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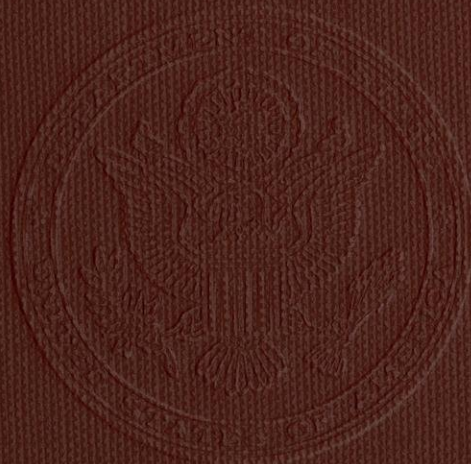
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Foreign Relations of the United States, 1955–1957

Volume XXVI

Central and Southeastern Europe

Editor in Chief John P. Glennon

Editors Roberta L. DiGangi
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Aaron Miller
Charles S. Sampson

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Preface

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

The Historian of the Department of State is responsible for the preparation of the *Foreign Relations* series. The editing of the series in the Office of the Historian, Bureau of Public Affairs, is guided by principles of historical objectivity and accuracy. Documents are not altered or deletions made without indicating where changes have been made. Every effort is made to identify lacunae in the record and to explain why they have occurred. Certain omissions may be necessary to protect national security or to condense the record and avoid needless repetition. The published record, however, omits no facts that were of major importance in reaching a decision, and nothing has been omitted for the purpose of concealing or glossing over a defect in policy.

At the time of the compilation of this volume in 1978 and 1979, the Department was guided in the preparation of the *Foreign Relations* series by official regulations first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925. A new statutory charter for the preparation of the *Foreign Relations* series was established by Title IV of Public Law 102-138, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, which was signed by the President on October 28, 1991. That new charter requires that the *Foreign Relations* series "shall be a thorough, accurate, and reliable documentary record of major United States foreign policy decisions and significant United States diplomatic activity." The new charter also requires that the *Foreign Relations* series be published "not more than 30 years after the events recorded."

Structure and Scope of the Foreign Relations of the United States Series

This volume is part of a comprehensive subseries of 27 printed volumes and 4 microfiche supplements that document the most important issues in the foreign policy of President Dwight D. Eisenhower's administration. The subseries covers the years 1955 through 1957. In planning the overall scope of the *Foreign Relations* volumes for

the 1955–1957 triennium, the editors chose to present the documentation on U.S. relations with and policy toward the nations of Europe in five separate volumes: Volume IV, *Western European Security and Integration*; Volume V, *Austrian State Treaty; Summit and Foreign Ministers Meetings, 1955*; Volume XXIV, *Soviet Union and the Eastern Mediterranean*; Volume XXV, *Eastern Europe*; Volume XXVI, *Central and Southeastern Europe*; and Volume XXVII, *Western Europe*. U.S.–Soviet relations dominate all these volumes, which were designed to address the major themes and topics in those relations as well as the principal political and economic aspects of U.S. relations and policies with the various nations of Europe. The scope and arrangement of the three volumes on Central and Eastern Europe reflect no particular geopolitical theories favored by the editors but rather respond to the need to present the considerable documentation on this area of U.S. foreign policy in three volumes of roughly equal length.

Sources for the Foreign Relations Series

The law requires that the published record contained in the *Foreign Relations* series must reflect all major foreign policy decisions and activities and include relevant documentation from all government agencies and entities involved in foreign policy formulation, execution, or support. The historical records of the Presidents and their national security advisers together with the still larger body of documentation in the Department of State are the principal sources for the *Foreign Relations* series. The National Archives and Records Administration, including the Presidential libraries that it administers, is the main repository and coordinating authority for historical government records and a major source for the documents and information included in the series. Specific sources used in preparing this volume are described in detail in the List of Sources, pages XI–XIV.

Principles of Selection for Foreign Relations, 1955–1957, Volume XXVI

This volume provides extensive documentation on U.S. policy toward Berlin and East Germany and on U.S. relations with West Germany, Austria, and Yugoslavia. Given the bulk of extant records, however, this volume includes only a selection of the most important documents dealing with U.S. policy toward the nations of Central and Southeastern Europe.

Several important topics have been used as the focal points for the selection of documents included in this volume. The documentation on Austria concentrates on the new relationship that the United States brought about by the signing of the Austrian State Treaty, while that on the Federal Republic of Germany examines the many facets of an already close relationship. Particular attention is given to

the meetings between Chancellor Adenauer and President Eisenhower. The documentation on Berlin outlines the Western response to the isolation of the city and frequent harassment of access by the Soviet Union. Documentation on the German Democratic Republic concentrates on the formulation of policy within the National Security Council toward a state with which the United States had no formal relations. Documentation on Yugoslavia focuses on U.S. economic and military assistance and other support intended to maintain Yugoslavia's independence from the Soviet bloc.

President Eisenhower was often personally involved in the formulation of policy toward the Federal Republic of Germany and Berlin. The editors have used extensive materials available in the Dwight D. Eisenhower Library, including the memoranda of discussion at National Security Council meetings and other institutional NSC documents included in the Library's Whitman file. Documents from the Eisenhower Library or copies in Department of State files constitute a major portion of the materials printed in these compilations. The editors also consulted documents originated by the Central Intelligence Agency found among the collections of the Eisenhower Library. That research was accomplished with the full cooperation and assistance of the CIA.

The Department of State and the Embassies in Vienna and Belgrade played continuous and important roles in the policy process. Secretary of State John Foster Dulles proposed various policies to the President and made significant decisions within the lines of established policies toward Austria and Yugoslavia, while the Embassies made important recommendations regarding all the major issues in U.S. relations with both countries. The editors have had complete access to all Department of State files including the central decimal files; the special files of the Executive Secretariat; the various decentralized (lot) files originally maintained at the bureau, office, or division level; and the Embassy and Berlin Mission files as retired to the Washington National Records Center of the National Archives and Records Administration.

The Department of Defense and the Joint Chiefs of Staff were also involved in questions of military assistance, high-level discussions with West Germany, and the status and security of Berlin. The editors have had access to the records of the Office of the Secretary of Defense (International Security Affairs), declassified files of the Joint Chiefs of Staff at the National Archives and Records Administration, other specified files of the Joint Chiefs of Staff, and the Army Communications Center cable files formerly reposed at the U.S. Army Military History Institute but now (1992) located at the National Archives.

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

The declassification review process for this volume, which is outlined in more detail below, resulted in the withholding of about 9 percent of the material originally selected for inclusion in the volume. For the most part, material was withheld because of national security requirements or continuing sensitivity in U.S. relations with the nations of Central Europe. The amount of material originally withheld (16.8 percent) was reduced after the recent political changes in Germany and Eastern Europe created an opportunity for constructive re-review of the manuscript by declassification officers. The editors of the volume are confident that the documents dealing with Austria, the Federal Republic of Germany, Berlin, the German Democratic Republic, and Yugoslavia provide an accurate record of U.S. relations with those countries during the 1955–1957 period.

The editors wish to acknowledge the assistance of officials at the Dwight D. Eisenhower Library, in particular David Haight; the National Archives and Records Administration; the Department of Defense; and other specialized repositories who assisted in the collection of documents for this volume.

Editorial Methodology

The documents are presented chronologically according to Washington time. Incoming telegrams from U.S. missions are placed according to time of receipt in the Department of State or other receiving agency, rather than the time of transmission; memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in *Foreign Relations* follows Office style guidelines, supplemented by guidance from the Editor in Chief and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Obvious typographical errors are corrected, but other mistakes and omissions in the source

text are corrected by bracketed insertions: a correction is set in italic type; an omission in roman type. Bracketed insertions are also used to indicate text that has been omitted because it deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount of material not declassified has been noted by indicating the number of lines or pages of source text that were omitted. The amount of material omitted because it was unrelated, however, is not accounted for. All ellipses and brackets that appear in the source text are so identified by footnotes.

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

Editorial notes and additional annotation summarize pertinent material not printed in this volume, point out the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and summarize and give citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first-hand accounts has been used when necessary to supplement or explicate the official record.

Declassification Review

Declassification review of the documents selected for publication was conducted by the Historical Documents Review Division, Bureau of Diplomatic Security, Department of State. The review was conducted in accordance with the standards set forth in Executive Order 12356 on National Security Information and applicable laws.

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

- 1) military plans, weapons, or operations;
- 2) the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;
- 3) foreign government information;
- 4) intelligence activities (including special activities), or intelligence sources and methods;
- 5) foreign relations or foreign activities of the United States;
- 6) scientific, technological, or economic matters relating to national security;
- 7) U.S. Government programs for safeguarding nuclear materials or facilities;

- 8) cryptology; or
- 9) a confidential source.

The principle guiding declassification review is to release as much information as is consistent with contemporary requirements of national security and sound foreign relations. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and appropriate foreign governments regarding the documents of those governments.

Acknowledgements

Under the supervision of former Editor in Chief John P. Glennon, Roberta L. DiGangi compiled the documents on Austria; Aaron Miller, the documents on the Federal Republic of Germany; Charles S. Sampson, the documents on Berlin and the German Democratic Republic; and Lorraine Lees, the documents on Yugoslavia. General Editor Glenn W. LaFantasie supervised the final steps in the editorial and publication process. Jeffrey A. Soukup prepared the lists of sources, abbreviations, and names. Rita M. Baker and Althea W. Robinson did the technical editing. Barbara A. Bacon of the Publishing Services Division (Natalie H. Lee, Chief) oversaw production of the volume. Thomas J. Hoffman prepared the index.

William Z. Slany

The Historian

Bureau of Public Affairs

February 1992

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List of Sources

UNPUBLISHED SOURCES

Department of State

1. *Indexed Central Files.* Documents from the indexed central files of the Department are indicated by a decimal file number. The major indexed central files used or consulted include: 611.62A, 611.63, 611.68, 661.68, 668.00, 762.00, 762.0221, 762A, 762B, and 763.

2. *Lot Files.* Documents from the central files have been supplemented by materials from decentralized office files, the lot files of the Department of State. A list of the major lot files used or consulted follows:

Conference Files: Lot 60 D 627

Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1953–1955, maintained by the Executive Secretariat.

Conference Files: Lot 62 D 181

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

Conference Files: Lot 63 D 123

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

EE Files: Lot 67 D 238

Economic and political files relating to Yugoslavia, Czechoslovakia, and Poland for the years 1946–1965, maintained by the Office of Eastern European Affairs.

EUR Files: Lot 59 D 233

Files of the Office of the Assistant Secretary of State for European Affairs for the years 1945–1957.

XII List of Sources

INR Files: Lot 58 D 766

Miscellaneous files of the Bureau of Intelligence and Research for the years 1946–1957.

INR–NIE Files

Master file of National Intelligence Estimates, maintained by the Bureau of Intelligence and Research.

OCB Files: Lot 61 D 385

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

OCB Files: Lot 62 D 430

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

PPS Files: Lot 65 D 101

Subject files, country files, chronological files, documents, drafts, and related correspondence of the Policy Planning Staff for the year 1954.

PPS Files: Lot 66 D 70

Subject files, country files, chronological files, documents, drafts, and related correspondence of the Policy Planning Staff for the year 1955.

PPS Files: Lot 66 D 487

Subject files, country files, chronological files, documents, drafts, and related correspondence of the Policy Planning Staff for the year 1956.

Presidential Correspondence: Lot 66 D 204

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

Secretary's Memoranda of Conversation: Lot 64 D 199

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

Secretary's Staff Meeting Files: Lot 63 D 75

Chronological collection of the minutes of the Secretary of State's Staff Meetings for the years 1952–1960, maintained by the Executive Secretariat.

S/P–NSC Files: Lot 61 D 167

Serial file of memoranda relating to National Security Council questions for the years 1950–1961, maintained by the Policy Planning Staff.

S/P–NSC Files: Lot 62 D 1

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

S/S-NSC Files: Lot 63 D 351

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

S/S-NSC Files: Lot 66 D 148

Miscellaneous files concerning subjects considered by the National Security Council during the period 1949-1962, maintained by the Executive Secretariat.

State-JCS Meetings: Lot 61 D 417

Records of meetings between representatives of the Department of State and the Joint Chiefs of Staff for the years 1951-1959 and selected problem files on the Middle East for the years 1954-1956, maintained by the Executive Secretariat.

Dwight D. Eisenhower Library, Abilene, Kansas**Dulles Papers**

Papers of John Foster Dulles, 1952-1959.

C. D. Jackson Papers

The papers of C. D. Jackson, 1931-1967.

Project Clean Up

Project "Clean Up" collection. Records of Gordon Gray, Robert Cutler, Henry R. McPhee, and Andrew J. Goodpaster, 1953-1961.

White House Office Files

Records of the Office of the White House Staff Secretary, 1952-1961.

Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953-1961, maintained by his personal secretary, Ann C. Whitman. The Whitman File includes the following elements: the Name Series, the Dulles-Herter Series, Eisenhower Diaries, Ann Whitman (ACW) Diaries, National Security Council Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, the Administration Series, and the International File.

Washington National Records Center, Suitland, Maryland**ICA Director's Files: FRC 61 A 32**

General subject and country files from the Office of the Director of the International Cooperation Administration for the years 1955-1958.

ICA Message Files: FRC 57 A 248

Incoming and outgoing cables of the International Cooperation Administration for the period July 1955-June 1956.

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Note: The Department of State takes no responsibility for the accuracy of these memoirs nor endorses their interpretation of the events.

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List of Abbreviations

- ACA**, Allied Control Authority
AEC, Atomic Energy Commission
AGO, American Government officer (official)
AHC, Allied High Commission
AMAS, American Military Assistance Staff
AMAY, American Military Assistance Staff, Yugoslavia
Amb, Ambassador
ARQ, Annual Review Questionnaire (NATO)
BASC, Berlin Air Safety Center
BBC, British Broadcasting Corporation
BdD, *Bund der Deutschen* (Federation of Germans)
BHE, *Bund der Heimatvertriebenen und Entrechteten* (League of Expellees and Disenfranchised)
BIS, Bank for International Settlements
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
B/P, balance of payments
Br, British
C, Counselor of the Department of State
CA, circular airgram
CDU, *Christlich-Demokratische Union* (Christian-Democratic Union)
CG USAREUR, Commanding General, United States Army, Europe
CG USFA, Commanding General, United States Forces, Austria
Chanc, Chancellor
ChiComs, Chinese Communists
CIA, Central Intelligence Agency
cif, cost, insurance, freight
CINCSOUTH, Commander in Chief, Allied Forces, Southern Europe
COCOM, Coordinating Committee of the Paris Consultative Group of nations working to control strategic exports to Communist countries
Cominform, Communist Information Bureau
CPR, Chinese People's Republic
CPSU, Communist Party of the Soviet Union
CPY, Communist Party of Yugoslavia
CSC, Coal and Steel Community
CSU, *Christlich Soziale Union* (Christian Social Union)
DA, Department of the Army
DDSG, *Donaudampfschiffahrtsgesellschaft* (Danube Shipping Company)
del, delegation
Depintel, Department instruction telegram
Dept, Department
DFS, direct forces support
DMW, *Deutschemark-West* (West German Mark)
DP, displaced person
DRP, *Deutsche Reichspartei* (German Reich Party)
DS, Diplomatic Service, Department of State
Dulte, series indicator for telegrams from Secretary of State Dulles while away from Washington
DWG, Disarmament Working Group
E, Office of the Assistant Secretary of State for Economic Affairs, Department of State
EAD, Eastern Affairs Division
ECE, Economic Commission for Europe
ECOSOC, United Nations Economic and Social Council

XVI List of Abbreviations

- EDC**, European Defense Community
EE, Office of Eastern European Affairs,
Department of State
Embtel, Embassy telegram
EPU, European Payments Union
EUCOM, European Command
EUR, Bureau of European Affairs,
Department of State
EURATOM, European Atomic Energy
Community
E-W, East-West
Ex-Im, Export-Import Bank
FBIS, Foreign Broadcast Information
Service
FCDA, Federal Civil Defense Authority
FDP, *Freie Demokratische Partei* (Free
Democratic Party)
FE, Bureau of Far Eastern Affairs,
Department of State
FedRep, Federal Republic of Germany
FM, Foreign Minister
FOA, Foreign Operations Administration
fo, free on board
FonMin, Foreign Minister
FonOff, Foreign Office
ForMin, Foreign Minister
FPM, Four-Power Meeting
FPRY, Federal People's Republic of
Yugoslavia
Fr, French
FVP, *Freie Volkspartei* (Free People's Party)
FY, fiscal year
FYI, for your information
GA, United Nations General Assembly
GARIOA, Government and Relief in
Occupied Areas
GATT, General Agreement on Tariffs
and Trade
GDR, German Democratic Republic
GER, Office of German Affairs,
Department of State
Ger, German
GerDel, German delegation
GFR, German Federal Republic
GNP, gross national product
GOI, Government of Italy
GPA, Office of German Political Affairs,
Department of State
HEW, Department of Health, Education,
and Welfare
HICOG, High Commission(er) for
Germany
HICOM, High Commission(er)
HMG, Her Majesty's Government
IBRD, International Bank for
Reconstruction and Development
ICA, International Cooperation
Administration
ICAO, International Civil Aviation
Organization
ICato, series indicator for telegrams from
International Cooperation
Administration missions
ICBM, intercontinental ballistic missile
IFEMA, International Fund for
Equipment and Mutual Aid
ILO, International Labor Organization
IMF, International Monetary Fund
INR, Bureau of Intelligence and Research,
Department of State
IRBM, intermediate-range ballistic
missile
ISA, Office of International Security
Affairs, Department of Defense
IZT, interzonal trade
JCS, Joint Chiefs of Staff
KPD, *Kommunistische Partei Deutschlands*
(Communist Party of Germany)
KVP, *Kasernierte Volkspolizei* (Garrisoned
People's Police)
LCY, League of Communists of
Yugoslavia (Communist Party of
Yugoslavia)
L/GER, Assistant Legal Adviser for
German Affairs, Department of State
loc, line of communication
MAAG, Military Assistance Advisory
Group
MAP, Military Assistance Program
MC, memorandum of conversation
MDAP, Mutual Defense Assistance
Program
M-Day, mobilization day
MFM/Doc, Meeting of Foreign
Ministers, Document
MFM/Doc/RD, Meeting of Foreign
Ministers, Record of Decision
MFN, most favored nation
MIG, *Mikoyan i Gurevich* (acronym for
Soviet aircraft designed by A. I.
Mikoyan and M.I. Gurevich)
mil, military
MinInt, Minister of Interior
Min, Minister
MSA, Mutual Security Act; Mutual
Security Agency
MSI, minesweeper, inshore
MSP, Mutual Security Program

- MVD**, *Ministerstvo Vnutrennykh Del*
(Ministry of Internal Affairs)
- mytel**, my telegram
- NAC**, North Atlantic Council
- NATO**, North Atlantic Treaty Organization
- Niact**, night action, telegram indicator requiring attention by the recipient at any hour of the day or night
- NIE**, National Intelligence Estimate
- NRW**, *Nordrhein-Westfalen* (North Rhine-Westphalia)
- NSC**, National Security Council
- OAS**, Organization of American States
- OCB**, Operations Coordinating Board
- OEEC**, Organization for European Economic Cooperation
- OSA**, *Ob'edinennyye Shtaty Ameriki* (United States of America)
- SD**, Office of the Secretary of Defense
- OSP**, offshore procurement
- OTC**, Organization of Trade Cooperation
- P**, series indicator for telegrams from the Commander in Chief of the United States Forces in Austria
- PL**, Public Law
- PermRep**, Permanent Representative
- Polto**, series indicator for telegrams from the United States Permanent Representative to the North Atlantic Treaty Organization
- POW (PW)**, prisoner of war
- PRU**, public relations unit
- RA**, Office of European Regional Affairs, Department of State
- reftel**, reference telegram
- rep**, representative
- RIAS**, *Rundfunk im Amerikanischen Sektor*
(Radio in the American Sector of Berlin)
- RRA**, Refugee Relief Act of 1953
- S/AE**, Office of the Assistant to the Secretary of State for Atomic Energy Matters
- S/MSA**, Special Assistant for Mutual Security Affairs, Department of State
- S/P**, Policy Planning Staff, Department of State
- S/S**, Executive Secretariat, Department of State
- S/S-RO**, Reports and Operations Staff, Executive Secretariat, Department of State
- SAC**, Strategic Air Command
- SACEUR**, Supreme Allied Commander, Europe
- SCA**, Bureau of Security and Consular Affairs, Department of State
- SecGen**, Secretary General
- Secto**, series indicator for telegrams from the United States Delegation at Foreign Ministers, Heads of Government, and North Atlantic Council meetings
- SED**, *Sozialistische Einheitspartei Deutschlands*
(Socialist Unity Party of Germany)
- SHAPE**, Supreme Headquarters, Allied Powers, Europe
- SOF**, status of forces
- Sov**, Soviet
- SPD**, *Sozialdemokratische Partei Deutschlands*
(Social Democratic Party of Germany)
- SX**, series indicator for telegrams from the Commander in Chief, United States Army, Europe
- TE**, technical exchange
- Tedul**, series indicator for telegrams to Secretary of State Dulles while away from Washington
- TO&E**, table of organization and equipment
- Toden**, series indicator for telegrams to the Denver White House
- Toget**, series indicator for telegrams to President Eisenhower while at Gettysburg
- Toica**, series indicator for telegrams to International Cooperation Administration missions
- Topol**, series indicator for telegrams to the United States Permanent Representative to the North Atlantic Treaty Organization
- Tousfo**, series indicator for telegrams to the Foreign Operations Administration
- UNESCO**, United Nations Educational, Scientific and Cultural Organization
- UPI**, United Press International
- USAF(E)**, United States Air Force (Europe)
- USAREUR**, United States Army, Europe
- USARIT**, United States Army, Italy
- US Ber**, United States Mission at Berlin
- USCINCEUR**, United States Commander in Chief, Europe
- USCMB**, United States Command, Berlin
- USCOB**, United States Command, Berlin
- USDel**, United States Delegation
- USEP**, United States Escapee Program

XVIII List of Abbreviations

USAF, United States Forces Austria

USIA, United States Information Agency

USIS, United States Information Service

USRO, United States Mission to the
North Atlantic Treaty Organization
and European Regional Organizations

VOA, Voice of America

Vopo, *Volkspolizei* (People's Police)

WE, Office of Western European Affairs,
Department of State

WEU, Western European Union

WFTU, World Federation of Trade
Unions

WG, working group

WHO, World Health Organization

WPC, World Peace Council

YAF, Yugoslav Air Force

YNA, Yugoslav National Army

ZI, zone of the interior

List of Persons

Note: The identification of persons in this list is generally limited to circumstances and positions under reference in this volume. All titles and positions are American unless otherwise indicated. Where no dates are given, the individual usually held the position throughout the period covered by the volume.

- Achilles, Theodore C.**, Minister in France until August 1956
- Adams, Sherman**, Special Assistant to President Eisenhower
- Adenauer, Konrad**, Chancellor of the Federal Republic of Germany and, until May 1955, Minister of Foreign Affairs
- Anderson, Dillon**, Special Assistant to the President for National Security Affairs
- Anderson, Robert B.**, Deputy Secretary of Defense
- Armour, Norman, Jr.**, adviser on political and security affairs to the Delegation at the U.N. General Assembly
- Arnold, Lieutenant General William H.**, Commanding General, U.S. Forces in Austria
- Baillou, Jean**, Deputy Director of the Cultural Affairs Section, French Ministry of Foreign Affairs
- Barbour, Walworth**, Deputy Assistant Secretary of State for European Affairs
- Beam, Jacob D.**, Director, Office of Eastern European Affairs, Bureau of European Affairs, Department of State, from March 13, 1955; Deputy Assistant Secretary of State for European Affairs from October 23, 1955; Ambassador to Poland from June 27, 1957
- Bebler, Dr. Ales**, Yugoslav Under Secretary of State for Foreign Affairs through 1955; thereafter Ambassador to France
- Bérard, Armand**, Diplomatic Counselor to the President of the French Council from March 1955
- Beria, Lavrentiy P.**, Deputy Chairman of Soviet Council of Ministers until June 1953; Minister of Internal Affairs, March 1953–June 1953; deposed and executed in 1953
- Bischoff, Norbert**, Austrian Ambassador to the Soviet Union
- Bohlen, Charles E.**, Ambassador to the Soviet Union
- Bowie, Robert R.**, Director of the Policy Planning Staff, Department of State; from August 1955, Assistant Secretary of State for Policy Planning and Department of State Representative on the NSC Planning Board
- Brkic, Hasan**, Yugoslav President of the Committee for Foreign Trade
- Brownell, Herbert, Jr.**, Attorney General of the United States
- Bulganan, Nikolai A.**, Deputy Chairman of Soviet Council of Ministers until February 8, 1955; thereafter Chairman
- Burns, Major General E. L. M.**, Commander, U.N. Truce Supervisory Organization

- Cabell, Lieutenant General Charles P.**, USAF, Deputy Director of the Central Intelligence Agency
- Caccia, Sir Harold**, British Deputy Under Secretary of State for Foreign Affairs until November 1956; thereafter Ambassador to the United States
- Carney, Admiral Robert B.**, USN, Chief of Naval Operations until August 1955
- Cassady, Admiral John H.**, USN, Commander in Chief, Eastern Atlantic and Mediterranean Naval Forces
- Chauvel, Jean**, French Ambassador to Austria until February 1955; thereafter Ambassador to the United States
- Chervenkov, Vulko**, Bulgarian Prime Minister until April 17, 1956, thereafter Minister of Culture
- Colbert, James L.**, Office of Eastern European Affairs, Department of State
- Collins, General J. Lawton**, USA, Representative to the Military Committee and Standing Group of NATO through 1956; Director and Vice Chairman of President's Committee for Hungarian Relief, 1957
- Compton, Arthur A.**, Office of Western European Affairs, Department of State, from April 1955
- Coulot, François**, French Ambassador to Yugoslavia
- Couve de Murville, Maurice**, French Ambassador to the United States
- Crawford, William A.**, Deputy Director of the Office of Eastern European Affairs, Department of State
- Crouy-Chanel, Etienne de**, Director General for Political Affairs, French Ministry of Foreign Affairs
- Dale, William N.**, Officer in Charge of the United Kingdom and Ireland, Department of State
- Dapčević, Colonel General Peko**, member of the Federal Executive Council of Yugoslavia
- Davis, Vice Admiral A.C.**, USN, Deputy Assistant Secretary of Defense for International Security Affairs
- Dedijer, Vladimir**, official biographer of Tito; associate of Djilas; expelled from the Yugoslav Communist Party, April 10, 1955
- de Margerie**, *see* Jacquin de Margerie
- Dillon, C. Douglas**, Ambassador to France through January 1957; Deputy Under Secretary of State for Economic Affairs, March 1957
- Djilas, Milovan**, former President of Yugoslav Federal People's Assembly; jailed for espousing Hungarian revolt
- Dulles, Allen W.**, Director of Central Intelligence
- Dulles, Eleanor**, Special Assistant, Office of German Affairs, Bureau of European Affairs, Department of State
- Dulles, John Foster**, Secretary of State
- Eden, Sir Anthony**, British Secretary of State for Foreign Affairs until April 1955; thereafter Prime Minister
- Eisenhower, Dwight D.**, President of the United States
- Eisenhower, Major John S. D.**, USA, Personal Assistant to and son of the President
- Elbrick, C. Burke**, Deputy Assistant Secretary of State for European Affairs
- Faure, Edgar**, French Prime Minister from February 1955
- Fawzi, Mahmoud**, Egyptian Minister of Foreign Affairs
- Fechteler, Admiral William M.**, USN, Commander in Chief, Allied Forces, Southern Europe, until July 1956; thereafter consultant to the Secretary of Defense on security matters
- Figl, Leopold**, Austrian Minister of Foreign Affairs

- Franco y Bahamonde, General Francisco**, Spanish Head of State
- Freers, Edward L.**, Director of the Office of Eastern European Affairs, Department of State, from July 15, 1956
- Freund, Richard B.**, Officer in Charge of Austrian Affairs, Office of Western European Affairs, Department of State
- Galloway, William J.**, Special Assistant to the Counselor of the Department of State
- Genevey, General Pierre**, Controller General of the Army, French Ministry of National Defense
- George, Walter F.**, Senator; Chairman of the Senate Foreign Relations Committee
- Gero, Erno**, Hungarian Deputy Prime Minister through July 1956; member of Council of Ministers Presidium, 1956; Secretary of Hungarian Working People's Party, October–November 1956; exiled November 1956
- Gerstenmaier, Eugen K. A.**, President of the West German Bundestag
- Gleason, S. Everett**, Deputy Executive Secretary of the National Security Council
- Goodkind, Louis W.**, Chief of the Economic Defense Division, Department of State
- Goodpaster, General Andrew J.**, USA (Brigadier General after 1956), White House Staff Secretary
- Gosnjak, General Ivan**, Yugoslav Minister of Defense
- Gray, Gordon**, Assistant Secretary of Defense for International Security Affairs
- Greene, Joseph N., Jr.**, Deputy Director, Executive Secretariat, Department of State, from September 9, 1956; Special Assistant to the Secretary of State, from October 21, 1957
- Gromyko, Andrei A.**, Soviet First Deputy Minister of Foreign Affairs until February 14, 1957; thereafter Minister of Foreign Affairs
- Gruber, Karl**, Austrian Ambassador to the United States
- Gruenther, General Alfred M.**, USA, Supreme Allied Commander, Europe
- Haines, General Ralph E., Jr.**, USA, Chief of the American Military Assistance Staff in Yugoslavia
- Hammarskjöld, Dag**, Secretary-General of the United Nations
- Hancock, Patrick F.**, Head of the Central Department, British Foreign Office, until September 1955; thereafter Private Secretary to the Secretary of State for Foreign Affairs
- Harrison, Sir Geoffrey W.**, Assistant British Under Secretary of State for Foreign Affairs
- Hayter, Sir William G.**, British Ambassador to the Soviet Union
- Herter, Christian A.**, Under Secretary of State from February 21, 1957; Secretary of State from April 22, 1959
- Hill, Robert B.**, Office of Eastern European Affairs, Bureau of European Affairs, Department of State
- Hood, Viscount Samuel**, Head of the Western Organizations Department, British Foreign Office
- Hooker, Robert G., Jr.**, Counselor of the Embassy in Yugoslavia through 1956
- Hoover, Herbert, Jr.**, Under Secretary of State; Chairman of the Operations Coordinating Board
- Humo, Avdo**, Yugoslav Minister of Finance
- Humphrey, George M.**, Secretary of the Treasury
- Iveković, Mladen**, Yugoslav Ambassador to West Germany through 1956; thereafter Under Secretary of State for Foreign Affairs
- Jackson, C. D.**, Special Assistant to President Eisenhower, February 1953–March 1954

XXII List of Persons

- Jackson, William H.**, Special Assistant to Secretary of State Dulles, September–November 1955
- Jacquin de Margerie, Roland**, Assistant Director General for Political and Economic Affairs, French Ministry of Foreign Affairs, until June 1955; thereafter Director General
- Jones, John Wesley**, Director of the Office of Western European Affairs, Department of State
- Jurgenson, Jean**, Acting Chief of the Central European Section, French Ministry of Foreign Affairs, from May 1955
- Karamanlis, Constantine G.**, Greek Prime Minister from October 6, 1955
- Kardelj, Edvard**, Senior Vice President of Yugoslavia
- Khrushchev, Nikita Sergeevich**, First Secretary of the Central Committee of the Communist Party of the Soviet Union
- Kidd, Coburn B.**, Officer in Charge of German Political Affairs, Office of German Affairs, Department of State, until September 1955; thereafter Special Assistant to the Director of the Office of German Affairs
- Killen, James S.**, Chief of the U.S. Operations Mission in Yugoslavia until August 1956
- Kirkpatrick, Sir Ivone A.**, British Permanent Under Secretary of State for Foreign Affairs
- Knight, Ridgway B.**, State Department Liaison at the Supreme Headquarters, Allied Powers in Europe (SHAPE), until May 14, 1955; thereafter Consul General of the Embassy in France until January 29, 1957
- Korner, General Theodor**, President of Austria
- Kosanovich, Sav**, member, Federal Executive Council of Yugoslavia
- Laskey, Denis**, private secretary to British Foreign Secretary Selwyn Lloyd
- Lay, James S., Jr.**, Executive Secretary of the National Security Council
- Lederer, Lajos**, correspondent for Eastern European affairs with the London *Observer*
- Leishman, Frederick J.**, First Secretary of the British Embassy in the United States
- Leverich, Henry P.**, Officer in Charge of Balkan Affairs, Office of Eastern European Affairs, Department of State; Deputy Director of that office from October 7, 1956
- Lloyd, Selwyn**, British Minister of Supply until April 1955; Minister of Defense, April 1955–December 1955; thereafter Secretary of State for Foreign Affairs
- Lyon, Cecil B.**, Director of the Office of German Affairs, Department of State, until May 1955
- MacArthur, Douglas, II**, Counselor of the Department of State until December 1956; thereafter Ambassador to Japan
- Macmillan, Harold**, British Secretary of State for Foreign Affairs from April to December 1955
- Makins, Sir Rober M.**, British Ambassador to the United States
- Maffitt, Edward P.**, First Secretary of the Embassy in Italy until July 7, 1956
- Malenkov, Georgi M.**, Chairman of the Soviet Council of Ministers through February 8, 1955; thereafter Deputy Chairman and Minister of Power Stations; member of the Central Committee
- Mao Tse-tung**, Chairman of the People's Republic of China
- Mark, David E.**, Second Secretary for Consular Affairs of the Embassy in Romania until June 16, 1957; thereafter First Secretary for Consular Affairs of the Embassy in the Soviet Union
- Martin, Edwin M.**, Director of the Office of European Regional Affairs, Department of State, until October 1955
- Mates, Leo**, Yugoslav Ambassador to the United States

- McCardle, Carl W.**, Assistant Secretary of State for Public Affairs until March 1957
- McCarthy, Joseph R.**, Republican Senator from Wisconsin
- Mendès-France, Pierre**, French Prime Minister until February 1955
- Menderes, Adnan**, Prime Minister and Foreign Minister of Turkey
- Merchant, Livingston T.**, Assistant Secretary of State for European Affairs until May 6, 1956; thereafter Ambassador to Canada
- Micunović, Veljko**, Yugoslav Ambassador to Soviet Union from March 1956
- Mikoyan, Anastas Ivanovich**, First Deputy Chairman of the Soviet Council of Ministers, 1955
- Molotov, Vyacheslav Mikhailovich**, Soviet Minister of Foreign Affairs until May 1956
- Mooney, Edward Cardinal**, Archbishop of Detroit
- Murphy, Robert D.**, Deputy Under Secretary of State for Political Affairs
- Nasser, Lieutenant Colonel Gamal Abdel**, President of Egypt from June 1956
- Nehru, Jawaharlal**, Indian Prime Minister
- Nixon, Richard M.**, Vice President of the United States
- Nu, U**, Burmese Prime Minister
- Palmer, Joseph, 2d**, Acting Director of the Office of European Regional Affairs, Department of State
- Perkins, George W.**, Permanent Representative at the North Atlantic Treaty Organization
- Phleger, Herman**, Legal Adviser of the Department of State
- Pijade, Mosa**, member of the Yugoslav Communist Party Executive Committee
- Pinay, Antoine**, French Foreign Minister through 1956
- Popović, Koca**, Yugoslav Secretary of State for Foreign Affairs
- Popović, Nenad**, Yugoslav Secretary of State for Economic Affairs
- Prica, Srdja**, Yugoslav Under Secretary of State for Foreign Affairs from April 1955
- Primožič, Franz**, Yugoslav Government Minister
- Raab, Julius**, Chancellor of Austria
- Radford, Admiral Arthur W.**, USN, Chairman of the Joint Chiefs of Staff until August 1957
- Rakosi, Matyas**, member of the Hungarian Presidential Council, 1955–1956; First Secretary of the Hungarian Communist Party, 1956
- Ranković, Aleksandar**, Vice President of the Federal Executive Council of Yugoslavia
- Reinhardt, G. Frederick**, Counselor of the Department of State, from March 14, 1957
- Reinstein, Jacques J.**, Special Assistant to the Assistant Secretary of State for European Affairs until August 1955; thereafter Director of the Office of German Affairs
- Riddleberger, James W.**, Ambassador to Yugoslavia
- Roberts, Sir Frank K.**, British Ambassador to Yugoslavia
- Rockefeller, Nelson A.**, Special Assistant to President Eisenhower
- Russell, Francis H.**, Special Assistant to the Secretary of State from September 1955
- Sauvagnargues, Jean Victor**, Technical Adviser in the Personal Cabinet of French Foreign Minister Pinay
- Selassie, Haile**, Emperor of Ethiopia
- Shepilov, Dmitri Trofimovich**, Soviet Minister of Foreign Affairs, June 1956–February 1957
- Sobolev, Arkady Aleksandrovich**, Soviet Representative on the United Nations Disarmament Subcommittee

XXIV List of Persons

- Sokolovskii, Marshal Vasili Danilovich**, Soviet First Deputy Minister of Defense and Chief of the General Staff
- Soutou, Jean**, Chief of the Division of Central European Economic Affairs, French Ministry of Foreign Affairs
- Sprague, Mansfield D.**, Assistant Secretary of Defense for International Security Affairs
- Staats, Elmer B.**, Executive Secretary of the Operations Coordinating Board
- Stassen, Harold E.**, Director of the Foreign Operations Administration until June 1955; special assistant to President Eisenhower for disarmament matters from March 1955
- Stepinac, Aloysius Cardinal**, Archbishop of Zagreb
- Strauss, Admiral Lewis L.**, Chairman of the Atomic Energy Commission
- Streibert, Theodore C.**, Director of the U.S. Information Agency
- Sullivan, Charles A.**, Chief of the Policy Division, Office of Foreign Military Affairs, Department of Defense
- Thompson, Llewellyn E.**, High Commissioner to Austria until May 1955; thereafter Ambassador to Austria
- Thurston, Ray L.**, Director of the Office of Western European Affairs, Department of State
- Tito, Marshal Josip Broz**, President of Yugoslavia
- Todorovic, Mijalko**, member, Federal Executive Council of Yugoslavia
- Twining, General Nathan F.**, USAF, Chief of Staff, U.S. Air Force, until July 1957; thereafter Chairman of the Joint Chiefs of Staff
- Tyler, William R.**, Deputy Director of the Office of Western European Affairs, Department of State, from July 1955
- Unger, Leonard**, Officer in Charge of Politico-Military Affairs, Bureau of European Affairs, Department of State, until May 4, 1957; thereafter Office of the Counselor
- Vasiliy, Alekseyevich V.**, Soviet Ambassador to Yugoslavia
- Vidic, Dobrivoje**, Yugoslav Ambassador to the Soviet Union from 1955
- Vilfan, Dr. Joza**, Secretary General to President Tito
- Vukmanovic-Tempo, Svetozr N.**, Vice President of the Federal Executive Council of Yugoslavia; also Chairman of the Council for the National Economy
- Wallner, Woodruff**, Counselor of the Embassy in France and Political Adviser to the European Command, Paris
- Walmsley, Walter N., Jr.**, Counselor of the Embassy in the Soviet Union
- Waters, General John K.**, USA, Chief, American Military Assistance Staff in Yugoslavia
- Whitman, Ann C.**, Personal Secretary to President Eisenhower
- Wilson, Charles E.**, Secretary of Defense until October 1957
- Wyszynski, Stefan Cardinal**, Primate of Poland
- Zhukov, Marshal Georgi K.**, Soviet Minister of Defense, February 1955–October 1957

AUSTRIA

U.S. RELATIONS WITH AUSTRIA¹

1. Memorandum From the Secretary of State's Special Assistant for Mutual Security Affairs (Nolting) to the Assistant Secretary of Defense for International Security Affairs (Hensel)²

Washington, May 25, 1955.

SUBJECT

Austrian Stockpile A

We have reviewed the Army memorandum on Stockpile A which you transmitted to me by your memorandum of May 20, 1955.³ As you know, the problem of making available Stockpile A to the Austrians has been under study in this Department, and we have had a number of discussions with members of your staff. As a result, the Department queried Ambassador Thompson for his views on this matter. His reply (Vienna 2803, May 18, 1955, Top Secret)⁴ sets forth a proposed course of action which is concurred in by the Department.

Accordingly, the Department believes that the following steps should be taken:

(1) The Department of Defense should initiate an action to obtain a Section 401 Presidential determination prior to June 30, 1955. This determination would authorize the transfer of equipment in the amount of \$20 million from Stockpile A to the Austrian Government. A further Presidential determination under Section 401 would be sought to authorize turning over an additional \$20 million of equipment from Stockpile A to the Austrian Government as early as possible in FY 1956.⁵

¹For previous documentation, see *Foreign Relations, 1952-1954*, vol. vii, Part 2, pp. 1717 ff.

²Source: Department of State, Central Files, 663.001/5-2555. Top Secret.

³Not found in Department of State files.

⁴In telegram 2803, Thompson recommended that the United States turn over gendarmérie-type equipment from stockpile A to Austria before the phase-out of U.S. installations and personnel from Austria. (Department of State, Central Files, 663.001/5-1855)

⁵On June 16, President Eisenhower approved the \$20 million transfer of equipment to Austria under Section 401. On August 2, he approved an additional \$20 mil-

Continued

(2) The Commanding General, USFA, be authorized to make available to the Austrian Government gendarmérie type equipment required for approximately 2,500 men. This should complete the equipping of 8,500 men for the gendarmérie. To the extent possible, equipment now in the hands of USFA should be used to meet these requirements. This equipment and any other equipment previously loaned to the Austrian Government for the gendarmérie should be a charge against Stockpile A, and should be a part of the Section 401 determination.

(3) Prior to the withdrawal of United States troops, any equipment additional to that required for (2) above should be called forth from the Stockpile only to the extent requested by the Austrians and with the concurrence of Ambassador Thompson and the Commanding General, USFA.

(4) Except as any equipment may be moved under (2) and (3) above, the Stockpile should remain at Leghorn and, after the withdrawal of United States troops from Austria, it should be the responsibility of the Austrian Government to accomplish the movement of the remaining part of the Stockpile from Leghorn into Austria.

(5) It is probable that the equipment which would be made available under the two Section 401 determinations would meet Austrian needs prior to July 1, 1956. However, to the extent that there may remain available in the Stockpile equipment in excess of the \$40 million proposed to be transferred in FY 1955 and 1956, such equipment, if requested by the Austrians, and justified by existing circumstances, could be made available on an emergency loan basis pending the enactment of legislation or additional Presidential determinations in FY 1957.

It should be noted that it is probable that the Austrian Government may request equipment in addition to that presently contained in the Stockpile. It would probably be in the national interest of the United States to meet these requests if the Austrians demonstrate a need for this equipment and the ability to absorb and utilize it effectively.

If you concur in the foregoing proposals, we should move rapidly to advise Ambassador Thompson and the Commanding General, USFA, of their content and to secure the necessary Presidential action.

I am sending a copy of this memorandum to the Director, Foreign Operations Administration.

Frederick E. Nolting, Jr.⁶

lion worth of equipment under Section 103 of the Mutual Security Act. (Memorandum, August 2; *ibid.*, 763.5-MSP/8-355)

⁶Printed from a copy that bears this typed signature.

2. Memorandum From the Chairman of the Joint Chiefs of Staff (Radford) to the Secretary of Defense (Wilson)¹

Washington, May 25, 1955.

SUBJECT

U.S. Planning Regarding Implementation of the Proposed Austrian State Treaty

1. Reference is made to a memorandum by the Deputy Assistant Secretary of Defense (ISA), dated 4 May 1955,² subject as above, which requested that the Joint Chiefs of Staff provide recommendations as to:

- a. An outline plan for the phase-out of U.S. military activities in Austria.
- b. Timing of the redeployment and future stations of U.S. Forces now in Austria.
- c. Proposed future use or disposition of the U.S. LOC through Italy.

Reference is also made to a memorandum by the Deputy Assistant Secretary of Defense (ISA), dated 24 May 1955, subject: "Psychological Aspects of Troop Withdrawal from Austria." The latter memorandum forwarded a memorandum from Mr. Nelson Rockefeller to Deputy Secretary of Defense Anderson³ for consideration by the Joint Chiefs of Staff at their meeting on Wednesday, 25 May 1955, in connection with their reply to the Deputy Assistant Secretary of Defense (ISA) memorandum, dated 4 May 1955, subject as above.

2. A recommended plan for the phase-out of U.S. military activities in Austria is attached hereto as an Appendix.

3. a. It is recommended that the United States Forces, Austria (USFA) be deployed to Northeast Italy, reorganized as a Special Weapons Support Force, and redesignated as U.S. Army, Italy (USARIT). The timing of the redeployment should be as outlined in the phase-out plan contained in the Appendix hereto. This action is contingent upon Italian ratification of NATO Status of Forces Agreement (SOF) or its equivalent.

b. If arrangements with the Italian Government cannot be consummated in time to meet the withdrawal deadline, appropriate forces will be withdrawn to Germany until such time as the necessary arrangements have been made for their redeployment to North-

¹Source: Department of State, Central Files, 663.001/6-355. Top Secret.

²Not printed. (Department of Defense Files)

³The covering memorandum of May 24 and Rockefeller's memorandum of May 18, which recommended that political-psychological considerations be taken into account before a decision was made on the final location of the U.S. forces in Austria, are *ibid.*

east Italy. Depending upon the progress of negotiations and the acquisition or construction of interim facilities, it may be possible to redeploy some of these forces direct to Italy with the remainder going temporarily to Germany until such time as they can be sent to Italy.

c. The primary mission of USARIT would be to provide special weapons support for allied forces protecting the vital approaches to Italy in the Villach-Ljubljana area.

d. USARIT will have a strength of approximately 5000 (subject to detailed planning USCINCEUR) which will be provided within the Army over-all personnel ceiling for FY 1956. The major combat units to be contained in USARIT will consist of Corporal surface-to-surface missile battalion(s), Honest John rocket batteries, and appropriate security units. Adequate logistic and administrative units will be included for support of USARIT, U.S. Air Force and other U.S. agencies in Northern Italy.

e. USARIT would be a uniservice command assigned to USCINCEUR for unified command purposes. Combat units will be earmarked for assignment to NATO on M-day for operational control except that authority to expend atomic weapons will remain in U.S. command channels.

