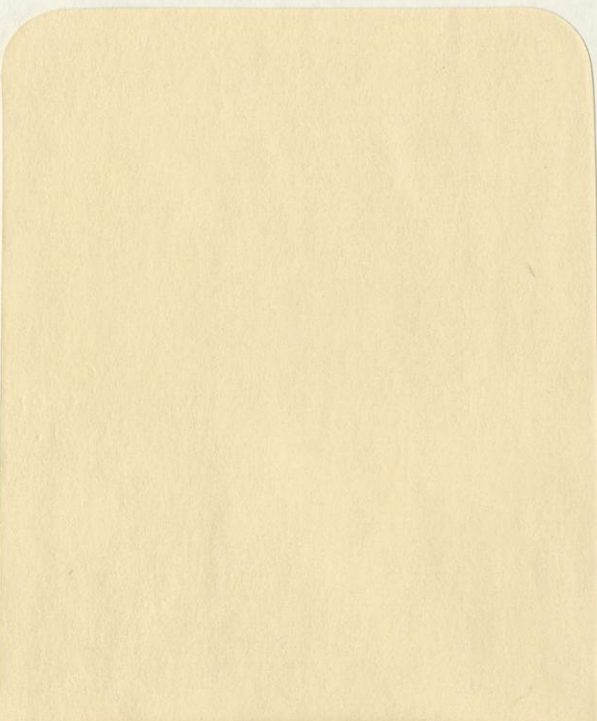






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