4. In respect to lines of communication, it will be necessary to maintain the present Leghorn base area to provide support for the above proposed USARIT. This will require that the present facilities at Verona be expanded to an advance general depot and that modified emergency type facilities be constructed in Northeast Italy for U.S. Army combat and direct support units. USARIT would provide interservice support to the U.S. Air Force and Naval forces and other U.S. agencies in Northern Italy as directed by USCINCEUR. The U.S. Air Force has planned additional requirements in the Leghorn base area to support U.S. Air Force units to be stationed in Italy.

5. In connection with the above recommendations, the Joint Chiefs of Staff desire to emphasize the following:

a. The defense of the southern flank of NATO and the intelligence surveillance of Soviet Bloc areas adjacent thereto have been partially met in the past by the US-UK-French forces deployed in Austria, as well as by Italian and Yugoslavian forces deployed in their respective countries in accordance with their national capabilities. The capability of holding that flank by the forces named has been considered to be extremely marginal. This overall weakness was magnified by Yugoslav reluctance to make even covert commitments to the West or coordinate any effective planning with the Allies. Therefore, from a military point of view, the neutralization of Austria and the withdrawal of occupation forces, coupled with the general Yugoslav tendency toward neutrality and possible rapprochement with the Soviet Bloc, increase the weakness in the southern

flank of NATO and close a primary source of extremely important intelligence on the adjacent areas. Under the eventuating circumstances, the Villach-Ljubljana Gap area can become an undefended avenue of approach to Northeast Italy. The Soviet penetration of Italy could result in:

- (1) Turning of the NATO southern flank.
- (2) Splitting Greece and Turkey and the Middle East from Western Europe.
- (3) Facilitating Soviet access to the Mediterranean.

b. SACEUR has indicated that during a recent conversation the Italian Minister of Defense stated that the possible movement of U.S. units to Italy would present no tremendous political problem provided such units could be scattered in reasonably small groups. In this connection, the Joint Chiefs of Staff note that the size of units was not defined nor was this point overly emphasized, but they would like to point out that any restricted deployment with respect to size of units which would adversely affect the combat effectiveness of U.S. forces deployed to Italy would be militarily and logistically unacceptable.

c. SACEUR has strongly recommended stationing a force in Northeast Italy with an atomic delivery capability and limited operational ability. He is reluctant to reduce U.S. Army forces in Central Europe to accomplish this but feels he has no other option.

6. In light of the above, the Joint Chiefs of Staff recommend that you note that the proposals contained in paragraphs 2, 3 and 4 above are essential to U.S. strategy in Europe and that you request the Department of State to (a) make the necessary arrangements with the Italian Government to permit not later than 60 days subsequent to ratification of the Austrian Treaty deployment of U.S. forces as discussed above, and (b) impress the Italian Government with the importance of timely ratification of the NATO SOF Agreement.

7. In presenting their views on the subject, the Joint Chiefs of Staff have considered the psychological aspects presented by the memorandum of 18 May 1955 by the Special Assistant to the President to the Honorable Robert B. Anderson.

For the Joint Chiefs of Staff:

Arthur Radford⁴

Chairman

Joint Chiefs of Staff

⁴Printed from a copy that bears this typed signature.

Appendix

OUTLINE PLAN FOR WITHDRAWAL OF U.S. FORCES NOW IN AUSTRIA WITHIN 90 DAYS SUBSEQUENT TO RATIFICATION OF THE AUSTRIAN STATE TREATY⁵

(R-day is the date upon which ratification of the Austrian State Treaty is completed)

1. *Command and Organization.* Commanding General United States Forces Austria (CGUSFA) will be relieved of his operational mission in Austria no later than R-day. U.S. Forces Austria (USFA), will be reorganized as a special weapons support force and designated U.S. Army, Italy (USARIT).

2. *Phasing.*

a. Inactivation or phase-out of units will start with the outlying stations. Simultaneously, certain TO&E units will be inactivated or phased out at Camp Roeder (near Salzburg, Austria).

b. By R+60 all dependents and non-combatants not required will have been phased-out.

c. By R+80 all Service elements and TO&E intelligence units will have been phased-out.

d. Phase out of the Vienna command will be completed by R+80 or coincident with the final withdrawal, from the Vienna area, of all forces of the other occupying powers if subsequent to R+80.

3. *Troop Units.*

a. All units not required in Austria after R+60 and not to be transferred to other commands or relocated in Italy, will be inactivated or discontinued. CGUSFA will be authorized by the Department of the Army to establish inactivation dates for all TO&E units which are to be inactivated.

b. The USFA Support Command will be maintained at sufficient strength to continue the operation of the LOC in Italy.

4. *Personnel Matters.*

a. Personnel excess to the needs of USFA will be transferred to USAREUR or to USAFE as appropriate, rotated to the ZI, or assigned to units to be transferred to other commands in accordance with criteria to be established by each Service concerned.

b. Every effort will be made to insure dependents accompany their sponsor during redeployment and that assignment instructions are issued prior to departure from Austria.

c. Authority to invoke paragraph 7009.2 of the Joint Travel Regulation will be granted such key personnel as are retained for close-out, so such personnel can return their dependents to the ZI with the least inconvenience and expense.

⁵Top Secret.

5. *Logistic Matters.*

a. USFA will be relieved of logistical responsibilities for other agencies in Austria on R+60.

b. USAREUR will furnish certain logistical support for USFA beginning on 1 July 1955 and possibly some Service detachments after R+60.

c. USAREUR will furnish USFA such equipment not available in Austria or Italy as is required for the roll-up in Austria.

d. Land, sea, and air transportation to meet USFA's increased requirements during the period of the roll-up will be arranged by the Department of the Army.

e. Instructions for the disposition of all supplies will be furnished by the Department of the Army.

f. Disposal of supplies will be concurrent, insofar as practicable, with inactivation or phase-out of units.

g. In the event Stockpile "A" is transferred to the Austrian Federal Government, the transfer of stocks will commence on R-day. (The Department of the Army has requested, of Office of the Secretary of Defense, authority for CGUSFA to commence movement of Stockpile "A" from Italy to Austria in small increments, to continue issue of equipment to the Special Gendarmérie up to the approved level of 8,500, and to issue the rest of Stockpile "A" to the Austrian Government when the treaty comes into force.) The USFA phase-out plan for the 90 day evacuation period provides for the conduct of schools and training not covered in the Special Gendarmérie Program.

h. Department of the Army will furnish CGUSFA the necessary conditions for the U.S. governmental release of real and installed property and guidance for the settlement of claims in sufficient time to permit release by R+90; and if not consummated during this period, either an agency will be permitted to remain in Austria for such purpose, or the Department of State will assume this function after R+90. (The Department of the Army has requested, from Office of the Secretary of Defense, permission to delegate to CGUSFA authority to dispose of real and installed property to the Austrian Federal Government by negotiated sale or by donation.)

i. Upon completion of the phase-out of an installation, it will be turned over to the Austrian Government as soon as practicable.

j. In the event insufficient time is available for the local disposition of property for which local disposition has been ordered, USFA will ship such property to USFA depots in Italy.

k. Department of the Army will take steps to insure that sufficient funds required for the increased activities incidental to phase-out are made available to CGUSFA.

3. **Telegram From the Department of State to the Embassy in Austria¹**

Washington, June 8, 1955—3:50 p.m.

3495. Joint State–Defense message. Vienna pass USFA Paris for USRO. Concur desirability maintaining informal Four Power liaison during evacuation period with view assuring simultaneous withdrawal all forces. In order avoid leaving Vienna unprotected with Soviet forces still in zone surrounding it, consider important Western forces not depart Vienna until all Soviet forces withdrawn from immediate surrounding areas and complete evacuation all Soviet forces Austria imminent. London requested emphasize to Foreign Office desirability uniform procedures. U.S. evacuation should in any event be governed by foregoing.

Dulles

¹Source: Department of State, Central Files, 663.001/6–855. Secret. Drafted by Allen on June 6; cleared in substance with Secretary Dulles, Beam, Wolf, and the Department of Defense; and signed for Dulles by Merchant. Also sent to London and repeated to Paris for USRO, Moscow, and Bonn.

4. **Letter From the Secretary of State to the Chairman of the Senate Foreign Relations Committee (George)¹**

Washington, June 9, 1955.

DEAR MR. CHAIRMAN: Anticipating my testimony before the Senate Foreign Relations Committee in connection with the Austrian State Treaty, I take this opportunity to inform you concerning a number of classified matters on which I will be unable to give adequate answers in open hearings. Should the Committee require information additional to that given below, I will of course be glad to provide it under any arrangements that will insure the maintenance of the various security classifications involved.

1. *Military Implications for the Defense of Western Europe.*

This, of course, is a subject on which testimony would more appropriately be given by a military representative, and you may wish to take advantage of the presence in Washington of General Gruenther for this purpose.

¹Source: Department of State, Central Files, 663.001/6–955. Secret. Drafted by Freund on June 8.

2. *Redeployment of United States Forces From Austria (Secret).*

Secretary Wilson and I have concurred in a recommendation by the Joint Chiefs of Staff that approximately 5,000 of the 17,000 troops now assigned to the Commanding General, United States Forces in Austria should be redeployed to Northeastern Italy. There has not as yet been discussion of this matter with either the Italian Government or the NATO authorities. I consider it extremely important that we complete our arrangements for the redeployment to be made upon the request of the Italians and NATO before any public announcement is made.

3. *Military Assistance to Austria (Secret).*

Austrian neutrality will be an armed neutrality and the Austrian Parliament has passed a resolution that states that Austria is resolved to defend its territory with all of the resources at its command. Such a policy is, I believe, in the interest of the United States. The Administration wishes to avoid a military vacuum in that country. There is information an Austrian gendarmérie which will be the nucleus of the Austrian Army once the Treaty enters into force. We have, with congressional approval, stockpiled equipment for an initial force of 28,000 men. Finally, we have received official Austrian Government secret requests for equipment for their army,² equipment which there are indications the Soviets might gladly furnish. We are now studying the ways and means by which to satisfy the Austrian requests under existing legislation.

4. *Protection of US and UN Interests (Confidential).*

A general provision for restoration of United Nations property, rights and interests is provided in Article 24 of the Treaty. It is deficient in two respects because of the negotiating history: 1) the date as of which United Nations property should be restored is the date on which hostilities commenced, and 2) property indirectly held is not covered. The date in the Article is partially unsatisfactory to the United States because the German authorities after annexing Austria enacted legislation in 1940 (Bitumen Law) which had the effect of confiscating certain oil properties in which United States business firms (Socony-Vacuum and Standard Oil Company of New Jersey) had property interests. Accordingly, if restoration were made only to December 7, 1941, that would find the Germans in possession of the property. To meet this problem an understanding was arrived at with Austrian officials by which they have undertaken to negotiate with the firms concerned regarding a settlement satisfactory to the parties concerned which will in effect restore the property interests of the firms as they existed in 1940.

²The Embassy in Vienna reported these requests in telegrams 2803, May 18, and 2858, May 24. (*Ibid.*, 663.001/5-1855 and 663.001/5-2455, respectively)

The difficulty concerning restoration of United Nations property indirectly owned in Austria through German companies was also covered in the understanding reached with the Austrian officials by providing for appropriate satisfaction to the parties concerned.

Finally, a point which was a political issue in Austria concerns certain United Nations property indirectly owned in the Soviet Zone of Austria which was nationalized by the Austrian Government in 1946. The Austrian officials have undertaken to see to it that the shares in the property in question are returned to the United Nations owner (i.e., to denationalize the foreign owned interests in the property).

The principal United States property interests concerned in the foregoing understanding have been informed on a confidential basis of the action taken to protect their property and they are satisfied with the situation. From the standpoint of United States interests involved, there is no reason why the additional undertakings of the Austrian officials could not be made public, but as suggested above, they would be politically embarrassing to the Austrian Government since the understanding expands the Treaty coverage, and publicity at this time might conceivably result in some delay in ratification of the Treaty by others. Secondly, it creates some difficulty for the Austrian Socialists. The understanding is being made known to the Austrian Parliamentary committee concerned on a confidential basis and we are therefore seeking to cooperate with the Austrians in handling the matter in the United States on a basis of confidence as they have requested. Upon entry into force of the Treaty the understandings will be made public.

The pertinent documents are attached.³

5. *East-West Trade (Secret)*.

The delivery to the Soviets by the Austrians of \$150 million worth of goods under Article 22 of the State Treaty and the provisions of Article 29 could theoretically involve shipment of strategic materials from Austria to the Soviet bloc. It is expected, however, that the Austrians will be obliged to furnish only such materials or products as are normally produced in Austria, and Austria neither produces weapons nor does she produce many strategic goods in significant quantities. In addition, we have reason to believe the Austrian Government will continue to cooperate, as they have in the past, in controlling exports in conformity with the international standards set by COCOM. I should add that we and our COCOM partners have at our disposal means of controlling shipments of strategic goods into Austria, so as to avoid transit shipments to the Soviet bloc.

³None printed.

6. *Claims of Nazi Persecutees (Confidential).*

The Committee on Jewish Claims against Austria, which represents persons or their families who were persecuted during the Nazi regime in Austria, including many United States citizens who are former Austrian nationals, has received an Austrian Government offer of a settlement in broad terms. The Committee has informed us that it considers the offer a satisfactory one and will send representatives to Vienna later this month to negotiate the details of a final settlement. Both parties to the negotiations have kept us informed, but at the same time have requested that the offer and response be kept confidential. It may interest you to know that when I was in Vienna last month I discussed this problem twice with the Austrian Chancellor. It is heartening to note that for the first time agreement on a basis for settlement has been reached and that a final agreement at an early date on a basis satisfactory to both sides seems likely.⁴

Sincerely yours,

John Foster Dulles⁵

⁴In telegram 3522 to Vienna, June 10, the Department of State informed the Embassy that Secretary Dulles had testified publicly that day to a friendly and cooperative committee. (Department of State, Central Files, 663.001/6-1055)

⁵Printed from a copy that bears this stamped signature.

5. **Telegram From the Embassy in Austria to the Department of State¹**

Vienna, June 28, 1955—6 p.m.

3204. Although leaders of both parties have recently made statements indicating their realization of importance of development adequate Austrian defense forces, there have also been numerous reports circulating to effect that Aust Army might be established on excessively modest basis. Socialists have for instance been reported as pressing for military service of only four months.

In view of these reports I called on Raab and Schaerf this morning to emphasize our interest in Aust defense plans. I said that Aust Army was not only technical and internal political question, but it had wide international significance. If for instance Aust did not undertake creation of defense forces which would appear reasonable and adequate in eyes of world, they would be leaving military

¹Source: Department of State, Central Files, 763.5/6-2855. Secret.

vacuum here which would make nonsense of neutrality policy and would vitiate Austria's voice in world councils. Aust failure to carry its fair share of free world defense burden would also have serious effect on defense efforts of other small European nations, thus starting a deterioration which might have most unfortunate results for us all.

As far as US direct interest was concerned I explained that we were endeavoring to arrange turnover to Austria of substantial quantities of military equipment, that no matter what compensation Austria gave us it would probably not amount to more than fraction of real cost and that therefore American taxpayer was, in effect, making a considerable investment in Aust defense. From both technical and political points of view US was concerned that best possible use be made of this investment. I therefore expressed hope that technical as well as political considerations would be taken into account in reaching final decisions.

Both Raab and Schaerf stated emphatically that they were fully aware of considerations I had mentioned and were determined that Aust would have adequate army. Raab pointed out that it was Aust Govt which took initiative in asking for elimination of restrictive military clauses in State Treaty, and that both parties were agreed that there should be universal and effective military training which would result in creation within few years of trained manpower reserve of 500,000.

Raab also commented that he was most impressed with training and effectiveness of special gendarmérie which would provide excellent cadres for army. He asked whether American support could be continued on present basis till end of this year. I said we were anxious to be of such help as we could, that we were presently authorized to continue gendarmérie support only until treaty entry into force. However, General Arnold was waiting further authorizations from Washington on several matters concerning turnover mil equipment, etc, which he expected within next week or two. When these authorizations received we would be calling on Raab and Schaerf to discuss details.

I believe interview was salutary and that chances are good that parties will soon reach agreement on military program which will provide basis for reasonably effective Aust defense effort.

Penfield

6. Telegram From the Department of State to the Embassy in Austria¹

Washington, July 9, 1955—11:36 a.m.

78. Vienna pass General Arnold. Joint State-Defense message. Subject: U.S. Military Assistance to Austria.

I. General Policy

Embassy's initiative in approaching Austrians this subject (Embtel 3204)² commended. Concur fully arguments presented Raab and Schaerf for rapid development adequate Austrian defense forces which is key factor in US willingness support militarily neutral Austria. US response Austrian requests for financial and material assistance will be affected by Austrian plans use it. Therefore will follow with great interest Austrian plans and progress its military build-up and wish be kept currently informed. Austrian planning will be considered in light NATO standards e.g. two years normal and one and a half years minimum service for adequate training modern reserve forces.

II. Financial Assistance

A. Financial support for special gendarmérie has been authorized on present basis for 8,500 until effective date treaty (DA 961780, May 19)³ and for same number on limited basis (pay, allowances, and food only) for 90 days thereafter (DA 982584, June 3).³ Consideration currently being given increasing this support to cover average strength of 11,500 during 90-day period and factor this consideration will be rapidity with which Austrians act to raise strength of gendarmérie. You are authorized inform Austrians foregoing in manner you deem appropriate.

B. USFA recommendation supported by Embassy that consideration be given continuing financial support Austrian military establishment of approximately \$10 million a year for next ten years (P 0551, May 20)⁴ has been noted. Although Defense position not yet fully established, we do not plan extend such assistance after withdrawal occupation troops under present political and economic circumstances. Our troop withdrawal date seems logical time for cessation financial assistance. Anything beyond that date would be diffi-

¹Source: Department of State, Central Files, 763.5/6-2855. Secret. Drafted by Compton and Freund on July 8; cleared in draft with ICA, OSD, L/GER, S/MSA, and RA; approved by Merchant; and signed by Barbour for Dulles. Pouched to Paris and London.

²*Supra*.

³Not printed. (Department of Defense Files)

⁴In this telegram, Arnold recommended annual financial support of \$10 million for the Austrian Army, but added that neither he nor Thompson believed that this question should be discussed with the Austrians until the treaty came into force. (*Ibid.*)

cult break off. Austrian and US officials on record in connection treaty ratification to effect Austria able and willing assume responsibilities under treaty without outside financial aid. Her determination provide effective defense territorial integrity and neutrality should be adequately demonstrated before any future consideration given US financial support beyond that contemplated foregoing paragraph. Meanwhile, Austrians should not be encouraged believe any possibility direct financial support from US after R plus 90.

III. *Equipment*

Similar considerations to those set forth above guide our policy with respect to turnover of equipment for Austrian military. Our immediate objective is to provide basic military equipment which will give Austria good start in establishment effective defense force. Consistent with general US MDAP policy we regard maintenance and replacement this basic equipment as primarily Austrian responsibility but are prepared consider seek necessary authorization including legislative action to meet such specific supplementary requests as may be justified by future developments including Austrian performance, plans and efforts obtain spares and ammo from W. European sources we have been at pains to establish. You authorized inform Austrians accordingly in manner deemed most appropriate in course transmission following information as preliminary response their formal requests:

a. Re Figl letter May 4 requesting Stockpile A (Embtel 2583),⁵ authority already granted issue equipment from Stockpile for 8,500 gendarmérie (DEF 982996, June 10).⁶ You should explain to Austrians transfer authorization by increments necessitated by desire avoid necessity of bilateral military agreement required by present legislation and desire avoid public discussion which would be involved in seeking amendments at this time. Turnover of \$20 million worth of Stockpile now authorized. Hope but cannot commit have authority transfer at least another \$20 million worth before treaty becomes effective, and you authorized begin joint planning with Austrians for development of program upon which turnover stockpile will be completed including negotiation of satisfactory arrangement for transport and storage in Austria along lines suggested Embtel 37.⁷ On basis these plans, you are authorized effective immediately deliver to Austrians up to first \$20 million worth provided Embassy and CG, USFA satisfied Austrian build-up plans including time-phasing warrant. Keep Washington fully informed of plans and action taken pursuant this authorization. Will inform immediately upon receipt authority for transfer remainder Stockpile.

b. Re Raab letter May 20 requesting equipment additional to that contained Stockpile A (Embtel 2858),⁸ while no question desir-

⁵Not printed. (Department of State Central Files, 663.001/5-455)

⁶Not printed. (Department of Defense Files)

⁷Not printed. (Department of State, Central Files, 763.5-MSP/7-2455)

⁸Not printed. (*Ibid.*, 663.001/5-2455)

ability Austrian army larger than 28,000, we feel decision must await justification in terms future development capabilities and plans Austrian armed forces. Meanwhile Austrian requests (P 0661, June 1)⁹ and your recommendations (P 0644, June 11)⁹ under study to determine cost and availability in event future developments should warrant further consideration.

c. Re Figl letter June 1 requesting buildings, installed equipment and other property (Embtel 3020)¹⁰ authority has been granted dispose of buildings, installed property (DA 983083)¹¹ and excess personal property (DA 982790)¹¹ to Austrian Government. You are authorized negotiate this turnover under terms paragraph 4 FFS 1082 July 10, 1950 in such manner as Embassy and CG, USFA, determine will assure best use made of it for purposes Austrian military forces and put US in most favorable light (re claims, etc.) under terms of Deptels 3359 May 26 and 56 of July 7.¹²

Re personal property not declared excess decision awaits receipt information requested DA 983217, June 14.¹³ Will consider existing legislation and regulations as well as justification of need and direct usefulness for Austrian military forces.

IV. *Conclusion.* While above points not fully responsive Austrian requests believe we have gone considerable distance meet them at this early stage. Dept assumes your presentation points authorized will convey basic US desire for rapid build-up effective Austrian force and desire cooperate in all ways legislatively possible and warranted by actual Austrian efforts.

Note: Foregoing aspects formerly classified Top Secret hereby downgraded to Secret.

Dulles

⁹Not found in Department of State files.

¹⁰Not printed. (Department of State, Central Files, 663.001/6-755)

¹¹Not printed. (Department of Defense Files)

¹²Neither printed. (Department of State, Central Files, 663.001/5-2244 and 663.001/7-255, respectively)

¹³This telegram requested information on the type, cost, and present value of the personal property which might be transferred to the Austrian Government. (Department of Defense Files)

7. Memorandum of a Conversation, Vienna, July 16, 1955¹

PARTICIPANTS

Chancellor Raab, Vice-Chancellor Schaerf, Mr. J. K. Penfield, General W. H. Arnold, Mr. H. G. Torbert, Col. Noel, Col. Nixon, Capt. Schlesinger, Mr. Puhan

General Arnold and I called on the Chancellor and Vice-Chancellor today to discuss military assistance to Austria.

I made a general statement, pointing out that American policy has been consistent in supporting Austria's defense effort and cited as evidence U.S. support of the Gendarmérie during the past five years. I indicated that of current Austrian requests, we had been able to meet some fully, others partially, and still others were under consideration. I said that we felt we had made considerable progress in meeting Austrian requests at this early stage.

I explained that there were two general criteria which governed the extent of our assistance. The first was our laws and congressional authorizations, the second and more important since it determined the limits of the first, the Austrian Government's plans and ability to use U.S. assistance effectively. Hence the U.S. would follow with great interest Austrian plans and progress in the development of its military forces and hoped to be kept currently and fully informed.

I noted our awareness of Austria's problems, both political and financial, and the wish of Austrian Government leaders to move ahead promptly and efficiently, but added that we must consider Austrian plans in the light of NATO standards which prescribe two years normal and one and one-half years minimum service for adequate training of modern reserve forces. We desired to continue our cooperation with the Austrian Government in all ways legislatively possible and warranted by Austrian efforts.

The Chancellor stated that Austrian plans to establish an army were further forward than we realized but that a one and one-half or two year term of military service in Austria was currently out of the question. I acknowledged our understanding of this but hoped for future improvement.

I then expressed the hope that the Austrian Government would view sympathetically the U.S. desire to have military air and ground transit rights across Austria after the entry into force of the State Treaty. I added that we would also like to obtain special favorable rail rates for this traffic. In discussing this subject further General Arnold explained that we might want to send sealed freight and personnel trains across the Tyrol between Germany and Italy and re-

¹Source: Department of State, Austrian-Italian Desk Files: Lot 58 D 72, Military Installation Turnover, 405. Secret. Drafted by Penfield.

ceive permission for military planes to overfly Austria on more or less the same route.

The Chancellor stated that he would have to consult his Government. He added that as long as the Russians were here this was extremely difficult, but that he would in the future consider sympathetically specific requests we might have.

General Arnold then expressed his dismay at the slowness of the Austrian effort in military matters, emphasizing the deleterious effect this has on U.S. opinion.

He stated that the U.S. had equipment, valued at twenty million dollars which would equip seventeen thousand men, ready for transfer to the Austrians. This equipment was now in the hands of the Gendarmérie, the Vienna police, and the greatest bulk in Italy. He requested that the Austrians designate a representative empowered to negotiate the transfer. We would request the Austrians to pay the freight on the shipment of this matériel in Italy from the Brenner, whence we would ship it, to places of storage in Austria. We would also request the Austrians to supply a labor force, preferably Gendarmérie in work clothes to effect the storage of the matériel. The Austrians must also assume responsibility for the guarding and maintenance of equipment, while we would provide the necessary documentation (locator cards, et cetera). General Arnold indicated that we were endeavoring to obtain additional authorizations, the extent of which would depend on the impression made by Austrian energy and utilization. The Chancellor agreed to designate representatives soonest, Monday or Tuesday of next week, to discuss the details of the turnover.

General Arnold next turned over to the Chancellor a series of folders, containing detailed descriptions of U.S. installations in Austria—what the U.S. forces found there when they first occupied the installations, what was constructed by the U.S., and what improvements had been made. The General stated that we were required by U.S. laws to receive value consideration upon transfer, in contra-distinction to the stockpile equipment, and that we hoped to reach an agreement under which the Austrian authorities would assume certain claims against the U.S. occupation forces. It was pointed out to the Chancellor that this had been mentioned by Ambassador Thompson in conversations before he left.

The Chancellor stated that the Finance Ministry was the competent agency to negotiate the detailed agreement and that this would be arranged for next week.

In this connection, General Arnold and I pointed out that the buildings contained fixtures but would not contain furnishings since such moveable equipment would have to be transferred to other U.S. units. The Chancellor indicated agreement with this view.

General Arnold stated that he expected to continue his negotiations in a friendly and reasonable atmosphere, but did not intend to be held up by certain claimants. The Chancellor agreed to pass the word along, particularly in the U.S. Zone of occupation, that unreasonable demands were not to be made of U.S. occupation forces.

General Arnold passed a letter to the Chancellor,² containing advice regarding further financial assistance to the Gendarmérie.

The Chancellor stated he had no further questions to raise at this time.

²Not found in Department of State files.

8. Editorial Note

On September 16, Ambassador Thompson reported that, according to the Vienna press, the Soviet Union, in response to an Austrian request, had decided to grant Austria arms and ammunition. (Telegram 808; Department of State, Central Files, 763.56/9-1655) Later the same day, Ambassador Thompson reported that Austrian officials, surprised at the announcement, believed that the request which Moscow referred to was a statement by Chancellor Raab in which he indicated that Austria would accept arms from any source. It was further believed that Chancellor Raab had worked out the offer with the Soviet Ambassador. Although Austrian officials were uninformed of the details, Ambassador Thompson noted that they did not expect any conditions to be attached by Moscow. Some Austrians favored the acceptance of arms from the Soviet Union to illustrate Austria's absolute neutrality. (Telegram 822; *ibid.*, 763.56/9-1655)

9. Memorandum of a Conversation, Department of State, Washington, September 23, 1955¹

SUBJECT

Austrian Matters

¹Source: Department of State, Central Files, 763.00/9-2355. Secret. Drafted by Allen.

PARTICIPANTS

Dr. Karl Gruber, Ambassador of Austria
Dr. Ernst Lemberger, Counselor, Austrian Embassy
Mr. Livingston T. Merchant, Assistant Secretary, European Affairs
Mr. Edgar P. Allen—WE

Ambassador Gruber came in at his request this afternoon for the purpose of giving Mr. Merchant assurances with respect to the Soviet offer to provide military equipment for Austria. The views expressed by Dr. Gruber were, in substance, similar to those expressed to officers of WE on September 16 (see memorandum of September 20 from Mr. Tyler to Mr. Merchant).²

Dr. Gruber said that he had received no further reports from his government in regard to this matter since his conversation with us on September 16. He said, however, that he had had extensive conversations in Vienna in August with Chancellor Raab and Foreign Minister Figl and that he is 100 per cent convinced that Austria has no intention of being armed by the Soviets for two reasons: (1) the use of Soviet arms by Austria would create an impossible logistics problem and (2) Austria has no intention of endangering its present good relations with the West. He said that, in his opinion, the Soviets were faced with the alternative of either registering complaint concerning the furnishing of arms by the US or furnishing arms themselves and that faced with this alternative and with the fact that they had no legitimate basis under the treaty for protesting the furnishing of arms by the US, the Soviets logically decided to furnish some arms themselves. Ambassador Gruber does not believe that any equipment furnished by the Soviets will be modern or in very great quantity (he is aware of the list of Soviet arms given to General Arnold by General Liebitzky). He is convinced that it is in the best interests of us all that Austria accept the Soviet offer to furnish arms inasmuch as this will lay the groundwork for the US to furnish more equipment later without protest from the Soviets.

Mr. Merchant agreed that the Soviet action would remove any basis for Soviet complaint over the furnishing of US arms. He stressed the importance of Austria keeping us informed concerning the details of any equipment received from the Soviets in order that our Defense Department and the Congress if necessary may have the complete picture and in order that we may be in a position to determine Austria's needs for equipment in addition to that already turned over to them by the US. Mr. Merchant pointed out the danger that the Soviet action may be "the camel's nose under the tent" and that it could possibly lead to a Soviet request for a military mission in Austria. Gruber confirmed Mr. Merchant's impression that

²Not found in Department of State files.

Austria has not received any request along these lines from the Soviets.

In response to Mr. Merchant's inquiry, Ambassador Gruber said that the condition of the USIA factories turned over to the Austrians by the Soviets is as a whole much better than was expected; that some of the factories are in fact in fairly good shape. Ambassador Gruber mentioned in this connection that the International Bank is sending a mission to Austria to look into the problem of investment needs for these USIA factories.

Ambassador Gruber referred to the fact that the Western Powers are currently studying Austrian draft legislation on neutrality and confirmed our impression that no formal action will be taken by Austria in this matter until after the deadline for the withdrawal of occupation forces, i.e., October 25.

Ambassador Gruber concluded the conversation by observing that there is no "new religion" in Austria; that Austria is just as Western-minded as ever and that its first objective has been to rid itself of the Eastern grip on its territory; that Austria must proceed very carefully, however, as long as it still has economic obligations under the treaty and it cannot afford to create any political mistrust on the part of the Soviets until these obligations have been liquidated. He added that Austria's courage will be more evidently displayed as soon as it becomes politically feasible to do so.

10. Telegram From the Commander, United States Forces in Austria (Arnold) to the Department of Defense¹

Vienna, September 27, 1955.

P 1190. Sent action OSD for Gray and State Department. Reference 989201.² Ambassador and I consider that under circumstances would be best to retain remainder of stockpile A in Italy until July 56. Although probably possible arrange for storage under nominal US control, not believed possible for US personnel carry out security arrangements. Moreover retaining stockpile in Italy would give far greater bargaining power and increased ability to influence formation

¹Source: Department of State, Central Files, 763.5-MSP/9-2755. Secret; Priority. Also sent to the Department of State. The source text is the Department of State copy.

²This telegram asked for Arnold's and Thompson's comments on transferring the remainder of Stockpile A to Austria under U.S. control until July 1956 at which time a Presidential determination could be made to give it to Austria. (Department of Defense Files)

of Austrian Army. In view modest Austrian Army budget for first year no great need for this equipment before July 56. Should need arise could always consider earlier transfer. Signed Arnold.

**11. Memorandum of a Conversation, Department of State,
Washington, December 6, 1955¹**

SUBJECT

Delivery of US note recognizing Austrian neutrality

PARTICIPANTS

Dr. Karl Gruber, Ambassador of Austria

Dr. Eduard Schiller, Counselor, Austrian Embassy

The Honorable John Foster Dulles, Secretary of State

Mr. Livingston T. Merchant, Assistant Secretary of State for European Affairs

WE—Mr. Richard B. Freund

In presenting Ambassador Gruber with the U.S. note (attached) recognizing Austrian neutrality as the Austrian Government had requested in its note of November 14,² the Secretary made various comments. The U.S. reply is being made not only because of the request of the Austrian Government but in the confident belief that Austria is not and will not be neutral in spirit but will keep its past ties with the West and secure its neutrality with all the resources at its disposal. The Secretary expressed his assurance that the Austrians realize the only place from which a threat can come and the meaning of Austrian dependence upon help from the West should such a threat materialize. Austria, he said, had demonstrated time after time its spiritual orientation toward the West and the U.S. does not assume that there will be any change in that orientation.

Ambassador Gruber replied that despite the new economic problems facing Austria, the Secretary's assurance about the orientation of Austria is well founded. Austria, he said, is ready to do all that is necessary to meet a threat from the East and all Austrians, with the exception of a handful of Communists, may be counted upon.

The Secretary then referred to the military aid Austria had received from the Soviets and the risks involved in Austria becoming dependent on the East for not only equipment but ammunition and

¹Source: Department of State, Central Files, 663.0021/11-1455. Confidential. Drafted by Freund on December 7.

²Neither note is printed. For texts, see Department of State *Bulletin*, December 19, 1955, pp. 1011-1012.

spare parts. Ambassador Gruber assured the Secretary of Austrian awareness of the danger and that Austrian military strength will be established in the right way and with care to avoid dependence on the Soviets.

The conversation closed with expressions by the Secretary of his happiness at having attended the opening of the opera and equally, the ball that followed. He said that at the time the treaty was signed, he had shared the Austrian desire for an end to the occupation before the opening of the opera which he considered to be a symbol almost as important as the treaty itself. It was, he remarked, a great pleasure to have been able to fulfill his long-standing wish to attend and he had been greatly impressed by the true Viennese atmosphere of the ball. The Ambassador replied that his Government had been exceedingly pleased by the Secretary's attendance and that the celebration had indeed been a great occasion.

12. Editorial Note

On December 13, Austria's Cabinet refused to guarantee the proposed Soviet loan to Lower Austria. Two days later, Chancellor Raab publicly endorsed the loan, but on December 20, the Socialists within the Austrian Cabinet again defeated the Federal guarantee.

Those in favor of the loan claimed that it would promote the development of Lower Austria, demonstrate Austria's absolute neutrality, and keep the Soviets from dumping inflationary schilling accounts on Austria. Those in opposition to the loan countered that it would affront the Western world, spur the economic drive of the Soviet Union, and condone the secrecy and nongovernmental channels in which it was negotiated by the provincial government of Lower Austria. Opponents further argued that the Soviet Union possessed too few schillings to ruin the Austrian economy.

The Soviet news agency, TASS, reported on December 24 that Lower Austria had approached the Soviet Union for a loan of 500 million schillings the previous October. Lower Austria had requested a Federal guarantee for 800 million schillings. TASS announced that if the guarantee came through the loan was still available. (Despatch 749 from Vienna, March 6, 1956; Department of State, Central Files, 863.10/3-656)

13. Report Prepared by the Operations Coordinating Board¹

Washington, December 14, 1955.

PROGRESS REPORT ON UNITED STATES POLICY TOWARD AUSTRIA (NSC 164/1)²

(Policy Approved by the President October 14, 1953)

(Period Covered—April 7, 1955 through December 14, 1955)

A. Summary of Major Actions and Decisions

1. *The Austrian State Treaty* was signed by the U.S., U.K., France, USSR and Austria in Vienna on May 15, 1955 and with ratification by all five powers came into force on July 27, 1955. Coincident with agreement on the Treaty, a separate memorandum of understanding was concluded between Austria, the U.S. and the U.K. which further protects the latter's property interests in Austria.

2. *Austrian Neutrality and its Recognition.* Pursuant to the Austro-USSR accord signed April 15, the Parliament passed a Neutrality Law which came into effect on November 5. On November 14 Austria requested neutrality recognition by the four Powers and immediately thereafter, by the other countries with which it has diplomatic relations. The U.S., U.K. and France have agreed to respond favorably, that neutrality recognition is separate and distinct from the guarantee question, have so informed the Austrians, and are now negotiating with the Soviets regarding proposed identical but separate replies.

3. *Occupation Termination—Austrian Rearmament—Soviet and French Arms.*

a. The Four-Power Agreement on the zones of occupation was terminated on October 25. About 4,500 of the U.S. troops formerly in Austria have been transferred to Northern Italy; about two-thirds of these troops moved directly into Italy; the remainder are being phased in as physical facilities become available.

b. To assist Austrian rearmament the U.S. turned over two-thirds of a military stockpile valued at \$60 million (the remaining third will follow), transferred former U.S. military facilities and is considering the sale of munitions as well as a request for light aircraft for pilot training. [3-1/2 lines of source text not declassified]

¹Source: Department of State, S/S-NSC Files: Lot 60 D 661, Austrian Documents. Top Secret. The cover sheet and a financial annex are not printed. An attached memorandum, dated January 26, by the OCB Secretariat Staff reported that the OCB revised and concurred in this report for transmittal to the NSC. The NSC noted the report and directed that the NSC Planning Board prepare a revised statement of policy toward Austria.

²For text of NSC 164/1, see *Foreign Relations, 1952-1954*, vol. vii, Part 2, p. 1914.

c. Both the USSR and France have given the Austrians military equipment and ammunition. The Soviet arms contribution, unlike that of the French, includes small amounts of heavy equipment in the form of medium tanks, heavy mortars and light artillery.

4. *German Assets in Austria.* Under the terms of the Treaty, Austria regained control of former German assets in Austria, including factories, oil properties, farm and forest lands, and the assets of the Danube Shipping Company in East Austria. For the return of these properties situated in the Soviet Zone Austria paid the Soviets fixed amounts (totalling in value \$23.7 million) at the time of settlement, and more important, agreed to the payments of goods and/or money over specified periods of years (\$150 million in goods or dollars over a period of 6 years, plus 10 million tons of oil over a period of 10 years).

5. *Loans—Agricultural Surplus Sales—Coal Program—Counterpart Release.* To assist the economy, the Ex-Im Bank and the IBRD made respective loans in April and June for cotton and the partial financing of a hydroelectric project. In May a coal agreement was reached whereby the generated local currency was to be used to purchase Austrian goods for other countries receiving direct U.S. assistance. Additionally, a PL 480 agreement was signed in June (25% of the local currency to be loaned to Austria for economic development) and in August counterpart, generated by previous programs, in the amount of \$28.1 million was released, over 60% of which is earmarked for use in the East Zone. (N.B.: See Financial Annex)

6. *Jewish Claims.* In July agreement was reached between the Jewish agencies and the Austrian Government, by which the Austrian Government will set up a fund of 550 million schillings (\$22 million) to be paid over a period of 10 years as compensation for damages inflicted during the Nazi regime. Legislation implementing this agreement has been approved by the Austrian cabinet and sent to Parliament.

7. *Fairs—Exchange Visits.*

a. The U.S. atomic energy exhibit at the Spring Fair attracted 100,000 persons in a 16-day period; the U.S. exhibits at the Fall Fair proved most popular and drew about 250,000 observers.

b. The number of exchange visits of Austrian leaders and specialists was increased from 5 to 16 in FY 1955, and 3 additional leader grants have been added for FY 1956.

B. Evaluation of Progress in Implementing NSC Policies and Objectives³

8. *General.* Our major objective in Austria for the past 10 years was achieved by the conclusion of the Austrian State Treaty and the

³Latest NIE on Austria dated August 23, 1955. [Footnote in the source text. NIE 25–55, entitled “Outlook for an Independent Austria,” is not printed.]

re-establishment of Austria's political and economic independence. The Treaty, in its major respects, is a more just and satisfactory document than the draft treaty as it had stood since 1949.

9. *The Austrian Army.* The new Army, [less than 1 line of source text not declassified] has a current strength of 7,200. This force will provide the training cadre for the Austrian Army which is expected to reach a strength of 25,000–30,000 men by late 1956. It is possible that an effective Austrian defense force will require additional military assistance in view of the lack of manpower and particularly the anticipated lack of budgetary resources. The Austrian Army, as it is now constituted and envisaged for the future, will be capable of maintaining internal security and protecting the Austrian borders in minor border incidents; however, it will not be able to offer more than token resistance in the face of a Soviet and/or Satellite military invasion of any magnitude.

10. *Information and Cultural Programs.* With the signing of the Austrian State Treaty, the USIA program in Austria is being transformed to one more suitable adapted to the new political status of Austria. Although this transformation has involved the giving-up of the very effective U.S.-controlled Red-White-Red radio network, the level of contemplated expenditure is considered adequate to maintain a useful program without leaving the U.S. open to the charge of taking less of an interest in Austria than previously.

11. *Technical Exchange and Productivity Programs.* The technical exchange and productivity programs are continuing along the lines summarized in the third progress report. Productivity projects in Austria which can be channeled through the European productivity agency will continue. Technical exchange bilateral programs for Austria were deemed justified and are being continued in spite of the ICA decision to terminate these programs elsewhere in Western Europe.

12. *Reform of Austrian Banking System.* Some progress is being made toward the reform of the banking system in Austria. With the passage of the National Bank and the Bank and Insurance Reconstruction Laws in October, it is believed that the framework of the capital market laws are completed, and domestic and foreign confidence in Austrian credit institutions thereby increased.

13. *Austrian Investment Corporation.* No progress can be reported in the investment corporation recommended in 1953 by the Bank Study Group (BSG), although informal contacts with the Austrian Government seem to indicate the possibility of some action in the not too distant future.

14. *Economic Situation.* Consideration of some of the major economic factors such as the obligations to the USSR specified in the Treaty and related agreements, the annual loss of some \$45 million in for-

eign exchange from the occupation forces, the costs of establishing a national army, the net accrual of foreign exchange to Austria from the oil properties and the USIA industrial plants, and the continuing deficit in foreign trade for 1955 indicate that the net adverse impact on Austria's balance of payments will probably be about \$50 million annually for the next few years; the estimate for the current year will total between \$60 million and \$70 million. Review and evaluation of these economic factors plus those involving counterpart releases, the sale of surplus commodities, the ICA coal program, Ex-Im and IBRD Bank loans, the maintenance of a high level of tourism and a stable demand for Austrian goods, indicate that Austria may unaided still overcome its short-run balance of payments difficulties and liquidate its obligations under the State Treaty and related agreements provided the general condition of the over-all Western economy remains good and the government is successful in combatting inflationary pressures.

15. *Revision of the Basic Policy Paper (NSC 164/1)*. While certain portions of NSC 164/1 are capable of continuing implementation, it is believed the entire paper should be revised to take into account the changed situation to include the basic elements of Austrian independence and neutrality; the question of possible guarantees of territorial integrity; economic effects, trends and prospects; military developments; results of the Geneva Conference of Foreign Ministers as they may affect the Austrian situation; and Austria's relations with the Western and Eastern blocs. It is felt that revision should be made soon after a careful review and analysis of the results of the Foreign Ministers Conference.

C. Emerging Problems and Future Actions

The following emerging problems and future actions are envisaged pending the revision of NSC 164/1:

16. *Neutrality Recognition*. The question of formal U.S. recognition of Austria's neutral status arises as a result of the receipt of a request therefor from the Austrian Government on November 14.³ The problem is complicated by the fact that the Austrian Government is still considering what the nature and scope of its neutrality should be. In this regard the U.S. should encourage Austrian interpretation of its neutrality in a manner which allows the greatest freedom and flexibility possible to allow closest cooperation with the U.S. on matters such as transit rights, etc., as well as with Western and international non-military organizations.

17. *Territorial Guarantee*. The U.S. may be faced soon with Austria's request to guarantee its territorial integrity. The attendant prob-

³See Document 11.

lems for the U.S. of constitutional limitations, coordination with the U.K. and France and our desire to limit any such guarantee to one within the U.N. framework must also be considered.

18. *Implementation of State Treaty.* Matters relating to implementation of the State Treaty, with particular reference to the disposition of German assets, as well as the problem of accession to the Treaty by other powers, are receiving current attention and will continue to require tripartite consultation.

19. *Political Stability.* It is essential to U.S. and Western interests that political stability be maintained in Austria and that Communist influence therein be counteracted by all appropriate means. Present indications are that the coalition government will continue at least pending the outcome of 1956 elections.

20. *Military Establishment and Soviet Arms.*

a. It is essential that Austria's armed forces be adequate for the protection of her own internal security and at least in part, territorial integrity. Therefore, the U.S. should encourage the Austrians to raise and support an adequate military establishment, and be prepared to consider possible Austrian requests for additional military assistance.

b. Military equipment being furnished to Austria by the Soviet Government raises problems which will require close attention with a view to assuring that Austria does not become dependent upon Soviet arms.

21. *Economic Stability and East-West Trade.*

a. Economic trends in Austria must be closely followed with a view to determining Austria's requirements for outside assistance in order to maintain economic stability. Such foreign assistance could be provided by (a) agricultural surpluses for which a new agreement is now being negotiated supplementing the one signed at the end of FY 1955 and (b) additional loans by the IBRD and Ex-Im Banks. (See paragraph 5 above)

b. The question of East-West trade matters is a continuing problem which will require constant attention in an effort to assure Austria's continued cooperation with COCOM and the U.S. in the field of strategic controls, despite her neutrality status.

22. *Escapees and Refugees.* The U.S. will continue to be concerned with implementation of the Escapee Program in Austria and with problems relating to the welfare and disposition of Displaced Persons and Refugees.

23. *Property Restitution and Commercial Treaties and Agreements.*

a. Many problems relating to the restitution of U.S. property interests in Austria and to compensation for property interests which cannot be restituted will require attention.

b. Negotiations will continue toward the conclusion of treaties between the U.S. and Austria on Double Taxation and Friendship, Commerce and Navigation, and an agreement for Cooperation Concerning Civil Use of Atomic Energy. The question of a permanent

transport air agreement with Austria to replace the 1947 interim agreement also is under consideration.

24. *Danube Convention*. Consultations are being held with the British and French with a view to developing the nature of the further action which should be taken to discourage Austria from joining the Communist-dominated 1948 Danube Convention in its present form and to protect U.S. and Western interests in this field.

14. Telegram From the Department of State to the Embassy in Austria¹

Washington, December 29, 1955—4:17 p.m.

1863. Department was prepared for post-treaty period in which Austrian Government would display various signs of going through shakedown period involving coalition difficulties, uncertainties as to use of newly won sovereignty and groping for proper application policy military neutrality. Recent developments have however proved more disturbing than expected and have produced Austrian trends difficult analyze. Such developments as are occurring with respect trade controls, possible Soviet loans and possible Austrian recognition Communist China could constitute signs serious adverse trends in development attitudes and policies post-treaty Austria. There are also some indications that contrary expectations Austrian Government applying neutrality policy beyond area military alliances and bases. These signs seem go beyond expected Austrian effort balance moves toward East and West, e.g., we were not surprised by recognition Albania following recognition West Germany.

Moreover recent behavior of Raab and other Austrian leaders and apparent marked diminution cooperation with West particularly by Peoples Party regarded here as equal in significance to foregoing substantive developments. All of these factors seem to have appeared without any apparent unusual Soviet pressure and with continued benevolent Western policies toward Austria.

Department therefore considering advisability recalling you for consultation soonest after January 1 in effort achieve clearer understanding factors involved and formulate future US courses of action.

¹Source: Department of State, Central Files, 763.00/12–2955. Secret; Limit Distribution; No Outside Agencies. Drafted by Compton and Freund of WE on December 28 and signed for Dulles by Merchant.

Mere fact your consultation might prove salutary if before departing you hint to high Austrian officials reason your trip.

Any event not unlikely Congressional committee will insist you testify on budget about January 10.

Your comments requested.

Dulles

15. Telegram From the Embassy in Austria to the Department of State¹

Vienna, December 31, 1955—noon.

1608. Re Department telegram 1863.² Believe my testimony before Congressional committee at this time would be highly disadvantageous and earnestly hope it can be avoided. A reassuring picture, which I believe is justified in the long run, would encourage Austrians to think recent waverings have gone unnoticed while alarmist picture would be likely stir up political issues here contrary to our interests. Helmer's recent article in *Die Zukunft* only one of indications that Socialists not adverse to having choice between East and West become an election issue since they realize country is and will remain pro-West.

I have of course been disturbed by recent developments as have many Austrians both Socialist and Peoples Party but do not believe they are as significant as indicated in reference telegram. Many of them have their roots in domestic issues. Had the Soviet loan been for the Tirol I am sure Raab would have opposed it. The non-renewal of foreign trade law was chiefly due to Peoples Party unwillingness to pay Socialists' price, and for present I believe Austria will continue collaboration on control strategic material. Albanian recognition largely due to efforts obtain release of Austrian prisoners and offset establishment relations Germany and Spain. Chinese recognition of course much more serious problem but do not believe imminent.

Against these moves must be considered Austrian cooperation in military field such as transit rights which I understand will shortly be approved, the attitude of the Austrian press which has in general taken strong anti-Communist line, cooperation re neutrality declaration, et cetera.

¹Source: Department of State, Central Files, 763.00/12-3155. Secret; Limit Distribution.

²*Supra.*

Root of present problem is attitude of Chancellor. I am submitting by mail analysis his position³ but briefly I believe he is obviously endeavoring to prepare ground for obtaining Soviet concessions on payments for German assets and to obtain best terms in current negotiations in mistaken idea concessions can be obtained without cost. (Kreisky told me Raab is furious that Socialists are insisting upon pushing Austrian entry Council of Europe because of effect on his dealings with Soviets.) While I am convinced that Raab is basically sound he has I believe been misled by success of his negotiations in Moscow and subsequently into thinking that he can out-smart the Soviets and this combined with his provincial outlook and lack of experience in foreign affairs will continue to cause us trouble. He dominates his party and is one of the few in it who have qualities of statesmanship and courage. In a showdown he might well be our staunchest supporter and for present attitude of Socialists and large section of his own party will probably prevent his going very far in ill-advised maneuvers.

Prepared return for consultation at any time but believe this should be deferred pending further developments.

Thompson

³Reference is to despatch 607, January 12, 1956. (Department of State, Central Files, 763.13/1-1256)

16. Memorandum of Discussion at the 273d Meeting of the National Security Council, Washington, January 18, 1956¹

[Here follow a paragraph listing the participants at the meeting and items 1-4.]

5. *U.S. Objectives and Policies With Respect to Austria* (NSC 164/1; Progress Report, dated December 14, 1955, by the OCB on NSC 164/1²)

After Mr. Anderson had briefed the National Security Council on the contents of the reference progress report, the President said he wished to pose a question. Why shouldn't our propaganda organs jeer at the Soviets for insisting on taking millions of barrels of oil annually from a small poor country like Austria? Would it not be possible to get local information media to do this kind of a job for

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Prepared by Gleason on January 19.

²Document 13.

us? After all, Austria had been an invaded country and not a willing ally of Hitler.

In response to the President's question, Secretary Dulles cited the legal authority on which the Soviets were basing their claims to this oil; namely, agreement by the Allies that Nazi assets in Austria were to go to the Soviet Union. Strictly speaking therefore, the oil was not booty.

Mr. Allen Dulles, however, believed that the President's idea could be used at least in covert propaganda. Secretary Dulles also pointed out that there was even a larger field for the exercise of the President's idea because it applied not only to Austria but to the Soviet satellites as well. In practice the Soviets were squeezing out the resources of their satellites and then turning around to make generous offers to the peoples of the free Asian states.

Governor Stassen then stated that he had a suggestion to make. Would it not be worthwhile to undertake a study of the possibilities of reaching back from countries like Austria and Finland on the periphery of the Soviet Union in order to effect evolutionary changes in the U.S.S.R. Such a program should be of a long-term character, perhaps over a period of ten years.

Mr. Anderson pointed out that Governor Stassen's idea was probably already included in agreed NSC policy. Accordingly, it would be more appropriate to refer his proposal to the Operations Coordinating Board for study of ways and means of executing such a program. The President and the Secretary of State expressed agreement with Mr. Anderson's view.

The National Security Council:

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

b. Directed the NSC Planning Board to prepare a revised statement of U.S. Policy toward Austria.

[Here follows item 6.]

S. Everett Gleason

17. Editorial Note

On January 23, Ambassador Thompson reported that Austrian Finance Minister Kamitz thought that the Soviet loan proposal was a closed issue. (Telegram 1756 from Vienna; Department of State, Central Files, 863.10/1-2356) The Socialists never wavered in their opposition to financial assistance from the Soviet Union and defeated the

loan proposal a third and final time within the Austrian Cabinet February 16–18.

The position of the Socialists was strong because of support from the World Bank, the United States, and pro-Western Austrians. First, the World Bank notified Austria that it would be reluctant to participate in Soviet-funded projects. Then, on February 7, the United States concluded a P.L. 480 agreement with Austria for economic development. Finally, Chancellor Raab decided against pushing for the loan so as not to antagonize his pro-West voters.

Deputy Chief of Mission Thomas K. Penfield observed that the defeat of the Soviet loan was important to the shaping of a pro-West Austrian image. Penfield further noted that the defeat was one of the first signals that Austria intended to interpret its neutrality in a strictly military sense rather than beyond the stipulations of the State Treaty. (Despatch 749 from Vienna, March 6; *ibid.*, 863.10/3–656)

18. Instruction From the Department of State to the Embassy in Italy¹

CA–7328

Washington, March 22, 1956.

SUBJECT

The South Tyrol question

The Department has noted Rome's telegram 3151 of March 14, 1956 repeated to Vienna as telegram 90,² concerning Italo-Austrian discussion of the South Tyrol question. While the matter has not been broached by the Austrians in Washington since the occasion mentioned in the Department's telegram 2762 to Rome,³ it was twice raised by a representative of the Italian Embassy during the week that began March 5.

The Italian official indicated considerable concern on the part of the Italian Foreign Office over the possibility that the Austrian Government would make an issue of the question with the Italian Gov-

¹Source: Department of State, Central Files, 765.022/3–2256. Confidential. Drafted by Freund on March 19 and signed by Jones for Dulles. Repeated to Vienna.

²Telegram 3151 from Rome reported that newspapers in Rome had announced that Figl and Italian officials had not discussed the South Tyrol question. At Figl's insistence, Italian officials publicly acknowledged that the issue had been taken up. (*Ibid.*, 765.022/3–1456)

³Telegram 2762 to Rome reported that in February, Grauss had informally raised the South Tyrol question with the Department of State, which had maintained a position of nonintervention on the issue. (*Ibid.*, 765.002/2–2556)

ernment and attempt to enlist the aid of the United States Government. By implication, the Italian official imputed to the Austrian Government unseemly motives in doing so.

The Department reassured him that no official effort to bring the United States Government into the controversy had been made by the Austrian Government, that the Department had received no indication that the matter was being made a major issue by the Austrians and reiterated the United States position expressed in previous Departmental communications to Embassies Rome and Vienna.

It is encouraging to note the attitude of Minister Schoener as reported in the last paragraph of Rome's telegram 3151,⁴ and it is assumed that the sensitivity of the Italian Government on the South Tyrol question reflects concern over the continued support of the Segni Government by members of Parliament from the Alto Adige.

With the forthcoming national elections in Austria and administrative elections in Italy, it is conceivable that one or both sides in the South Tyrol issue may find it expedient to exaggerate difficulties in the area concerned by alleging serious injustices. Barring new information concerning difficulties in the implementation of the Gruber-De Gasperi agreement or failure of sincere Italo-Austrian diplomatic efforts to resolve actual problems, the Department foresees no need to alter the present United States position.⁵

Dulles

⁴Telegram 3151 reported Schoener's opinion that future negotiations between Austria and Italy on the South Tyrol should be conducted in secret. (*Ibid.*, 765.022/3-1456)

⁵The Embassy in Vienna confirmed that the Austrians had not recently raised the South Tyrol matter with U.S. officials. It further agreed with the assessment of the Department of State and noted that the Austrians were too realistic to expect any major alteration in the South Tyrol situation. (Despatch 823, April 3; *ibid.*, 765.022/4-356)

19. National Security Council Report¹

NSC 5603

Washington, March 23, 1956.

**DRAFT STATEMENT OF POLICY BY THE NATIONAL SECURITY
COUNCIL ON U.S. POLICY TOWARD AUSTRIA**

General Considerations

1. The Austrian State Treaty, which came into force on July 27, 1955, ending the occupation and reestablishing Austria's independence and sovereignty, marked the achievement of the major U.S. objective in Austria for the past ten years. The price, however, which Austria paid for Soviet willingness to conclude the Treaty was a policy of perpetual military neutrality and heavy economic obligations to the Soviet Union payable over 6 to 10 years.

2. Austria, an integral part of free Europe, is a symbol of resistance to the Soviets. Austria is strategically important because of its position controlling important approaches to Western and Southern Europe, and the Danube gateway to the satellites.

3. Soviet aims in Austria today are primarily to prevent close alignment with the West and to draw Austria as much as possible into the political and economic orbit of the USSR. Moreover, the Soviet Union hopes to use the Austrian example as an incentive to develop neutralism elsewhere. A weakening of Austria's stability and pro-Western ties would constitute a serious setback for the United States.

4. Austria's post-Treaty neutrality as defined by law prevents it from entering military alliances or allowing the establishment of foreign military bases on Austrian territory. Austrian political leaders have interpreted this neutrality to mean that Austria is free to cooperate with the West in political, economic and cultural fields and to accept outside assistance in the establishment of its armed forces. The United States has encouraged Austria to adopt and maintain this interpretation of its neutrality to ensure Austria's Western orientation and minimize the adverse influence on Austria and other nations of Soviet pressures to broaden Austria's neutrality.

5. Under the Austro-Soviet Memorandum of April, 1955, Austria is to seek a joint four-power guarantee of Austrian territorial integrity. In view of U.S. constitutional and political considerations, the

¹Source: Department of State, S/S-NSC Files: Lot 60 D 661, Austrian Documents. Top Secret. A cover sheet; a March 23 memorandum by James S. Lay, Jr., transmitting the Report to the Council for consideration; an April 7 memorandum by Lay informing the Council that the President had approved NSC 5603 on that day; an eight-page NSC Staff Study; a financial appendix; and a table of contents are not printed.

United States has adopted the policy "that the United States should be prepared to treat any violation of the integrity of Austrian territory or neutrality as a grave threat to the peace, without however guaranteeing its territory or neutrality, except within the framework of the UN" (NSC Action No. 1388).

6. United in resistance to the Soviets, a coalition of government of the equally powerful Socialist and conservative People's parties, representing 83 per cent of the vote, has maintained political stability in Austria since the war. Removal of the common bond of opposition to Soviet occupation policies and the emergence of difficult problems, primarily economic, raised by the State Treaty, have exacerbated the basic differences between the two parties. However, as long as relatively favorable economic and international conditions prevail, moderate forces in Austria will remain vigorous enough to insure the maintenance of political democracy and stability.

7. Austria, with the help of nearly \$1.4 billion of U.S. aid since 1945, is relatively stable and prosperous, though inflationary pressures and balance of payments problems are present. Economic grant aid, last authorized in FY 1953, is not now necessary. U.S. interests still warrant such continued economic cooperation as transactions under Public Law 480, and loans for sound projects through established lending institutions. [3 lines of source text not declassified] Potential Austrian dependence on Soviet bloc trade warrants continuing attention.

8. After the State Treaty became effective, the Austrian Government established an Army [2 lines of source text not declassified]. Volunteers, and the first draft call anticipated for early 1957, will expand the present 7,000-man Army toward the goal of about 40,000 men. The Army is now capable of maintaining internal security, [2-1/2 lines of source text not declassified]. Bipartisan civilian control of the Army is a serious Austrian political issue.

9. The United States has provided post-Treaty Austria with \$22 million of military installations and, from a stockpile in Europe, \$40 million of end-items. A balance of \$17.4 million in end-items remains to be delivered from the stockpile; packing, transportation, etc., brings the remaining cost of delivering the stockpile to \$20.2 million. [9-1/2 lines of source text not declassified]

10. While the Austrian Government, now completely responsible for refugees, has publicly stated its intention to provide adequate protection and care for them, continued Austrian cooperation in this program will probably require continued U.S. and international assistance and advice.

Objective

11. Maintenance of an independent and stable Austria, and encouragement of its continued pro-Western orientation and resistance to Communist pressures and subversion.

Courses of Action

12. Make all feasible attempts to influence Austria to interpret its military neutrality in such a way as to minimize its restrictions and permit (a) continuance of its Western orientation, [*1 line of source text not declassified*], (c) its close cooperation with Western powers in all non-military fields, and (d) its participation in non-military organizations of the free world community.

13. Minimize the influence of Austria's neutrality on the defense and foreign policies of other free nations.

14. Seek to discourage Austria from requesting a four-power guarantee of Austria's territorial integrity; and failing that, limit any guarantee in which the United States will participate to one within the framework of the UN, without excluding, however, the possibility that conditions may warrant a tripartite Western declaration supporting Austria's political and territorial integrity.

15. Be prepared to treat any violation of the integrity of Austrian territory or neutrality as a grave threat to the peace.

16. Encourage the continuance of coalition governments at least until a single party is capable of providing a stable and democratic government.

17. Encourage Austria to raise and maintain armed forces adequate for internal security [*2 lines of source text not declassified*].

18. Be prepared to grant or sell to Austria military end-items and other appropriate forms of military assistance, keeping in mind Austria's interpretation of its military neutrality, the importance of avoiding Austrian dependence upon Soviet sources of supply, and the need for Austria's economic stability and growth.

19. Support Austrian efforts to insure that the armed forces are subordinate to national, bipartisan control and thus are not allowed to become a weapon which can be used by either party against the other.

[Numbered paragraph 20 (3-1/2 lines of source text) not declassified]

21. Seek to maintain Austria's close economic ties with the West through continued participation in such organizations as the Organization for European Economic Cooperation and through such measures, where appropriate, as loans for sound projects through established lending institutions, transactions under both Public Law 480 and triangular transactions under Section 402 of the Mutual Security

Act, and a limited technical assistance program. To this end, encourage Austria to eliminate restrictions which hamper foreign investment and trade with the West [2-1/2 lines of source text not declassified].

22. Continue the exchange-of-persons program and an active foreign information program.

23. Protect the rights of American citizens under the State Treaty and other agreements between the two governments, including settlement of claims and restitution of property in Austria or provision for adequate compensation.

24. Use all feasible measures to secure Austria's continued acceptance of responsibility in granting asylum and protection to political refugees from the Soviet bloc, and integration into the Austrian economy or Austrian cooperation in resettlement of refugees and displaced persons. Continue as appropriate in U.S. interests to assist in the resettlement of refugees through U.S. or international agencies.

[Numbered paragraph 25 (2 lines of source text) not declassified]

20. **Letter From the Officer in Charge of Western European Affairs (Jones) to the Ambassador in Austria (Thompson)¹**

Washington, April 4, 1956.

DEAR TOMMY: Dick² and I just finished briefing the Secretary on the Austrian NSC paper³ which goes before the Council tomorrow (it already has JCS concurrence without change). There were two areas in which he displayed interest.

1. He mentioned that he saw Van Zeeland at the Belgian Embassy at dinner last night and learned that he had been retained by the Austrian Government to advise it on raising funds for the rehabilitation of the former USIA plants. Van Zeeland was under the impression that the U.S. had been "sticky" on that subject and we informed the Secretary that so far as we knew, the problem was that the IBRD Mission to Austria had adopted a negative attitude, but that the U.S. had released counterpart for use in the former Soviet zone.

2. Paragraph 14 as it is going to the NSC reads:

"Seek to discourage Austria from requesting a four-power guarantee of Austria's territorial integrity; and failing that, limit any guarantee in which the United States will participate to one within

¹Source: Department of State, Austrian-Italian Desk Files: Lot 59 D 253, 211 Guarantee Question. Secret; Official-Informal.

²Presumably Richard B. Freund.

³*Supra.*

the framework of the UN, without excluding, however, the possibility that conditions may warrant a tripartite Western declaration supporting Austria's political and territorial integrity."

I quote the entire paragraph as the latter part is, I think, new since the draft⁴ we sent you a month or more ago. The Secretary's question concerned the first clause and occurred to him when, in response to his query, we informed him that there was not yet tripartite agreement on the approach to the Austrians concerning the guarantee. He asked whether the clause would mean that we would make the attempt to discourage the Austrians from requesting a guarantee whether or not the British and French joined with us. In the ensuing discussion, the Secretary pointed out that as the paragraph reads, an effort one way or another would have to be made once the NSC approves. He then observed that while a tripartite approach would probably be preferable, a unilateral approach would be better than nothing. Bob Bowie argued that with the French interest in the Figl idea of the guarantee being aimed at preventing Anschluss, we might be better off going into the matter informally alone with the Austrians, as the French might prove a handicap in a tripartite effort. It was decided to leave the language as it is, partly because I pointed out to the Secretary that I thought you still had hopes of bringing the British and French into line but mainly because the Secretary clearly wishes to leave no stone unturned in our efforts to avoid an official Austrian request for a guarantee.

Upon return to our offices, we found your Despatch 806 of March 28⁵ informing us that the British and French Ambassadors will, following the May elections, go along with you in an effort to discourage the Austrians from requesting a guarantee. We have, of course, informed the Secretary. However, given the Secretary's views as recapitulated above, he will want you to make some kind of a unilateral approach to the Austrians should, by any chance, your British and French colleagues prove unwilling to join you at the appropriate time. In any event, it may prove desirable for you to supplement an eventual tripartite approach by talking to the Austrians alone and informally to assure that our arguments against guarantees are not diluted by joint representation. Since the hiatus before the election gives us time for consideration, perhaps you could reply by letter after which any necessary supplement or modifications of your present instructions could be sent you officially. Not having had time to study the new drafts attached to your Despatch 806, I refrain from commenting on them at this time.

⁴Not found in Department of State files.

⁵Not printed. (Department of State, Central Files, 663.0021/3-2856)

As you will note, I am sending copies of this letter to Wally Barbour and Ted Achilles and hope you will keep them informed similarly. I think it would be helpful if your future despatches and other communications on the guarantee question could be repeated or copied to Paris and London direct from Vienna as we are having difficulty doing so from here. The records management people are persistent in destroying the hecto copies of your despatches before we have even seen them, and we are having a bit of a problem over re-typing for distribution to the other two embassies.

My best regards.

Sincerely,

John Wesley Jones⁶

⁶Printed from a copy that bears this typed signature.

21. Memorandum of Discussion at the 281st Meeting of the National Security Council, Washington, April 5, 1956¹

[Here follow a paragraph listing the participants at the meeting and items 1 and 2.]

3. *U.S. Policy Toward Austria* (NSC 164/1; NSC Action No. 1507; NSC 5603;² Memo for all Holders of NSC 5603 from Executive Secretary, dated March 26, 1956;³ Memo for NSC from Executive Secretary, same subject, dated April 4, 1956⁴)

The Executive Secretary began to brief the Council on the contents of the reference report (NSC 5603), and noted the concurrence of the Joint Chiefs of Staff. When Mr. Lay reached paragraphs 14 and 15, dealing with U.S. policy regarding the integrity of Austrian neutrality, he pointed out the possibility of a tripartite Western declaration supporting, though not guaranteeing, Austria's political and territorial integrity. The President said that such a possibility did not worry him, since the declaration in this instance would not be unlike the 1950 tripartite declaration on the Arab-Israeli problem.

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Prepared by Gleason on April 6.

²Document 19.

³Not found in Department of State files.

⁴This memorandum enclosed a March 30 memorandum from the Joint Chiefs of Staff recommending that NSC 5603 supersede NSC 164/1. (Department of State, S/S-NSC Files: Lot 60 D 661, Austrian Documents)

Secretary Wilson at this point indicated that there was still a balance of \$20 million worth of arms which would be delivered, if present schedules were followed, to the Austrians next year. Secretary Wilson wondered whether the Austrians were really ready to receive this final increment of arms that we were supplying them, and suggested the possibility of temporarily slowing up delivery of these arms. The President answered that this was a problem which would not be settled in the National Security Council, but that Assistant Secretary of Defense Gordon Gray should look into the matter. After Mr. Lay had pointed out that the Staff Study indicated the possibility of a delay in the development of Austria's armed forces, the President said that it would be all right to stagger delivery of this last \$20 million worth of arms if it developed that Austria was not prepared to receive it.

Admiral Radford said that he might mention that the Italians have told us that they had been approached by the Austrians with a request for additional arms. Accordingly, Admiral Radford believed that Austrian military leaders at least were thinking in terms of enlarging the scope of Austria's rearmament.

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

The National Security Council:

a. Noted and discussed the draft statement of policy on the subject contained in the reference report (NSC 5603) in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of April 4.

b. Adopted the statement of policy contained in NSC 5603.

Note: NSC 5603 subsequently approved by the President, who directs its implementation by all appropriate Executive departments and agencies of the U.S. Government, and designates the Operations Coordinating Board as the coordinating agency.

[Here follow items 4 and 5.]

S. Everett Gleason

22. Telegram From the Embassy in Austria to the Department of State¹

Vienna, October 19, 1956—10 a.m.

827. Political Director Foreign Office Haymerle² said considering recommending Figl request US intervention South Tyrol question possibly by note both countries urging moderation and settlement outstanding differences. Thought Austria could be satisfied relatively small concessions but present course events appeared leading appeal to United Nations which would be bad for Austria, Italy and West generally. While no question resort to force situation otherwise developing along lines Cyprus problem and longer present trends continue more difficult solution would be. Requested my personal reaction proposed *démarche*. I discouraged any such step at this time pointing out formal US intervention would if known magnify problem. Stated certain our Embassy Rome in any conversations on subject would automatically urge moderation.

In discussing problem generally took strong line critical Austrian actions with purpose discouraging Austrians from attempting force issue on basis expectation support from US. Said felt sure Italians prepared make series small concessions where non-compliance agreement clear but appointment Schnitzer and public agitation issue appeared leading to attempt reach comprehensive package solution which my opinion unlikely succeed since any concessions Italians likely make would not enable Austrian Government assure Tyroleans problem had been solved and would therefore be rejected. Best approach would be step by step procedure but difficult see how this could be accomplished in view present agitation problem in Austria. Pointed out US intervention would add to pressure for comprehensive solution. Added however US always ready assist friends resolve their problems and wished give matter further thought.

Figl and Austrian Foreign Office exerting moderating influence and I share their concern present trend of events. Believe best course would be combine informal pressure on Austrians to restrain public agitation and for Italians to take promptly even a few minor steps to assist them doing this and break present trend toward an all or nothing solution. Have mailed Washington and Rome text Austrian

¹Source: Department of State, Central Files, 663.65/10-1056. Secret. Repeated to Rome.

²Heinrich Haymerle, head of the Political Division in the Austrian Ministry of Foreign Affairs.

memo to Italians³ obtained in confidential form from diplomatic colleague.

Thompson

³The memorandum and corrections to it were transmitted in despatches 336, October 16, and 356, October 19. (Both in Department of State, Central Files, 663.65 10–1656)

23. Telegram From the Embassy in Austria to the Department of State¹

Vienna, October 25, 1956.

875. Econ Director FonOff tells me latter much concerned re timing Mikoyan visit relation developments Hungary and Poland but so far not disposed take initiative in suggesting postponement. Said particularly concerned at possibility misunderstanding in US and other Western countries. Indicated Austs would welcome any guidance. I replied difficult form opinion view paucity info from Budapest re extent Sov intervention but observed that in view these developments Mikoyan would be in relatively weak position at this time if Sovs had any intention bringing pressure on Aust. What I actually had in mind is Austs would be far less disposed than usual to fall for any bait Mikoyan might offer since Austs with their many personal ties with Hungary will resent deeply any evidences Sov brutality their Hungarian cousins. If Dept considers I² should give Austs any informal advice this question please instruct.³

Thompson

¹Source: Department of State, Vienna Embassy Files: Lot 63 F 61, 361.2, Mikoyan 1956–1958. Confidential; Routine. Drafted by Thompson.

²Another copy of this telegram reads at this point: "it". (*Ibid.*, Central Files, 033.6163/10–2556)

³In telegram 913, October 28, the Embassy in Vienna reported that Bischoff had been instructed to suggest that Mikoyan postpone his visit. In telegram 947, October 29, Thompson reported that Mikoyan's visit would be postponed. (*Ibid.*, Vienna Embassy Files: Lot 63 F 61, 361.2 Mikoyan 1956–1958)

24. Telegram From the Embassy in Austria to the Department of State¹

Vienna, November 3, 1956—5 p.m.

1093. Hungarian statement re neutrality and guaranty by great powers may revive question 4-power guaranty Austria.² In meeting I had with Figl and Kreisky this morning Austrians asked casually what would happen if Soviets did not stop at Hungarian frontier. In effort head off formal raising of guarantees question I said I had no instructions but pointed out was great distinction between whether Soviets evacuated country they now held and an attack on a free country like Austria. Did not think there was any likelihood of other than minor border incidents but felt no doubt whatever that a real attack on Austria would result in showdown between West and East.

Thompson

¹Source: Department of State, Central Files, 663.0221/11-256. Secret. Repeated to Moscow, London, and Paris.

²On November 2, Soviet tanks surrounded Budapest. The Hungarian Premier responded by withdrawing Hungary from the Warsaw Pact and declaring Hungarian neutrality. For documentation, see volume xxv.

25. Editorial Note

On November 6, Lincoln White, Department of State Spokesman, read the following statement on the Hungarian situation:

“The United States has respected and will continue to respect and observe the neutral character of Austria and considers that the violations of the territorial integrity or international sovereignty of Austria would, of course, be a grave threat to the peace.”

For full text of the statement, see *The New York Times*, November 7, 1956, page 1.

26. Telegram From the Embassy in Austria to the Department of State¹

Vienna, November 9, 1956—6 p.m.

1234. Chancellor told me this morning he would make broadcast soon designed calm nerves of Aust public who had been making run on food stores. Said he did not consider Sov attack on Aust likely but that should Sovs make any attempt against Aust he was confident West would immediately come to Aust's aid since their failure do so would mean their loss of Europe.

In subsequent conversation Pol Dir FonOff told me he was certain Sovs would be very angry at firm stand Aust had taken in Hung affair and Sov policy toward Aust would change. In this connection he said question of guaranty would be raised informally during visit Aust Delegation to UN Assembly.

I said I thought Aust would be extremely foolish to even start discussion this question within Aust FonOff much less with US since there was danger leak to press and I listed the many arguments why any statement on guaranty would be unwise from purely Aust point of view. He professed be impressed these arguments and said would reconsider matter.

French Amb tells me FonOff states it does not now intend take any steps to match our statement on Aust neutralism.

Thompson

¹Source: Department of State, Central Files, 763.00/11-956. Secret. Repeated to Moscow.

27. Telegram From the Embassy in Austria to the Department of State¹

Vienna, November 9, 1956—6 p.m.

1225. I informed Raab today of approval transfer remainder stockpile A (Deptel 1413 Nov 7)² and said unless he disagreed would not inform Aust military pending agreement on how any announcement or publicity such action would be handled. Raab expressed

¹Source: Department of State, Central Files, 763.5-MSP/11-1056. Secret.

²Telegram 1413 to Vienna authorized the Embassy to inform the Austrians that the President had approved turning over the remainder of stockpile A to them. (*Ibid.*, 763.5-MSP/11-756)

great appreciation for the assistance but said the general situation was so hot at the moment it might be better if this were not known for a few weeks lest it be connected with the Hung situation. If situation improves we propose tell Defense Min in confidence next week but fear any widespread knowledge would leak and might give rise sensational stories. I suggest when we do proceed with shipments we do so without any formal announcement and when question raised we might say something along following lines: "US is furnishing to Aust certain items of military equipment which have been requested by the Aust Gov. Most of this material will consist of items remaining undelivered from the stockpile set aside for Aust use at the time of withdrawal of US troops from Aust." We will doubtless be pressed hard for some indication of types and quantities. To avoid alarming interpretations I suggest we state additional material will be much less than that already supplied to Aust. If and when queried re planes suggest we state Aust has requested training planes and it is hoped a small number can be furnished. In any statement which Austs make they will doubtless wish to emphasize requests have also been made of other powers including Sov Union.

Thompson

28. Telegram From the Embassy in Austria to the Department of State¹

Vienna, November 9, 1956—6 p.m.

1237. In view continued Soviet radio charges US violation Austrian neutrality, have instituted discreet inquiry ascertain if any facts known which might embarrass US. As Department aware from first day Hungarian crisis I repeatedly instructed all elements this Mission avoid any activities likely give substance to Soviet charge our violation Austrian neutrality. Convinced these instructions carried out. One instance known of US military forces Germany car which seen at frontier with Hungarians in it. This being investigated and probably eager beaver on leave. Department should be aware however that in first days there was much activity on part individuals and Austrian control in early days very lax. A number of visitors allegedly fresh out of Hungary came to Embassy some with Hungarian arm bands. Those seeking medical supplies were referred to Red Cross,

¹Source: Department of State, Central Files, 663.0021/11-956. Secret. Repeated to Moscow.

those seeking arms were told this was Embassy in neutral country and no assistance could be given. I warned Figl when I learned that Hungarians in refugee camp Salzburg were streaming toward Vienna but did not specifically suggest Austrians take any steps about it. Italian Ambassador told me over 100 Hungarian emigres mostly from Italy had plagued his Embassy trying to get in on the show. Some of Austrian press did go to extremes in type of articles published and received public rebuke from Chancellor. Will report further but in general convinced Austrian Government including Chancellor fully aware correctness our behavior.

Thompson

29. Telegram From the Department of State to the Embassy in Austria¹

Washington, November 20, 1956—7:11 p.m.

1781. Schoener telephoned Gruber last night to say he and Figl had long and friendly conversation with Shepilov in course of courtesy call by Figl at UN yesterday. Shepilov repeated several times Soviets completely satisfied with Austria's neutral conduct and there was no danger to Austria from Soviet side. Soviet troop movements near Austrian border not directed at Austria.

Only reference Hungarian refugee problem was Shepilov inquiry whether any Hungarians showing signs wishing to return. Upon Figl's statement none known but no hindrance return if any wished to, Shepilov did not pursue subject.

Will attempt get more details when Figl and party arrive here for interview Acting Secretary and signature Dollar Bond Treaty tomorrow. Figl plans leave for Vienna by air Thursday.

Hoover

¹Source: Department of State, Central Files, 661.63/11-2056. Confidential. Repeated to Moscow.

30. Editorial Note

On the morning of November 21, Foreign Minister Figl met with Acting Secretary of State Hoover in Washington to discuss the Hun-

garian refugee situation. (Telegram 1971 to Vienna, November 24; Department of State, Central Files, 764.00/11-2456) That afternoon, Figl took the matter up again in a meeting with Deputy Assistant Secretary Beam and various representatives of refugee organizations. (Memorandum of conversation, November 21; *ibid.*, 763.00/11-2156) For documentation on the Hungarian refugees and the question of asylum in Austria, see volume XXV, pages 300 ff.

Foreign Minister Figl had arrived in New York on November 10, as head of the Austrian Delegation to the United Nations General Assembly.

31. Editorial Note

On December 18, President Eisenhower sent Vice President Nixon as his personal representative to Austria for first-hand information about the Hungarian refugee situation. Regarding the Vice President's visit, see volume XXV, pages 534-539.

32. Memorandum From the Officer in Charge of Western European Affairs (Tyler) to the Assistant Secretary of State for European Affairs (Elbrick)¹

Washington, April 17, 1957.

SUBJECT

Visit of Deputy Soviet Premier Mikoyan to Austria

Discussion

Deputy Premier Anastas I. Mikoyan will visit Austria from April 23 to April 27. According to press reports his visit will include a trip through the provinces and a visit to the nationalized Voest Steel Works at Linz. Mikoyan's visit originally scheduled for last November, was postponed at Austrian request because of the Hungarian revolt. As now timed, the visit will precede the Austrian elections for president scheduled for May 5.

¹Source: Department of State, Austrian-Italian Desk Files: Lot 61 D 453, 601.6 Austrian-U.S.S.R. 1957. Confidential.

Chancellor Raab announced February 26, 1957 that he intended to discuss with Deputy Premier Mikoyan the reduction of Austrian compensation shipments to the Soviet Union required by the State Treaty. These shipments amount annually to \$25 million of goods of various kinds and one million tons of crude oil with a value of approximately \$18 million. The crude oil deliveries are especially burdensome to Austria in view of the decline in Austrian crude oil production from 3.7 million tons to 3.4 million tons and the anticipated future annual decline of 5 to 10 per cent unless new drilling can develop new Austrian proved reserves.

On March 19, 1957, the Embassy reported that Mikoyan's visit might be postponed again because of Soviet dissatisfaction with the Chancellor's speech raising the question of reductions in Austrian compensation shipments and because the Soviets considered that possible involvement of Mikoyan's visit in the Austrian Presidential campaign might make the trip undesirable.² However, the Austrians asked that Mikoyan come as scheduled, apparently because Chancellor Raab is determined to obtain alleviations in Austrian compensation shipments. The Embassy has long felt that Raab wished to go down in history not only as the Chancellor who negotiated the Austrian State Treaty but also as the Chancellor who obtained considerable reduction in the burdens imposed by the Treaty. The Embassy also believes that Raab is convinced that the successful conclusion of the State Treaty is evidence that he can negotiate successfully with the Russians. In arranging the visit, the Soviets hinted that discussions of reductions in Austrian compensation shipments could only be discussed in Moscow and that Austria must first demonstrate greater adherence to its neutrality policy. The Soviets apparently indicated that such discussions should be held six months to a year from now.

Soviet relations with Austria have deteriorated in recent weeks because of Minister of the Interior Helmer's expulsion of the World Peace Council Secretariat in February and the award of a decoration to an Austrian gendarme who killed a Soviet soldier who crossed into Austria in pursuit of fleeing Hungarian refugees. Some Austrian leaders consider these actions needless provocations of the Soviets.

The Embassy anticipates that Mikoyan will raise the banning of the World Peace Council Secretariat, the general deterioration of Austro-Soviet relations and Austrian actions during the Hungarian uprising. Mikoyan might also offer a loan for reconstruction of former Soviet operated plants in Austria and modernization of the Vienna transport system, as he was reported ready to do last fall. The Austrians, for their part, are preparing their case for a request

²Telegram 3351, March 19. (*Ibid.*, Central Files, 033.6163/3-1957)

for reduction in compensation shipments but are not hopeful that Mikoyan will give them much satisfaction.

On our part we have authorized the signature of agreements for a \$15 million PL 480 Title I program and a \$10 million special Title II program for assistance to Hungarian refugees. The agreements can not be concluded before Mikoyan's visit as the Austrian Cabinet is in recess for Easter, but we have suggested the Embassy leak the news of the agreements to strengthen the Austrian position and offset the favorable propaganda which would result from any concessions which Mikoyan might make.

33. Telegram From the Embassy in Austria to the Department of State¹

Vienna, April 25, 1957—7 p.m.

3787. MinInt Helmer informed Emb today that Mikoyan in yesterday's private talks with AustGovt Mins stressed Sov desires with West, and repeatedly asserted Sovs convinced U.S. equally desires world peace. Mikoyan said U.S. efforts on behalf peace during Suez crisis made powerful impression SovGovt and people. Mikoyan said method implementing universal desire for peace difficult to find. Wide demilitarized zone in Europe offered possibilities, whereas proposal ban further manufacture atomic weapons without destroying present stockpiles merely device to freeze Western superiority. Added that ways to detente will simply have to be found, since both sides so ardently desire peace.

Mikoyan then turned to Aust affairs, said he did not intend make public issue of such Aust acts as banning WPC and WFTU, decorating gendarme who shot Sov soldier, etc. Sov people regretted these incidents, could not understand how neutral democratic Aust did such things. Nevertheless Sov people desire friendliest relations with Aust. Mikoyan urged Aust restore friendly relations with Hungary, particularly because of pressure Sov troops there. Invited Raab and Vice Chancellor, as well as Helmer, to visit Moscow earliest possible date to conclude much broader trade agreement as well as possibly reach agreement on alterations State Treaty reparations obligations.

¹Source: Department of State, Central Files, 661.00/4-2557. Confidential. Repeated to Moscow, Paris, London, and Bonn.

Above info repeated to me substantially by Dir Gen FonOff Schoener. Brit Amb has similar info from other sources.

Helmer adds that Aust Cabinet members informally discussed among themselves Mikoyan's invitation to Moscow, and consensus was visit should be made not later than autumn 1957. Feels that although he and other Austs feel Mikoyan's flexibility probably merely tactics to restore pre-Hung coexistence policy, all Austs present at meeting much impressed by his shrewdness, and with some reservations apparent new departure in Sov for policy line. Memo of conversation by pouch.²

Wainhouse

²Not printed. (Despatch 1045, April 25; *ibid.*, 763.00(W)/4–2557)

34. Memorandum From the Deputy Assistant Secretary of State for European Affairs (Elbrick) to the Secretary of State¹

Washington, September 23, 1957.

SUBJECT

Call by Austrian Minister Figl on September 24 at 2:30 p.m.

Foreign Minister Figl has an appointment to see you on September 24, at 2:30 p.m. In view of the problems which are to be discussed, he will be accompanied by the Austrian Finance Minister, Dr. Reinhard Kamitz, whom you met during your visits to Vienna to sign the State Treaty and to attend the reopening of the opera. The Austrian Ambassador, Dr. Karl Gruber, Colonel Raymond, and I will also be present as well as an interpreter for Minister Figl.

I. Topics the Secretary Should Raise

A. *Oskar Teuber Case*

Discussion:

Foreign Minister Figl has written you a personal letter (Tab A)² requesting the return of certain property worth approximately one

¹Source: Department of State, Central Files, 763.13/9–2357. Official Use Only. A handwritten notation on the source text indicates that Secretary Dulles saw the memorandum.

²None of the tabs has been found in Department of State files.

million dollars to Oskar Teuber which was vested by the Office of Alien Property (OAP). The property has been retained because the OAP has taken the position that return would not be in the "national interest" because Mr. Teuber once applied for membership in the Nazi Party, even though his application was not accepted and he was mentally incompetent at the time of his application, according to Austrian law. Minister Figl is interested in the case because he was a personal friend of Mr. Teuber's father, the founder of the Austrian Boy Scout movement.

Recommended U.S. Position:

Minister Figl should be informed that upon receipt of his letter concerning the property of Oskar Teuber the letter was referred to the Attorney General. Mr. Elbrick discussed the matter with the Alien Property Custodian on September 22 and learned that the claim is still under consideration and may have to be referred to the Attorney General for decision. In any event, as the Minister is aware, an Austrian delegation is coming to Washington on October 5 to negotiate a treaty for the return of Austrian vested property which would include the Teuber property. The United States hopes that the treaty will be concluded and ratified at an early date.

B. Matters of Concern to the United States

From the United States point of view, there are two important problems in our relations with Austria: Austrian failure to comply with certain important provisions of the Vienna Memorandum and Austrian failure to settle certain categories of claims of former persecutees, as provided in Article 26 of the State Treaty.

1. *Vienna Memorandum* (Background Memorandum, Tab B)

Discussion:

Although Austria agreed to return the property of the British and the American oil companies within twenty-one months after the ratification of the State Treaty, that is by April 27, 1957, the Lobau refinery, the major refinery owned by the companies, and its pipelines have not yet been returned. The Austrian Government has also not settled claims based on former oil exploration rights in Eastern Austria. On August 27, the United States and UK Embassies delivered identical notes requesting prompt return of the Lobau refinery and settlement of other outstanding claims, and the Department undertook a number of representations urging full compliance with the terms of the Vienna Memorandum. Embassy Vienna cabled on September 19 that a proposal to return the Lobau refinery and pipelines will be brought before the Cabinet on September 24 but will not take effect until some time later. The oil companies which have long

been deprived of their property are anxious to regain control of the refinery.

Recommended U.S. Position:

The Secretary should express the concern which the United States Government has felt that Austria has not been able to comply with its obligations under the Vienna Memorandum within the specified twenty-one month period which expired on April 27, 1957. The United States hopes that the Lobau refinery and the pipelines will soon be returned and that a settlement satisfactory to both parties will be achieved in the near future on the other outstanding claims of the oil companies.

If, in reply, the Minister refers to the proposed Austrian Cabinet action, the Secretary should welcome the proposal and state that the United States relies on Austrian good faith in fulfilling its commitments under the Vienna Memorandum and expects that a satisfactory settlement on all points, including the exploration rights, will be achieved.

2. *Jewish Claims under Article 26* (Background Memorandum, Tab C)

Recommended U.S. Position:

The Secretary should stress to Minister Figl and Minister Kamitz, who are both members of the Austrian Cabinet Committee established to consider claims of former Jewish persecutees in Austria, that individual claimants, Jewish organizations in the United States, and a number of Senators and Congressmen have been exerting great and increasing pressure on the Department to have Austria complete the settlement of claims under Article 26 of the State Treaty which provides for restoration of property, legal rights, and interests to the persecutees. The United States hopes that the Austrian Government will soon take some action either by settling individual claims for bank accounts, insurance policies, and other legal rights and interests or by establishing a fund of sufficient size to meet the bulk of the claims.

II. Topics Foreign Minister Figl May Raise

A. *Austrian Request for a PL 480 Program*

Discussion:

The Austrian Embassy has stated that Minister Figl will probably urge that the United States approve the Austrian request for an \$11.6 million PL 480 Title I program. In view of the limited PL 480 funds available and the many more critical requests pending, it is difficult to say anything definite now about Austria's chances for a PL 480 program but they appear dim.

Recommended U.S. Position:

The Secretary should state that the Austrian request has received careful consideration but that there are numerous requests for PL 480 programs from countries whose economies are weak, that Austria's economy is relatively strong, that it has already received three Title I programs totalling \$43.3 million, and that we are unable at this time to make any definite commitment for this year.

*B. Austrian Interest in Multilateral Aid to Poland via OEEC**Discussion:*

The Austrian Foreign Minister may refer to recent conversations with Ambassador Matthews and Secretary Weeks in Vienna regarding Austrian efforts to promote an association by Poland with the OEEC and a grant of credits to Poland through the European Payments Union of the OEEC.

The Austrians expect this issue will be raised at the OEEC Ministerial Meeting of October 15, although it is not clear whether the question would be raised on Austrian initiative or by a group of OEEC countries. In the meantime, Austria has granted Poland a credit equivalent to \$5 million. The Austrian Government considers an EPU credit, which would draw largely on German funds, would be an expression of Western European solidarity in support of Poland.

Recommended U.S. Position:

The Secretary should state that our preliminary position is that we would favor efforts to bring Poland into a relationship with the OEEC as a means of strengthening Polish ties with Western Europe. As already indicated to Minister Figl by Ambassador Matthews in Vienna, a relationship between Poland and the OEEC would presumably involve careful and balanced consideration by both the Poles and the member Governments of the OEEC. Association with OEEC and extension of an EPU credit to Poland would involve a number of technical and economic problems some of which would be similar to those which have arisen in connection with the question of Spanish and Yugoslav association with the OEEC. If, however, a decision is taken on a high political level by both the OEEC countries and Poland, to undertake a Polish-OEEC tie, these difficulties should not prove insuperable.³

³No record of the September 24 meeting between the Secretary of State and Figl has been found in Department of State files or the Eisenhower Library.

35. Editorial Note

On September 18, the Department of State informed the Embassies in Vienna and Moscow that Chancellor Raab intended to visit Moscow in 6 to 8 weeks to negotiate a reduction in Austria's compensation shipments to the Soviet Union. (Telegram 343 to Moscow, 1032 to Vienna; Department of State, Central Files, 763.13/9–1857) The Embassy in Vienna replied that because the Chancellor was ill it was unlikely that the visit would take place before 1958. It also reported that the Austrians believed that the Soviets would grant them concessions without any conditions. The Embassy, however, believed the Soviets might expect Austria to reestablish good relations with Hungary in return for the concessions. (Telegram 841, September 20; *ibid.*, 763.13/9–2057) For the Embassy in Moscow's response, see telegram 589, *infra*.

36. Telegram From the Embassy in the Soviet Union to the Department of State¹

Moscow, September 19, 1957—5 p.m.

589. Reference Deptelegram 343.² Although in August 27 *Pravda* comment on forthcoming Austro trade talks, Soviets expressed satisfaction with current implementation by Vienna of Austrian neutrality policy, it will be recalled that Soviet press published number of articles during this spring criticizing Austria's interpretation of that policy and its position on Hungarian question, particularly refugees. While we are inclined to doubt Soviet Government in any event prepared grant significant reduction in Austrian compensation shipments to USSR, latter is not likely seek major Austrian quid pro quo since this would both negate desired political effect and run into opposition of Austrians who, after all, are presumably not desperately in need of Soviet reduction.

Soviet asking points, in addition to urging general increase of Austrian-Soviet bloc trade, might involve attempt persuade Austrians (1) to recognize existence two Germanies and establish relations with East German regime, though we hardly believe Soviets will insist upon this; (2) to assume full membership in Soviet-dominated Danube Commission; (3) to adopt more "reasonable" attitude toward

¹Source: Department of State, Central Files, 661.63/9–1957. Confidential. Repeated to Vienna.

²See the editorial note, *supra*.

Hungarian question and Kadar regime, including problem of refugees; (4) to support publicly Soviet position on banning weapons mass destruction and further nuclear tests; (5) to avoid membership in or close relationship with such "aggressive components of NATO" as Coal-Steel Community, European Common Market and Free Trade Area, and EURATOM; and (6) to so formulate Austria's position on international issues that truer expression of "Austrian neutrality" will obtain than in past. Conceivable Soviets might also seek agreement to revive use Vienna as headquarters for worldwide Commie front organizations.

Thompson

37. Memorandum of a Conversation, Department of State,
Washington, December 6, 1957¹

SUBJECT

South Tyrol

PARTICIPANTS

Dr. Karl Gruber, Ambassador of Austria

EUR—Mr. Jandrey

WE—Mr. Chapin

Ambassador Gruber called at his request on Mr. Jandrey to inform him of developments on the South Tyrol question. The Ambassador referred to an article in the *New York Times* of December 5 which stated that in a debate in the Austrian Parliament, Foreign Minister Figl had indicated that if direct talks with Italian representatives did not result in acceptable progress on the South Tyrol question, it might be necessary as a last resort to bring the issue before the United Nations. Ambassador Gruber said he had received instructions to raise the South Tyrol question with the Department. Foreign Minister Pella² and Minister Figl had agreed in New York in September to conduct negotiations on South Tyrol following the Italian elections scheduled for the spring of 1958, but the situation had deteriorated since the agreement was reached. Ambassador Gruber said that an informal indication by the United States to the Italian Government that the problem should be resolved by direct talks would be useful.

¹Source: Department of State, Central Files, 765.022/12-657. Official Use Only. Drafted by Seldin Chapin.

²Giuseppe Pella, Italian Deputy Prime Minister and Minister of Foreign Affairs.

Mr. Jandrey replied that he had had an opportunity to hear Dr. Gschnitzer's³ views on the South Tyrol question, when the latter was here in September. He had told Dr. Gschnitzer that the United States position was that the problem should be resolved by direct talks between Italy and Austria and that he did not see that there had been any significant change in the situation since then. He did not believe that raising the South Tyrol question in an international forum would contribute to the settlement of the problem and pointed out that it would only benefit the extremists on both sides.

Ambassador Gruber did not specifically request an informal approach to Foreign Minister Pella, and the Ambassador later indicated to Mr. Chapin that his instructions were not very precise. The Ambassador believed, however, that some informal indication of United States interest in a settlement of the South Tyrol question by Ambassador Zellerbach⁴ or other officers of the United States Embassy at Rome to their Italian friends would be helpful.

³Franz Gschnitzer, Austrian State Secretary for Foreign Affairs in the Office of the Federal Chancellor.

⁴James D. Zellerbach, Ambassador to Italy.

FEDERAL REPUBLIC OF GERMANY

U.S. RELATIONS WITH THE FEDERAL REPUBLIC OF GERMANY¹

38. Editorial Note

On December 10, 1955, Secretary of State Dulles wrote to British Foreign Secretary Harold Macmillan regarding a number of European related matters. Among the subjects was the Federal Republic of Germany. In his letter, Secretary Dulles wrote:

“I have no doubt about the present devotion of the Adenauer Government to full cooperation with the West. There is, however, the danger that the appeal of reunification will, over a period of time, become so strong in Germany as to give rise to temptation to discard the associations with the West in an effort to advance reunification on terms which would at best result in a neutral Germany and at worst in an Eastern-oriented Germany. Our problem is to prevent this possibility arising. The best means of doing this, in my judgment, is to tie Germany into the whole complex of Western institutions—military, political and economic—and to so command her loyalties that neutrality or orientation to the East will be commonly accepted as unthinkable. This is a large order, I know, but I see no other alternative.”

For full text of the letter, see volume IV, pages 362–364.

¹For documentation on Germany in 1955, see volumes iv and v. Documentation on the Ministerial meetings of the North Atlantic Council is in volume iv.

39. Letter From Chancellor Adenauer to Secretary of State Dulles¹

Bonn, December 12, 1955.

DEAR MR. DULLES: After having resumed my official duties since some time, I should like to use an opportunity that offers itself to continue our exchange of views. These weeks of forced leisure gave

¹Source: Eisenhower Library, Dulles Papers, Strictly Confidential File. Personal. Delivered by Ambassador Krekeler. The source text indicates it is a translation.

me time to study the situation quietly. Especially I have contemplated the 1st and the 2nd Geneva conference² and the steps which Bulganin and Chruschtschow have undertaken thereafter in Asia, furthermore their abusive language against the free world, above all against England and the USA. In my opinion the 1st Geneva conference showed that the Soviets do not understand a reasonable and normal language and that they are inaccessible for objective considerations. They are and remain convinced that communism will rule the world and that they are and shall stay to be the leaders of communism. Insofar the 1st Geneva conference will have a good effect, if the free world is going to draw the necessary conclusions therefrom, as you have already said in a press interview.

However one more thing seems to be necessary in my opinion:

The free world or better said the masses in the free countries who influence public opinion strongly have no clear idea on communism and on what communism does to Russia and other countries. They know nothing about it and they live in a feeling of security that is wholly unjustified. In my opinion it is an essential task to inform our peoples on this: What communism teaches, what it does, what happened to the peoples whom it has subjugated and what would happen to those it would subjugate in the future. This of course cannot originate from the governments alone. There have to be found special ways—with the universities, by founding appropriate associations, with the political parties, the trade unions—.

I believe that we cannot get out of this great danger for the free world without a great information campaign that is ideologically synchronized.

You certainly know that I had and have still at present a dispute within the government coalition. I have brought about this clarification myself because I believe that it is—first of all—essential to dispel any doubt the Soviets might have about the determination of my government and of those who back it up to continue the policy I pursue. Even if in this process some should eliminate themselves who have given only halfhearted support to my policy I deem this concentration to be much better than the doubts and uncertainties provoked not only in the camp of our enemies but also with our friends by the attitude some people assumed in public. Besides one shall see that the fundamental [basis?] for the policy which I pursue will then be the more firm and also broad enough for the determined mastering of those tasks which are our share. I therefore look upon this development as a contribution to the strengthening of our side.

The specific tasks of the Federal Republic are clear. We intend to set up those forces that we contribute to the NATO alliance as rap-

²For documentation on the two Geneva Conferences, see volume v.

idly as possible. The taking over of the Federal Frontier Police that was recently decided will enable us to incorporate about 18,000 trained men into the first divisions to be formed. It goes without saying that we shall replenish the Frontier Police thereafter.

I should like to say here with great emphasis that—apart from the consideration of political aspects by which we want to make sure that our soldiers by their conviction are prepared to defend democracy and freedom—that in the formation of our forces only military and technical viewpoints shall be determining. Financial considerations shall under no circumstances inhibit or delay the carrying out of this program in any way.

Parallel to this internal consolidation European cooperation should be strengthened. Also in this respect—I should like to say—my government is ready to cooperate to the utmost in all programs for European integration and that we shall participate in every measure be it for the creation of a common market or the atomic pool.

I believe that the determination that manifests itself in the realization of this program shall not fail to impress the Soviets if one more premise is given that I have already mentioned:

The determination of action must be matched by the resoluteness of the language and the firmness of the attitude towards the Soviets. It is evident that the Soviets interpreted the language used in the first Geneva conference as a signal of weakness of the West and specifically as a weakness of the will. I think it probable that they felt encouraged for their behaviour in the second Geneva Conference and for their performance in India by the impressions they got in the first Geneva conference. Our prisoners of war who returned from Russia have told me repeatedly that also in their camps the saying proved to be right: Who approaches the Russian as servant shall be treated as servant, who comes as the "boss" is treated as the "boss".

I don't think it very likely that we shall make considerable progress before the year 1957. The Soviets in all probability intend to wait for the elections in the United States and the election for our Federal Parliament that will most probably take place in fall 1957. Nevertheless we shall have to demonstrate all the time our firmness and determination. We may not allow the problem of the unity of Germany to become quiescent in order not to let all Germans in the Soviet occupied zone and all satellite peoples lose their hope. I know that the Soviets hope for my elimination in the next two years because of my age. I do not intend to please the Soviets in this respect. I work for the formation of my party so that it shall win the campaign and election of 1957. My party would then with certainty continue to pursue my foreign policy also without me.

I wish to you and to Mrs. Dulles a blessed and merry Christmas. Would you please also give to the President—if the opportunity presents itself—my sincerest and respectful regards and wishes.

With kind regards
As always yours

Adenauer³

³Printed from a copy that bears this typed signature.

40. Telegram From the Delegation at the North Atlantic Council Ministerial Meeting to the Department of State¹

Paris, December 17, 1955—9 p.m.

Secto 23. Following is summary Secretary's conversation with Brentano and Hallstein December 17.²

Brentano said that he was most grateful for inclusion of reference to German reunification in NATO communiqué.³ As result of Geneva, question had now dropped to second rank. He wondered whether Secretary envisaged making fresh approach to Soviets. Secretary said did not think it would be useful to do so for next few months at least, in view of strong Soviet position at Geneva. Perhaps question should be reviewed in spring of next year.

Brentano said Zorin would arrive in Bonn Monday or Tuesday. He was convinced that Zorin would begin discussion of reunification at early date. He assured Secretary we would be kept informed. In response to question by Secretary, Brentano said he thought Zorin might perhaps make new proposals. Hallstein thought Soviets would take initiative, but perhaps not so immediately. He thought Zorin would begin by exploration of situation, perhaps then make economic offers, and eventually raise reunification question. Secretary said he supposed Soviets would try to convey impression that there would be advantages to Germany in entering negotiations with USSR, but thought that Soviet position on maintenance of division of Germany was quite firm at this time. Brentano agreed, but pointed out that some sections of German opinion would probably eventually

¹Source: Department of State, Central Files, 740.5/12–1755. Secret. Repeated to London, Bonn, and Moscow.

²Dulles was in Paris to attend the Ministerial Meeting of the North Atlantic Council, December 15–16.

³For text of the NATO communiqué, see Department of State *Bulletin*, December 26, 1955, pp. 1047–1048.

exert pressures on government at least to listen to Soviet proposals. Secretary commented that if it became known in East Germany that Soviets were preparing to sell out GDR, East German regime might demand assurances which might tend to offset such pressures.

Brentano expressed concern over Berlin. He thought Soviets would use pressure on city as means of obtaining recognition of GDR. He thought GDR would place increasing obstacles on traffic and transport to Berlin. He suggested Soviets would attempt to influence German opinion by taking position that if Berlin were to be maintained Federal Republic would have to deal with Pankow, but this would be impossible to do. He welcomed inclusion in NATO communiqué of statement regarding joint consultation on Berlin problem and remarked that it might be necessary to think in near future of joint reaction by three powers and Federal Republic.

Secretary said he understood some study was being made of economic relations between East Zone and Federal Republic and perhaps other Western States. He thought this very important line to follow. Federal Republic was strong while East Zone was weak and there should be areas in which Federal Republic could exert counter-measures against Eastern regime. Emphasized value of being prepared to take such measures and to letting this be known as deterrent. Said would probably require cooperation from other Western European countries. Hallstein said Federal Republic dependent to some degree on East Zone, particularly as regards brown coal. Question of counter-measures had been studied in connection with Autobahn toll problem. Economists had reported that Soviet Zone brown coal could not be replaced. He said that steel exports to Soviet Zone so small they cannot be used as means of pressure, and that stopping trade with East Zone would do more harm to Federal Republic than East Zone. He therefore emphasized need for concerted action. Secretary emphasized importance of study of possibility economic counter-measures. He said that if East Germans thought that Federal Republic depended on them, they would be encouraged take greater and greater liberties and suggested that Federal Republic should seek to find ways of becoming independent.

Hallstein said GDR campaign for obtaining recognition, which has been going on for several years, is now reaching climax after Soviet-GDR agreement.⁴ While resistance heretofore had been successful, weak points were emerging. He noted that in vote on GDR admission to UNESCO, India, Egypt and Yugoslavia had voted with USSR and Czechoslovakia for GDR admission. He also mentioned granting of consular functions to East German trade mission by

⁴Reference is to the agreements between the Soviet Union and the German Democratic Republic, signed at Moscow, September 20, 1955; see Document 218.

Egypt. He said that Federal Republic had threatened to break relations and appeared optimistic regarding Egyptian situation. He said that Federal Republic would be adamant in refusing to have relations with any government which recognized GDR, remarking there was no room for compromise on this issue. He said that in this field too Germans would need advice and welcomed consultation in committee recently established in Bonn. Secretary agreed that only by taking strong and clear position on this matter could recognition of GDR be prevented. He pointed out that Federal Republic is stronger than GDR and that if other countries have to choose between two, they will choose Federal Republic.

Secretary referred to discussion which had taken place with Schaeffer December 16 on support of visiting forces in Germany. He said he did not wish to discuss it. However, on basis of talks he had had with British and French, he thought Germans should recognize matter has political aspects and is not merely financial problem. Brentano said he had received detailed report on meeting from Schaeffer. Schaeffer was prepared to have negotiation under Article 4 of finance convention and thought early agreement could be reached. He said British proposals went quite far on both substance and form. While he agreed there were political aspects, he pointed out it was impossible for Federal Republic to diverge from agreements approved by Bundestag and policies which had been explained. Specifically, they could not justify to Bundestag reversion to system of occupation costs. He understood from Schaeffer that there was no great need for speed since there were adequate amounts for next year.

Secretary pointed out that British are very sensitive on financial matters in view of narrow margin on which they live. When their reserves decline, they become very sensitive about various policies. Their financial difficulties affect all of their policies and contribute to their position on such matters as Common Market. Brentano said Schaeffer had informed him that he was prepared to deal with foreign exchange problem by increasing purchases of military equipment abroad and had mentioned figure of 2.5 billion.

Separate telegram sent on EURATOM.⁵

Dulles

⁵Secto 22 from Paris, December 17; for text, see vol. iv, p. 372.se

41. Letter From Secretary of State Dulles to Chancellor Adenauer¹

Washington, December 27, 1955.

MY DEAR CHANCELLOR: I have received and have studied carefully your letter of December 12, 1955.² I share the conclusion to which you have come, as indeed does President Eisenhower with whom I have discussed your letter.

I believe that the first Geneva Conference was not only inevitable, but good, in the sense that it was necessary to demonstrate to all the world the sincerity of our peaceful purposes. This was done in a way which none could misunderstand. The initiatives which President Eisenhower took at that first Conference were accepted by all the world as coming from a man and from a nation which entertained no aggressive purposes. However, as President Eisenhower said at that Conference, its value would depend largely upon what happened afterwards.

I doubt, however, that subsequent events are due to any false impressions which these Soviet rulers got at the first Geneva Conference. While that Conference did make evident our desire for a just peace, there was plenty of emphasis upon justice and plenty of firmness. We now know that plans for opening the new front in the Near East were already under way even before the first Geneva Conference was held.

The second Geneva Conference and the recent conduct of the Soviet rulers in Asia have shown the world that the sincerity of Western purpose, demonstrated at the first Geneva Conference, was not matched by any comparable sincerity on the part of the Soviet rulers. At the second Geneva Conference they flagrantly violated their agreement that Germany should be reunified by free elections. They went on in Asia to make speeches designed to stir up hatred as between peoples and nations. There has emerged a pattern sufficiently clear so that all the world can see it. In India they attempted to arouse popular passion against Portugal on account of Goa, and against Pakistan on account of Kashmir. In Burma they attempted to

¹Source: Eisenhower Library, Dulles Papers, Strictly Confidential File. Secret; Personal and Private. Transmitted to Conant on December 29 with the instruction to deliver it personally to Adenauer. Dulles also cautioned Conant:

"The Chancellor is particularly anxious that this exchange be kept on a private and personal basis. The only persons who have knowledge of it here besides myself are the President, Herb Hoover, and Livie Merchant." (*Ibid.*)

On January 6, 1956, Conant in a personal letter informed Dulles that it had been impossible to deliver the letter personally because of the 81st birthday celebration of the Chancellor, but that he had given it to Brentano, who assured him that he would pass it along at the earliest opportunity. (*Ibid.*)

²Document 39.

arouse popular emotions against Britain. In Afghanistan they attempted to arouse popular emotions against Pakistan on account of Pushtoonistan. They are trying to arouse the Arabs against Israel. In Cyprus they seek to arouse the Cypriots against Britain, and they are most recently trying to sow trouble between Italy and Britain by suggesting that the inhabitants of Malta are Italians.

Thus, the Soviet rulers are exposed as having not only violated their formal agreements given at the first Geneva Conference, but they are violating the spirit of that Conference, and indeed, elemental standards of decency, by seeking wherever they can to create tension and to envenom the relations between free nations and peoples, in the hopes that they can gain therefrom.

This is indeed a very evil purpose. However, it is so evil that it should be possible to have it react against them.

So much for the Geneva Conferences.

You say that those in free countries who influence public opinion, and particularly mass opinion, have no clear idea on Communism and what Communism does in Russia and elsewhere.

That is, I am afraid, true of many countries, though happily it is not true here in the United States. Not only our political leadership, on a bipartisan basis, but also the religious leadership and the labor leadership of the country are well informed on the points you mention. The task is to bring a similar realization to other countries.

There has been a reluctance in Europe to do this. Perhaps that is expressed by our proverb "Where ignorance is bliss, 'tis folly to be wise". Also we have the simile of the ostrich who is supposed to gain a sense of security by burying his head in the sand so that he cannot see.

I agree with you that we must find ways to deal with this. We are quite disposed to give practical consideration to your suggestion of a "great information campaign that is ideologically synchronized". Perhaps as far as Europe is concerned, the Council of NATO is the best common agency. Action taken at the last NATO Council meeting could and should lay the foundation for this. However, I doubt that it is practical to have any single agency for carrying on this campaign on behalf of the Western countries. There can be a common understanding as to the general line to be pursued, but I doubt that it is profitable to seek agreement as to detail or as to method which will probably have to be left to the individual countries.

Our own labor leaders can, I think, be helpful. Also, I am taking on January 2 to some of our religious and civic leaders.

There is another point which, in my opinion, should also be dealt with. That is to explain to our own peoples and to the peoples of the world the real principles which underlie our mutual security arrangements. The Soviet rulers constantly attack these as "military

blocs" created for aggressive purposes. We tend to be put on the defensive, although in fact what we are doing is to carry forward into the international field modern principles of security which are today practiced within every civilized nation. Except in the most primitive societies, security is no longer left to individual action. There is collective security, which largely functions through the creation of collective power to punish aggression. It acts as a deterrent. This is what the free nations are now seeking in the international field. It is the modern and enlightened way of gaining security as against vast aggressive despotisms represented by the Soviet bloc.

Naturally the Soviet rulers would like to see the other nations weak through separateness. They do not like them gaining strength through collective measures.

We should ourselves understand what it is we are doing, and explain it. I have tried to do so in this country, in many speeches which I have made. However, other Foreign Ministers do not seem to find it useful to popularize the sound and forward-looking principles which underlie our collective security systems. Neither do they contrast our defensive groupings with the Soviet system of annexing, either formally or in fact, other countries and other peoples; so that there is now a unified mass under centralized Communist direction consisting of approximately 900 million people and embracing what until recently were nearly a score of independent countries.

The Soviet system destroys independence; ours preserves it.

The President and I have noted with great interest what you say about your own political situation and particularly your idea with reference to your coalition. This is, of course, a matter where we do not feel competent to form any judgment. Certainly, however, I would agree with your general thesis that a smaller group that is cohesive is better than a larger group which is of uncertain purpose—subject, of course, to the qualification that under our parliamentary systems it is necessary to have a majority in order to have political power.

We are glad to know your determined purpose to contribute military strength to the Atlantic alliance. This is important, not only from a purely military standpoint. It is important as a demonstration of national will, and it brings with it important byproducts in terms of increased unity and fellowship.

We think it also important to move forward as rapidly as practical with programs for European integration. I am delighted to have your assurance that you will participate in every such measure, be it the future creation of a common market or the atomic pool. This evolution toward integration is, of course, a trend to which President Eisenhower and I attach the utmost importance. I discussed this

somewhat with Dr. von Brentano in Paris.³ No doubt the President will be discussing it next month with Anthony Eden.⁴ I think you will find the United States is prepared to act sympathetically toward every sound proposal for the closer integration of Western Europe.

At the same time we must not, as you say, allow the problem of the unity of Germany to become quiescent. I am wondering whether there are not certain types of "contacts" which you could urge along the lines of those which we urged at our second Geneva Conference.

No doubt these would be rejected by the GDR, but the proposals and their rejection would not be without political consequences.

After all, the Federal Republic is a great and powerful force and a tremendous magnet of attraction, as evidenced by the steady flow of Germans from the East to the West. I believe it is possible to do more than is now being done to create conditions in East Germany so that the Soviet rulers will feel that to attempt to hold this area involves more liabilities than assets. I wonder whether ways might perhaps be found by which the East Germans could indicate through passive resistance, slowdowns, and the like, that they are predominantly responsive to the political policies of the Federal Republic. This is, of course, a delicate matter. But we already know that the Soviet rulers and their satellites in East Germany are gravely concerned at the lack of loyalty to them on the part of the East Germans, and perhaps evidence of this could be multiplied without precipitating violence which could liquidate the most loyal elements.

In conclusion, let me say that the most cheering note in your letter is your statement that you do not intend to please the Soviets by dropping out of the picture in the next two years. The task ahead needs your presence and powerful personality to win the election of 1957 and to organize the victory. Then, as you say, your foreign policy can move on to assured success.

Faithfully yours,

John Foster Dulles⁵

³See Secto 23, *supra*.

⁴Prime Minister Eden visited the United States, January 31–February 1, 1956. For documentation, see vol. xxvii, pp. 610 ff.

⁵Printed from a copy that bears this typed signature.

42. **Memorandum From the Assistant Secretary of State for European Affairs' Special Assistant (Reinstein) to the Assistant Secretary of State (Merchant)**¹

Washington, January 10, 1956.

SUBJECT

Discussion of Military Assistance and German Buildup with Ambassador Conant, Wednesday, January 11, 1956, 4:30 p.m.

I. Mr. Conant submitted his views on these problems in a despatch we have just received (Bonn's 1337).² He discusses German intentions and the progress of their efforts along much the same lines I reported to you on my return from Germany. He says that the Chancellor is principally concerned with making a political demonstration of Germany's allegiance to the West. He thinks the Chancellor can be expected to demand steady progress but not to compel (if he could) his Government and Parliament to take the measures which would be necessary to complete the buildup within three to four years. He says the Economic and Finance Ministries are particularly concerned to protect their policies and position and the Defense Ministry is not well organized or particularly aggressive. Finally, he points out that the insistence of the Parliament and people that the creation of armed forces be given a secure basis in German society and law delays the buildup. He believes the buildup will be stretched out well beyond a three to four year period unless there is a dramatic outside event such as intensification of the cold war or an indication of intense United States interest in a rapid buildup demonstrated by an offer of a very substantial amount of additional military assistance.

Mr. Conant believes that anything less than a very substantial amount of additional military assistance could not be relied on to insure the realization of a rapid buildup. He thinks, however, that failure to grant a small amount of additional assistance would be interpreted by the Germans to mean that the United States no longer regards a rapid buildup particularly important. He suggests that the United States should take the position that we could not consider additional aid until we have a clear expression of German intentions to increase their budgetary provisions for the second and third years of the buildup and take the legal, technical, economic and financial action required to achieve a three to four year buildup. However, he believes we may have to grant some additional aid on political grounds if it appears to be in our interest to do so. If we do so we

¹Source: Department of State, Central Files, 762A.5-MSP/1-1056. Secret. Drafted by George R. Roberts of the Office of German Affairs.

²Not printed. (*Ibid.*, 762A.5/12-2955)

should obtain as much in the way of firm commitments from the Germans as possible. Mr. Conant says finally that if we use military assistance to get additional support costs, we cannot expect this to accomplish anything of significance in regard to the speed of the buildup.

II. I suggest you give Mr. Conant a brief summary of the thinking within the Administration on military assistance generally and assistance to Germany in particular. This might serve as a preface to telling him about your agreement with Gray that we should study the whole series of problems involved in the German buildup and United States military assistance to Germany, testing all of the past assumptions which have been the basis of our thinking and attempting to arrive at a comprehensive statement of what we hope will be achieved in Germany and how best we can contribute to reaching our objectives. I think you might mention the following points as indicative of the type of problem we think requires much more thought than has yet been given to it:

A. The key position that conscription will play in the timing of the German buildup and the question of whether the German Government should be held to its statements that it will pass a conscription law before the 1957 elections.

B. The possibility of inflationary developments if a rapid buildup is attempted. I believe the Embassy has discounted this possibility too much and that inflation could be a serious threat to political stability in Germany if too much were attempted too soon.

C. The type of equipment the German Forces should have when they are ready three or four years hence. I do not think present planning takes nearly adequate account of newer models of conventional weapons or some of the new weapons.

D. The essential place which comprehensive information on German equipment requirements, in detail, has in determining United States aid policy and programs. Exploitation of possibilities of procurement by the Germans in Europe and the programming of United States production for the Germans (regardless of whether it is given or sold) cannot get forward except on the basis of detailed plans. The Embassy's views on the broader aspects of the problem as, for example, in the despatch summarized above, cannot be fully utilized here in Washington without this kind of basic spade work, which we do not yet have.³

³No record of a discussion with Conant has been found in Department of State files.

43. Diary Entry by the President¹*Washington, January 19, 1956.*

Ambassador Conant came to see me to bring me personal messages from Chancellor Adenauer² and the report that the Chancellor's health, at 81, seems to be improving daily. He also expressed to me his (Conant's) great concern in establishing in Europe a six-power community for handling of activities in nuclear science in that region. He points out that in some of these countries activities could well go underground if we did not move in the direction of the community development. I agreed with him.

¹Source: Eisenhower Library, Whitman File, DDE Diaries. Secret.

²No oral or written messages from Adenauer have been found in Department of State files or the Eisenhower Library.

44. Memorandum of a Conversation, Bonn, February 3, 1956, 4:30 p.m.¹

Ambassador Conant and I called upon Foreign Minister Brentano at 4:30 p.m. on February 3. There were present Foreign Minister von Brentano, Counselor von Lilienfeld and Ministerial Director von Welcke.

1. After introductory pleasantries, the Foreign Minister stated that his Government believed it would be most dangerous to undertake any further Four Power talks at the present time. He thought that it might lead into a number of undesirable results, among them being the necessity for the Federal Republic to enter into direct negotiations or relations with the GDR. Ambassador Conant and I agreed, and I stated that it was most certainly not our intention to undertake any line of action which would lead to such conversations, at least until we could be assured of constructive results. The Foreign Minister expressed agreement and satisfaction at our position.

2. We then turned to a discussion of the exchange of letters between Bulganin and President Eisenhower.² The Foreign Minister ex-

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 653. Secret. Drafted on February 8 by Hoover. Copies were sent to Murphy, Merchant, Robertson, Conant, and others. Hoover was visiting West Germany to speak at ceremonies marking the tenth anniversary of RIAS (Radio in the American Sector) in Berlin. Hoover arrived in Berlin on February 3 and returned to the United States on February 6.

²For text of the exchange of letters, see Department of State *Bulletin*, February 6, 1956, pp. 515-518, and March 26, 1956, pp. 191-195.

pressed great satisfaction on behalf of his Government at the rapidity and effectiveness with which the President's reply had been forthcoming. I stated the President's great appreciation for the Chancellor's message of appreciation and confidence. I showed him a preliminary copy of Bulganin's latest message. He hoped that we would hit back as soon as possible, for there were many obvious openings which could be turned to our advantage.

The Foreign Minister made an assessment of the reasons behind the Russian initiative in the exchange of notes, saying that he believed they were caused by (a) desire for propaganda, and (b) an attempt to take the offensive in protecting their position in East Germany by forcing the discussion. I replied in agreement, adding that the Russians found themselves in an incompatible position because of their desire to appear in a position of peace and goodwill, on the one hand, while continuing to assert domination over East Germany and the satellites on the other. They were getting into an increasingly embarrassing situation by trying to maintain both of these postures at the same time. We should not let them get away with it.

The Foreign Minister believed that the West should take the offensive as soon as possible and should not be dependent, for action, upon the reaction of the Russians. For example, he believed that some Western initiative might be displayed under Article 2 of the NATO Treaty,³ and he thought we should jointly explore this possibility. I said that we would give this full consideration and, along the same line, we were looking into the possibility of some sort of initiative through appropriate action in the UN Assembly. We agreed we would explore other lines of action and keep each other advised.

3. Foreign Minister was of the opinion that the economic potential of the West, which was many times that of the orbit, should be mobilized for the purpose of bringing full pressure on the Soviets wherever opportunity existed. I agreed, but pointed out the inherent difficulties of organizing the free enterprise democracies, as against the concerted action that was possible on the part of totalitarian governments. I cited as an example the case of Communist China. While that country might appear to be far removed from the European scene, nevertheless it was of very direct interest to the United States because of our common borders on the Pacific Ocean. We had great concern about building up the economy of Communist China, and we hoped that the countries of Europe would realize that our policies in the Far East were dictated by very vital strategic necessities. I lik-

³Article 2 of the North Atlantic Treaty states, in part, that the parties would contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles on which these institutions were founded, and by promoting conditions of stability and well-being.

ened it to the problems which the Federal Republic had in consideration of its relations with East Germany. We hoped that we might have the support of the Federal Republic in protecting our position in the Pacific. He expressed full understanding of our situation and promised to do whatever would be possible on the part of his country.

4. We next turned to the Eden talks, and the Foreign Minister expressed great satisfaction at the statements made in the declaration of Washington and the communiqué.⁴ I told him of the general attitude of the United Kingdom, where they stressed the importance of NATO and OEEC as vehicles toward carrying forward economic cooperation on the European continent. I outlined the strong position taken by Secretary Dulles, and especially by the President, in setting forth our attitude that, while these organizations would be helpful, we did not believe they would in any way take the place of closer integration of the six countries who were most directly concerned in such projects as EURATOM. I said that I was certain we had made our position clear to the UK and we intended to give every possible support to integration along the latter lines. He expressed appreciation and hoped that the talks would be helpful in bringing about more effective action.

5. We then turned to the Middle East, and I outlined in a general way our discussions with the UK during the conference. We had agreed that no effort should be spared to bring about an early solution to the Arab-Israel problem. As he was well aware, this was fraught with many difficulties; nevertheless, we were doing our utmost to work out some sort of a solution.

With regard to the Buraimi situation, we were using our good offices to bring the British and the Saudis into direct contact for an early end of their argument.

We were both greatly concerned with the concerted Russian offensive in the Middle East within the last few months. There had been aggressive efforts to augment diplomatic, cultural, economic and military missions in many of the Arab countries. They were having considerable success in this effort, notwithstanding the risks that they were taking. We believed this offensive threatened the Western position in the area. The Foreign Minister expressed agreement in this apprehension and said that they were also aware of the Soviet effort. He expressed the hope that German efforts might be coordinated with action of the UK and the US in countering the threat from the bloc. He did not have any specific suggestions, however, on how this could be brought about.

⁴For text of the joint declaration and communiqué, dated February 1, see Department of State *Bulletin*, February 13, 1956, pp. 231-234.

6. The Foreign Minister outlined the intensive efforts being made by the Russian Ambassador and his staff to embarrass the Federal Republic. While he did not believe they had been very clever in their behavior, nevertheless they were active in trying to undermine the position of his government. A steady stream of high-level delegations were coming to West Germany, particularly in the industrial field, in an endeavor to foster economic interchange. Industrialists were being tempted with offers of orders for industrial goods on condition that an economic treaty would be entered into between their two countries. The success of this operation was problematical. It nevertheless caused his government a considerable amount of concern and embarrassment.

He then read us a note which he was sending to the Russian Ambassador warning him of his criticisms of the Bonn Government, and of interference on the part of himself and his staff in local affairs. The Foreign Minister was not sanguine of effectively countering their activities, nevertheless he thought that such a note was timely and would have the effect of putting them on record. I asked him if they had considered restricting the movements of Russian personnel. He replied that this would not be possible until their own ambassador had become installed in Moscow, about February 25, and they were able to ascertain the restrictions that might be put on his movements. It would then be possible to place reciprocal restrictions on the movement of the Soviet officials in West Germany.

7. I closed the conference by showing the Foreign Minister the messages which I was carrying from President Eisenhower and Secretary Dulles to the Chancellor,⁵ and stated the firm resolve of our

⁵On February 2, Dulles instructed Conant to deliver the following message to Adenauer:

"Under Secretary Hoover is leaving for Berlin today and hopes to see you and von Brentano at Bonn. I am delighted he will have the chance to talk intimately with you. He is fully sympathetic to the point of view which you and I hold, and I hope you will talk to him frankly about any steps which you think we could usefully take along the lines of your letter to me of December 12, 1955." (Telegram 2136 to Bonn, February 2; Department of State, Central Files, 110.11-HO/2-256)

Hoover was instructed to deliver the following oral message from Eisenhower to Adenauer:

"I should like to take the opportunity offered by the visit of the Under Secretary of State, not only to extend my warm greetings and best wishes, but particularly to express my great pleasure at receiving your immediate telegrams of cordial whole-hearted support of my reply to Premier Bulganin. Your telegram was an indication of unity of thought and purpose in our common effort.

"I sincerely hope that the communiqué resulting from my recent talks with Prime Minister Eden did full justice to the urgent problems of German reunification, non-recognition of the Pankow Regime, and our resolve to maintain Berlin under all circumstances." (*Ibid.*, Conference Files: Lot 66 D 204, Eisenhower to Adenauer Correspondence 1953 to 1961)

Government to back the Federal Republic in its position vis-à-vis the Soviets at every opportunity.

Ambassador Conant has read this memorandum and concurs.

Herbert Hoover, Jr.⁶

⁶Printed from a copy that bears this stamped signature.

**45. Memorandum of a Conversation, Bonn, February 4, 1956,
1 p.m.¹**

The Ambassador and I called on Chancellor Adenauer at 1:00 p.m. on February 4. The Chancellor was accompanied by Mr. von Lienenfeld and an interpreter.

1. I set forth to the Chancellor briefly some thoughts which we have had recently along the general lines that during the last six months the Russians appear to be feeling considerably more confidence in themselves; that this confidence appeared to be the result of their advances in economic, political and military developments. Whether or not this confidence was justified was not the question at point. It was simply that they were feeling it, and one noticeable manifestation was Khrushchev's "cockiness", especially during his trips abroad. I said I personally felt there was some danger of the Russians miscalculating under these circumstances and we believe we should be on the watch-out.

The Chancellor said that he did not agree with the thesis that the Russians had any right to confidence at this time; that they were being strained by their efforts to fulfill the social obligations to their people and simultaneously carry on an armaments build-up. He felt further that Red China was placing considerable strain on Russia in its desire for industrialization and its rapid increase in population. The Chancellor appeared to base his statements largely on what Khrushchev had said to him at Moscow during his recent visit.² He also said that he was convinced that Khrushchev had a realistic view of the situation. He mentioned further that Khrushchev expressed great fear of the United States and also some fear of Germany, but none of France or Italy, and that the United Kingdom was not mentioned. While the Chancellor did not comment on the danger of

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 653. Secret. Drafted by Hoover on February 8. Copies were sent to Murphy, Merchant, Robertson, Allen, and Conant.

²Adenauer visited Moscow in September 1956.

Soviet miscalculations, I noticed that he nodded his head affirmatively on this point while I was speaking.

The Chancellor commented that the Russians were unable to understand the good treatment which they received at the first Geneva Conference. Especially, they could not comprehend our apparent forgiveness for their "sins" or that we "treated them as a prodigal son." Bulganin boasted openly of his letters from President Eisenhower and felt that they were a great feather in his cap.

He said that, in addition to their misunderstanding at Geneva, the confidence of the Russians had been strengthened by the following three factors: (a) the recent French elections; (b) the uncertainty as to whether Eisenhower would be a candidate again which, if he would not, would mean a new administration in the US Government; and (c) the 1957 German elections, which the Russians might believe would bring the SPD into power. The SPD was a neutrality party, so the Chancellor said, and though he insisted the SPD would not come into power, he said that if he were Russian he might well think that they would have a chance.

2. He then turned to the question of the Middle East. I outlined to him in a general way the results of the recent conference between the US and the UK and stated that we believe that, within the last few weeks particularly, there had been a concerted move by the Russians into this area. It took the form of increased size and activity in their missions, the arming of Egypt and other Arab states, and the taking of diplomatic, political and subversive risks to an extent not previously undertaken. I expressed the opinion that this was the result of the increased confidence they appeared to feel in themselves within the last year. The Chancellor fully agreed.

He expressed the opinion that the Russian sense of confidence was as much due to the mistakes of the West as it was to increases in their own strength. He mentioned difficulties experienced by the US, UK and France in handling problems in Turkey, North Africa, and elsewhere in the area. He stated emphatically that we must adopt a close and uniform policy of firmness towards the Russians, and he was particularly pleased, as an indication of such a policy, by the President's rapid reply to Bulganin in the recent exchange of notes. He felt that our policies must be thoroughly coordinated and united, and expressed a desire to participate in any combined planning that might be developed. He said the West must be strong, otherwise we stood the chance of losing the cold war through our weakness, not through the strength of the Soviets. He said the US must use NATO as an instrument of strength. I expressed the opinion that we must move from the defensive to the offensive in meeting the Soviet threat, and he nodded emphatic agreement.

I expressed the possibility of our taking the offensive in regard to the present Russian position in East Germany. They were endeavoring to appear before the world in a posture of peace and goodwill, while at the same time their actions in East Germany and the other satellite countries were utterly incompatible with such a position. I felt that we should keep a continuous offensive campaign going with regard to the Communist domination of East Germany. The Chancellor indicated his entire agreement.

Returning to the Middle East, the Chancellor said that the UK had not wanted to do many things in the Middle East, such as pulling out of Suez, Egypt, Sudan; and he said that they were going to have to leave Cyprus. He thought they could do a better job of these retreats by making them earlier, and taking what advantage might be possible.

He then shifted to the question of the relations with the Arab world. He said that the Germans were greatly respected by the Arabs for a number of reasons, therefore the Germans might be in a position to be of assistance in combating the Russian influence. He spoke of the possibility which was being discussed with German bankers of increased German credit facilities for development in the Arab countries. He said, however, the Germans lacked the capital. They needed this capital from the United States but it would have to be provided "secretly"; otherwise, the political advantage would be lost. But he made it plain that he had in mind not US Government money but private US money. I replied that we would certainly investigate the possibilities of such a program but that it would have many difficulties in fulfillment.

He expressed the thought that if we could combat the Russian influence in the Arab world, the Arabs would start falling out among themselves and our own position would thereby be greatly strengthened.

I gave the Chancellor, as an aide-mémoire, a translation of the President's message which he had asked me to deliver orally.³ He expressed great appreciation and requested me to extend his best wishes to the President.

The conference lasted approximately one hour and a half. The Chancellor appeared to be in excellent health and thoroughly alert mentally.

This memorandum has been dictated jointly by the Ambassador and myself.

Herbert Hoover, Jr.⁴

³See footnote 5, *supra*.

⁴Printed from a copy that bears this stamped signature.

46. Memorandum of a Conversation, Ambassador Dowling's Residence, Bonn, February 4, 1956¹

SUBJECT

Conversation during Under Secretary's Visit to Bonn

PARTICIPANTS

Dr. Schaeffer, Minister of Finance
Dr. Westrick, Staatssekretär, Economics Ministry
The Under Secretary of State, Herbert Hoover, Jr.
Mr. Dowling, U.S. Embassy, Bonn
Mr. Sailer, U.S. Embassy, Bonn

In a conversation with the Under Secretary after dinner at the Ambassador's residence, Dr. Schaeffer smilingly alluded to his difficulties as Finance Minister, saying he was under attack from all sides regarding the disposition of a budgetary surplus that did not actually exist. He explained in detail that the apparent surplus was merely funds which were already fully-obligated, including funds for the military build-up and a carry-over of occupation costs, and which would soon begin to be expended at an increasing rate.

There followed a discussion of German tax policies, with the Minister pointing out that the tax burden on German industry was roughly equivalent to that in the United States. The Finance Minister indicated that he saw no chance for the near future of German taxes being reduced.

At this point, Staatssekretär Westrick joined the discussion as did Ambassador Conant and the Foreign Minister, and the conversation turned to the problem of the increasing fuel requirements of German industry. The Under Secretary remarked that, perhaps because of his background, he wondered if the answer might not lie in the increased utilization of oil. Dr. Westrick admitted that there were possibilities in this direction, and commented that it might be wholesome for the German coal industry to have to meet competition from this field. A general discussion of the possibilities of German trade with the Arab states ensued, with Minister Schaeffer referring also to the purchases of oil from the British for Israel, for which Germany was paying under its indemnification agreement with the latter country, and which could be diverted to the Federal Republic after the agreement was concluded. It was agreed that German purchases of oil from the Arab states would undoubtedly result in increased German exports to those countries.

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 653. Confidential. Drafted by Dowling.

At one point in the conversation, the Under Secretary referred to the vast oil resources of the Middle East which remained undeveloped, and suggested the possibility that Germany might want to consider the possibilities in this field also. Dr. Westrick said the advantages of German enterprise in joining in the development of these resources were attractive, but that the lack of German capital was a great difficulty. He added that even if capital were available, the coal industry in Germany could put up a strong argument that if these funds were made available to it for investment, the industry could guarantee to meet Germany's fuel requirements for many years to come out of the tremendous coal reserves which Germany still possesses.

In his conversation with Dr. Schaeffer, the Under Secretary said he hoped the Finance Minister would find it possible to visit Washington again before too long. Dr. Schaeffer said he would like to come, and the Under Secretary suggested that perhaps the autumn of this year might be a good time, although it was perhaps too early yet to consider fixing a date. Dr. Schaeffer agreed, and the Under Secretary said we would communicate with the Finance Minister further in the matter.²

²On his return to the United States, Hoover delivered an address on February 10 before the Foreign Policy Association concerning the situation in Germany. For text of the address, see Department of State *Bulletin*, February 20, 1956, pp. 290-293.

47. Editorial Note

On March 22, at the 280th meeting of the National Security Council, Under Secretary Hoover raised the matter of Germany during a discussion of United States policy toward the Soviet satellites in Eastern Europe. The memorandum of discussion reads as follows:

"Secretary Hoover offered the opinion that there was one course of action at least in this area that the United States might pursue more actively. He referred to his February visit to Berlin, and said that 90% of the East Germans would vote now for union with a free Germany. Accordingly, the United States should publicize what the Soviets have been guilty of doing in East Germany. It was a very weak spot in their armor.

"The President expressed the opinion that we should make West Berlin a 'showcase of prosperity', especially in terms of sending food, of which we have such a tremendous over-abundance. Let's send them pork, beef, wheat, and rice—millions of dollars worth of it.

“Secretary Hoover informed the President that he had investigated this matter when he had been in Berlin. He had found the West Berliners very well fed and clothed. Moreover, they were proud that their situation had been achieved by their own efforts and exertions. West Berlin was the most completely anti-Communist place in the world.” (Eisenhower Library, Whitman File, NSC Records)

For the discussion of U.S. policy toward the Soviet satellites and Eastern Europe, see volume XXV, pages 128–130.

48. National Intelligence Estimate¹

NIE 23–56

Washington, April 17, 1956.

POLITICAL OUTLOOK IN WEST GERMANY²

The Problem

To estimate West German domestic political developments, and attitudes and policies in foreign affairs over the next several years.

Conclusions

1. West Germany's remarkable recovery has promoted the stability of moderate political forces and a strongly pro-Western orientation. The prospects are favorable for continued West German economic expansion, though at a declining rate. However, the West German economy remains particularly vulnerable to a deterioration of world trading conditions. A prolonged and widespread economic depression could seriously disrupt West Germany's internal politics

¹Source: Department of State, INR–NIE Files. Secret. According to a note on the source text, “The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.” The Intelligence Advisory Committee concurred on April 17; also concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, because the subject was outside their jurisdiction.

²A notation on the source text indicates that NIE 23–56 superseded NIE 23–54 and NIE 23–55, entitled “Probable Developments in West Germany,” December 20, 1954, and “West Germany and the Reunification Issue,” June 28, 1955, respectively. These NIEs are *ibid.*

and foreign policies. However, West Germans are becoming more self-assertive on national issues. There is a growing trend toward the belief that West German interests are no longer entirely identical with those of the Western powers, and that Bonn must develop a more independent foreign policy and greater initiative on reunification. Thus, the moderate political coalition led by Chancellor Adenauer is coming under increasing challenge from those who feel that his foreign policy is too rigidly tied to Western policies and who resent his largely autocratic control. The Chancellor faces serious opposition for the first time from the right, as well as continuing opposition from the left. (Paras. 16, 21–22, 26, 29–32)

2. It is almost certain, however, that the present government will continue until the 1957 federal elections. Even Adenauer's death or retirement before the elections almost certainly would not jeopardize West Germany's basic pro-Western orientation and internal stability. (Paras. 33–34)

3. Rearmament is no longer challenged in principle by West German political leaders. However, Finance Minister Schaeffer's determination not to raise budgetary outlays to the level required by the scheduled three to four year build-up, continuing controversy over the character of the armed forces, and possible failure to conscript until after the 1957 elections will further delay implementation of planned rearmament. (Paras. 49–50)

4. Whether or not Adenauer leads the Christian Democratic Party in the 1957 elections it will probably remain the strongest single party in West Germany, although it is unlikely to retain a majority in the Bundestag. If the present coalition group receives a parliamentary majority, the coalition will almost certainly be continued. It seems more likely that the coalition parties will fall short of a majority, particularly if they are deprived of Adenauer's personal leadership. In this event, a CDU-SPD, a CDU-FDP, or an SPD-FDP coalition, or a CDU minority government, are all possibilities. Although it is too early to predict what government would take office, increased adjustment and compromise would be required if strong and stable government were to continue. (Paras. 45–47)

5. It is highly unlikely that West Germany will abandon its membership in NATO or its intimate association with the United States, so long as the present government is in power. Even if those who favor a more independent foreign policy should come to power in Bonn, the strong economic and cultural ties with the West and, above all, the intense fear and distrust of the USSR would deter them from abandoning Bonn's commitments to the West, except as part of an otherwise satisfactory reunification arrangement. (Para. 52)

6. Bonn's present policy of firm association with the North Atlantic Community will not prevent it from exploring reunification

possibilities directly with the USSR, or even eventually with the East Germans. This tendency would increase if the West Germans became convinced that Western support on reunification were faltering. The West German government, whatever its political complexion, will probably find it politically necessary to engage in such discussions during the next few years. We believe it unlikely, however, that they would do so without keeping their major Western allies informed. We believe that no West German government would accept reunification unless, at a minimum: (a) Soviet forces were withdrawn from East Germany; (b) Germany were permitted an adequate defense force; and (c) the government felt assured that the US would continue to support and protect a united Germany. If the foregoing conditions were met, we believe that any West German government would accept such conditions as: (a) the neutrality of a reunified Germany; (b) a substantial modification of Western proposals for the conduct of elections; and (c) preservation for a limited period of the structure of the East German state within the framework of an all-German government, provided the West Germans were assured of control. (Paras. 55–56)

7. The long-range outlook for West German political stability and association with the West includes both favorable and adverse factors, which make the long term future of moderate and pro-Western government uncertain. On balance, we believe that, at least for some years to come, the political forces which will control West Germany will remain basically moderate, and that, except in the event of an acceptable Soviet reunification offer, West Germany will adhere to the Western alliance. (Paras. 58–61)

Discussion

[Here follow Sections I, "Current Attitudes and Influences," and II, "Economic Trends."]

III. Political Trends

The Adenauer Government

31. Presiding over West Germany's economic recovery and political alignment with the North Atlantic Community has been a center-right coalition led by the Christian Democratic Union (CDU) and its Bavarian affiliate, the Christian Social Union (CSU). Although the 1953 parliamentary elections gave the CDU-CSU a majority of one in the Bundestag, Chancellor Adenauer retained a coalition government which included the Free Democratic Party (FDP), the Germany Party (DP), and the refugee All-German Bloc Party (BHE). This coalition commanded a two-thirds majority (334 of 487 seats). However, this coalition developed strains as a result of Free

Democratic and all-German Bloc attacks on the Chancellor's "authoritarianism" and his rigid adherence to Western policies. Eighteen BHE deputies left the coalition in the summer of 1955, while seven other deputies, including two cabinet members, joined the CDU, and two others joined the FDP. The right wing of the FDP also became increasingly disaffected and in February 1956 its harassing actions culminated in breaking the CDU-FDP coalition in the important German state of North-Rhine-Westphalia and in the formation of a coalition with the SPD. The Chancellor expelled from the coalition those 34 FDP members of the Bundestag who supported the FDP action in North-Rhine-Westphalia. The 14 FDP voting deputies,³ including four cabinet members, who disassociated themselves from the attack on Adenauer and the action in Westphalia, continued as loyal supporters of the government and its policies.⁴ Although the CDU has had a net gain of eight seats, the coalition as a whole has lost 52 seats as a result of these developments.

32. At present, therefore, the Adenauer government for the first time faces serious opposition from the right as well as continuing opposition from the left. The Social Democrats on the left and the FDP on the right are in agreement on two things: (a) they believe Adenauer's foreign policy is too rigidly tied to Western policy, and (b) they resent his personal domination of the government. As of the moment their collaboration has been limited to various State governments, but they may be able to overthrow CDU-led governments in enough States to deprive Adenauer of a majority in the Bundesrat at Bonn. In such an event Adenauer could be severely handicapped, and his legislation impeded.

33. Nevertheless, it is almost certain that a CDU-dominated coalition will endure until the next federal elections scheduled for 1957. Most of the 14 FDP Bundestag members loyal to Adenauer appear to be committed to the government's domestic and foreign policies, and are unlikely to leave the coalition. Adenauer will almost certainly not approach the SPD concerning a CDU-SPD coalition between now and the elections. Differences between these two major West German parties over both domestic and foreign policy, and long-standing personal animosities will continue to bar such a development.

The Adenauer Succession

34. The Chancellor's death or retirement before the 1957 elections almost certainly would not jeopardize West Germany's pro-

³In addition, two nonvoting FDP deputies from West Berlin continued to support Adenauer. [Footnote in the source text.]

⁴Chart showing present party composition of the two houses of the federal legislature appended. [Footnote in the source text. The chart is not printed.]

Western orientation and internal stability, although it would usher in a period of greater political fluidity. Although the CDU without Adenauer would be handicapped by the absence of the Chancellor's great prestige and popularity, the cohesion which has been achieved among the party's varied religious, economic, and social interests would probably not be greatly affected prior to the 1957 elections. Even if Adenauer left the scene it is improbable that either the CDU or the SPD would seriously entertain the idea of forming a CDU-SPD coalition prior to the federal elections.

35. Finance Minister Fritz Schaeffer and Foreign Minister von Brentano would be the leading candidates to succeed Adenauer. While Schaeffer is a strong personality and occupies a strategic position in the Cabinet as well as in the CDU leadership, von Brentano's prestige and popularity have increased rapidly both among politicians and the public. Both Schaeffer and von Brentano are staunch supporters of Adenauer's adherence to the Western alliance, and would attempt to continue Adenauer's policies.

Trends in Party Strength

36. *The Christian Democrats.* The CDU remains the largest of the West German parties. In the 1949 federal elections it received 31 percent of the vote; in the 1953 federal elections it reached a peak of 45 percent. In subsequent elections in the nine States of the Federal Republic, the CDU has averaged about 37 percent. Probably more than half of this decline in State elections was due to lower turnouts of voters who supported the CDU in the 1953 federal elections. Thus, in the State election of 1953-1955, the CDU preserved about half of its gains in the 1953 federal elections.

37. The personality and prestige of Chancellor Adenauer have been of great importance to the CDU in drawing popular support, and the party would be handicapped by his removal from the scene through death or incapacitation. However, the CDU possesses a number of personalities who could succeed to Adenauer's position; while lacking the stature of the Chancellor, they would probably be able to maintain its position as the strongest political group for the next several years. There is presently no notable dissension along sectional, social-economic or religious lines, or because of foreign policy issues. Nevertheless, any party which depends so much on a strong and popular leader faces some dissension and loss of discipline when he passes from the scene. This dissension would be most likely in connection with coalition arrangements, but may also develop in connection with such issues as reunification or rearmament.

38. *The Free Democrats.* Predominantly Protestant, the FDP represents conservative business interests and as such constitutes a financially strong though numerically weak element in the political scene.

The FDP suffered considerable electoral losses to the CDU in 1953 and has recouped only a portion of those losses since. Young elements of the party's right wing have been the most restive under the Chancellor's policies. They led the revolt against the Adenauer coalition, and have gained control of the party organization.

39. The presence of a new and more vigorous rightist opposition to the governing coalition introduces a significant and potentially dangerous element into German politics. The dominant faction seems to be increasingly prepared to utilize nationalist appeals. It seems convinced that the FDP could draw more electoral support as an opposition group and could assume a pivotal position between the CDU and the SPD. Its leaders are largely self-confident and successful young men, some of whom were Nazi functionaries, and most of whom feel that something more dynamic than the Adenauer program is required. They favor greater flexibility and maneuverability in Germany's position. The sharp attacks on Adenauer, designed to convince the electorate that the FDP, more than the CDU, is genuinely interested in reunification, will continue at an increasing rate, at least until the 1957 federal elections. At the same time, the FDP will be amenable to almost any temporary political combination in order to embarrass Adenauer and hamper him in implementing his policies.

40. *The Social Democrats.* The SPD opposition on the left represents a stable and clear-cut factor in the political scene. The second largest party in West Germany, the SPD has made moderate gains in nine State elections since 1955. In these elections, the SPD averaged 34 percent of the vote as compared with 29 percent in the 1953 federal elections. At the moment, the SPD is devoting increased attention to domestic issues, and will probably continue to emphasize economic and social measures.

41. In their role as the major opposition and in their efforts to gain new adherents, the SPD has also sought to exploit foreign policy issues, especially Adenauer's alleged failure to do as much as possible to achieve reunification. Although basically pro-Western and strongly anti-Communist in orientation, the SPD opposed West German NATO and WEU membership and rearmament plans on the grounds that these commitments worked against reunification. However, the SPD has accepted the parliamentary decisions on NATO membership and rearmament, and has thus far cooperated in the preparation of rearmament legislation. It will urge that continuous efforts be made to sound out any changes in the Soviet position on reunification and that West-East German interchange be expanded short of *de jure* recognition of the GDR regime. They will be in the vanguard of those who would be willing to drop West Germany's formal military commitments to the West in exchange for reunification on otherwise acceptable terms (see paras. 55-56). The SPD will

make reunification a major issue in the 1957 elections as in the past. Whether its position on foreign policy issues will significantly increase its vote is questionable; such issues, with their nationalist, neutralist overtones, are more likely to accrue ultimately to rightist benefit.

42. *The Minor Parliamentary Parties.* The BHE, representing refugees from Soviet-controlled territories, ranked fourth in the 1953 federal elections. The refugees have been largely absorbed into West German society and today have less cause to stand apart in German politics. The party split in 1955 over continued adherence to the coalition and the major faction is now in opposition. This latter group will probably attempt to continue an independent existence. It still commands about five percent of the electorate, but its strength will probably gradually decline. The German Party, the smallest coalition member, formerly aspired to become the nucleus of a right-wing movement but has failed in this effort. It might at some time merge with the CDU on the national level, while retaining its identity in Lower Saxony, where most of its membership is located.

43. *The Communists.* In the 1953 elections the Communist Party did not gain enough votes to qualify for Bundestag representation, and there are no signs that it can be rehabilitated as a political organization. More important than Communist activities in the political field have been Communist successes in the trade union arena, where they have made gains in elections of workers' representatives in industry. These successes were due in large part to trade union lethargy. The government and the trade unions are now alert to the dangers of quiet infiltration and are taking effective countermeasures. Because the vast majority of West Germans have an intense distrust and fear of Communism per se and of the USSR in particular, there seems to be little danger from overt Communist activities.

44. *The Extreme Right.* The splinter parties of the extreme right currently lack Bundestag representation and effective leadership. Unreconstructed Nazis and ultranationalists are to be found in the CDU, FDP, BHE, and DP, but they seem unlikely to achieve a position of dominance within any of these parties. However, the success of the demagogic appeals by ex-Nazis such as Heinrich Schneider during the Saar plebiscite indicate that at least some potential for Nazi-type exploitation remains. The fact that ex-Nazis have emerged within the leadership of the FDP in particular opens the possibility that this party will attempt to attract votes from extreme rightist and ultranationalist elements, though in so doing it may lose liberal support.

The 1957 Federal Elections

45. The principal issues in the 1957 campaign will probably be Adenauer's "authoritarianism," reunification, conscription, and eco-

conomic and social reform. Whether or not Adenauer leads the CDU in the elections, it will probably remain the strongest single party, although it is unlikely to retain a majority in the Bundestag.

46. The CDU will probably poll between 37 and 45 percent of the vote. It is very unlikely to reach the upper limits without Adenauer's active leadership and a high voter turnout. The parties of the present Bonn coalition (CDU, DP, and FDP dissidents) will probably get a working majority of parliamentary seats if the CDU reaches the upper limit, or if the FDP dissidents succeed in drawing a large part of the FDP's traditional vote. The SPD is unlikely to significantly exceed its traditional one-third of the electorate; it might receive about 36 percent of the vote if the Communist Party is banned prior to the elections. Even under the most favorable circumstances, the FDP is unlikely to poll much over 15 percent of the vote.

47. If the present coalition group receives a working parliamentary majority, the coalition will almost certainly be continued. It seems more likely that the coalition parties will fall short of a majority, particularly if they are deprived of Adenauer's personal leadership. It is too early to predict what kind of coalition would then take office. A CDU-SPD, a CDU-FDP, and an SPD-FDP coalition, or a minority CDU government are all possibilities. In any event, increased adjustment and compromise will be required if strong and stable government is to be continued.

IV. Probable Government Policies

48. *Domestic.* Assuming the political developments prior to the elections, and the election outcome, are generally as outlined above, West German domestic policy during the next several years is unlikely to undergo substantial change. The social program will probably be expanded. The government will foster increased farm aid, and will not oppose moderate wage increases. No group is prepared seriously to challenge the financial policies which have maintained economic stability and promoted foreign trade.

49. *Rearmament.* Rearmament seems to be no longer challenged in principle by West German political leaders. As a result of a compromise between the Socialists and the government regarding civilian authority over the military establishment, the principal legislation required to establish the armed forces has been enacted. However, continuing controversy over the character of the armed forces, and over legislation related to such issues as conscription, land acquisition, and terms of service, will further delay implementation of planned rearmament. The government will probably be able to recruit the 150,000 volunteers presently authorized for its armed forces, but conscripts may not be called until after the 1957 elections.

50. Moreover, Finance Minister Schaeffer's determination not to raise budgetary outlays to the required level will also contribute to delaying the present three to four year buildup schedule.⁵ The West Germans have so far firmly resisted NATO proposals to increase their annual budgetary commitments over the next three years beyond nine billion marks. While admitting that this outlay will be insufficient to finance the establishment of the required forces by 1959, they suggest that the deficit must be made up in part through US aid and in part from the application of unused occupation cost balances. The government is encouraged in its attitude by the complacency stimulated by the Summit Conference, by a general reluctance to accept the personal sacrifices involved in rearmament, and by political pressures for tax reductions. The government's budgetary position is probably based to a considerable extent upon the belief that the US will eventually agree to make up the deficit, and it may be prepared to increase its own allotment in a compromise settlement which involved increased US assistance.

51. Some German leaders, especially those opposed to rearmament, are using the argument that some of the present plans and equipment for West German rearmament will soon be obsolete in the light of developments of modern weapons systems. However, most governmental leaders are convinced that West Germany should proceed on the basis of presently available equipment, not only to form a base for effective military forces but also to balance East German armed forces.

52. *Western Association.* It is highly unlikely that West Germany will abandon its membership in NATO or its intimate association with the United States so long as the present government is in power. Even if those who favor a more independent foreign policy should come to power in Bonn, the strong economic and cultural ties with the West and, above all, the intense fear and distrust of the USSR would deter them from abandoning Bonn's commitments to the West, except as part of an otherwise satisfactory reunification arrangement.

53. Nevertheless, a decline of popular interest in West European integration has accompanied the emerging interest in a "national" policy. To counteract this and to divert attention from the four-power impasse over reunification, the Adenauer government has taken a renewed interest in advancing the integration idea. It is pushing West German adherence to the EURATOM project despite opposition from industrialists. It is apparently the Chancellor's aim to tie

⁵The present schedule calls for a 500,000 man establishment, including a 12-division army of 370,000 men, 20-wing air force equipped with approximately 1,350 aircraft, and a small coastal defense navy. [Footnote in the source text.]

West Germany so closely to Western associations that it will be difficult to disengage after his departure. The chances favoring further progress in the integration field would be reduced if Adenauer disappears from the scene. The chances would also be reduced if rightist elements gained substantially in the federal elections. On the other hand, there is increased Socialist support for European integration as shown by their support for EURATOM and the Coal-Steel Community.

54. Also currently binding West Germany to its Western association is the fact that three-fourths of its extensive trade is with Western Europe and the Americas. Nevertheless, West German industrialists are developing considerable hopes and expectations over the possibilities of lucrative trade not only with the Middle East and South Asia but also with Communist China, and to a lesser extent, with the other Bloc countries. In the past Bonn has in general been cooperative with respect to the strategic trade control program, although it has always tended toward a more lenient application of these controls in the case of East Germany. However, the apparent interest of the Soviet Bloc in expanding East-West trade, and the mounting opposition to controls in Western Europe has now convinced many industrialists and traders that a further weakening of the control system is inevitable. While the West German government is unlikely to take the initiative in pressing for a further relaxation of controls, it will probably follow the British and French leads in this field. The government would probably be unable to resist pressures for establishing broader trade relations with the bloc if the Communist countries should make attractive trade offers, or if free world demand for German exports should decline.

55. *Reunification.* Bonn's present policy of firm association with the North Atlantic Community will not prevent it from exploring reunification possibilities directly with the USSR, or even eventually with the East Germans. This tendency would increase if the West Germans became convinced that Western support on reunification were faltering. In any event, the West German government, whatever its political complexion, will probably find it politically necessary to engage in such discussions during the next few years. We believe it unlikely, however, that they would do so without keeping their major Western allies informed.

56. In conducting such discussions we believe that no West German government would accept reunification unless, at a minimum: (a) Soviet forces were withdrawn from East Germany; (b) Germany were permitted an adequate defense force; and (c) the government felt assured that the US would continue to support and protect a united Germany. If the foregoing conditions were met, we believe that any West German government would accept such conditions as:

(a) the neutrality of a reunified Germany; (b) a substantial modification of Western proposals for the conduct of elections; and (c) preservation for a limited period of the structure of the East German state within the framework of an all-German government, provided the West Germans were assured of control. No German politician in or outside the governing coalition believes the USSR is currently prepared to meet these terms. Opposition to the present government's reunification policy is based upon political expediency and upon the hope that the Soviet position might change if direct discussions were opened and if the West German position were less rigid than at present.

57. *East Germany.* The West German government will face increasing demands for expanded contacts with the population and government of the East Zone, originating not only from the opposition but from virtually all segments of West German society. Because of political and economic necessity and cultural affinity, the West German government will reluctantly agree to a progressively wider range of contacts, perhaps including eventually contacts on the ministerial level. The question of de jure recognition will probably not be posed unless the East German regime should force the issue by applying severe economic restrictions on West Berlin, in which case the West German government would almost certainly refuse to be intimidated.

V. Longer-Term Outlook

58. The long-range outlook for West German political stability and association with the West includes both favorable and adverse factors. On balance, we believe that, at least for some years to come, the political forces which will control West Germany will remain basically moderate, and that, except in the event of an acceptable Soviet reunification offer, West Germany will adhere to the Western alliance. Constitutional government has strong supporters and seems to have firmly established itself in the Federal Republic. The present West German indifference to extremist appeals, and the moderation of traditional cultural and class conflicts suggest that compromises on basic social and economic issues will probably continue to be reached, and that extremists will probably remain a relatively isolated minority. Military adventurism is unlikely to become a critical factor in West German policy during this longer period. As long as the polarization of global military strengths continues, West Germany will almost certainly refrain from independent military ventures.

59. The present pattern of Bonn's foreign policy indicates that the West Germans are seeking to establish themselves as co-equal with the "Big Three" Western Powers and will therefore tend to move cautiously in relations with their allies. Moreover, the West

will retain great assets in the West Germany's powerful fear and distrust of the USSR, its cultural affinity for the West, and its recognition of the value of Western, and especially US, power.

60. On the other hand, some factors make the long-term future of democratic and pro-Western government in West Germany uncertain. The passing of Adenauer will remove a strong stabilizing influence in West Germany. Democratic traditions are not deeply rooted in West Germany and authoritarian tendencies have not been eliminated. There is some danger that any of the established parties may become dominated by undemocratic leaders with narrow nationalist concepts. This danger would become serious in the event of protracted economic strains, prolonged governmental instability, or a substantial decline in the relative world power position of West Germany's present allies. Moreover, if West German constitutional processes and association with the West should come under serious challenge, the German military establishment might again assert itself as a factor of political importance.

61. West Germany's increased sense of national self-assurance, its emergence as the leading power in continental Western Europe, the growth of its international influence, and the fact that its national interests are no longer completely identical with those of its allies will probably in time cause frictions between the Federal Republic and its Free World neighbors. These frictions in turn may increase mutual suspicions and animosities between the West Germans and other Western European peoples. Moreover, with Soviet policy entering a new phase and the era of Adenauer's leadership nearing an end, controversy over West Germany's Western alignment will increase. New political leaders are emerging and the reunification issue will loom larger on the horizon. A continuation of the new flexibility in Soviet policy and of the reduction of tensions in Europe will encourage West German hopes that Soviet policy toward German reunification might change. Under these circumstances, the present policy of rigid alignment with the West would almost certainly be more seriously challenged by nationalist and neutralist elements in West Germany.

49. Memorandum From the Director of the Office of East European Affairs (Beam) to the Assistant Secretary of State for European Affairs (Merchant)¹

Washington, April 27, 1956.

Von Kessel told me yesterday afternoon in strict confidence that the government is having more and more difficulty with Adenauer because of his age and present state of health. He said Adenauer's non-lucid intervals out-number those when he is his old self and that the same troubles are arising as occurred with Churchill. I mentioned to Von Kessel that Ambassador Conant had reported seeing Adenauer well and hearty and Von Kessel said this might be so but was probably an exceptional circumstance.²

Von Kessel said that Adenauer's condition is giving the government such concern that it is considering advancing the date of the elections to next spring, instead of the late summer, in order to take better advantage of whatever contribution the Chancellor is able to make.

¹Source: Department of State, EUR Files: Lot 59 D 233, Memos 1956–7. Confidential. Also addressed to Elbrick and Reinstein.

²On April 25, Conant reported that he had seen Adenauer that morning and found him "in excellent health and good spirits." (Telegram 3952 from Bonn, April 25; *ibid.*, Central Files, 762A.00/4–2556)

50. Memorandum of a Conversation Between the Secretary of State and the German Ambassador (Krekeler), Department of State, Washington, April 27, 1956, 5 p.m.¹

The German Ambassador, having returned from Bonn early in the day, called on the Secretary at 5 o'clock at his own request.

In reply to the Secretary's opening question as to the state of the Chancellor's health, the Ambassador said that he found Chancellor Adenauer vigorous, full of humor and fully restored to health. The Secretary expressed his pleasure at this news.

The Ambassador then handed the Secretary the attached personal letter from the Chancellor dated April 20² and thanked him for

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Merchant.

²Not printed.

our cooperation in keeping the Federal Government informed concerning the negotiations on disarmament in London.³

The Ambassador also handed the Secretary the attached personal letter from von Brentano expressing his appreciation for our understanding of the Federal Government's position on reunification.⁴

The Ambassador then said that during his holiday the Chancellor had grown considerably disturbed over the general situation. In particular he was worried by the Franco-British disarmament proposal tabled in London,⁵ which, lacking United States sponsorship, gave the impression of a split among the three. He also resented the inclusion in that proposal of a ceiling of 200,000 troops for Germany, a figure which he said was arrived at and announced in the negotiations without any prior consultation with the Federal Republic.

Ambassador Krekeler then turned to the matter of support costs. He said that Bonn recognized the difficult position that the United Kingdom was in, not only in foreign exchange but from a budgetary point of view. The United Kingdom was in the worst shape of any of the parties involved. The Germans realize that if they cannot meet the British position there is the very real risk of withdrawal of British forces from the continent. This they consider must be avoided at all costs. Accordingly, Brentano, when he goes to London on Monday, will make certain proposals. It will not be possible to negotiate all the details then but the Germans are determined to reach an agreement. They will keep us fully informed of developments. Krekeler mentioned that one thought they had in mind was to take over all the expenses of one of the British Divisions in Germany which would be considered an instruction division for the German forces. Bonn has public opinion problems, he said, but he believes this could be presented as merely a payment for instruction and not as a continuation of occupation costs.

The Secretary said that in this matter of support costs the United States would not want to be discriminated against. We don't like being taken for granted and he assumed the Federal Republic was equally interested in keeping United States forces in Europe as well as British. The Ambassador hastened to assure the Secretary that there was no thought of discriminating against the United States and certainly they wanted our forces there but, he added, "You and we don't have financial problems."

³For documentation on the work of the U.N. Subcommittee on Disarmament, see volume xx.

⁴Not printed.

⁵Reference is presumably to the Anglo-French Working Paper Submitted to the Disarmament Subcommittee: Proposed Synthesis, March 19, 1956. For text of the proposal, see U.N. doc. DC/SC.1/38.

Mr. Merchant said that in embarking on this bilateral discussion with the British he assumed the Germans had taken fully into account, in addition to our unwillingness to be discriminated against, the resentment which could be expected on the part of the French and Belgians against both the British and Germans. He pointed out that the negotiations for months had been conducted in common and that this unilateral operation by Germany would have repercussions. The Ambassador said he was sure that those factors had been taken into account.

On support costs the Ambassador said that the payments would continue after May 5. There was a continuous flow of payments and this would continue until there was an agreement. The Germans, however, do not want to formalize any such continuation.

Ambassador Krekeler then turned to the question of the conscription law. He said the Cabinet had taken the decision to push this through the Bundestag before the summer recess. It was difficult but they were going to do it. In reply to a question he said that the bill which they would push through would provide for 18 months period.

The Ambassador then referred to a conference he had had with Ambassador Haas (assigned to Moscow), the Chancellor and Brentano. The latter feels strongly that the views of the Federal Republic on reunification must be presented to the Russians and kept before them. Haas will have no instructions to negotiate but he will be instructed to present the Federal Republic's views. A draft, however, of his instructions will be sent to Washington for the Secretary to review before they are put in final form and communicated to Ambassador Haas. Krekeler emphasized that there was no thought of negotiations.

On the matter of party organization, Krekeler said that the present Stuttgart meeting was very important. It had been decided to set up a top committee of ten members of the party, all of whom would take an active role in public and in politics with a view to impressing the country with the variety and depth of the leadership which the party possessed.

Ambassador Krekeler reported that Brentano had been elated over the Secretary's AP speech.⁶ He himself is tentatively thinking of suggesting at the NATO meeting (1) that there be bi-monthly meetings of the Council when the Permanent Representatives would be joined for purposes of political discussion by the Permanent Under Secretaries of the NATO members, and (2) that NATO might set up some emergency economic assistance fund.

⁶For text of Dulles' speech before the annual luncheon of the Associated Press in New York on April 23, see Department of State *Bulletin*, April 30, 1956, pp. 706-710.

The Secretary indicated that his reaction was negative to the second proposal. He went on to say that the ideas behind his speech contemplated increased activity in the political area rather than the economic area. He spoke of such problems as Cyprus, the Saar, German reunification, French North Africa and the situation in the Middle East where the threat of hostilities jeopardized the oil supply on which all of Europe was dependent, as problems which deeply affected the strength and unity of the alliance and which hence could not be ignored by the Council.

In taking his leave Ambassador Krekeler mentioned that Ambassador Eckhardt (now the Federal Republic's Observer at the United Nations in New York) was probably going to be called back to Bonn to handle the government's public relations and press relations. These have not been well handled, he said, in recent months.

51. Telegram From the Delegation at the North Atlantic Council Ministerial Meeting to the Department of State¹

Paris, May 4, 1956—11 a.m.

Secto 10. Secretary opened talk with Brentano and Hallstein May 3 by saying he felt reunification should be kept in the forefront and used as test of new Soviet attitude in view Soviet agreement at Summit Meeting to reunification through free elections. He intimated that problem of relationship to disarmament had been somewhat exaggerated. He said Soviets are overextended in economic terms and might reduce in force for economic reasons. Western powers should determine their force levels in light their estimate of danger. Brentano expressed general agreement. He referred with satisfaction to communiqué issued at end Anglo-German talks and said that, after initial misunderstandings, Germans had reached full understanding with French which was reflected in new directive to Moch.

Brentano said that while he hesitated to use term initiative in connection with reunification, he felt in order to show public opinion our position it would be necessary to take joint initiative. Question of timing would have to be considered. He indicated purpose was clearly to demonstrate to the man in the street our proposals and reasons for Soviet rejection. He believed it was not generally understood how far Western powers had gone at Geneva in their offers to USSR.

¹Source: Department of State, Central Files, 740.5/5-456. Confidential. Repeated to Bonn and London. Secretary Dulles was in Paris for a meeting of the North Atlantic Council, May 4-5. For documentation on this meeting, see vol. iv, pp. 51-84.

He assured Secretary German initiative with Soviets would not become beginning of bilateral negotiations and that Federal Republic would proceed only with full agreement of Three Powers and possibly other (NATO governments).

Secretary raised support costs question, saying he felt impelled regretfully to say Federal Republic had not been as responsive as it should have been to its obligations in this matter. US had tried to orient its policy to support Federal Republic. It was unpleasant to encounter this type of situation. We hoped that the question was on way to solution since he understood from luncheon conversation with Selwyn Lloyd that it was going somewhat better. However, he wished to express his concern to Brentano. Brentano said form of presentation proposal at end of last year had been unfortunate. If matter had been presented differently, it might have been better received. He regretted manner in which question had developed and had attempted to present it before cabinet. He was determined to find reasonable solution in light of political aspect and would report to Cabinet on his talks in London and Paris. Secretary said that we would approach problem in sympathetic fashion and indicated desirability finding some solution in politically acceptable form.

Secretary asked Brentano status of conscription legislation, remarking that 12-month period of service was inadequate. Brentano said law would be passed but he could make no assurances regarding period of service, which he indicated has become partisan issue. The Secretary, Gray and Merchant impressed on him seriousness of problem which would be created by German adoption of 12-month period. They pointed out it is likely to result in other countries cutting their conscription period with serious consequences for NATO military strength. Secretary said it had been expected German membership in NATO would add to NATO's military effectiveness. If first important act of Federal Government was of this character effect would be to weaken NATO. Brentano reiterated political difficulties apologetically, saying that some people thought it would be better to adopt 12-month period and win next elections.

The Secretary expressed to Brentano his thoughts on further development of Western organization as suggested in recent New York speech. He said he was not thinking of it as some new gadget to add to NATO but of fundamental solution to problems facing West. This problem was how, in the first place, to maintain unity of West and prevent Soviets from exploiting difficulties between Western powers. Second there was a problem of dealing with under-developed areas and how to meet difficulties caused by Soviet aid and exploitation of feelings of non-white races. Third was problem of how free enterprise system could deal with Soviet competition operating on political motives and without regard to costs or profit factor. He thought

these problems should be studied by Western nations either in NATO or possibly in council organized outside NATO. Hallstein said Federal Government in general agreement. He suggested that there should be body composed of representatives of five or six governments able to extend aid rather than use of NATO Council. Present meeting, however, should confine itself to urging member governments to do everything possible to counteract Soviet moves.

The Secretary referred to forthcoming visit of Icelandic Foreign Minister to Bonn. He said it would be helpful if Chancellor could mention base question Gudmunson. Brentano agreed.

Dulles

52. **Memorandum of a Conversation, Department of State, Washington, May 14, 1956, 10 a.m.**¹

SUBJECT

Meeting with Franz Josef Strauss, German Minister for Atomic Affairs

PARTICIPANTS

German Federal Republic
 Minister Strauss
 Ambassador Krekeler
 Professor Haxel
 Mr. Geyer
 Mr. Ernecke
 Mr. Hess

United States
 Mr. Elbrick, EUR
 Mr. Holt, GER
 Mr. Margolies, GER
 Mrs. Dulles, GER
 Mr. Creel, GPA
 Mr. Miller, GEA
 Mr. Timmons, RA
 Mr. Cleveland, RA
 Mr. Schaetzel, S/AE
 Mr. Goldenberg, AmEmbassy, Bonn

Mr. Elbrick said he was happy to welcome Mr. Strauss to Washington and to have this opportunity to discuss with him matters of mutual interest.² These included German reunification, the general political situation in Germany and prospects for the 1957 elections, the German defense build-up, including the conscription issue, and EURATOM. Mr. Elbrick also made favorable reference to an inter-

¹Source: Department of State, Central Files, 033.62A11/5-1456. Limited Official Use. Drafted on May 21 by William K. Miller and Robert C. Creel of the Office of German Affairs.

²Strauss arrived in the United States on May 11 for talks with officials of the Atomic Energy Commission and the Department of State. For a memorandum of Strauss' conversation with Dulles on the afternoon of May 14, see vol. iv, pp. 438-441.

view given recently by Mr. Strauss and published in the Federal Government's Information Bulletin.

Reunification and General Political Situation

Mr. Strauss said he would address himself in turn to these specific points mentioned by Mr. Elbrick. As for the reunification problem he had no ready solution. He thought the term "reunification" needed concrete definition because there was danger of it becoming a meaningless slogan. From his own standpoint the term meant reunification on the basis of (1) free elections and (2) a guaranty of security. He expressed the view that the Germans could get reunification in short order were they to break away from their alliance with the West and adopt a neutralist attitude. He considered it imperative, however, to avoid the concept of reunification as an end in itself without regard to the conditions under which it was brought about.

Mr. Strauss continued that genuine reunification under tolerable conditions might take a short or a long time but must in any case be achieved in full concert with the Western Allies. There was need, however, for a bit more elasticity in Western policy on this issue. He stressed the danger of a general mistrust of the West on the part of the German people if the feeling were to grow that the West did not take reunification seriously. Among the socialists and neutralists there is an impression that the Allies have never made a real test of the Soviet attitude and have imposed conditions for reunification which they knew were unacceptable to the Soviets. It was necessary to adopt new tactics which would force the Soviets to react to our initiative and to disclose their intentions and their real price for reunification. He went on to emphasize that there was no question of Germany's going back to Rapallo or "sitting between two chairs"—Germany would stick to its political principles and with the West. He reiterated that reunification at any price was unacceptable, but added that reunification without any price was impossible. He also expressed the view that German reunification and the liberation of Eastern Europe are one and the same problem, the solution of which could be brought about "in chapters".

Mr. Strauss thought there was a danger that the "new look" in Soviet policy might make too great an impression abroad and that the Soviets might become acceptable to Western public opinion, particularly in France, without paying the proper price. To maintain its current policy in force the Federal Government needed an active German and Allied attitude toward reunification and in dealings with the Soviets. It was not enough for Moscow to revise the slogans of Stalin; they must also be made to change their policies. It was necessary to continue to demand reunification on the basis of free elections. The West was too much on the defensive—psychologically,

politically and in the economic field—not only in Europe but in the Middle East and North Africa. He concluded on this point by stating there would be no hope for reunification under tolerable conditions if the Soviets were able to achieve a *détente* with the West, as for example in the field of disarmament, without paying a real price.

In response Mr. Elbrick outlined our views on disarmament and its relationship to German reunification. He mentioned the recent NATO Ministerial Meeting and the fact that France, Britain and the United States had demonstrated they are in complete agreement that any disarmament beyond the initial stage would be dependent on the solution of major political problems, of which probably the most important was German reunification.

Ambassador Krekeler stated that as far as public opinion in Germany is concerned the West is always one step behind the Soviets. We must regain the initiative and thereby contribute to softening up the Soviet attitude.

Mrs. Dulles said we had already made many statements on the German problem and inquired what further we could do that would be useful. Mr. Strauss had no specific suggestion to make, but did agree that the references to Germany in the President's recent speech³ and the communiqué issued in London after the Bulganin-Khrushchev visit had been of invaluable importance.⁴

Turning next to the political situation in Germany, Mr. Strauss stressed the need for maintaining the current level of economic activity and prosperity in Germany. It was also necessary to strengthen the basis of the Federal Government's foreign policy. What was needed in this regard was a Western statement of trust in this policy, not only as far as Adenauer was concerned but for after Adenauer; in other words there must be confidence in Germany as a reliable partner after Adenauer's disappearance from the scene. There were several in the present government who could take Adenauer's place and carry on his policies. (He recalled in this regard how relatively insignificant a figure Adenauer himself had been in Western eyes in 1948.) Thus, there was need for a statement from the United States of trust in the continuity of German policy as well as an active attitude toward reunification. As long as the Soviets hoped that the SPD and the FDP would change German policy, they would not make "one millimeter" of concessions to the West.

As for the 1957 elections, Mr. Strauss expressed confidence that the CDU would "win"; their present strength was over 40% of the

³For text of President Eisenhower's speech to the American Society of Newspaper Editors on April 21, see Department of State *Bulletin*, April 30, 1956, pp. 699-706 or *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1956*, pp. 411-427.

⁴For text of this communiqué, April 26, see *Documents* (R.I.I.A.) for 1956, pp. 638-641.

electorate and they were looking for partners. There could be no coalition with the SPD, however, as long as that party was not satisfied to be the junior partner. The CDU could expect the full support of the DP and the FDP; it could possibly also regain the support of the BHE, but to do so it would have to espouse a strong Eastern policy.

Ambassador Krekeler endorsed this statement and commented on the gratifying response he had had from the United States Congress with regard to the map he had sent to each member portraying the present division of the various areas of Germany.

German Rearmament: Conscription Legislation

Mr. Elbrick said that we look forward to as quick as possible a German defense build-up. He said we understood there was difficulty in the German parliament with respect to the term of conscription and that there was an effort to reduce the 18 months proposed by the Government to twelve months. NATO doctrine, subscribed to by General Gruenther, recognized the necessity of a minimum of 18 months service under modern conditions and with modern weapons. A twelve month period in the Federal Republic would have effects broader than Germany since some of the other Allies would also be inclined to reduce their terms of service. This was a source of apprehension to SACEUR.

Mr. Strauss said there was some American and British opinion that German rearmament was too slow and that the slowness was deliberate. He commented that had EDC been ratified, there would be no problem. He conceded that the first phase of rearmament had been slow, but said this was attributable, aside from the long ratification procedure, to the fact that they were aiming for a state of readiness of the whole force of 500,000 as an entire group, not for early formation of small units. He said there would be 95,000 men in uniform by the end of this year and 500,000 by the end of 1958.

As to conscription, Mr. Strauss said that the law will be passed without any doubt. Possibly the legislation will authorize rather than obligate the Government to introduce an 18 month period of service. This would permit some flexibility and might mean 9 or 12 months service for some, depending on their functions, although they would stick to 18 months generally.

[Here follows discussion of EURATOM.]

53. Report Prepared by the Operations Coordinating Board¹*Washington, May 17, 1956.*PROGRESS REPORT ON UNITED STATES POLICY TOWARD
THE FEDERAL REPUBLIC OF GERMANY (NSC 160/1)²

(Policy Approved by the President August 13, 1953)

(Period Covered: February 1, 1955 through May 17, 1956)

*A. Listing of Major Developments During the Period*1. *General*

The Federal Republic acquired sovereignty. The Allied High Commission was abolished (May 5, 1955).

2. *Military*

a. *The Federal Republic entered the Western defense system (NATO and WEU) (May 9, 1955).*

b. *The Federal Republic began the build-up of the forces to be contributed to NATO.* The Germans participated in the NATO Annual Review process for the first time (November 1955). Chancellor Adenauer stated publicly in September 1955 that the German ground forces would be brought to their projected full strength in three years and the naval and air forces in four years. These force goals were approved in the 1955 Annual Review. The MDA Agreement with the United States came into force on December 27, 1955. Recruitment and training of German forces commenced in January 1956, with the induction of a small number of German soldiers into the armed forces pursuant to interim legislation. Permanent basic defense legislation was approved by the Lower House of Parliament on March 6, 1956 and by the Upper House on March 16.

c. *The transfer of United States military equipment to the Germans was initiated in January 1956.* Thus far only limited amounts of equipment for demonstration and training purposes have been turned over to the few German units which have been activated. Further equipment will be transferred as the German units become ready to receive it. During the period under review, the U.S. has programmed \$14,000,000 for training of the German forces.

d. *The Federal Republic indicated its unwillingness to contribute to the support of foreign troops stationed in Germany except by providing goods and*

¹Source: Department of State, OCB Files: Lot 61 D 385, Germany. Secret. A cover sheet, memorandum of transmittal, and financial annex are not printed.

²For text of NSC 160/1, August 13, 1953, see *Foreign Relations, 1952-1954*, vol. vii, Part 1, pp. 510-520.

services on the same basis as other NATO powers. The sending states have taken the position that the Federal Republic should continue to provide substantial direct financial support in view of the lack of significant progress in her defense effort and the projected low level of her defense expenditures. Negotiations looking to a resolution of this issue are now underway in Bonn.

3. *German Unification*

Western Allied proposals toward German unification were blocked by the USSR at the Foreign Ministers Conference, October 1955. NATO reaffirmed in December 1955 the recognition of the Federal Republic as the sole legitimately constituted German government.

4. *External Affairs*

a. *Diplomatic relations between the Federal Republic and the USSR were initiated as a result of the Chancellor's visit to Moscow in September 1955. However, to date Soviet efforts to exploit their mission in Bonn for the furtherance of their objectives in Germany have met with no significant success. The Federal Government sent a strong note to the Soviet Embassy expressing objection to certain of the Embassy's activities calculated to exert pressure on the Government.*

b. *The Saar moved toward political reattachment to Germany following the defeat in the referendum of October 23 of the statute providing for the Europeanization of the Saar. The French and German Governments commenced negotiations on February 20, 1956 for an alternative solution of the Saar issue. The French have indicated their willingness to agree in principle that the Saar should be reattached to Germany politically in return for safeguarding of their economic interests in the Saar, with particular reference to their desire for canalization of the Moselle. The negotiations are continuing in a spirit of cooperation.*

c. *The Federal Republic was admitted by ECOSOC to the Economic Commission for Europe. The East German regime's attempt to gain membership in ECE and UNESCO was defeated.*

d. *German Foreign Office. The appointment of a full time Foreign Minister (Heinrich von Brentano), a function previously exercised by Chancellor Adenauer, has resulted in a considerable strengthening of the position and prestige of this Ministry. The Federal Government has launched upon a program of negotiating the solution of problems largely arising out of the war which have been an irritant in its relations with a number of countries (notably Austria, Belgium, the Netherlands, Sweden, and Italy), and has reached an agreement with Yugoslavia.*

5. *Internal*

a. *The Federal Government's majority in Parliament was further reduced as a result of the ouster of the CDU party from the government in the*

key state of North Rhine-Westphalia and the subsequent split on a national scale in the Free Democratic Party.

b. *Communist efforts* to penetrate industrial works councils and win over West German youth leaders through friendly approaches and subsidized visits to the Soviet Zone were recognized and countered by more aggressive local trade union leadership and an increase in the general concern over communist intentions and objectives.

6. *Economic*

a. *The economy of the Federal Republic has continued to expand and increase in strength.* German production and income continued to increase at a rate substantially higher than that of other European countries. Some concern arose about possible inflationary trends, and credit was tightened in the late summer of 1955 and again in March 1956. There was a further substantial increase in foreign exchange reserves, with gold and dollar reserves increasing nearly \$400 million during the 12 months February 1955–January 1956.

b. *The Federal Government indicated considerable interest in joining with the U.S. and other countries in efforts to restrain Soviet influence in the Mediterranean area and the Middle East by promoting programs of economic development and investment.*

c. *The Federal Republic concluded several important economic agreements with the U.S., including a Treaty of Friendship, Commerce and Navigation, and an Air Transport agreement.*

B. Summary Statement of Operating Progress in Relation to Major NSC Objectives³

7. *Validity of the Basic Policy*

The five basic objectives are considered fundamentally valid. With regard to the ten courses of action set forth, there are certain particulars of the specific language which could be edited to reflect the developments occurring since their approval; substantively, and aside from these editorial amendments, it is considered that the courses of action are still valid and capable of effective implementation. In this connection it is to be noted that the NSC is reviewing NSC 174⁴ for which the Working Group on Germany has been assigned coordinating responsibility (June 1955) as it applies to East Germany. It is recommended therefore, that should the NSC omit East Germany from the new policy paper re the satellites, the NSC supplement NSC 160/1 with an appropriate new section pertaining to U.S. policy toward East Germany; this would package U.S. policy

³NIE 23–54, dated 12/20/54 is superseded by NIE 23–56, dated 4/17/56. [Footnote in the source text. NIE 23–56 is printed as Document 48; regarding NIE 23–54, see footnote 2 thereto.]

⁴For text of NSC 174, dated December 11, 1953, see *Foreign Relations, 1952–1954*, vol. VIII, pp. 110–127.

toward both East and West Germany in a single paper. (N.B. See paragraph 3 of the Progress Report on NSC 174).

8. *German Association with the West*

a. The defeat of the EDC has caused a considerable loss of faith on the part of Germany in the European idea. Although the Germans continue to be attached by the European idea, the coincidence of the defeat of the EDC and the restoration of sovereignty to the Federal Republic has resulted in a state of mind in which more and more Germans tend to look at their problems predominantly from a viewpoint of national self-interest. This tendency is reflected in the somewhat negative attitude of a number of German leaders toward such specific European integration projects as EURATOM and the common market; their lack of enthusiasm for these projects appears to be motivated primarily by their assessment of the relative advantages and disadvantages of the arrangements in terms of short-range German national interest. On the other hand both Chancellor Adenauer and Foreign Minister von Brentano continue to lend their strong support on broad political grounds both to the general concept of European integration and to specific programs and projects designed to help bring it about.

b. Despite the emergence of the tendency referred to above, there has not been any lessening of German ties with the West. On the contrary the Germans appear to find real benefit in their association with the West. During the occupation the Germans displayed some disinclination to push themselves forward vigorously in the international field. They now seem more disposed to take the initiative. They exhibit interest in and a desire to assume responsibilities in various areas of international life. In general their behavior in international organizations has been cooperative and forward-looking. At the same time, they appear to be strengthening their ties with the West in the political and economic spheres. The Federal Government continues to display keen desire to align itself closely with the United States despite some criticism in Germany that the Government is too dependent on this country.

9. *German Military Build-Up*

Despite numerous assurances from the Federal Government that the German defense contribution will be completed on schedule, disappointingly little progress is being made. The delay is due in part to the thoroughness of the parliamentary review which permanent German defense legislation has undergone in the interest of insuring that it make adequate provision for civilian control of the army. While this aspect of the situation affords a basis for confidence that the new German army will not fall prey to the excesses and abuses of the past, the Federal Government in other respects has been deficient in making plans and taking measures to prepare the way for a

quick build-up following the enactment of the legislation. Among the factors involved are the Government's proclaimed determination not to increase its annual budgetary provision for defense above Deutschemarks 9 billion and the fact that its plans contemplate the receipt of substantial U.S. aid for which no adequate justification has been given. In addition there is growing support to reduce the conscription term from 18 to 12 months. This position, if enacted into law, will further reduce the capability for an effective build-up.

10. *German Reunification*

No progress toward this objective was made during the period as a result of Soviet obstruction, as demonstrated by their repudiation at the second Geneva Conference of the Summit directive calling for negotiations regarding German reunification on the basis of free all-German elections.⁵ At the same time, the harsh rejection by Soviet Foreign Minister Molotov of the proposals put forward by the Western Powers served to convince the majority of the Western Germans, including political leaders in all parties, that the USSR had no intention, at least for the present, of reunifying Germany except upon terms which would result in the bolshevization of the entire country. However, the Four Power impasse over reunification has stimulated some demand in West Germany that the Government develop greater self-initiative toward reunification. The Federal Government meanwhile has given assurances that it will not discuss the German unity question with the USSR except in closest consultation with the U.S., U.K. and France.

11. *Economic Progress*

The very substantial economic progress and strength achieved by the Federal Republic has made little or no special action necessary by the United States to assist it as authorized in paragraph 25 of the NSC paper. (Re Berlin, see Progress Report on NSC 5404/1).⁶ Similarly, offshore procurement has not proven necessary except in Berlin. Germany now participates fully in GATT, and the proposed OTC, with its exports enjoying the same treatment as those of other members. The German Debt Settlement came into effect September 16, 1953, and the Federal Republic has fully met its obligations under the Settlement. Settlements of private debts have been proceeding in an orderly and satisfactory way. The Federal Government's dollar liberalization measures have removed the basis of some complaints by U.S. producers and exporters, but its policy regarding agricultural commodities has not been satisfactory. German interest in trade with the Soviet orbit has increased, but Germany has met its obligations

⁵For text, see vol. v, pp. 527-528.

⁶Regarding NSC 5404/1, dated January 25, 1954, see *Foreign Relations, 1952-1954*, vol. vii, Part 2, p. 1390-1394. The Progress Report is printed as Document 179.

to COCOM. The special political problems inherent in Federal Republic relations with the Soviet Zone have led to some disagreement in SCOM, but it has proved a useful technique for dealing with a difficult problem.

C. Major Problems or Areas of Difficulty

12. *The Establishment of German Defense Contribution*

a. In view of developments referred to in previous sections of this paper, the build-up of the German forces is likely to take longer than publicly announced by the Government and approved as NATO force goals. A State-Defense-ICA task force appointed February 1956 is currently studying this problem. The approach of the 1957 elections will probably make the Federal Government more reluctant to increase its budgetary provision for defense or to press for enactment of an adequate conscription law, steps which will both be necessary if established force goals are to be attained. It even seems probable that the build-up program will not gain sufficient momentum or develop to a point which would commit the government resulting from the 1957 elections to carry on with the program.

b. It will take some time, and continuing discussion with the Federal Republic, to determine exactly what equipment the Germans will need to obtain from the United States to complete their build-up. At a later stage, it may be necessary to consider further the question of whether the pace of the German defense build-up and the over-all German financial and political situation would justify additional United States military aid in the light of the importance of a prompt German defense build-up to NATO defense plans and U.S. national security.

13. *German Association with the West*

a. The development of a closely integrated European Community still continues to provide the best possible way of tying Germany to the West. However, this is a policy for the long term. Furthermore, it does not appear that the U.S. can rely on institutional arrangements alone as a method of insuring German association with the West. As a practical matter, it will be necessary to work closely with the Germans, both in international organizations and in normal diplomatic and economic relations, if we are to be able to influence German policy.

b. The Germans are very much aware of their restored sovereignty and are sensitive regarding discrimination against them. They will desire a place in the councils of the West which accords with the importance of the German nation; the pattern of West Germany's foreign policy indicates that West Germany is seeking to establish co-equal status with the Western Big Three Powers. The degree to which this outlook is taken into account and consideration is given

the German interests will have an important bearing on the development of German policy and on the habits of cooperation with the Western Powers.

14. *German Participation in Development of Newly Developing Areas*

German initiative for a cooperative approach toward less developed areas reflects a desire to play some part in meeting Soviet initiatives in the Mediterranean and other less developed areas and also to secure a large and developing market for exports of capital goods. Although German proposals for a program for dealing with this problem have been vague, an opportunity may be offered for obtaining a German financial contribution for the development of the less developed areas, and at the same time for developing closer ties between Germany and the Western Powers. A problem is presented in determining the means by which this can be achieved in order to further cooperative relations with Germany and within the framework of basic U.S. policies.

15. *German Reunification*

a. German reunification remains a major problem. The Soviets' control of East Germany gives them a point of leverage against the Federal Republic for efforts to split it from the Atlantic Community. Consequently the continued championing of German unification by the West appears to be an essential element in tying Germany to the free world. Should the suspicion that the West had lost interest in this issue become widespread in Germany an alienation of the Germans from the West might result.

b. The approach of the 1957 Bundestag elections can be counted on to increase the pressure in German political circles for renewed demonstrations of activity on behalf of German reunification. The Socialist and Free Democratic opposition views this issue as a promising line of attack against the Adenauer government. In such an atmosphere reiteration at regular intervals of Allied interest in unification appears essential. It seems likely that the Federal Government will seek some fresh Western initiative on the reunification issue prior to the 1957 elections.

16. *Post-Election Prospects*

The composition of the Federal Government following the 1957 elections will have most important bearing on the depth of the Federal Republic's attachment to the West and its capabilities for resisting Soviet blandishments. The chances seem good, even if Chancellor Adenauer should disappear from the scene, that a moderate center coalition will continue as the strongest element in the German Parliament, which could be counted on to carry on the policies of the present government without substantial change. On the other hand, increasing military power, a sense that the West is not active enough in pursuing German reunification or other German interests, and in-

herent German dynamism and the nationalistic ambitions of some German politicians may lead the Federal Republic to follow a more independent course.

17. *Maintenance of Economic Stability*

The economic prosperity of the Federal Republic has played an important part in developing the stability and moderation of the present political system. The current prospects for the West German economy are encouraging. However, Germany is vulnerable to a marked degree to fluctuations in international economic conditions, and a severe economic depression might endanger moderate democratic government in Germany. The continuation of U.S. economic policies which maintain international trade at a high level will thus have an important bearing upon the political stability of the Federal Republic.

18. *Support Costs*

The support costs for U.S. forces stationed in Germany continue as a problem. The U.S. and the Federal Republic have undertaken bilateral negotiations within a multilateral framework. (See paragraph 2–d.)

54. **Memorandum of a Conversation Between Secretary of State Dulles and Chancellor Adenauer, Secretary Dulles' Office, Department of State, Washington, June 12, 1956¹**

I spoke alone with Chancellor Adenauer and the interpreter, Mr. Weber, in my office before the larger conference. I said to Chancellor Adenauer that if he cared to call at the hospital on Thursday morning about ten o'clock to inquire about the President and to leave some flowers for him, there was a chance that the President might feel well enough to see him for a moment or two.² However, this was problematic and there should be absolutely no advance leakage of this possibility.

Chancellor Adenauer said he thought he could arrange to postpone his trip to New York to meet this contingency and that he hoped very much that he could at least have a word with the President.

¹Source: Eisenhower Library, Dulles Papers, General Memcons. Confidential; Personal and Private; No Distribution. Drafted by Secretary Dulles. Chancellor Adenauer arrived in the United States on June 9 for an official State visit. For his account of the several meetings in Washington, see *Erinnerungen, 1955–1959*, pp. 159–175.

²On June 9, President Eisenhower underwent surgery at Walter Reed Hospital.

Adenauer asked about the position of Assistant Secretary for European Affairs. He asked whether we were giving consideration to Riddleberger. I said he was one of the names that was being considered. I had some question about his health. The Chancellor said he had been impressed by his qualities.

55. Memorandum of a Conversation, Department of State, Washington, June 12, 1956, 3:20 p.m.¹

U.S.

Secretary of State
Mr. Hoover
Mr. Murphy
Ambassador Conant
Mr. Bowie
Mr. Elbrick
Mr. Charles Sullivan
Mr. Reinstein

Federal Republic of Germany

Chancellor Adenauer
Prof.-Dr. Hallstein
Ambassador Krekeler
Ambassador von Eckhardt
Dr. von Kessel
Dr. Karstens

Interpreters

Mrs. Lejins (U.S.)
Mr. Weber (Federal Republic)

Reporting Officer

Jacques J. Reinstein

Mr. Dulles said that he was extremely happy as always to have an exchange of views with Chancellor Adenauer. We attached importance to his views and advice and hoped that he attached importance to our views. The Secretary said that more than usual importance therefore attached to this bilateral exchange.

Mr. Dulles said that he understood there was no agreed agenda. He would be glad to take up any items which the Chancellor would like to bring up. If the points covered by the Chancellor did not cover all those he had in mind, he would raise additional points.

Chancellor Adenauer said he was always glad to come to the United States and to have an exchange of views with the Secretary for the same reasons as those which the Secretary had mentioned. He said he wished to mention in the first place something which he had said to Dr. Conant within the last few days. This was that absolute reliance could be placed on the fact that the German obligations to NATO would be fulfilled. There was a good majority in the Parliament for the actions to be taken and the way had been well consid-

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 711. Confidential. Drafted by Reinstein. The time of the meeting is from Dulles' Appointment Book.

ered. There were a variety of laws to be passed. The most important was the conscription law. This would be passed before the summer recess of the Parliament inclusive of its passage by the Bundesrat. A law on the length of service for conscripted personnel would be passed in October at the latest.

The Chancellor said that he wished to make a remark in this connection. The press all over the world was very reliable. It was particularly reliable in Germany. Its reliability extended to what it did not report. He asked that, under these circumstances, particular importance be attached to the reports received by the U.S. Government from its Embassy in Bonn.

Mr. Dulles said that he would be glad to do so on a reciprocal basis.

The Chancellor said that it would be wise to keep secret this appraisal of the reliability of the press.

The Chancellor said that he was glad that the support cost question had been settled. He would have preferred to have had it settled earlier. He thought that, had this been done, it would have been settled more cheaply from his viewpoint. He thought that agreements would shortly be reached with the British and French as well. The Chancellor said that in this connection he wished to mention the very successful negotiations which had taken place the previous week and had resulted in the settlement of the Saar problem on the basis of agreement between the German, French and Saar Governments.² The Saar would be united with Germany on January 1, 1957. A price would have to be paid for this, but this would do no harm. He thought that it was good to have this matter settled as the Germans went into an election year.

The Chancellor said that it might be of interest to the Secretary for him to mention the German elections. In the course of the previous year, his opposition had increased and the size of the coalition had decreased. He thought that he had sent word to the Secretary last December that this might happen.³ He preferred to have a smaller reliable majority than a large unreliable majority. He said that the last elections had been contested over the objective of the EDC. Unfortunately, the EDC had not been achieved. He believed that new goals could be set for the German people. If this task were approached industriously and if the matter were well prepared, the elections could be won. In a country like Germany, foreign policy

²Following the defeat of the Saar plebiscite on October 23, 1955, negotiations were resumed between France and the Federal Republic of Germany to reach agreement on the future status of the Saar. On June 4, Adenauer and Mollet at a meeting in Luxembourg agreed that the Saar would return to Germany. Documentation on the Saar is in Department of State, Central File 762A.011.

³See Document 39.

plays an important role both before and after the elections. It is important that people recognize that they have a good and stable foreign policy.

The Chancellor said that a matter of great importance in this connection was the subject of German reunification or, as he preferred to call it, the liberation of 17 million people. He said the Soviets are rather unscrupulous in the selection of the methods that they apply. They had sent letters to President Eisenhower,⁴ Prime Minister Eden, Premier Mollet, the Italian Government, the Turkish Government and to the German Federal Government as well. In his letter to the Chancellor, Bulganin stated that an agreement on disarmament would facilitate the question of reunification.⁵ The Chancellor said that he would do nothing and send no reply to this letter without consultation with Germany's allies. It would not be however correct to say that the letter had no significance. He said that he personally did not believe a word of it. He did not believe that anything had changed since the 20th Party Congress. However, one could not say this to the German people. Therefore he wished to suggest that the whole matter could be referred to NATO for study and recommendation. All the NATO countries had not received letters, but all the recipients of letters were NATO states. The subject matter was of importance to all NATO countries.

The Chancellor said that if we proceeded in this way, we could achieve another purpose. Without awaiting the report of the three Wise Men,⁶ we could assign an important political task to NATO. The Russians do not like NATO and think that it will gradually vanish. The stronger it becomes the more the Russians would dislike it.

The Chancellor said this brought him to another point. He thought that his views were known on this subject, that is, that no military alliance against a common enemy could be maintained unless the foreign policy of its members were coordinated. He wished to emphasize in his view an increase of the political activities of NATO should not replace but be supplementary to the military functions of NATO. He mentioned the speech which the Secretary had made some time ago in which he had favored the re-activation of NATO. He was heartily in agreement with what the Secretary had

⁴In a June 6 letter to Eisenhower, Bulganin proposed, among other things, that in line with recent Soviet reductions in troops and armaments, the United States, Great Britain, and France also take steps to reduce their forces in Germany. Bulganin's letter, August 20, 1956, is printed in Department of State *Bulletin*, pp. 300-301. Eisenhower's reply of August 4, 1956, is printed in *Documents (R.I.I.A.) for 1956*, pp. 593-595.

⁵For text of this letter, dated June 6, see *Moskau Bonn*, pp. 182-183.

⁶In May 1956, the North Atlantic Council established a three-man committee (Three Wise Men) to advise on ways to improve cooperation in nonmilitary fields and to develop greater unity within the alliance. For documentation, see vol. iv, pp. 137 ff.

said. Mr. Dulles had mentioned that the Cyprus question had never been discussed in NATO. There were a number of other questions which, in his view, could also be discussed and the policies of the members of NATO coordinated.

The Chancellor said that he thought the coordination of the policies of NATO members was the most important task facing the Western nations. When NATO was founded, we all feared a hot war. A hot war would not come if the NATO member countries remained strong. Meanwhile the Russians were applying the strategy of the cold war, of propaganda, and of economic pressures. The actions of various NATO countries during the last few months made him believe that a greater degree of coordination was necessary. He thought that in a number of cases what had happened had not had the bad results which had been feared. However, if one country extended an invitation to the Soviets, if another country sent a delegation, if countries like the Scandinavians invited the Russian leaders to visit them, this created confusion in the West and built up confidence in Eastern Europe that there would be a breakdown of NATO.

The Chancellor said that there was a theater of cold war against the United States in the Far East but he believed that the European theater would be the decisive one for the United States for reasons which he would enumerate. He said he had not had an opportunity to meet the Secretary since his visit to Moscow and he wished to give him a few impressions of his trip.

The Chancellor said that he had no choice but to go to Moscow. The German people would not have understood it had he not gone. Failure to do so would have left 10,000 prisoners of war and 30,000 to 40,000 refugees in the hands of the Russians. For humanitarian reasons he could not have justified this to his own conscience. However, no word had been spoken which he would not have had Mr. Dulles hear. On the contrary, he wished that Mr. Dulles could have been present. From what Khrushchev and Bulganin had told him, partly in very confidential talks, he thought that two important things had emerged.

The first of these was that the Soviets regarded the United States as their main enemy which they feared. They are convinced that Communism under the USSR will dominate the world. All that he had seen in Russia was a mixture of pan-Slavism, nationalism, a conviction of the sacred duty of Russia and Communism, all directed against the United States. He had noticed that on a Saturday afternoon few people had wanted to see the tombs of Lenin and Stalin. However, there had been many people visiting the Kremlin and the churches in it which had been restored by the Soviet Government at great cost. These were portrayed to them as precious national monuments. Similarly, the tomb of Ivan the Terrible was shown to the

people and was viewed with great respect. The Chancellor said that he had come to the conclusion that the Soviets wished to present themselves as the historical successors of the Czars and the spreaders of Slavism.

The second thing was that he had been impressed by the great frankness with which Khrushchev had spoken of the difficulties confronting the Soviets. He was very candid as to these difficulties, particularly in the social field. He had said that the Soviet difficulties had been increased by financial problems, by the problem of keeping pace with the United States in the field of armament, and by the great claims being made on the Soviet Union by Red China. Khrushchev had repeatedly pointed out that the increase of the birth rate in China was over 12 million persons a year. He had said to the Chancellor, "Imagine what you can achieve with these millions of people who live on a handful of rice." He had added that the Soviets could overcome these difficulties by themselves but they could do it faster with the help of the Germans. That was the main point of talks which had lasted for hours, that is, the help which Germany could give the Soviets. Khrushchev had also spoken of other European countries, the Chancellor said, but he was too polite to repeat what Khrushchev had said.

The Chancellor said that, in conclusion, he wished again to stress that the Soviets regarded NATO under U.S. leadership as their main enemy. This was why it was absolutely necessary in his view to maintain the military strength of NATO and to activate it in the political field. If this happened it would encourage the hopes of the peoples enslaved by the Soviet Union.

The Chancellor said that he wished to speak of the weaknesses of NATO. The Federal Republic had chosen as its representatives to NATO Ambassador Blankenhorn, one of the best men in its foreign office. From a great number of talks which he had had with Blankenhorn regarding the activities of NATO, he did not have the impression that all of the NATO countries had selected distinguished men as their representatives. He had also received the impression that a number of NATO governments did not inform their Ambassadors of the world political situation or give them instruction on these matters. The only explanation which he could give was that initially the military aspects of NATO had been the main focus of its activities and that there had been a tendency for these activities to run in the same groove. As the situation had been changed, other governments had not drawn the necessary consequences.

The Chancellor said that he thought the first thing to do was to instill new life into the NATO Council. In the second place, it was necessary that the foreign ministers of the NATO countries should keep their ambassadors to NATO better informed. It was also neces-

sary that the Secretary-General be given greater power. Finally, the state secretaries in the ministries of foreign affairs or their deputies should have regular meetings with the NATO ambassadors to discuss the world political situation. All these measures should be taken as soon as possible without awaiting the report of the Three Wise Men. They would simply involve administrative measures which each individual country could take. If the leading countries were to take them, the others would follow suit. The Chancellor said that if the Secretary could accept the suggestion that the Bulganin letter should be studied and discussed in NATO, this could be the occasion of these reform measures.

The Chancellor said that it was desirable that the Bulganin letters be taken up in NATO for another reason. The Russians had tried in their various letters to split the NATO countries. If the letters were discussed in NATO, the Soviets would give up this effort. The Russians employ extremely crude methods. They would understand crude countermeasures. The Chancellor remarked in this connection that, when he was in Moscow, Bulganin had told him with considerable satisfaction of having received a letter from President Eisenhower. This was the type of simple measure which the Russians took to create the dissatisfaction.

The Chancellor said that he wished to make a comment on the 20th Party Congress. At the beginning, he thought, the condemnation of Stalin was a blow directed against Khrushchev. Khrushchev was clearly on the way toward becoming a new Stalin. The Chancellor could not imagine that Mikoyan could have started the matter without the backing of Bulganin. Then Khrushchev, who is an adroit and sly customer, had put himself at the head of the movement. Perhaps he had condemned Stalin too much. This would eventually be seen by the results in the satellite countries. The Chancellor said that Stalin had once done the same thing in 1937. He had written a number of chapters in a book on the horrors of a one-man dictatorship and said that the Communist Party should return to the principle of collective leadership.

The Chancellor said that Mollet had given him a report of the talks which he and Pineau had had with Khrushchev and Bulganin in Moscow.⁷ The influence and role of Khrushchev appeared to be greater than when the Chancellor had been in Moscow in September. He had had the impression at that time that the two were on an equal level. However this was not Mollet's impression. By way of proof, the Chancellor said that in the talks with Mollet, although Bulganin entered the room first it was Khrushchev who sat opposite Mollet and who conducted the negotiations. When the Chancellor

⁷Mollet and Pineau paid an official visit to the Soviet Union May 15-19.

had been in Moscow, Bulganin had sat opposite him and conducted the negotiations. The Chancellor concluded that during the intervening time the roles of Khrushchev and Bulganin had been reversed.

Another observation which the Chancellor made indicating a change in the Soviet Union was the following. When the German delegation was in Moscow, the Red Army had played no part in the discussions. There had been a large reception in St. George's Hall, at which there had been a small group of marshals in a corner. The soldiers had played no significant role. On the other hand, Mollet had told him that the Soviet marshals were present at all the meetings and at the receptions. The Chancellor said that this had confirmed an impression which he had had that Khrushchev had established closer relations with the Red Army. He also had the impression that Zhukov was on bad terms with Bulganin because the latter had suggested that Zhukov be banned in Stalin's time.

The Chancellor concluded that since September Khrushchev had become the leading figure in the Soviet Union and that Bulganin was no longer first or even equal. Also, since September, the Red Army had become a more significant factor. He said that he did not think it was necessary for him to speak on the personality of Khrushchev whom the Secretary had met at Geneva. He thought the Secretary would agree with him that he was a dangerous type of man.

Mr. Dulles thanked the Chancellor for his views on these important matters. He said he would comment in turn on the matters which had been mentioned. Mr. Dulles said in the first place, he had no doubt that the Federal Republic would discharge its obligations as a member of NATO. He was not unaware of the difficulties which the Chancellor had encountered nor was he surprised by them. He had previously noted similar difficulties in Japan, which had recovered its sovereignty earlier. He thought he might repeat in confidence something which he had said to Prime Minister Yoshida two or three years ago. He had said that a nation under present conditions is not fully sovereign unless it contributes a fair share to the forces needed to maintain peace and order. A nation which does not have an appreciable military force of its own is not a fully sovereign state but a protected state which is not entitled to speak fully on foreign affairs. The Secretary said that we all hope the time will come when arms are limited and disarmament prevails. Until then, provision of the forces needed to preserve peace in the world is a measure of a nation's maturity. He had no doubt that the German people would support the Chancellor's efforts in this connection not merely because of their obligations to NATO, important though that is, but because unless this were done Germany could not speak on world affairs to the degree to which she is entitled.

The Secretary said he wished next to express his appreciation of the action taken by the Federal Republic to provide support costs for the next year. He knew how difficult these things were, particularly when a government had such a good finance minister.

Mr. Dulles said that he believed both the Federal Republic and the French Republic were entitled to a great deal of gratitude from the rest of the world for having reached what one would hope to be a solution of the Saar problem. The fact that the Saar will, with the assent of the people of the Saar and the assent of France, become integrated with the Federal Republic represents a great achievement for the Chancellor.

Mr. Dulles said that the Chancellor had referred to the forthcoming German elections. As the Chancellor knew, he had to be scrupulously neutral in referring to elections in other countries. He wished to assure the Chancellor that his sentiments of neutrality were the same as four years previously.

The Secretary referred to the problems of NATO to which the Chancellor had devoted a large part of his remarks. He said that he was in general agreement with what the Chancellor had said. An alliance of this kind could not be strong and stable unless there is basic accord among its members on foreign policy. Since the speech he had made to which the Chancellor had alluded a great deal of thought had been given by the United States to what to do about harmonizing the foreign policies of the NATO members. The problem was somewhat difficult from the standpoint of the United States because it has world-wide interests to a greater degree than other nations. While the United States desires greater harmony in the policies of NATO countries, it does not want this at the cost of submitting its world-wide policies to scrutiny and veto in the North Atlantic Council. The Secretary said that he had had an informal talk the previous day at great length with Mr. Pearson, who is studying this problem.⁸ He had suggested to Mr. Pearson that there might be a demarcation between foreign policies relating rather directly to the NATO area and foreign policies which while of interest are not of direct concern to NATO. He had had prepared for him an informal paper for talking purposes in which were listed a number of subjects on which he thought there were unfortunately no common policies among the NATO governments. It might be of interest to the Chancellor if he read this list, on which there should be coordination of policies. He said he would do so adding more comments than he had given Mr. Pearson:

⁸Pearson visited the United States June 9-11.

1. The Unity of Germany.

The Secretary said that while we all give lip service to the reunification of Germany, it is not certain that all NATO governments act on the principle that the unification of Germany is indispensable, that it must be achieved quickly, and that it is something without which the peace of Europe cannot be achieved. The Secretary said that he believed that if there were a genuine concert of purpose on this subject, that if all of us impressed upon the Soviet Union that the unification of Germany was the first thing which must be done, this concert of purpose could be achieved.

2. The Rebirth of Freedom of the European Satellites.

The Secretary said that in his opinion the present situation particularly lends itself to the liberation of 17 million Germans and the development of a considerable measure of independence by the so-called satellites. He said that there is a great deal of confusion in the Communist parties. There is a great deal of uncertainty on the part of the leaders in the satellites as to what the future holds for them. There are feelings of ambition which are stirred by the example of Tito. There is a strong desire for a higher standard of living. These are opportunities which have not existed previously and may not continue. There should be common policies to utilize these opportunities.

3. Soviet and Chinese Approaches on the Limitation of Armaments, Trade and East-West Contacts.

The Secretary said that, as the Chancellor had pointed out, it had turned out that no great harm has come from the visits of Khrushchev and Bulganin to London and Mollet to Moscow. These visits were undertaken without consultation in NATO and great harm could have resulted from them. When General Twining had been invited to visit Moscow for Aviation Day, the U.S. had intended to have consultation in NATO about the matter. We had found that the British and French had immediately accepted similar invitations so that there was no occasion for consultation. The Secretary remarked that there are powerful Communist parties in France and Italy. He thought that countries which do not have such parties do not always think of the effect their actions could have on the standing of the parties in these countries.

4. Relations with Peripheral Areas.

Mr. Dulles said that he had in mind colonies and under-developed areas adjoining the NATO area such as North Africa. He did not include all colonies which he regarded as too vast a subject for NATO but those in close-lying areas such as North Africa.

5. Activities of International Communism in NATO Countries.

Mr. Dulles said that at the meeting of the Organization of American States at Caracas in 1954, he had obtained a resolution rec-

ognizing that if international Communism gained control in any one of the American states, this was a matter of concern to all and for action by all. He supposed it would be difficult to get acceptance of this principle by all NATO countries but in his opinion the principle was a valid one.

6. The Threat to the Flow of Oil From the Middle East.

Mr. Dulles said that at the present time Western Europe received daily 2-½ million barrels of oil from the Middle East. This oil moves through pipelines which run through Syria or through the Suez Canal, which is under Egyptian control. The industry of Western Europe would be paralyzed and the operation of NATO would be greatly impaired if the USSR or its friends or agents were able to cut off this oil.

7. Further Integration of Western Europe.

Mr. Dulles said that projects such as EURATOM and the common market are vital for the salvation of Western Europe, but there are differences of policy among the NATO countries on these subjects. The USSR is transforming itself rapidly, with the benefit of forced labor, into a modern and efficient industrial state in which atomic energy would be important. It would have an assured common market of 800 million people. He said he did not think Western Europe could survive economically with what in many countries are obsolete plants, with cartels, with small markets, all resulting in high costs. He thought that at the present time the economic danger from the Soviet Union was perhaps greater than the military danger.

8. Differences among NATO Countries.

Mr. Dulles said that he had in mind such differences as the Cyprus problem which could not perhaps now be wisely brought before NATO but which might well have been before the situation had developed to its present dangerous point.

Mr. Dulles said that, while the Chancellor would see that he did not propose to bring all the problems of the world into NATO, he thought the list which he had presented included matters of great importance.

Mr. Dulles said that he agreed with what the Chancellor had said about the quality of representation in NATO, which in many cases had not come up to the standard which had been set by the Federal Republic and the U.S. The U.S. representative in NATO is a former Assistant Secretary of State for European Affairs and has Mr. Dulles' full confidence. If he has not entered into a discussion of all these problems, it is because there is no common agreement among the NATO governments that these problems should be discussed in the Council. Mr. Dulles said that he had told Mr. Pearson that if there were a common desire on the part of the NATO governments

to do so, the U.S. Government would be prepared to keep its Permanent Representative in touch with the thinking of the President and of the Secretary of State regarding these matters. He himself believed that the evolution of NATO should be along the lines which had been discussed.

Mr. Dulles said that the Chancellor had suggested that, as an experiment, the NATO governments should submit to the Council their replies to the Bulganin letters. He thought that the U.S. would be prepared to have the topic raised very promptly and discussed by the Permanent Representatives to see what comes out of the discussion. He remarked that there were certain aspects of the reply which would have to differ in each case. The U.S. would want to say, without blowing its own trumpet, that it had materially reduced the number of its forces even before the Russian had done so. There are also references to Germany and to troops in Germany which should be the subject of a common response by the Federal Republic and the powers which have special responsibilities in Germany.

Mr. Dulles said that he was always afraid, when it came to consultation about documents which are to be public, the result would be based on the policy of the most timid government. He recalled at the last NATO meeting Pineau had fought against any reference in the communiqué which was less than friendly to the USSR.

The Secretary said that within these limitations he believed that the U.S. could accept the Chancellor's suggestion with regard to the Bulganin letter, to see how it worked. He thought that perhaps it would be possible to give more concrete form to this proposal and there might be an opportunity to discuss it further the following day.

The Secretary said he appreciated the information and appraisal which the Chancellor had given of his visit to Moscow and the development of the Russian leadership. In general, the Chancellor's analysis lay along the lines of U.S. thinking but it was useful to have an authoritative confirmation of this thinking.

Mr. Dulles said he believed he had covered most of the points which the Chancellor had mentioned but he wished to make one or two additional comments. He thought the American nation as a whole, both its government and people, recognized that the Soviet Government was hostile to the U.S. and is planning by all possible means to extend Communism throughout the world. One might perhaps gather from the press, to which the Chancellor had alluded, that there were great differences within the United States. He himself thought that on the contrary there was an extraordinary degree of unity and resolution. He said that discussions were going on at the moment about the Mutual Security Program. He thought the appropriations would be as great as those of the last year. The doubt was as to whether they would be greater. This doubt arose from two

causes. One relates to technical matters involving the accounting methods of the Defense Department relating to how much is in the pipeline. The second reflects questions in the minds of some people as to the resolution of our allies and whether it is worthwhile to help them. However, there is no doubt in anyone's mind as to the resolution of the Chancellor. There is a feeling that there is softness in some places and perhaps money proposed to be spent for foreign aid could be spent to better advantage otherwise.

Mr. Dulles said that there was no doubt in the U.S. as to the hostile purpose of the Soviet Union nor as to the resolution of the U.S. to meet this challenge. He said that the U.S. would maintain its military power to devastate the Soviet Union. We believe that this would be a deterrent to a general war and we remain ready and determined to help any allies who are prepared to stand firm.

Chancellor Adenauer said that he wished to express his appreciation for what the Secretary had said and to add a few words of explanation to his previous remarks. With respect to NATO, he did not have in mind giving it a veto power. He was thinking of a genuine discussion of a variety of problems. He recalled that there were various matters which had already been discussed which did not involve military matters, for example, embargo policy [East-West trade controls].⁹ When he recalled that the invitation which had been sent to Pineau had originally been extended to Pinay and that it might have gone to Mendes-France, he thought that the subject of visits was one on which consultation would be useful. In this connection, he mentioned that Nasser had wanted to come to Bonn. He had consulted the British Government, which had thought that an invitation would be undesirable. As a result, the Federal Republic had not extended one. The Chancellor thought that this would have been a useful subject for discussion by NATO. As regards the answer to the Bulganin letter, the Chancellor said that he did not have in mind that NATO would work out a text but that it would discuss the matter and that the wording of the replies would be differentiated according to the circumstances.

The Chancellor also commented on the varying accounts regarding what Khrushchev had said to Mollet in Moscow. He said that Pineau had given an interpretation to Khrushchev's remarks which was impossible even on philological grounds but that there was no doubt in his mind that Mollet had said what the Chancellor had attributed to him.

The Chancellor suggested that the Secretary ask his staff to evaluate whether things were going well in the Soviet Union. He said that the Secretary had referred to the building of atomic energy

⁹Brackets in the source text.

plants in the USSR. Khrushchev had given him a glowing account of Soviet development of atomic energy. However, Malenkov had told him that this was far from true and that he did not agree as to the possibilities of nuclear energy. Malenkov had said that he thought the British atomic energy program was too optimistic. Malenkov had also told him that because of the shortage of power, the Soviets are trying to develop power on the rivers in the Arctic regions. This, however, was a vast enterprise which would take a long time to develop. With respect to the Secretary's remarks regarding common markets in the Soviet bloc, the Chancellor remarked that 600 million of the 800 million people involved are Chinese. Even Khrushchev is afraid of the 600 million. The Chancellor said that he thought one should take a calm view of developments in the Soviet Union. Conditions were bad particularly in agriculture. He had seen this for himself. This was also the impression of Pineau, who took an extensive trip in the country. He said that for some months he had been trying to find out about the population of the Soviet Union and its movement. There were three different sources of information which gave conflicting results. He was inclined to view any information received with great skepticism. He had talked with numerous prisoners of war who had been in various parts of the Soviet Union. Their reports were that conditions were bad. They had to feed their Russian fellow workers from the Red Cross packages which they had received.

Mr. Dulles said that he had not intended to give the impression that all was well in the Soviet Union. He knew quite well that the Soviets were over-extended in many fields and that they had a real problem in agriculture. On the other hand, they have a rate of industrial growth which is more rapid than that of Western Europe. He thought it would be a mistake not to be concerned with this competition, having in mind that it would not be normal competition but an instrument of economic warfare. He realized that there was an immense demand in the Soviet Union for all that could be produced, but there is a possibility that this demand would be suppressed as heretofore for purposes of Soviet expansionism.

The Chancellor said that he thought there was a great deal of truth in what the Secretary said. However, he did not believe that Khrushchev would have mentioned the Soviet difficulties so frankly unless these difficulties really existed, particularly the stress which he had placed on social problems and the demands of the Chinese. He said one should not overlook the fact that a new generation is growing up, including the children of the party leaders, who are used to things which they would not wish to give up. He thought that one should watch developments in the Soviet Union very carefully and should do nothing which would in any way help the Soviets.

The Chancellor said that he would like to raise two additional points. The first of these was the Saar agreement. He said that an agreement was concluded in 1946 between the U.S., U.K., and French regarding the Saar. He wished to ask whether the new Saar agreement could go into effect without U.S. and U.K. approval. Otherwise, the Russians might want to give their approval.

The second matter was that of the German assets in the U.S. Many people have expected that the \$10,000 bill will be enacted. It would be a great disappointment if the Senate did not settle this matter. He recalled that it was hoped that this would only be a beginning.

Mr. Dulles said that he would have the Saar matter looked into from the U.S. viewpoint.¹⁰ As to the matter of German assets, he had looked into it within the last day or so. The legislation required action by the House of Representatives as well as the Senate, and there was a prospect of delays in that house as well. He said that we would do what we could but that there was a doubt in his mind as to whether any action could be taken this year.

The Chancellor said that he intended to see Senator Johnston and to speak to him about this. He hoped the Secretary would not object.

Mr. Dulles said that he would not. He said that he thought he should mention that he did not believe there was any understanding on the U.S. side as to further steps beyond the return up to \$10,000. The Chancellor said that in speaking of hopes he was referring only to the German Government and not to the U.S. Government. The Secretary said that one could have hopes but should not have expectations.

Mr. Dulles suggested that the discussion might be continued the following day after lunch at the Blair House.

It was agreed that the Communiqué would be dealt with on the following day and that meanwhile the following statement would be given informally to the press:

“The Chancellor and the Secretary of State exchanged views on the reunification of Germany, the message addressed by Bulganin to various NATO governments, and the future development and strengthening of NATO. The Chancellor made a personal report on his trip last year to Moscow. This is a brief report of the meeting today. A communiqué will be issued following tomorrow’s conversations.”¹¹

¹⁰Professor Hallstein later stated that this request could be disregarded. [Footnote in the source text.]

¹¹A handwritten note by Elbrick at the bottom of the source text reads: “Approved for distribution. CBE”.

56. Memorandum of a Conversation, Secretary of State Dulles' Residence, Washington, June 12, 1956, 8 p.m.¹

At dinner we had some discussion about EURATOM with the Chancellor and also with Hallstein, who sat at my left, and to whom the Chancellor referred some of my questions. Adenauer said that they were afraid that the EURATOM was being set up in such a way that it would promote socialism. He favored the idea in principle, but did not want it to operate to socialize industry in Europe. Hallstein said that on this account they had felt compelled to make a reservation at the Venice meeting. He felt that the agency should not retain ownership, but should exercise all the controls that could be exercised if there were ownership.

I spoke of the relationship of EURATOM to the common market and said that while the United States favored both developments, it did not seem to us wise to condition one upon the other. I felt that each step could be taken on its own merits and that the creation of EURATOM would of itself maintain a momentum favorable to the common market. Hallstein seemed to indicate acceptance of this view, but somewhat confusedly.

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversations. Secret; Personal and Private. Drafted by Dulles.

57. Memorandum of a Conversation, Department of State, Washington, June 13, 1956, 2:30 p.m.¹

United States

Secretary of State
Mr. Hoover
Mr. Murphy
Ambassador Conant
Mr. Bowie
Mr. Elbrick
Mr. Charles Sullivan
Mr. Timmons
Mr. Reinstein

Federal Republic of Germany

Chancellor Adenauer
Prof.-Dr. Hallstein
Ambassador Krekeler
Ambassador von Eckhardt
Dr. von Kessel
Dr. Karstens

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 711. Confidential. Drafted by Reinstein.

Interpreters

Mrs. Lejins (U.S.)

Mr. Weber (Federal Republic)

Reporting Officer

Jacques J. Reinstein

Mr. Dulles asked the Chancellor whether he knew of any way in which he could be of help in the question of reunification.

Chancellor said he was of the opinion that it was essential that the Soviets not be given the impression that reunification had been shelved. It must be re-emphasized again and again. It is not enough for the Germans to speak again and again. It is necessary that the Three Powers keep the pot boiling, so to speak, so that the Soviets would not think the matter had been dropped. He said he was certain this would have an effect on the satellites and East Zone. He thought that certain developments might take place and that this course of action might precipitate them.

Mr. Dulles said that the United States Government was prepared to transmit the letter it had received from Bulganin to the NATO Council for discussion in accordance with the suggestion the Chancellor had made the previous day. He assumed the Federal Republic was prepared to do likewise in view of the Chancellor's suggestion.

The Chancellor said that this was correct and that he was very grateful for Mr. Dulles' agreement.

Mr. Dulles said that we might suggest to our representatives that the reply to the Bulganin letter as respects Germany should recall the pledges made by Bulganin and Khrushchev at Geneva. He thought we should do as the Chancellor had suggested with regard to reunification, that is, we should keep the subject in the forefront and continue to keep pressure on the Soviet rulers.

Mr. Dulles asked whether there were any other subjects which should be discussed. He said that he thought that the question of EURATOM had been dealt with in the discussion with Admiral Strauss the previous evening. He wondered whether there was anything to be discussed in regard to Berlin.

The Chancellor said that there had been some rather unpleasant developments in Berlin recently. There had been contacts between the Soviets and the Berlin authorities. He said there was a group in the SPD in Berlin, which is the strongest party in the City, which favored discussions with Pankow. He thought that the only way to deal with this subject was through the other parties. He remarked that the SPD has two wings and there are communist elements in it. This was the reason why it was so difficult for him to come to agreement with the SPD on questions of national interest.

Mr. Dulles said that it was hoped that the President would be able to send a letter to President Heuss on the occasion of the com-

memoration of the June 17 uprising.² The Chancellor said he would be grateful if this could be done.

The Chancellor and Mr. Dulles then discussed and agreed on the news communiqué.³ In the course of the discussion, the question was raised as to whether the word "determined" should be used in the following sentence:

"Secretary of State Dulles and Chancellor Adenauer emphasized German reunification as a major objective of the West and the conviction that the attitude of the West toward the Soviet Union should be determined by the endeavor to promote the reunification of Germany in freedom."

The Chancellor said that he thought it was important to express the thought in strong terms. He said that the reunification should be used as a criterion for judging Soviet action. He referred in this connection to the Soviet conversations with the British and French. He said that the Soviets had tried to frighten the British and French by saying that if Germany were reunited, it would dominate the whole of Europe. He said that the question of reunification of Germany was the decisive one for the future of Europe. If a weak formulation were used in this connection, the Soviets would notice it. He thought it was important to indicate American policy clearly. He suggested that the sentence as drafted accurately reflected previous American policy.

²On June 16 and 17, 1953, workers in East Berlin, responding to Communist-imposed work norms and economic controls, demonstrated throughout the city. Martial law was declared and Soviet troops and tanks were required to restore order. For documentation on the incidents, see *Foreign Relations, 1952-1954*, vol. VII, Part 2, pp. 1584 ff.

³The text of the joint communiqué, issued on June 13 as Department of State Press Release No. 322, is printed in Department of State *Bulletin*, June 25, 1956, pp. 1047-1048.

58. Memorandum of a Conversation Between President Eisenhower and Chancellor Adenauer, Walter Reed Hospital, Washington, June 14, 1956, 9:50 a.m.¹

The meeting was attended by the President, Mrs. Eisenhower, Secretary Dulles, Chancellor Adenauer and myself acting as interpreter.

¹Source: Department of State, Central Files, 033.62A11/6-2656. Secret. Drafted by H.J. Kellermann of EUR as a memorandum for Secretary Dulles. The time and place of the meeting is taken from the President's Appointment Book. (Eisenhower Library) The memorandum was forwarded to Goodpaster by Howe on June 26.

The President opened the conversation by welcoming the Chancellor and expressing his regret that he had been unable to participate more actively in the formal discussions and to greet the Chancellor's son and daughter.

The Chancellor thanked the President for the welcome and expressed his hope and that of the German people that the President's recovery would be a complete and early one. He then stressed his extreme gratification about the President's appearance which he considered as nothing short of a "miracle".

The President remarked that the Secretary and he had been giving a great deal of thought to the German problem and particularly to the question of helping "bring together again" the two parts of Germany.

The Chancellor expressed his appreciation for the President's remarks and stated that, in this connection, he was highly pleased with the course of the discussions and with the communiqué.

The Secretary remarked, humorously, that of course we were always prepared to give the Chancellor what he desired to have.

The Chancellor responded in similar vein remarking that in that case he would have liked to have some of the "\$10,000 German assets".

The Secretary remarked that that was one of the problems created by the war which required time for final settlement.

The President added that this problem had been with us ever since the end of the war. It was one of the questions which we would like to see solved, but unfortunately we had not been able to do it, so far.

The remainder of the conversation was devoted chiefly to personal pleasantries. The President and Mrs. Eisenhower inquired about the Chancellor's children and grandchildren. Mrs. Eisenhower expressed her appreciation of the silver which Mrs. Werhahn, the Chancellor's daughter, had had presented to her. The Chancellor in turn expressed his thanks, in the name of his daughter, for the portrait which Mrs. Eisenhower sent her as a personal present and hinted that he might yet be tempted to "steal" it from his daughter.

59. **Memorandum of a Conversation Between Chancellor Adenauer and Secretary of State Dulles, Washington, June 14, 1956¹**

SUBJECT

Conversation between the Secretary and Chancellor Adenauer in the car going up to Walter Reed and back to Airport, June 14, 1956

The Chancellor opened the conversation by informing the Secretary that the Social Democratic Party of Germany seemed to have completed its draft of the major platform for this year's party convention. It suggested the exodus of the Federal Republic from NATO, rapprochement with Pankow and an extension of the major reforms, carried out in the Soviet Zone under Soviet control, to the territory of the Federal Republic.

The Secretary remarked that this in effect would mean the Communization of all of Germany.

The Chancellor replied that this was exactly what it meant. But the platform, if maintained, would also have the effect of insuring the victory of the Government in the forthcoming elections.

[5 paragraphs (21 lines of source text) not declassified]

The Chancellor then referred to the forthcoming visit of French Foreign Minister Pineau. He expressed the view that M. Pineau was "a strange fellow", most difficult to deal with; in fact, politically speaking, he was outright "bad". The Chancellor also did not seem to be completely satisfied with the impending change of French Ambassadors.

On the way to the airport, after the visit with the President, the Chancellor said that he hoped the Secretary would not take any offense if he stated that yesterday he had been very happy with the conclusion of the discussions and the communiqué, but today he was happier still. He thought that the President's quick recovery was truly miraculous; his total appearance had seemed much better than the preceding year when he had seen the President last.

The discussion turned to the successor of Lord Ismay and General Gruenther. The Chancellor paid a strong compliment to General Gruenther whom he considered to be a man of extraordinary brilliance. He wondered who would take now the place of Lord Ismay (see separate memorandum on the Chancellor's suggestions).²

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 711. Secret. Drafted by Kellermann on June 25.

²Not printed. (Eisenhower Library, Dulles Papers) Chancellor Adenauer suggested that Sir Frank Roberts, British Ambassador to Yugoslavia, would be an "excellent choice."

Subsequently, the Chancellor inquired about Ambassador Luce's state of health and was quite elaborate in his praise of Mrs. Luce, whom he described as "one of America's best Ambassadors in Europe".

The Secretary inquired jokingly whether the Chancellor was aware of certain press comments following his stay in Switzerland. The Swiss Government was reported to have viewed with some apprehension the fact that the Chancellor had used his vacation in Switzerland to conduct official business from neutral soil.

The Chancellor said that he had not been advised of these comments. He liked to spend his vacations in Switzerland but, in view of well known Swiss sensitiveness, he might in the future patronize Switzerland less frequently than heretofore.³

³A handwritten note by Elbrick at the bottom of the source text reads: "Approved for distribution. CBE".

60. Memorandum of Discussion at the 288th Meeting of the National Security Council, Washington, June 15, 1956¹

[Here follow a paragraph listing the participants at the meeting and items 1–2. Vice President Nixon presided at the meeting.]

3. *U.S. Policy Toward the Federal Republic of Germany, U.S. Policy Toward Berlin, and U.S. Policy Toward East Germany* (NSC 160/1; NSC 5404/1; NSC 174; Progress Report, dated January 7, 1955, by OCB on NSC 5404/1; NSC Actions Nos. 1303 and 1503–b; Memos for NSC from Executive Secretary, same subject, dated May 29 and June 12 and 14, 1956)²

At this point there was some discussion as to whether sufficient time was left for Council consideration of the next item, which consisted of three Progress Reports on German problems. It was finally agreed that in any case there was sufficient time to deal with any policy recommendations which might arise in the course of consider-

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on June 18.

²For text of NSC 174, "U.S. Policy Toward the Soviet Satellites in Eastern Europe," December 11, 1953, see *Foreign Relations, 1952–1954*, vol. VIII, pp. 110–128. The January 7 Progress Report is in Department of State, OCB Files: Lot 62 D 430, Germany. NSC Actions No. 1303 and 1503–b are *ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council. The memoranda of May 29, June 12, and June 14 have not been found in Department of State files.

ation of these reports. Accordingly, Mr. Anderson commenced to brief the National Security Council with respect to progress in carrying out NSC 160/1, dealing with U.S. policy toward the Federal Republic of Germany. He pointed out that the chief policy issue relating to policy toward the Federal Republic was the action for the National Security Council proposed by the NSC Planning Board—namely, that the Council adopt the following draft action:

“Reaffirmed the great interest of the U.S. in obtaining an adequate German defense contribution, but agreed that, in the light of the developing political situation in Germany, the U.S. should not press for a German defense build-up in such a manner as would jeopardize the continuation of a moderate pro-Western West German Government.”

After referring to the above-mentioned Planning Board recommendation, Mr. Anderson said that he believed that the Director of Central Intelligence would like an opportunity to re-state the views on this point which had earlier been brought to the attention of the Planning Board by the CIA representative on that Board. Mr. Dulles undertook to re-state Mr. Amory's views, pointing out that Chancellor Adenauer had a very tough situation on his hands in the 1957 German elections, perhaps a tougher situation than the Chancellor himself realized. On the other hand, it was possible that in their recent conversations the Secretary of State had obtained differing views from the Chancellor.

Mr. Anderson then pointed out the views of the Joint Chiefs of Staff, which were opposed to the action proposed by the NSC Planning Board. He asked Admiral Radford if he wished to elaborate on the written views of the Joint Chiefs of Staff.

Admiral Radford stated that this was simply another facet of the larger problem of where the United States was going, that the Council had been discussing in connection with its consideration of the continental defense policy. The Joint Chiefs of Staff were disturbed at the prospect of a delaying action which could result from Council agreement to the Planning Board proposal. We have got to come to a real understanding of what we are going to face in Europe and make the appropriate decisions. One of the most important of these would be the German participation in the European defense effort. Accordingly, Admiral Radford did not think this the appropriate time to delay our pressures on the Germans to make up their mind as to their participation. It was our duty to find out as soon as possible where the Germans stood on their contribution to NATO. Admiral Radford went on to say that the situation will be less satisfactory in Germany a year from now if we do not continue to push them on the nature of their participation. There was no reason to delay just because decisions are tough.

Mr. Anderson then invited the comments of the Secretary of State.

Secretary Dulles said he was not clear as to where, in NSC 160/1, the Planning Board was proposing to insert the language read by Mr. Anderson. Mr. Anderson explained that the Planning Board did not propose to insert this language at all, but that the language would simply constitute a Council action in connection with the Council's noting of the Progress Report on NSC 160/1. He also pointed out, in response to a question from Secretary Dulles, that achieving promptly a German contribution to the defense of Europe was both a basic objective and a significant course of action in the policy paper on Germany.

Secretary Robertson inquired whether the amount and timing of the pressure to be applied by this Government on the Germans with respect to their participation in Western defense, was not properly a matter for the judgment of the Secretary of State.

At any rate, said Secretary Dulles, he did not think that the language proposed by the NSC Planning Board should be inserted in the policy paper on West Germany. He added that in the just-concluding conversations with Adenauer, he had pressed the Chancellor just about as far as he could on the necessity for a German military contribution. He had done the same thing earlier with Japanese Prime Minister Yoshida. He had even gone so far as to tell the German and Japanese leaders that unless their countries developed adequate military forces of their own, they would have the status of protectorates rather than of truly sovereign states. Secretary Dulles submitted that it was difficult to push much further than this. Certainly we did not wish to emphasize our views so hard that the result would be the overthrow of the Adenauer regime.

Admiral Radford stated that every single NATO nation was watching how the Germans handled the issue of their military participation in Western defense, and specifically their decision as to the length of service for conscripts in the new German army. Every nation will be affected by the failure of the Federal Republic to come through with an adequate military contribution. Moreover, if they do not do so, the United States will not know where it stands. Admiral Radford believed that the 18-month conscription period for the German soldier was less likely to be attained a year from now than to be attained now. While he admitted that we must not push Adenauer too hard, we must also not let the Germans off the hook.

Secretary Dulles replied that it seemed to him obvious that we do not wish to press the Adenauer government on this military issue to the point where that government might fall. This was particularly true in view of the fact that we ourselves may have reached the point of determining on quite a different concept of NATO. More-

over, if the Administration did not choose to revise the NATO concept, Congress itself might force the Administration to do so.

After further discussion between Admiral Radford and Secretary Dulles, Secretary Humphrey said that he was personally unable to see much substantial difference in the points of view of Secretary Dulles and Admiral Radford with respect to the German participation in the defense of the West. He also added that it looked to him as though NATO might itself soon disappear.

Secretary Dulles, in conclusion, pointed out that he had not himself asked for the new language suggested by the NSC Planning Board, and that he regarded the manner and timing of the effort to ensure a German defense contribution as essentially a current operating matter rather than a policy issue.

The National Security Council:

a. Noted and discussed the reference Progress Report on NSC 160/1 transmitted by the reference memorandum of May 29, the views of the NSC Planning Board circulated by the reference memorandum of June 12, and the views of the Joint Chiefs of Staff thereon transmitted by the reference memorandum of June 14; but agreed that it was not necessary or desirable to record the Action recommended by the NSC Planning Board in the reference memorandum of June 12.

b. Noted the reference Progress Report on NSC 5404/1, transmitted by the reference memorandum of May 29.

c. Noted the reference Progress Report on that part of NSC 174 relating to East Germany, transmitted by the reference memorandum of May 29; and directed the NSC Planning Board to prepare for Council consideration a supplement to NSC 160/1 on U.S. policy toward East Germany, in accordance with NSC Action No. 1530-b.

S. Everett Gleason

61. Letter From Secretary of State Dulles to Chancellor Adenauer¹

Washington, June 29, 1956.

MY DEAR CHANCELLOR ADENAUER: I have your personal note of June 22.² I thank you for having alerted me to the rumors regarding

¹Source: Eisenhower Library, Dulles Papers, Adenauer. Personal and Private. Attached to a June 30 letter from Macomber to Conant informing the Ambassador of the contents of the letters exchanged by Dulles and Adenauer.

²This note stated that the rumor of a visit by Bulganin and Khrushchev to Washington had probably originated with the Soviets. Adenauer added that such an invita-

Continued

a prospective invitation to Bulganin and Khrushchev to come to Washington. I can assure you that nothing of that sort is now in contemplation, nor do I see any likelihood of the situation developing in such a way as to make such an invitation seem desirable. No consideration whatever is being given to it.

If it ever did come up for serious consideration, I know that the point of view which you represent would be given great weight.

I have been talking recently with my brother, Allen Dulles, about the possibility of somewhat more affirmative policies as regards conditions in East Germany. We think this is a matter as to which the Federal Republic is both best informed and most concerned. However, we do feel that developments resulting from our publication of the Khrushchev speech create opportunities which should not be allowed to pass. The outbreak which occurred yesterday at Poznan illustrates what must be the growing discontent within the satellite areas.

As I pointed out in my press conference earlier this week,³ I think that the Soviet rulers face a grave dilemma. They cannot maintain their iron rule without terrorism, and yet they cannot reconcile terrorism with their new professions and their now public attacks on Stalin for his terrorism.

Allen's people may be getting in touch with you, and I hope that if they do, some ideas may develop. You can count upon us to be of any appropriate assistance.

With very best wishes, I am

Sincerely yours,

John Foster Dulles⁴

tion would be considered in Germany "as a complete reversal of the foreign policy pursued by America up until this time and that the policies of the Federal Republic would be damaged thereby." (Department of State, Presidential Correspondence: Lot 66 D 204, German Officials with Dulles/Herter 1953–59)

³For the transcript of Dulles' press conference on June 27, see Department of State *Bulletin*, July 9, 1956, pp. 47–53.

⁴Printed from a copy that bears this typed signature.

**62. Memorandum of a Conversation, Department of State,
Washington, July 17, 1956¹**

SUBJECT

Reduction in Military Forces

PARTICIPANTS

Dr. Heinz L. Krekeler, German Ambassador
Mr. Rolf F. Pauls, Counselor, German Embassy
Mr. Murphy—G
Mr. Reinstein—GER

During the course of a call on Mr. Murphy, the Ambassador referred to the reports which had been carried in the press regarding a change in American thinking regarding the size of armed forces. He said that he had been asked by his Government to send in a full report on the so-called Radford plan for a reduction in US forces by 800,000 men.² These instructions had been sent before the strength of German forces had become a matter of discussion.

The Ambassador said that this was a matter of greatest concern to the German Government. There had just been a "great debate" in Parliament on conscription. The debate had been very heated in the Bundestag. The Chancellor had made a speech during the course of the debate in which he had referred to his visit to Washington. In response to an attack on the Government's military program by Socialist Deputy Erler, the Chancellor had responded that he had been in Washington and was informed as to American thinking whereas Erler was not.

The Ambassador said that the Federal Government had committed itself to raise a force of 500,000 men. He expressed distress that discussion of the size of American forces had now been extended to the maintenance of US forces in Europe, then into the size of German forces. The Ambassador said that he felt compelled to say frankly that it was rumored among newspapermen in Washington that the source of the stories regarding the change in American thinking on the German forces was the Secretary of State. It was said that the Secretary had given a background press briefing on his way to a regatta at Rochester. The Ambassador said that he had not informed his Government of these reports since he did not think he should report on rumors. He felt obligated, however, to make inquiry as to the accuracy of these reports.

¹Source: Department of State, Central Files, 762A.0221/7-1756. Confidential. Drafted by Reinstein. A note on the source text reads "Sec Saw."

²Reference is to an article in *The New York Times*, July 13, which stated that Radford supported a cut in U.S. military forces by 800,000 men.

Mr. Murphy said that there had been a great deal of newspaper talk without foundation. These reports had been a matter of concern to Admiral Radford. The United States was going through the annual process of reviewing its defense program. A large number of people were involved in this process and numerous individual ideas were put forward. However, the press reports were highly speculative. The United States Government had not reached any conclusion on the size of American armed forces. Mr. Murphy said the Secretary of State certainly would not have been the source of the rumors referred to.

Mr. Murphy said that in the event that the United States Government should at some stage reach a conclusion that, in view of the development of new weapons, some reduction in the size of its armed forces might be called for, the size of the American contribution to the defense of the North Atlantic area would of course be subject to multilateral consultation and discussion in the North Atlantic Council. In this connection he recalled that the President had in March 1955 sent a message to Chancellor Adenauer and to the heads of other governments signatory to the Brussels Treaty that it would be the policy of the United States "to continue to maintain in Europe, including Germany, such units of its armed forces as may be necessary and appropriate to contribute its fair share of the forces needed for the joint defense of the North Atlantic area while a threat to that area exists, and will continue to deploy such forces in accordance with agreed North Atlantic strategy for the defense of this area".³

Ambassador Krekeler said that he found Mr. Murphy's statement very reassuring. It corresponded to the German viewpoint that these matters were all matters for discussion within NATO. He asked whether the Secretary would make a statement along these lines in his press conference the following day. Mr. Murphy said that he did not know. He had not had an opportunity to discuss the press conference with the Secretary. The Ambassador said he thought it highly desirable from the German viewpoint that a statement be made at the press conference.

The Ambassador also asked whether he could see the Secretary of State on Thursday, July 19. In view of the importance of the matter and the very close relations between the Chancellor and the Secretary, he thought it important that he be in a position to convey to the Chancellor some direct statement from the Secretary on this subject. The Ambassador said that he would also appreciate an opportunity to see Admiral Radford. He pointed out that he had no

³For text of this letter, see Department of State *Bulletin*, March 21, 1955, pp. 464-465.

Military Attaché and therefore thought it necessary to take the matter up with Admiral Radford himself. Mr. Murphy said that he would inquire into both of these matters. He wondered whether it was a good idea for the Ambassador, in all the circumstances, to make a visit to the Pentagon which would become publicly known.

The Ambassador said that the press reports were particularly unfortunate from the viewpoint of their timing. The conscription law had not yet passed the Bundesrat. It would come up within the next few days. It had been thought that it would go through without difficulty, but the chances of passage might be jeopardized by these reports. The Ambassador pointed out that the opposition to the Government had been taking the line that the proposals for a 500,000 man force represented an outmoded military philosophy and were in excess of what needed to be done.

Mr. Pauls pointed out that in the press it had been reported as the American view that it was no longer necessary for Germany to have a force of 12 divisions. Mr. Murphy said he was sure that the Secretary had not said anything of this kind.

At the conclusion of the discussion, the Ambassador said he would undoubtedly be asked by the press about his talk with Mr. Murphy. He intended to say that he had called for a general discussion because he had been away on vacation. If he were asked whether the question of size of forces had come up, he would indicate that he had raised it but would not undertake to say what he had been told. He thought it would be well to say that he had had a satisfactory conversation. Mr. Murphy agreed.

63. **Letter From the Ambassador in Germany (Conant) to the Secretary of State¹**

Bonn-Bad Godesberg, July 24, 1956.

DEAR FOSTER: Since I am taking off day after tomorrow for a six-weeks' home leave, I am taking the liberty of writing you about the situation here in Germany as I see it. I shall be in Washington for four or five days after Labor Day, and if you are available I would be glad to discuss the contents of this letter further if you can spare me half an hour or so.

¹Source: Department of State, Central Files, 762A.00/7-2456. Secret; Personal; Eyes Only for Secretary.

When the Bundestag adjourned for the summer about three weeks ago, the Chancellor could be satisfied with the legislative accomplishments of his coalition. The conscription law was passed but without a specification as to the length of service. The question of whether 12 or 18 months would be required has been put over for separate action next fall, and three weeks ago the Chancellor and his workers were confident that an 18-month law would be passed.

A number of measures were taken by the Bundestag which the Chancellor and his Cabinet believe strengthened their position internally. These measures included certain relief for the farmers and an increased expenditure for those who had suffered from war damages and those who are living on certain types of pensions. These measures were frankly taken by the coalition with an eye to the election in 1957. The fact that from the point of view of internal politics the Chancellor continues to be highly successful is demonstrated by the fact that at the Socialist Party's convention two weeks ago no matter of substance concerning the internal policy of the government was seriously questioned. Indeed, except for some lip-service to the word "socialism", the program of this Party, from the point of view of economics, is remarkably conservative considering the fact that only ten years ago demands for nationalization of industry were still part of the Party program but have now disappeared.

Against this favorable picture must be placed the fact that the Chancellor has been increasingly criticized by members of his own Party and members of his Cabinet and their staff. There seems to be no question but what he has had a struggle with his Minister of Finance, Mr. Schaeffer, which looks to the outsider like almost a struggle for power, though it has turned in part on what appears to be the basic tax and economic policy of the government. The Chancellor has also quarreled with his Minister of Economics, Mr. Erhard, who was opposed to the Chancellor's policy in regard to the farmers, and in a technical discussion of the question of the rediscount rate spoke publicly in a critical vein of both Erhard and Schaeffer. This speech of the Chancellor's before the Association of German Manufacturers has been deeply regretted by a number of his close associates, and the controversy which was aired in the press involving the Chancellor and his two chief Cabinet members certainly has tended to lower the Chancellor's prestige.

The Chancellor's foreign policy, including his firm determination to proceed as rapidly as possible with the formation of a 12-division army, has been criticized not only by the opposition parties but increasingly by some members of his own party. There is a growing sentiment, which is expressed in the newspapers and by adherents to the Chancellor's general policy, that some action must be taken to meet the criticism from the opposition that there has been too little

initiative in regard to reunification. It is my own guess, based on conversations with members of the Chancellor's party, that the government will go on to the offensive in this matter of reunification some time next winter. From the point of view of the election which takes place in September 1957, such timing would obviously be good politics. Therefore I think we may expect some developments from the Chancellor along the lines of new questions to be asked of Moscow or possibly even new proposals to Moscow. Indeed, it may be that this offensive will be started next October rather than delayed until the winter. Personally, I have no doubt that all the members of the Chancellor's Cabinet and a vast majority of the Bundestag members of his coalition are sound and solid on the question of reunification. That is to say, there will be no tendency for the foreseeable future for them to toy with the present Russian offer of reunification through discussions between Bonn and Pankow.² It may well be, however, that there will be further developments of the idea of having the other NATO countries agree to a modified NATO if a freely elected all-German government decides to join NATO. But I doubt if the government parties will be ready to suggest anything approaching a united Germany armed and disassociated from the other Western powers. Indeed, I am not sure that the opposition parties will be ready to push the idea of neutrality of a united Germany to its logical conclusion during the debates in the coming election year.

The Chancellor's health continues excellent, indeed amazing. Barring unexpected developments, I think one can assume he will lead his party in the election campaign in the summer of 1957. Whether or not he would then step down to make place for a successor, assuming the present coalition wins control of the Bundestag, is another question. There is an increasing number of Germans favorable to the Chancellor who are rather expecting and to some degree hoping that there will be a younger man as Chancellor after the fall of 1957. I may add that in my view there are several promising candidates to succeed the Chancellor.

I do not share the view of some of the American correspondents here who think that, in view of the loss of prestige of the Chancellor, the present coalition will fail to obtain a majority in the Bundestag in the fall of 1957. The present coalition (CDU-CSU-DP-FVP) has a majority of nearly 80 seats. It will take quite a shift in the voting pattern of the Germans to give the opposition enough votes to elect a Chancellor (and the voting pattern of the Federal Republic of

²An East German delegation visited Moscow July 16-17. The joint communiqué issued on July 17, noted, among other things, that the only one way to unite the two Germanies was through discussion and agreement between the two countries.

Germany, I believe, is now very largely determined by religious affiliations and class distinctions).

I gather from indirect evidence that there is an interesting conflict of opinion within the Chancellor's own party in regard to the advisability of a future coalition with the SPD. (Such a coalition is not to be confused with earlier talk of a grand coalition which would have included the old FDP as well.) There is also a conflict of opinion in the SPD as to the desirability of a coalition with the CDU-CSU. Just how this conflict will be worked out in the coming year is one of the interesting problems. The Chancellor himself would never consider such a coalition, and those who share his views are working to build up the dissenting party from the old FDP, namely, the FVP. This party now has only ten votes in the Bundestag but they are hoping to increase this number at the expense of the FDP which, you will recall, went into the opposition some months ago. I have reason to believe this move is being supported by a number of the Ruhr industrialists who are strongly back of the Chancellor,—the Chancellor's foreign policy and, with certain exceptions, his internal policy as well. These industrialists would be deeply distressed if a coalition CDU-CSU-SPD should come into power in Bonn. I think this group will finance the new FVP and the Chancellor's own party quite generously in the coming year.

Although I think the possibility of a CDU-CSU-SPD government in Bonn after 1957 is relatively slight, I should like to record my opinion that the Chancellor is unduly apprehensive about the SPD party. As compared with the FDP, now that it has lost its better elements, the SPD is a party which could conceivably be brought into good partnership with the Chancellor's own party. [19 lines of source text not declassified]

To sum up, I think that there is little likelihood that the SPD will be in the government after 1957, assuming that the matters which I am about to treat will be worked out satisfactorily in the coming months. This leads me to the events of the last ten days which have upset the Chancellor and the members of his coalition government as well as opinion generally here in Germany. I refer to the rumors from Washington about the reduction in troop strength and the document which the British are presenting to the NATO Council.³ If word of this British proposal had leaked before the Bundesrat acted on the new conscription law last Friday, it would not have been passed. Indeed, if the rumors from Washington had started a week earlier, the conscription law would have failed, in the opinion of the President of Bundesrat, with whom I had dinner

³For documentation on the British proposal for troop reduction in Europe, see vol. iv, pp. 123 ff.

Friday night. This would have meant, incidentally, that the machinery for calling up conscripts could not have been set up in time to have enabled the first recruits to have been called up according to their schedule early next spring.

It would be quite out of place for me to intrude my personal opinion as to the strategic wisdom of a reduction of the strength of the ground forces here in Europe, but I would like to emphasize the grave complications that will result here in Germany if this matter is not firmly settled early next fall. It will be impossible, I fear, for the Bundestag to pass the supplemental conscription law determining the length of service as long as there is uncertainty as to what the attitudes of the United States and Great Britain will be in regard to the size of the ground forces needed here in Europe. Furthermore, the obvious intention of the British to raise next spring once again the issue of support costs is a complicating factor. It seems to me that the whole question of the strength of the forces here in Europe must be settled before the German government can proceed with its plans. Furthermore, it seems to me that the question of the British ability to find the DM funds to pay the expenses of troops stationed in Germany ought to be settled at the same time; another support cost argument would be a serious blow to the good relations between the Western Allies and the Federal Republic of Germany.

I am afraid there can be no doubt but that the discussions that have taken place in the papers the last few days have further damaged the Chancellor's position. I am very apprehensive of the public discussions of the new British request to NATO when the news of this "leaks" as it certainly will before many weeks have passed. Indeed, if things are not cleared up and settled satisfactorily next fall, I think my estimate of the outcome of the 1957 election would have to be greatly modified.

The FDP is already saying that the Western Allies are now adopting the position which this party has all along advocated, namely, that modern weapons make a large army unnecessary. The SPD is against any army, for the present at least. The combination of these two parties in a government after 1957 would be really disastrous from an American point of view; while the SPD might make a satisfactory minor partner in a coalition with the CDU-CSU, it would make a very bad major partner in a coalition with the FDP. Indeed, such an outcome of the 1957 election can only be regarded with horror by those of us who have been in close touch with the German scene for the last three years or so. Therefore, from the point of view of internal German politics, as well as getting forward with building a German army, fundamental discussions within the NATO framework need to be made in the very near future and the

British memorandum answered with a clear-cut decision that can be made public.

I offer my apologies for the length of this letter, but I felt a summary of the situation here in Germany might be of value to you in the coming weeks.

Sincerely yours,

James B. Conant

64. Memorandum of a Conversation Between the Secretary of State and the German Ambassador (Krekeler), Department of State, Washington, August 6, 1956¹

The Ambassador called to give the Secretary a communication from Chancellor Adenauer (translation attached) in response to the Secretary's message to the Chancellor of August 3.² The Ambassador requested that the Chancellor's message be kept confidential since the German Cabinet will not meet until Wednesday to make a decision on the Suez Conference. The Ambassador asked whether we had any information regarding a rumor to the effect that Israel is mobilizing its military forces and that Soviet warships will proceed to Egyptian waters.

The Secretary said that we had had no such indication from Israel although we had heard that Jordan was fearful that it might be subjected to an attack by Israel. As far as we can determine there is no basis for rumors regarding Israeli mobilization. The Secretary said that we find ourselves in a very delicate situation with reference to the Israeli-Arab situation at this moment and that it is very difficult to make any move to restrain the Israeli without unduly encouraging the Egyptians.

The Ambassador said that he had heard the Secretary's television report on Friday evening and he gathered that the United States had been cast in the role of restraining our allies from "unwise" action. The Secretary said that it had not been an easy task since both France and the United Kingdom feel that they cannot tolerate

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Elbrick.

²Adenauer's letter of August 5 acknowledged Dulles' letter of August 3, in which Dulles urged the Chancellor to accept the British invitation to a conference on the Suez Canal in London, August 16. Dulles' letter was transmitted to Bonn in telegram 341, August 3. (*Ibid.*, Central Files, 974.7301/8–356) For documentation on the Suez Canal Conference, see volume xvi.

the situation created by Nasser's action³ and that they must react strongly or they will be "finished" as world powers. On Friday evening he had spoken of a "decent respect for the opinions of mankind" and while this remark was directed particularly at Egypt it also applies to the United Kingdom and France. The Secretary hoped that moderating influences would prevail at the Conference which has been called for August 16.

³On July 26, 1956, Egyptian President Gamal Abdul Nasser announced that Egypt was nationalizing the Suez Canal Company.

65. Letter From Secretary of State Dulles to Chancellor Adenauer¹

Washington, August 11, 1956.

DEAR MR. CHANCELLOR: I have received and pondered your letter of July 22.² President Eisenhower has also read it. We wholly agree with you that the prospect of nuclear war is so terrible that all means should be taken to seek to avert it. Even to contemplate it seems un-Christian. You can be confident that that attitude pervades our Gov-

¹Source: Eisenhower Library, Dulles Papers, Strictly Confidential File. Secret; Personal and Private. According to notations on the source text, the letter was sent to O'Shaughnessy in a sealed envelope for delivery, and had been seen by Hoover, Radford, MacArthur, Eleanor Dulles, and Murphy. On August 10, Dulles wrote a note to Eisenhower recommending that the President see Adenauer's July 22 letter to Dulles. The letter [*3 pages of source text*] was not declassified. (*Ibid.*) The note concludes:

"I think the Chancellor has been already somewhat 'straightened out', but he is particularly sensitive because he feels that he is risking his political life on a program for German and conventional rearmaments, while many of his political opponents, and indeed many within his own party, seem to feel that this is outmoded and that this is shown by United States policy." (Department of State, Central Files, 762A.00/8-1056)

A notation on the August 10 note indicates that the text of Dulles' letter to Adenauer was handcarried to the White House by Dulles for his meeting with the President at 8:30 a.m., August 11. In his memorandum of the conversation, Dulles noted, among other things:

"I then showed President Eisenhower Chancellor Adenauer's letter to me of July 22 and a draft of reply. President Eisenhower said that Chancellor Adenauer's feelings were not very different from his own. He recalled that from the beginning he had taken the position that even though we had superiority in atomic weapons, we should, if it were practicable, bring about their elimination. He read the draft reply. He pencilled a few suggested additions and suggested orally one further addition at the end and said that he heartily concurred in the draft." (Eisenhower Library, Dulles Papers, Meetings with the President)

²See footnote 1 above.

ernment. None of us enjoys seeing our nation in the business of making weapons which can so disastrously affect all humanity.

The question is what to do? We have done all that we can think of to bring about some agreed and dependable elimination of this threat. This letter is to describe for you something of the dilemma in which the Free World is placed by Soviet intransigence and arrogance.

You will recall that immediately after the end of the Second World War when the United States had a monopoly of atomic weapons we offered to give up that monopoly and to turn over to an international agency of the United Nations the entire control of the production and use of atomic energy so as to assure that it could not be used for destructive purposes. This proposal the Soviet Union rejected, being determined itself to develop this field of atomic missiles.

The attitude thus expressed in 1946 has continuously been evident in our policies. You will recall that in December 1953, President Eisenhower made his "Atoms for Peace" proposal where he asked the Soviets to agree with us to put fissionable material in a world bank for peaceful purposes.³ So far this proposition, now nearly three years old, is still in the debating stage, primarily because of Soviet refusals and equivocations.

Last March President Eisenhower proposed that after a date to be agreed upon, production of fissionable materials anywhere in the world would no longer be used to increase the stockpiles of explosive weapons.⁴ The Soviets have never even taken note of this proposal which was personally made by President Eisenhower to Chairman Bulganin.

We are earnestly studying further proposals that can be made, as pointed out by President Eisenhower in his letter of August 4 to Chairman Bulganin.⁵ We have not ceased, and never shall cease, to seek ways to meet the peril you refer to.

If only the Soviets would accept the type of strict and thorough international control which we have repeatedly proposed, then many other things would readily follow. Here again the Soviet Union has been obdurate.

For us to desist from making these new weapons on a one-sided basis would not contribute to the security of the Free World or to peace.

³For text of President Eisenhower's speech before the U.N. General Assembly, December 8, 1953, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, pp. 813–822.

⁴President Eisenhower's proposals were made in a letter to Bulganin, dated March 1, printed in Department of State *Bulletin*, March 26, 1956, pp. 514–515.

⁵For text, see *ibid.*, August 20, 1956, pp. 299–300.

Surely we would not wish a situation to exist where the Soviet Union had preeminence in this field and could use that preeminence to dominate the world and impose its will. I cannot think of any worse fate than for the world to acquiesce in a situation where this vast power was in the hands of men who profess to be atheists and materialists, who accept no moral inhibitions of action which might seem to promote their power.

Therefore, the United States is determined, unless and until there can be a dependable system of control, to maintain military power in these new weapons sufficient, we believe, to deter their use by the Soviet Union. In view of the rejection by Soviet leaders of moral restraints, these other deterrents must be provided.

We recognize, as you say, that the mentality of the Soviet rulers is such that they would risk a war when the United States would never do so. But we are taking constant steps to assure that if they should do so, the first hour would *not* be decisive in their favor. The situation is such, and we are confident and determined that we can keep it such, that no initial strike could destroy our retaliatory power. And so long as that is the case, we believe that the Soviets will not strike.

You say that the German Federal Republic will work with all its strength for a controlled disarmament in the field of nuclear weapons. I can assure you that we welcome this approach and we can in this matter stand side by side. I beg you, however, not to assume that this is an easy task. We have been through ten years of frustration. But we are still determined, and welcome your country as a comrade in this struggle.

You suggest that the development of new weapons, and United States concentration upon maintaining a position of deterrence in this respect, is leading us too much to neglect conventional forces.

It is, of course, true that our military establishment and disposition have constantly been adjusted and adapted over the last decade to take account of changing factors, including the changes in weapons and technology. President Eisenhower, in his press conference of August 8, had this to say:⁶

"There is a streamlining coming about. I don't believe in talking of reduction because when you are talking about defense forces you are talking about their power, their effectiveness, their capability.

"And the mere fact that now one man can shoot a machine gun at the rate of 700 rounds a minute, and it used to take in the flint-lock days about 1400 men to get off that many shots, it doesn't mean you have had any reduction of power because you have one man shooting them instead of 1400, does it?

⁶For the transcript of Eisenhower's press conference, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1956*, pp. 660-671.

"Well, now, that is the kind of thing that we ought to apply intelligently as we go along. Otherwise, we are being stupid, as I see it."

At the same time we have been constantly aware of the importance of maintaining flexible capability in responding to any aggression. We have maintained and will continue to maintain such capability.

Accordingly, I cannot see in our program any basis for Europe losing confidence in the reliability of the United States.

Never has any nation in history pursued so unswerving a course of enlightened unselfishness as has the United States during recent years. We have, contrary to our traditions and our instinctive desires, maintained a powerful military establishment, particularly since the Korean War showed that need. We have, through grants or loans, in the past decade given "foreign aid" in amounts which aggregate \$50 or \$60 billion. This year the Congress appropriated approximately \$1 billion more for "foreign aid" than last year, and this was during an election year when such appropriations are intensely unpopular. We are at the present time dedicating more than 10 percent of our gross national production to our security arrangements, and this figure is more apt to increase than to decrease. We are now maintaining about 3 million people under arms under a two-year conscription law. We are committed by treaty to common defense with 42 other nations of the world and there is no slightest evidence that we are not prepared to live up to our commitments.

If all this adds up to "undependability", I wonder how "dependability" should be measured; and also where it is to be found? Of course, we do not attempt to maintain in Europe, and in Asia, and in the Middle East, United States ground forces equal to any that could be thrown against these areas from the Soviet-Chinese land mass. For us to attempt that would be folly, and would add up not to strength but to weakness. We consider that our role is to maintain the strength which will deter open Soviet aggression in these areas. But such a deterrent would never be created if we scattered our strength all around the world, since we could not conceivably be strong enough at every point around the 25,000-mile orbit of the Soviet-Chinese Communist world to match its striking power. To attempt that would be folly.

I do not believe for a moment that the need for ground forces has passed away. Recent developments in relation to the Suez reemphasize that point. What we face is a problem of sharing responsibilities. The United States can take, and is taking, the main burden of keeping ahead of the Soviet Union with respect to nonconventional weapons. This is a very heavy and expensive task indeed. We are

also maintaining, and will maintain, a substantial ground force. But as we carry the part of the task which seems most appropriate for us, should not the free countries of Europe and Asia, with their large reserves of manpower, carry the part of the task most appropriate for them? A particular responsibility, I feel, devolves upon the "divided" countries, because they can be subjected to so-called "civil war", as was attempted in Korea. Both the Republic of Korea and the Republic of Vietnam are responding to this responsibility and I believe that you are eternally right in urging upon your country that it also should respond. If it should fail to do so, then your great nation would, I feel, be lacking in its indispensable contribution to the common cause.

This letter is written in a very personal and spontaneous way. It is not an official pronouncement of my Government, but it reflects my deep personal convictions and is written as a friend to a friend whom I deeply respect and admire. You may be sure that both the President and I constantly pray for the strength and wisdom to deal with the truly awful problem which confronts humanity.

Faithfully yours,

John Foster Dulles⁷

⁷Printed from a copy that bears this typed signature.

66. Memorandum of a Conversation Between Secretary of State Dulles and Foreign Minister von Brentano, London, August 23, 1956¹

Seated next to each other at dinner last night, we had a rather animated conversation on the subject of US military dispositions. Von Brentano said that it was very embarrassing to get these reports in the press, and particularly when the Chancellor had recently been in the US and had heard nothing of any such plans.

I said that there were no plans in the sense in which von Brentano spoke. At this time of year when the future budgets were being estimated, each branch of the services made its plans based upon its own concept of its role in a future war. Usually the Army, the Navy and the Air Force each assumed that it alone could win the war and that it alone needed large sums. These were unbalanced positions

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Dulles on August 24. He was in London to attend the Conference on the Suez Canal, August 20-21.

generally prepared in the first instance by junior officers; all of them finally came together and only then did they begin to take on any official status. The reports that had alarmed the Germans had emanated from a study which reflected the views of one branch of the services. It was utterly impossible that we should communicate such reports to foreign governments. As a matter of fact I myself knew nothing of them and paid no attention to them at that level. Nor of course did the President. I could assure von Brentano that when it came to taking decisions at the high level which would materially affect US military disposition, none would be taken having a major impact upon Germany without prior consultation with the German Government.

Von Brentano said that for the first time he understood the situation, that what I said was very reassuring and would enable them to deal better with their own political situation where the newspaper studies were given full credence as definitive decisions.²

John Foster Dulles³

²On August 24, Dulles drafted another memorandum of this conversation:

"Last night at dinner von Brentano said his information was that the Germans did want to buy all their tanks from the US, but he could not yet say this on the personal authority of the Chancellor, whom he expected to see as soon as he got back to Germany, but that he was confident that would be the decision." (Eisenhower Library, Dulles Papers, General Memcons)

³Printed from a copy that bears this typed signature.

67. Memorandum From the Acting Director of Central Intelligence (Cabell) to the Secretary of State¹

Washington, August 28, 1956.

The following message has just been received from the Director of Central Intelligence with the request that it be passed to the Secretary of State on an Eyes Only basis:

1. "On Saturday afternoon, August 25, I had a three-hour meeting with Chancellor Adenauer at his vacation retreat above Baden Baden.² The meeting was part social and part business. Those

¹Source: Eisenhower Library, Dulles Papers, White House Memoranda. Top Secret; Eyes Only; Personal and Private. Notations on the source text indicate that Dulles, Hoover, and Elbrick saw this memorandum. On August 31, Dulles called Cabell and asked him to send a copy of this message to President Eisenhower, which Cabell agreed to do. (Eisenhower Library, Dulles Papers)

²For Adenauer's account of this meeting, see *Erinnerungen, 1955–1959*, pp. 211–213.

present in addition to the Chancellor were Dr. Hans Globke and translator Weber. Subsequently, during tea and an afternoon walk, Adenauer's daughter and my daughter and son-in-law joined us. The Chancellor seemed in excellent health, lucid as usual, vigorous, and just as strong at the end of the meeting when he insisted on taking a walk with us as at the beginning of the afternoon.

2. "During tea gave most amusing account his Moscow visit. Later in private session stressed his feeling of Khrushchev's utter ruthlessness, brutality and personal vanity. He seemed impressed with apparent difference in situation between time his visit when K and B seemed have equal authority and that described to him by Mollet when K clearly in ascendancy. Also remarked that when he saw B and K military men had been given standing room only but according Mollet they had been much in evidence during his later visit.

3. "Adenauer seemed to be still impressed with K's emphasis on vast burden placed on Soviet to meet at same time

- (1) Need for internal social betterment
- (2) Competition with USA in armament race
- (3) Continuing demands Communist China.

"However he obviously impressed with K and B's own confidence in ultimate triumph Communism and vigor and danger in their policies. He said B greatly elated at having received three personal letters from President. I suggested possibly not so pleased with last letter which I understood not published in Russia despite full publication in free world.

4. "After asking whether I familiar exchange letters re possible reduction conventional forces (which I confirmed), and referring USA newspaper and columnist stories of which he had a pile on his desk, he launched into long exposé German attitude which he felt generally shared by France (particularly Gen. Valluz, new Chief Staff) and some other NATO members. He described Heusinger's trip³ and latter's conversation at Pentagon which he said tended confirm his view that we expected rely on nuclear weapons even in small wars. He then repeated all arguments with which you familiar, including growing strength of East German forces. I replied you had dealt with these matters in your letters, etc. I added that recent NSC review our defense effort which I attended had indicated no disposition whatsoever reduce our overall military strength. Quite the contrary free world had and I believed would maintain sufficient strength in conventional forces, if supplemented by adequate German contingent, to

³Presumably a reference to Heusinger's trip to Washington in July 1955. A memorandum of his conversation with Admiral Radford on July 7 is in the Eisenhower Library, Whitman File.

meet any emergency other than direct Soviet intervention. Latter situation would create new conditions where our growing retaliatory power could play its role. I also pointed out that review of events of past few years showed that even if we had had twice the amount of conventional forces now available, our policies and actions would not have been different than they were.

5. "Adenauer then described how his experts appraised Soviet military might stressing particularly their view that in three years Sovs would have ICBM with nuclear warheads and now have more subs than USA, Britain and France together. I countered with general statement that in quality modern weapons, particular nuclear and aircraft, we keeping ahead and making major effort in field ballistic missiles and well ahead in airbreathing unmanned missiles.

6. "Apparent purpose Adenauer's exposé this point was his fear that USA would be neutralized by such weapons from using nuclear power while Soviet conventional weapons would take over Europe. He remarked that if Germany in three years had 500,000 men under arms and like number in immediate reserve, situation would be very different than it otherwise might be.

7. "Adenauer then referred to tragic misery of Russian people who dared 'neither laugh nor cry'. At same time he greatly impressed with recent rise in confidence of Sov leaders. He particularly mentioned visit of two Sov cruisers to Norway when Prince Regent had made three visits to mere Naval Captains. Fortunately he said Lange had had good sense to absent himself.

8. "As regards NATO, Adenauer expressed himself forcefully and without reticence. He said that with most French troops in Africa, with British withdrawing contingent from Germany, if USA cut its conventional forces in Germany it would be last straw after Nasser defiance of West which he feared would end up with sufficient Nasser victory to increase his prestige. He said Brentano coming to report to him August 26.

9. "Apparently someone, presumably his NATO reps, had been giving him gossip regarding our NATO position. He remarked that our NATO rep got no news or instructions from Washington, had been caught flatfooted by George appointment and placed in most embarrassing position. I replied that you working particularly with our NATO representative and Senator George, Julius Holmes, etc, to devise new ways and means to build up NATO prestige. He would hear more of this.

10. "Adenauer then in most confidential voice said he fully understood and appreciated your position but feared that someone was coming between you and boss. I asked him where he got such malicious gossip and who he had in mind. After some hesitation he mentioned Sherman Adams. I told him that this absolute nonsense and

that it just did not happen and Sherman Adams, whom I knew intimately, never intervened in such matters; that you had direct, continual and intimate contact at all times and on all foreign policy questions and that most complete accord existed. I said that during past three years and more I, myself, had had immediate and personal access to boss on all intelligence matters and that this was way he operated.

11. "Adenauer then described serious unrest pervading German thought. After what German people have gone through in two wars, they are mentally 'upside down'. His own position was seriously threatened. He referred to a recent as yet unpublished Gallup type poll in which while both his position and that of opposition had declined in popular esteem, the dangerous point was the largest group of those tested was undecided as between his policies and the opposition. The future was very uncertain.

12. "Reverting again to the military situation, Adenauer said Heusinger told him that little effort had been made to improve conventional weapons since the war, particularly artillery, and that much could be done here. I replied that while I was no technician as regards artillery, I knew that what was said did not apply to aircraft both conventional and unconventional.

13. "Adenauer said he had inquiry from you whether Germany will buy British tanks and that President agreeable to this if Adenauer willing. He said he viewed this as purely military matter. He had consulted his experts who had told him that USA tanks better. Hence he wanted our tanks and in any event did not want Centurions.

14. "Adenauer deplored the situation of German press which failed give him support or properly to present American viewpoint on world affairs. This had been evidenced by their failure make clear potential seriousness Suez crisis to Germany. Specifically he asked whether something could be done on American side to get fair presentation American attitude through re-publication in German language of good articles on American policy; possibly German language weekly could do this.

15. "He said that recently statements of leading German bankers warning against inflation had caused uneasiness and had opposite effect to that intended. He was most anxious to keep integrity of German currency and was thinking of issuing gold coin on convertible basis but had been told we would oppose this. He realized that initially there might be some hoarding but did not think this would go far. I said that this outside my competence and for treasury experts but that such issue was illegal with us. Also if one great country alone started this practice it might result in making Germany

basis for international hoarding operations and consume big slice their gold reserve.

16. "At conclusion meeting Adenauer outlined to me series of secret reports received from special Russian source with reputedly high Moscow contacts. Reports covered Soviet Fleet preparations and parachute type ops for possibility war in Egypt. These reports seemed to me to be unreliable, probably false and designed cause apprehension. He finally gave me full texts which cabling separately for analysis.⁴

17. "My impressions are following:

"A. Adenauer is badly in need of having near him some high ranking American preferably the Ambassador in whom he has confidence and in whom he can confide. He is obviously being filled with bad info by some of his German friends both on general intelligence lines and as regards our policy and intentions. (It was almost pathetic how after three hours of conversation he hung on to me as one who he thought had close contact with American policy on which he obviously feels his own fate and reputation largely depend. I would not wish this be construed as any indication he gave any signs of weakening on course he has set for his country.)

"B. On military side I gather he has impression that while he risking his reputation in pressing for rearmament, those who dispose of nuclear power will alone make decision affecting his country's fate and that he will be playing with marbles.

"C. He clearly feels his control of electorate may be slipping and that urgent measures and help from us required to turn the tide during coming year before elections. Emphasis seemed essentially to be reaffirmation by U.S. of continuing NATO support and significance of German rearmament.

"D. While I avoided any inference I empowered deal with substantive policy matters he may feel that as regards para 13, 14, and 15 he has made inquiry or given decision on matters where further action lies with State. As regards intelligence para 16, I will pass him our appraisal through my covert channel.⁵

18. "In case you wish to handle any matters referred to in this message through covert channels, particularly answer para 13, 14, and 15 we have in Bonn, Henry Pleasants, whom you know, man who is close to Hans Globke, and who could pass any message directly to Adenauer. Globke was present throughout entire meeting.

19. "O'Shaughnessy had prior knowledge of meeting and will be briefed by Pleasants on non-sensitive points mentioned above. Unless otherwise directed German station will take no further action and no further distribution this message will be made."

20. This memorandum has been sent to you on an Eyes Only basis. You may wish to disseminate further certain portions of this

⁴The reports have not been found in Department of State files.

⁵Not found in Department of State files.

information. If this should be your desire and we can assist in any way, we shall be happy to contribute in accordance with your wishes.

C.P. Cabell

Lieutenant General, USAF

**68. Memorandum of a Conversation, Department of State,
Washington, August 30, 1956, 2:15 p.m.¹**

SUBJECT

Force Levels

PARTICIPANTS

Dr. Heinrich Krone, CDU Faction Leader of German Christian Democratic Party
Dr. Werner Dollinger, Deputy Chairman, CSU Faction
Mr. Albrecht von Kessel, Minister, German Embassy
The Secretary of State
Mr. Jacob D. Beam, EUR
Mr. Jacques J. Reinstein, EUR:GER

Dr. Krone said he wished to express his and Dr. Dollinger's appreciation for the opportunity to come to the United States under the exchange program and emphasized the value of such visits to international understanding. He said that he and Dr. Dollinger had arrived in the United States five weeks ago. At that time the situation was somewhat tense because of the public debate regarding military matters. He wished to inform the Secretary that he was completely satisfied with the conversations which he had had in the State Department and that he was returning to Europe with a sense of calmness with regard to these matters. He understood that adjustments in military planning were being considered, but that this was only natural and involved no basic change in policy. He was satisfied that as regards conventional weapons the people in Europe could be entirely calm.²

Dr. Krone said that he had not, of course, seen the Chancellor during this time, but that he could imagine the Chancellor was somewhat upset. He hoped that his visit in the United States would enable him to allay the Chancellor's apprehensions. He pointed out

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Limited Official Use. Drafted by Reinstein on September 1. Krone visited the United States July 25–September 7 at the invitation of the U.S. Government.

²No other records of Krone's conversations have been found in Department of State files.

that, as the Secretary knew, there would be an election in Germany next year. The Christian Democratic Party had maintained its unity and had secured the enactment of laws for the establishment of military forces in the face of strong efforts by the opposition. At the present time public opinion polls appeared to indicate an unfavorable sentiment toward the Government. All these matters were, of course, linked.

The Secretary said he realized a certain amount of emotional and intellectual disturbance had been aroused by articles which had emanated from Washington about two months before. He recalled that when he had seen Foreign Minister Brentano in London the previous week, the latter said it had made things very difficult for him and the Chancellor not to have known of these articles in advance. The Secretary replied that he thought it inappropriate that the German Foreign Minister be informed before the American Foreign Minister. They both learned of the articles at the same time and in the same manner. The Secretary said that when the United States budget was being made up and the services were all fighting for a larger share in the budget, all sorts of plans were made at the lower level and stories appear in the press as to what is proposed. He said he never paid much attention to these stories, nor did the President. However, he could easily understand the concern which they had caused in Germany. He knew the stories were not true, whereas the Germans had not known this.

The Secretary said that with regard to the substance of the matter, the United States is making and will continue to make a very great effort toward military preparedness. It is devoting approximately 11 per cent of its gross national product to various military purposes. There has been no suggestion that Germany should do as much. The United States has approximately three million of its citizens under arms, which represents about 2 percent of our population. This number may vary somewhat, but will not vary greatly. There was no suggestion that Germany should make a comparable contribution in military manpower. The term of military service in the United States is two years. There has been no suggestion that it should be more than 18 months in Germany. The Secretary said that he could not see, under these circumstances, how it could be suggested that the Chancellor was asking the German people to undertake more than a minimum share of the burden of defense.

The Secretary said people asked what kind of a war one must prepare for. He thought that no one in the world could answer this question. The British had been thinking of placing greater emphasis on atomic weapons. Then the Suez crisis had arisen, which required infantry, landing craft and ships. The answer was that the tasks must be divided. The primary responsibility of the United States was to

stay ahead of the Soviet Union in the field of atomic arms and their means of delivery. He said this was an American responsibility, since the United States is the only country with the technical ability to do so and which can bear the costs. However, the United States was going to do more than this. It would continue to maintain extensive ground forces and naval forces. He believed Germany had a duty, as a member of NATO, to provide a substantial contribution to the conventional forces needed to deter war or in the event of war. He thought that Germany had a particular responsibility as a divided country in which there was a greater risk of war which would be called not international, but civil. There are two countries in the same situation, Korea and Vietnam. Both the Republic of Korea and the Republic of Vietnam carry much greater defense burdens than it has been suggested Germany carry.

The Secretary said he made these remarks with no intent of criticism of the Chancellor and his party, for whom he had great respect, but in the hope that an understanding of our position would help Dr. Krone and Dr. Dollinger to make it clear to the German people. He knew how difficult it is to get understanding of these matters in Germany, as in Japan. The cruel experiences which these nations suffered in the last war have understandably led to feelings of pacifism and neutrality. However, he was certain that the real interest of the Federal Republic lay in making a substantial contribution to the varied forces needed so that war can be deterred by making it clear that no kind of war can be successful.

Dr. Krone thanked the Secretary for his statement and said that both he and Dr. Dollinger were in agreement with what the Secretary had said. They agreed with regard to the treaties and their implementation. He said that there was full agreement in the coalition and in the Government. He appreciated the Secretary's remarks with regard to Korea and Vietnam and the possibility of a war involving conventional methods. He said that he would be seeing the Chancellor and hoped that he could express to him the Secretary's desire for even greater understanding between the United States and Germany.

The Secretary said that he could. He believed there was no need to assure the Chancellor of the high respect and confidence which the Secretary has for him and of our feeling that so long as he is leading the German people or that his policies were being followed, the Federal Republic would undertake a fair share of the responsibility for the defense of the free world.

69. **Memorandum of a Conversation, White House, Washington, August 30, 1956, 3:03–3:40 p.m.**¹

SUBJECT

President's Reception of German Parliamentary Leaders

PARTICIPANTS

The President

Mr. Jacob D. Beam, EUR

Mrs. Lejins, State Department Interpreter

Dr. Heinrich Krone, Parliamentary Chairman of the German Christian Democratic Union

Mr. Dollinger, Deputy Chairman of the Christian Social Union

Mr. Albrecht von Kessel, German Minister

The President received Dr. Krone and Mr. Dollinger for about half an hour, both parties speaking through an interpreter.

Dr. Krone summarized the favorable impressions of his trip across the US. He mentioned the talks he had had with Mr. Sherman Adams and Secretary Dulles² which were of a very reassuring nature regarding US strategic intentions in Europe. An election would be held next year in Germany and it was important there be a satisfactory understanding of the US position. Dr. Krone thanked the President for receiving him and Mr. Dollinger, saying this would help support Chancellor Adenauer's policies.

The President said he was glad to know this, since he especially admired Dr. Adenauer as a great European and a great statesman. The President stressed that the first objective of the US was peace and he could not imagine how any intelligent German—and most of them were intelligent—could choose the East against the West.

Dr. Krone agreed but observed that in German politics it was not so much a matter of a choice between the two—since almost every German was on the side of the West—but a choice of means to achieve objectives. The Social Democratic opposition were not Communists but they pursued their objectives along lines which supported the Russians.

The President said he understood Dr. Krone's remarks but it was clear that the actions by some Germans could be interpreted as helping the Communists.

The President then said he would like to talk more about exchange programs generally, like the one on which Dr. Krone and Mr.

¹Source: Department of State, EUR Files: Lot 59 D 233, Memos of Conversation 1956–7. Limited Official Use. Drafted by Beam. The time of the meeting is taken from the President's Appointment Calendar. (Eisenhower Library, President's Daily Appointments)

²The memorandum of Krone's conversation with Dulles is *supra*. No record of a conversation with Adams has been found in Department of State files.

Dollinger had visited the US. During the war he had subscribed to the idea of universal German guilt, but shortly after the war his acquaintance with German individuals quickly persuaded him that Germans were about like other people and many of them had been the victims of letting one man seize power. He mentioned that he and General Clay had been criticized by some Americans who had wished to "pastoralize" Germany and flood the Ruhr mines.

Continuing, the President pointed out the Communists made Russians lie and falsify in the interests of the state. He on the other hand greatly favored real understanding through travel and friendship. The only private benefit to which he had agreed to lend his name was the Eisenhower Exchange Fellowship Program which enabled young foreign businessmen and executives to visit and work here for a year or so. The President said there was some advantage in having more mature people take part in an exchange, since they had an interest in returning to homes and jobs in their own country, as was not always so in the case of students.

The interview ended on a friendly exchange concerning the role played by persons of German origin in this country and the President asked Dr. Krone to transmit his regards to Chancellor Adenauer.

70. Memorandum of a Conversation Between the Secretary of State and the Ambassador to Germany (Conant), Department of State, Washington, September 6, 1956, 12:45 p.m.¹

We discussed the status of Adenauer and his viewpoint and apparent misunderstanding of many of the present problems. I reported to Ambassador Conant the talks which I had had with Foreign Minister von Brentano and with Dr. Krone.² Ambassador Conant said that obviously Adenauer was getting a lot of misinformation and that he, Conant, was quite shocked by Adenauer's letter to me.

Ambassador Conant then referred to the suggestion that he should go as Ambassador to India and expressed again his regret that he had felt compelled to indicate his unavailability. He said he was

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Secret; Personal and Private. Drafted by Dulles. On August 4, Dulles had telephoned Conant to ask whether he would accept an appointment as Ambassador to India. Conant had been surprised and "his first reaction was strongly negative," but he said he would consider the matter further and discuss it again when he returned to Washington. (*Ibid.*)

²See Documents 66 and 68.

planning to get back here for work with foundations, etc., around the first of the year and asked about what would be desired in the timing of his resignation. I said I thought he should follow the usual procedure and put in his resignation after the November election. It would then be acted upon in due course with a view probably to an actual change early in January. Ambassador Conant said that that would fit in very well with his personal plans.

JFD

**71. Memorandum of a Conversation, Department of State,
Washington, September 7, 1956¹**

SUBJECT

German Note to USSR on Reunification

PARTICIPANTS

The Secretary of State

Dr. Heinz L. Krekeler, Ambassador, German Embassy

Dr. Rolf Pauls, Counselor, German Embassy

Mr. J.J. Reinstein

The German Ambassador gave the Secretary of State a note on the subject of reunification of Germany, attached to which was a memorandum which the Federal Government had addressed to the USSR on the subject.² In presenting the note the Ambassador said he wished to express the appreciation of his Government for the efforts which the U.S. Government had made over a long period of time in behalf of the reunification of Germany.

The Secretary said that he was glad that the German Government had taken the initiative in raising the subject with the Soviet Government. He said that aside from the German Federal Government itself, he thought that the U.S. Government had been most active in pressing the issue of reunification. The achievement of reunification continues to be a major objective of American foreign policy. The Secretary said that he felt the subject should be contin-

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Reinstein.

²For text of the note, dated September 2, and the attached memorandum, see Department of State *Bulletin*, September 24, 1956, pp. 485–493. Identical notes were also sent to the British and French. On August 30, the German Foreign Ministry had submitted a draft of the memorandum to the Department of State. A comparison of the draft and final text is in a memorandum from Elbrick to Dulles, dated September 7. (Department of State, Central Files, 762A.00/9–756) Documentation on U.S. interest in the German *démarche* is *ibid.*, 762A.00.

ued to be kept in the forefront and impressed on the Soviet Government.

72. Memorandum of a Conversation, Bonn, September 10, 1956¹

PARTICIPANTS

Chancellor Konrad Adenauer
Dr. James B. Conant
Mr. Donald A. Quarles

On September 10, 1956, at 12 noon, Chancellor Adenauer received the American Secretary of the Air Force, Mr. Donald A. Quarles, for a conversation in which the American Ambassador in Bonn also participated.

First, the American Ambassador conveyed greetings from President Eisenhower to the Chancellor. He had had an opportunity to speak with the President on the preceding Friday and the President was concerned about the situation in Europe.² In response to the remark of the Chancellor that he would be happy when the American elections were over, the American Ambassador declared that the elections play no great role and there was no doubt but that the President would be reelected. In the opinion of the Chancellor, the election constitutes a handicap for President Eisenhower and the Republican party.

Then the Chancellor gave some highly confidential information on a resolution of the NATO Standing Group taken on September 5 or 6. A spokesman of the Standing Group had declared before the NATO Council that the previous intention to pursue the so-called "forward strategy" in case of a Soviet attack could no longer be maintained after the withdrawal of the French and British troops and

¹Source: Department of State, Central Files, 611.62A/10-1256. Secret. Drafted by Weber on September 11. In an October 12 note to Murphy, attached to the source text, Beam wrote:

"Attached is a copy of a German report of the conversation between Chancellor Adenauer and Secretary Quarles at Bonn on September 10, 1956. I understand Mr. Reinstein has previously shown you this report which was sent us by the Embassy. Presumably it was prepared by the Chancellor's personal translator, Herr Weber.

"The conversation dealt almost entirely with the recent doubts of the Chancellor with reference to American political-military policy.

"The very last statement attributed to Mr. Quarles to the effect that 'not the first day but the first week is decisive', is apparently the basis of Adenauer's misunderstanding of the U.S. position which he expressed in his talk with you."

²Not further identified.

that the defense points would be moved back to the Rhein and the Ijssel. This means a complete declaration of bankruptcy by NATO. If this fact should become known, it would have an extremely crushing effect in Europe and particularly in Germany. During the discussion of this plan by the NATO Ambassadors, it was learned that two Ambassadors, the American and the Greek, were without instructions from their Governments. According to information given by Mr. Blankenhorn, the American Ambassador to NATO frequently was without information or instructions from his Government. For example, the nomination of Senator George was announced to the press but not to Mr. Perkins himself so that he was forced to state that he did not know whether or not he was Ambassador to NATO.

The reason for his remarks were to show that only the United States could assume the leadership of the Free World and that if it did not maintain this leadership, then that is the end.

The Chancellor then spoke of news which he had received the previous day (Sept. 9) according to which a subcommittee of the American Senate for Disarmament had heard 75 individuals, the majority of whom expressed the opinion that the armament of the Federal Republic increased tension and would make an international agreement on disarmament difficult. This appears in an interim report of the Committee which was published in Washington on the weekend. All the persons who appeared before the Committee favored a cessation of experiments with atomic and hydrogen bombs on the basis of an international agreement. The witnesses supported the view of the American Government according to which disarmament should only be accomplished step by step, but at the same time they recommended that the United States should pursue a unilateral policy of disarmament in case an international disarmament agreement could not be reached in the near future.

As a third point, the Chancellor named the differences of opinion concerning the Suez which exist between the United States, England and France. If the three aforementioned facts are considered together, it is not too much to say that it is all over with NATO. This is a serious situation and the Soviet Union is thereby rendered the best possible service. The report on the reduction of armed forces is completely destroying Adenauer's policy.

He sees as the reason for these events the fact that American politicians and also numerous members of the American Government are not able to comprehend what a dictator, a dictatorial regime, and especially a communistic regime mean. In America, the belief appears to prevail that if one treats another person decently the other person must for his part also conduct himself decently. Germans have had experience with dictatorship and know that meeting a person half way is always regarded as a sign of weakness. For this reason, the

danger is so great and the entire work which the United States has in the past, thank God, accomplished, threatens to be destroyed.

If the Mollet Government should fall, the only alternatives would be a dictatorship or a popular front. Mollet is an excellent man and Adenauer himself does not know what would become of France if Mollet should fall. Such a development would then extend to Italy where the Nenni- and Saragat-Socialists are already close together. If Mollet should fall, Eden would also fall at the same time.

Under these conditions, it is impossible for him to succeed in introducing a period of military service of 18 months; and if the Federal Republic does not introduce this, all other NATO States would eliminate their 18-month period of service. The only way out which he sees is to introduce a 12-month period of service for certain branches of the armed forces and an 18-month period for others. He could perhaps also say that he must discuss the question again with experts in the Defense Ministry, but the planning now is for a 12-month period of service coupled with two or three month periods of training in succeeding years.

Mr. Quarles then responded to the remarks of the Chancellor and referred to the report of the Senate Committee which he had not seen. He pointed out that there are many people in the American Government with very different views, that this is an election year, and that the opposition party constitutes a majority of the Senate. Regrettable though it is, it is necessary to take into account that the Senate will express views which are not in accord with the Government.

Mr. Quarles assured the Chancellor that President Eisenhower, the Secretary of State, and the Secretary of Defense do not share the views presented in this report. He is certain that everyone who occupies a responsible political position would accept the validity of the statements by the Chancellor concerning the seriousness of the situation, the unreliability of a dictatorship, and the necessity to remain firm. The United States is determined to remain firm. This determination is given its expression in its military progress and in the defense budget, which are constantly becoming greater. In this regard, the United States is motivated by the desire to strengthen its own position and, at the same time, to help its Allies strengthen their positions. Mr. Quarles further assured the Chancellor that both political parties support these efforts. With regard to the defense budget, there had been differences of opinion, but the budget for the fiscal year beginning July 1 was greater than that for the previous year and, although the budget for the following year has not yet been fixed, he is of the firm belief that this will be larger than the present one.

The United States now finds itself in the midst of a revolution of its military structure which is based on the development of atomic weapons. In this connection, the Army, Navy and Air Force are affected. As a result of the development of these weapons, through the great increase in strength, speed and cruising range of modern planes as well as the application of the most modern electrical equipment for the use and control of these planes, the fire power and striking power of the individual soldier has been substantially increased. With the further development of fire power, consideration is being given to an appropriate reduction in the strength of the personnel.

The Chancellor again referred to the interim report of the Senate Committee to which the American Ambassador replied this involved personal views of the witnesses, who are not experts.

Mr. Quarles then mentioned two fundamental principles of the American defense position. In the first place, it is a matter of keeping the border of the Free World strong enough so that a Soviet or communistic aggression would have to be massive enough in order to overcome the power of the Free World which has been built up on its border. However, if a Soviet aggression were so massive, then the intention underlying this would be clear, and if it were clearly established that the Soviet Union planned to undertake such a massive aggression, then the United States is determined to respond to this wherever necessary with all of the strength at its disposal. It is therefore a question of maintaining the periphery strong enough in order that the intention of the opponent will be revealed in case of an attack.

The second principle is that one must have sufficient retaliatory power so that any aggression would a priori constitute a risk for the opponent. He believed that if the Free World stands firm on the periphery and if it maintains the possibility of waging a massive retaliatory blow against the Soviet Union once its intention to begin a massive aggression has become known, then this serves as a deterrent which will keep the Russians from even thinking about aggression. Of course, it is known that the Soviets are attempting to expand their sphere of influence through subversive activity, infiltration and economic warfare. He believed, however, that the United States together with the Federal Republic and all of its other Allies is strong enough and that the system of the Free World is good enough to counter this danger. If the Russians can be prevented from resorting to massive aggression, then in his opinion it would also prove possible to protect the system of the Free World against the evil system of communism.

The Chancellor responded to Mr. Quarles' remarks as follows: To be sure, nuclear weapons and deterrents must be placed in the hands of the Army. It is also correct to say that the fire power of the

individual soldier is much greater than before. If it should ever be possible to fire nuclear shells from conventional cannons, then it would be possible to think of a reduction in the armed forces. But this should not be suggested until the situation has progressed so far, that is, before nuclear munitions are developed to such an extent that they could, for example, be fired from conventional cannons and their effectiveness reduced to a smaller radius. The article which appeared in the *New York Times* concerning the reduction of the American armed forces by 800,000 men would mean that all bases outside the United States would have to be given up.

The Soviet Union is living on the hope of disunity in the West. Therefore, everything must be avoided which nourishes this hope. The Chancellor recalled his conversations with Bulganin and Khrushchev, in which the question of whether the West could stick together played a decisive role. Khrushchev openly admitted that because of armament, social burdens have become so pressing that they wish to reduce their armaments. Now, for example, if the proposal is made that the United States disarm unilaterally, the position of the Russians in power would thereby be strengthened although great dissatisfaction exists in their own land. The Chancellor saw only one possibility, namely, that the Russians must not be given a respite.

In so far as the development of pilotless aircraft, nuclear weapons and guided missiles is concerned, the Soviet Union will also one day reach a point when it will be able to project such missiles onto the United States. A dictator is always more ready to use such a method without a declaration of war than a democratic statesman. The Soviet Union would therefore have an advantage over the United States because it could utilize such weapons suddenly. Hitler, for example, did not recognize the concept of law and international law. He had no conscience, and the only thing which counted for him was power. Therefore, the Chancellor saw in the present development a serious danger for the United States.

Mr. Quarles informed the Chancellor that the United States is already able to use atomic shells of the type which the Chancellor mentioned. This is particularly true for the Army and the Air Force. Such weapons could be utilized by tactical aircraft or with rockets or could be fired from conventional cannons. Weapons of this kind exist in various sizes so that their usage can be adapted to the appropriate target in a particular theater of action. These weapons are now ready for use. It is practically a question of advanced conventional weapons.

In so far as the reduction of forces by 800,000 men is concerned, stated Mr. Quarles, this was a matter of a staff proposal which was prepared for discussion by the Joint Chiefs of Staff. This plan had neither the approval of the Chairman of the Joint Chiefs of Staff,

Admiral Radford, nor had it been officially presented to the Government. In working out the draft paper, the question under study was an examination of how the strength of the forces could be adjusted to the constantly increasing costs which arise from equipping the individual soldier with the newest weapons. In view of the increased costs and the accompanying increase in striking power, one could not maintain the same number of soldiers under arms. It was therefore a question of establishing a balance between these two factors, whereby Mr. Quarles explicitly pointed out that there is a tendency toward a constant increase in the total expenditures for military purposes.

Mr. Quarles believed that the Russians are genuinely interested in disarmament and reduction of costs since they are spending a greater portion of their national income for armament than the United States, and this must constitute a substantial burden. Everything that the Russians had done thus far in the field of disarmament, nevertheless, is of little value with regard to modern weapon technique and he doubted the sincerity of their intentions. He is convinced that the strength of the Free World depends upon its solidarity and he attached particular importance to a continuation of this solidarity with the Federal Republic.

The Chancellor replied that the fact must be taken into account that some day the Russians will also be in a position to deliver modern weapons on the U.S. They are already in such a position. In the event that the Russians undertake a major aggression, it is believed that they would begin with a massive air attack on the U.S. in order to destroy the centers of American striking power in their own land. It is not expected, for example, that the Soviets would set their land forces into motion in the direction of the Rhine because they would thereby betray their aggressive intentions toward America and would thereby renounce the possibility of a surprise attack on the United States.

The Chancellor believed that in the light of the present-day strategic situation, the statements of the Standing Group do not have too great significance.

The Chancellor observed that this statement had not failed to make an impression and that NATO had thereby been weakened. One could even say that NATO would then be superfluous.

Mr. Quarles interjected that the view expressed in this statement was not in accord with the thinking of the Defense Ministry in Washington since in its opinion it is not reasonable.

The Chancellor continued that if one said that the Soviet Union would not undertake a local aggression because it feared retaliatory blows, then the question arises why German forces should be raised. Furthermore, account must be taken of the fact that such local aggression could be started not only by the Russians but also by satel-

lite states. The United States would also think over the situation several times before it determined to utilize its entire atomic force.

Mr. Quarles again referred to the two basic principles of the American defense position. Strength on the periphery can only be created when the German armed forces are strong enough to oppose attacks by guerrilla forces of the East Zone. It is necessary to make a distinction between guerrilla activity and a massive Soviet aggression. Strong German forces are indispensable if one is to oppose all aggressions which are less than a massive attack of the entire East Bloc.

The Chancellor observed that in such a major conflict the first hour would be decisive and he feared, for the previously mentioned reasons, that the Soviets would have the advantage.

Mr. Quarles disagreed with this. The Americans, in their planning, are prepared to grant the Soviets the advantage of the first blow since they believe they have achieved such a strong position that it would be possible to wage a decisive retaliatory blow, despite a surprise attack, which would make any massive Russian aggression a risk. Therefore, not the first day but the first week is decisive.

The conversation ended at 1:25 p.m.

Weber³

³Printed from a copy that bears this typed signature.

73. Telegram From the Embassy in Germany to the Department of State¹

Bonn, September 28, 1956—7 p.m.

1223. For the Secretary. Ref: Deptel 876 Sept 28.² Senator George saw Chancellor at 11 o'clock today. Conversation approximately 50 minutes. Ambassador Conant being sick in bed, Senator was accompanied by Minister Trimble, O'Shaughnessy, Kerry. After an exchange of courtesies and Chancellor's expression of his good wishes to President in sustaining the burden of the coming weeks, Senator George stated that he came to give the Chancellor direct assurance and transmit to him message President wished him to have. Considered it natural in view reports emanating from some officials

¹Source: Eisenhower Library, Whitman File. Secret; Niact; Limited Distribution. The source text bears Eisenhower's initials indicating that he saw it.

²Telegram 876 requested a summary of Senator George's meeting with the Chancellor. (Department of State, Central Files, 120.1540/9-2756)

in Washington that Chancellor regarded situation as disturbing. Wished to reassure him and give him complete assurance of the President that the Executive branch has no intention of withdrawing or reducing our forces in Germany or Western Europe so long as the presence is agreeable to the Germans and to the rest of the NATO group. The Chancellor thanked him for the statement and emphasized it would be most helpful to him if there could be a press release. He said it was not so much he himself who was disturbed by the issue but public opinion. Europe after the wars, [because of?] Germany's Nazi experience, etc., was spiritually unstable. Public opinion must be carefully handled. He wished to give an example of the instability of public opinion. His party had an absolute majority. In July his party had supported 18 months as length military service. As result press reports from the United States everybody is now for 12 months. His military advisers assured him that the striking power of force built on a 12 months compulsory service would be as great or greater than the force contemplated at 18 months service. The Cabinet yesterday approved 12 months service but it had made an adjustment in a percentage of volunteers and draftees composing the forces in such a way that the force would remain as strong as previously contemplated. His military advisers actually preferred the 12 months service with the adjustment in a percentage of volunteers serving for longer period but he wished to use this as an example of the spiritual instability. He referred again to the fact that in July all but 3 members of his party had favored 18 months.

Senator George stated that there might be a streamlining or screening of our forces but that there would not be a reduction in force. The streamlining or screening might lead to an additional division. He wished to assure the Chancellor of our strong belief in NATO as a military screen behind which the free world could breathe. Germany was the great windward anchor of the alliance. We regretted as the Germans did the fact that the French had to be drawn off into Algiers and the Suez now created a problem with respect to the British forces. Immediate impression was bad but in the long run effect on NATO might be solidity. He knew and could speak of the basic feeling of the Senate and was convinced of the basic underlying intention to strengthen NATO. The military strength was the first essential of the alliance but we were hoping to improve NATO in political and economic consultation and by finding some means of eliminating disputes.

This was the message he particularly wished to bring to the Chancellor.

Chancellor said he was happy for the statement and thanked the Senator. There was a certain erroneous impression abroad in NATO which arose in the following manner: The United States NATO Am-

bassador was often without instructions and this created the impression of diminishing interest on the part of the United States in NATO which had its influence on other governments. Chancellor did not wish to be critical but to state the facts. The U.S. Government in Washington did not adequately inform and instruct its NATO Ambassador. He was pleased that the Senator had been appointed to his position as he could not be bypassed whether in Washington or Paris.³ Senator George stated he understood and appreciated the fact that Washington's coordination was sometimes loose with its very capable and able Ambassador in NATO. (As this was translated to the Chancellor he broke in to say that he wanted to emphasize that he was not critical of Ambassador Perkins, that if Perkins didn't have instruction he couldn't act as though he did.) Senator George continued looseness of coordination was not a real indication of any lack of interest.

Chancellor stated there was an absolute necessity for closer and better coordination.

Senator continued that he would not want to say anything to the press unless the Chancellor approved. He would not want to make any statement which could be misunderstood and he would wish to discuss it with the Ambassador first.

Chancellor said such a statement would be very favorable for his policies.

After a further exchange of courtesies the Senator took leave of the Chancellor.

The Embassy believes that failure for the Senator to make any statement would result in the Chancellor leaking something much stronger.

Accordingly, Senator and Ambassador have agreed to following statement which has been cleared by Eckhardt and released.

Verbatim text.

"In the course of a long and friendly conversation with Chancellor Adenauer, I was able to reiterate to him the interest of my government in doing everything possible to strengthen the Atlantic Alliance and to expand the scope of its functions in the maintenance of peace, not only in the military field but also through closer consultation and cooperation in other areas of common interest. With regard to the military strength of NATO, I assured the Chancellor that the U.S. Government had no intention of taking any action which would weaken its defensive capabilities."

End text.

Conant

³Senator George, Chairman of the Senate Foreign Relations Committee, was designated by the President to attend the NATO meetings in Paris. George also visited the Federal Republic of Germany and Italy before returning to the United States.

74. Memorandum of Conversations, Department of State, Washington, September 29, 1956¹

SUBJECT

German Contribution to European Defense

PARTICIPANTS

The Secretary
Ambassador Krekeler, German Embassy
Deputy Under Secretary Robert Murphy

Ambassador Krekeler called on Mr. Murphy at 10:30 a.m. for a discussion regarding Mr. Murphy's forthcoming visit to Germany.² The Ambassador said he was glad of this opportunity because he had just received instructions from his government to explain the German position regarding the reported decision by the German Government to support a 12 month period of military service in lieu of 18 months. There was some discussion regarding Chancellor Adenauer's reaction to the spate of newspaper stories which began in June concerning the so-called "Radford Plan". Ambassador Krekeler referred to Chancellor Adenauer's conversation with the Secretary in June³ at which time no intimation was given to the Chancellor of an impending reduction of American military forces. The Ambassador stated that the unexpected batch of sensational press stories on this subject came at a most inopportune moment because of the internal German political situation and that the Chancellor felt it necessary to protect his position because had he not acted on the question of German military service, his entire position might have been undermined. The Ambassador said in strictest confidence that he wanted the Secretary to know that the Chancellor was having difficulties within his own party, especially the Bavarian element. Mr. Murphy told the Ambassador that he appreciated the Chancellor's difficulties but what he found regrettable was that in special references to the matter the Chancellor had found it necessary to depend on newspaper reports. This might create the impression that German-American relations were not as close and friendly on a Governmental plane as they should be. The Ambassador said he appreciated this point and suggested that Mr. Murphy talk quite frankly about it to the Chancellor when he saw him in Bonn.

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Drafted by Murphy on October 8.

²On September 25, the Department of State announced that Murphy would represent the United States at the ceremonies opening the new Conference Hall in Berlin on October 3. For text of the announcement, see Department of State *Bulletin*, October 8, 1956, pp. 550-551. For text of Murphy's address and messages from Eisenhower, Dulles, and Conant presented at the opening, see *ibid.*, October 29, 1956, pp. 668-671.

³See Document 55.

The Ambassador said that he would like to personally explain to the Secretary the advice he had received from his Government concerning its decision to apply a 12 month rule to military service. Mr. Murphy said that the Secretary was not in the building at the moment and he thought perhaps he was engaged for the balance of the morning in meetings at his residence. The Ambassador said Mrs. Eleanor Dulles had assured him the Secretary would be available. The Secretary received the Ambassador at his residence at 12:30 p.m.

The Ambassador briefly outlined the reasons leading to the German decision to apply a 12 month rule to military service. He said that he hoped that this action would be understood in its proper light in the United States. The Secretary expressed appreciation for the Ambassador's explanation.

75. Memorandum of a Conversation Between the Secretary of State and the German Ambassador (Krekeler), Department of State, Washington, October 16, 1956¹

SUBJECT

Possible Consideration by UN General Assembly of German Reunification

Under instructions Mr. Krekeler presented the attached aide-mémoire;² he solicited the Secretary's comments and support, should he approve. The Ambassador mentioned that wording of point (a) referring to the "failure of the occupying powers to fulfill their legal obligations to restore Germany's unity" was unfortunate and of course was meant to refer to the USSR only.

The Secretary said the general idea in the proposal was good but the details might lead to difficulties. He recalled that the Austrian question had been referred to the UN and although the successful outcome could not be traced to the UN, action by the General Assembly was nevertheless useful in keeping the question to the forefront. However, Austria was less complicated than Germany and the composition of the General Assembly is now less dependable from our standpoint. The Secretary said it would be necessary to go through the membership list to see whether a two-thirds majority favorable to our ideas could be counted upon. He also had in mind the

¹Source: Department of State, Central Files, 762.00/10-1656. Confidential. Drafted by Beam.

²Not printed; it expressed the hope that the U.N. General Assembly would adopt a resolution urging the termination of the present situation in Germany in order to facilitate German reunification "in freedom".

situation in Committees of the Assembly where mischievous amendments might be carried by majority vote; a two-thirds majority in the Assembly itself was required for adoption of a resolution.

Respecting the sponsoring countries proposed in the aide-mémoire, the Secretary said India with its neutralist ideas would probably not be helpful, despite the point made by Mr. Krekeler that Nehru had gained experience during his visit in Bonn.³ The Secretary advised lining up countries in free world security organizations, with an Asian country, either Thailand or Pakistan, adding perhaps Austria.

The Secretary emphasized the importance of working out details, reiterating the risk of amendments. Germany and the Western countries must be able to count on majorities in Committee to defeat such amendments, also the Chairman of the Committee would be important. Presumably the question would go to either Committee I or the Ad Hoc Committee of the Assembly.

The Secretary said he was quite prepared to consider the German proposal sympathetically but we should be sure that we would be able to come out with a desirable result. He did not wish to give a definite opinion now but said we would study the problem.

The Secretary and the Ambassador speculated on some of the countries who would be favorable, including the following: a majority of the American Republics; presumably most of NATO; 5 or 6 Asian countries; the total amounting to about 40 votes. The Baghdad Pact countries might also be added. Out of the total UN membership of 76, about 52 favorable votes would be needed. However, there would be many marginal countries and some of them would be unpredictable.

Mr. Krekeler agreed that hard calculation was needed and he looked to the Secretary for advice because of his experience in the UN. He promised to report the Secretary's views to the German Government.

The Secretary indicated that the Department would be glad to go over the question further after the German Embassy has heard from Bonn.

³Nehru visited Bonn July 13-16 for discussions with West German officials.

76. Telegram From the Embassy in Germany to the Department of State¹

Bonn, October 16, 1956—5 p.m.

1456. Eyes only for Secretary of State from Ambassador Conant. In response Department telegram 1024 October 12² signed Hoover, my appraisal Paris telegram 1711 repeated Bonn 83³ is as follows: Chancellor Adenauer undoubtedly believes he has grounds for serious grievance against U.S. and the Secretary of State personally. That he has justifiable grounds for such a grievance is widely shared by politicians all parties in Germany and was first aired during week July 16. Following editorial appearing *Neue Zuercher Zeitung* (usually highly favorable U.S. position) and reprinted *Die Welt* Saturday, July 21, sums up widespread reaction at that time.

"The change in American strategic thinking—a change which is due to election politics—has caused deep concern in Bonn. For months the West German politicians have been emphatically told by the highest authorities of NATO and by traveling military men from beyond the Atlantic Ocean that twelve German divisions are absolutely necessary and essential for the defense of Germany and of Europe; well-founded arguments, considerable evidence were offered for these claims. The Federal Government passed a conscription law to carry out its promise and to fulfill its defense obligations. The last echo of the bitter Parliamentary fight concerning this conscription law has hardly died out and the ink is hardly dry on the agreement concerning the support costs for allied troops, which Bonn conceded voluntarily, without any legal obligation. Now we hear from Washington a message from the military men, which was seconded by Secretary of State Dulles, that these twelve divisions will probably not be needed and that American troops are to be reduced in numbers. At the same time, it is reported that London is considering reducing troops stationed in the Federal Republic.

"The man who based his policy to such a high degree on the assurance and the loyalty of his Western partners must today have the painful feeling of having been disavowed. When one considers this policy, it is difficult, at the present moment, to keep from writing a bitter satire about the coordination of Western policy."

Whether or not Chancellor justified in nursing this grievance, he has been undoubtedly airing the grievance publicly to a large extent in order to counteract anticipated criticism from U.S. and other NATO sources concerning his decision to institute 12 instead of 18-

¹Source: Department of State, Central Files, 740.5/10-1656. Secret; Priority. A copy of this telegram at the Eisenhower Library bears the President's initials, indicating that he saw it.

²Not printed. (*Ibid.*, 740.5/10-1256)

³This telegram reported that Adenauer was still not convinced that the United States was being frank with him, particularly about the existence of a "Radford Plan" for reducing military commitments to Germany. (*Ibid.*, 611.51/10-1156)

month draft. You will recall your conversation with Brentano in Paris in April [*May*],⁴ concerning disastrous consequences for NATO if Germans instituted only 12-month draft. Political situation here in Germany has made it extremely difficult Chancellor to put through 18-month proposal and undoubtedly news and discussions in newspapers July 16 to July 25 increased his difficulties. As explained to you in my personal letter in July,⁵ the case for 12 division German army has been based largely on Gruenther's testimony that only with 12 plus present British, American, and French strength on continent could forward position be held. Therefore, what appeared to be reversal in this position on part of U.S., and was certainly an official doubt raised by British on or about July 20 by document read to NATO meeting, has been serious blow to Chancellor's public position on defense matters. Reshuffle of his cabinet today with Strauss replacing Blank may well mean further delays German draft which in turn will bring forth further criticisms from U.S. and NATO partners. Chancellor and his friends will be inclined to blame U.S. still further for alleged change in strategic planning and failure to notify him at time of his visit to Washington last June.

Unless and until some of basic problems of strength and nature ground forces required in Europe can be discussed and settled in NATO, believe the U.S. and Federal Republic on uncertain basis in regard to cooperation in future development German army. Therefore, I hope U.S. will take the lead in fundamental discussions NATO on size and armament ground forces in Europe for the foreseeable future and relation the task of those forces to mission of SAC. Until situation clarifies here after Strauss takes over Blank's position, would advise against any further communications to the Chancellor about misunderstanding last July on German defense efforts. Chancellor has already received a personal communication from Senator George which should have resolved his doubts.⁶

I shall be seeing Chancellor next week in connection with EUR-ATOM⁷ and questions arising from Under Secretary Murphy's discussion, and may have opportunity to learn further of Chancellor's reaction on all these matters without opening subject myself.

Conant

⁴See Document 51.

⁵Document 63.

⁶See Document 73.

⁷Regarding Conant's conversation with Adenauer on October 29, see vol. iv, pp. 480–481.

77. **Memorandum From the Deputy Assistant Secretary of State for European Affairs (Beam) to the Secretary of State¹**

Washington, October 20, 1956.

SUBJECT

German Military Buildup

The replacement of Blank by Strauss as German Defense Minister has precipitated widespread speculation that the German Government may revise its plans for providing a defense force of 500,000 men in the form and on the schedule submitted to NATO in the 1955 Annual Review. This schedule envisaged a three-year buildup for the Army, and four years for the Navy and Air Force, beginning in 1956.

Our Embassy at Bonn was assured by Dr. Krone, CDU leader in the Bundestag, that the CDU is determined to abide by its commitment to raise 500,000 men. Other statements have been reported, attributed to the Chancellor and his immediate staff, which deny that a change in government policy in this regard has taken place.

The German 1956 Annual Review submission, however, disclosed financial plans which envisaged a slippage in equipment deliveries for the German buildup of one to two years. We have recently been informed that the German Government will shortly amend its submission to revise downward the interim manpower targets to approximately 80,000 instead of 96,000 by the end of 1956 and to between 175,000 and 200,000 instead of 270,000 by the end of 1957. This has been attributed to a shortage of accommodations.

Apart from the slippage in time which seems almost certain, there remains a question as to whether the Germans will in fact create forces of the order of magnitude envisaged by their present force goals. While the German Government continues to maintain formally its position that the buildup will be achieved, the fact that the initial increment of the buildup is limited to only part of the 12 division total means that they are not, by reason of expenditures, as yet committed in fact to the full buildup.

The recent spate of newspaper speculation arising out of the Strauss appointment reveals the extent of the sentiment against achievement of the German force goals which exists in Germany. Not only is there little enthusiasm for creating a military force, but a definite hostility to the idea by some segments of public opinion.

¹Source: Department of State, Central Files, 762A.5/10-2056. Secret. Drafted by Reinstein, Lisle, and Margolies and concurred in by Timmons and Murphy. A copy was sent to MacArthur and a handwritten notation on the source text reads: "Sec saw."

The factors militating against a full German buildup can be summarized as follows: (1) disillusionment over Germany's experience during the war; (2) lack of belief in an immediate Soviet threat, coupled with a fear that the creation of German forces and German membership in NATO constitute a bar to reunification; (3) questions as to whether the forces projected for the German buildup, which are the same as those envisaged in 1951, are really necessary in the light of the development of new weapons; (4) concern that the cost of the projected forces will impair the ability of the Federal Republic to carry out necessary social welfare programs; (5) difficulty of initiating a substantial draft during an election year.

The Strauss appointment of itself does not provide an answer to the question. In general, we must expect as a result of the atmosphere of an election year and of the attitude of Strauss, a more national-minded approach to German defense planning. Strauss is less wedded to the idea of adherence to NATO schedules than was Blank, which may result in additional slippage in meeting agreed goals. More important, he apparently is inclined to question the composition and numbers of the German forces under the agreed force goals, advocating emphasis on new weapons, in particular, atomic weapons, and apparently leaning to 300,000 rather than 500,000 men. He may be expected to be more independent of the Chancellor than Blank was in the conduct of his Ministry, as he was in atomic affairs and also probably more effective. However, it is probably too early to forecast how his views will develop once he has fully assumed the responsibilities of his new office. It is reported that the Chancellor has received Strauss' written assurance that he will carry out the Chancellor's policy of a 500,000 man army. The next six months may disclose the trend of German planning from statements which they may make to NATO, from the pattern of their equipment purchases, and from the way in which they handle the training of men brought into the forces.

The form of the German defense contribution is of primary importance to the future course of NATO and to the defensive posture of the Western Powers; but it is clear that in Germany this question is increasingly becoming involved with domestic political issues. Even though the election will not be held until September 1957, the campaign is already under way and is dominating all other considerations. We have been active in urging the German Government to fulfill its original buildup plans and we should continue to exert our influence in NATO and elsewhere as appropriate to this end.

The political situation in Germany requires that our pressures be applied with appropriate caution and restraint in order to avoid a reaction that might prove counterproductive and to the end that

progress in the defense buildup continues to carry us beyond the difficult period of the election.

78. **Telegram From the Embassy in Germany to the Department of State¹**

Bonn, November 10, 1956—3 p.m.

1826. In conversation with Foreign Minister von Brentano last night he stated that in his opinion a treaty on EURATOM might be signed by Christmas and the 6 nations involved would then be in a position to ask the United States for the favorable arrangements about which we had spoken in the past. This prophecy was by no means a certainty, however, the connection between EURATOM and the Common Market might not be as firm as hitherto envisaged.

As to the present international situation the Foreign Minister was pessimistic and rather alarmed. There was powder lying around in many spots and sparks flying which could start a blaze anywhere. He believed the Russian note to British and French² was a real threat and not a propaganda trick though he admitted it was possible that the Soviets were gambling on British and French decision to cease fire and wished to get credit for forcing this decision. Foreign Minister believes struggle for power is in process in Kremlin and if one man emerges victor he will be inclined to take dangerous steps in foreign policy, in part to offset obvious difficulties in satellites.

Discussing the impact of the grave situation on Germany, the Foreign Minister emphasized that the population was very disturbed and to some degree alarmed. He agreed the fact that the Soviets were now threatening would assist the passage of legislation necessary for rearmament. But said no acceleration of tempo beyond that stated by Strauss was possible without concurrence of opposition (SPD). This was unlikely. Also any attempt to emphasize to the population dangers of present situation might well cause a panic. There were signs of such an incipient panic already. The government must be careful, otherwise a wave of buying might start, food stocks be affected and even a panicky evacuation of cities might begin. Therefore, though the new developments might to some degree accelerate buildup, there

¹Source: Department of State, Central Files, 762A.00/11-1065. Secret; Priority. Repeated to Paris and London.

²For text of the Soviet note, dated November 4, see *Documents (R.I.I.A.)* for 1956, pp. 280-281.

could be no talk of an emergency requiring drastic reappraisal rearmament plans.

Conant

79. Telegram From the Embassy in Germany to the Department of State¹

Bonn, November 16, 1956—7 p.m.

1887. I accompanied Senator Green on his call on Chancellor Adenauer today. Chancellor expressed himself very forcefully about present international situation, future of NATO, and forthcoming Parliamentary conference on NATO which Senator is attending.² Chancellor said recent events had caused such a split in NATO that he felt Parliamentary conference about to be held in Paris was without point and could do no good. Later in conversation he made it clear reason for this view is Chancellor's belief that for a period of time situation in Near East is so critical and sensitive that US can not take lead which it should in reconstructing NATO, for to do so at this moment would be to give Russians an opportunity of claiming NATO was being strengthened as an instrument directed against the Soviet Union. However, Chancellor believes in a few months US must take leading role in reconstruction of NATO. He emphasized again his belief NATO must have strong political and unified basis for its military plans.

In presenting this point of view Chancellor went into history of past few months at some length. He was highly critical of US in regard to our policy in Near East and, while not defending recent action of British and French in Egypt, stated in his opinion US Government had failed understand British position in Near East and French position in Algeria. He stated Algeria was not a colony but an integral part of France and he was very worried lest in defense of this part of France the French would go under. He went into some detail of his analysis of events leading up to Nasser's seizure of canal and was critical of US policy both in regard to Aswan Dam and subsequent proposals about Suez Canal. Since I was not in command of all pertinent facts I did not feel I would interrupt and challenge his very critical analysis of US policy in Near East.

¹Source: Department of State, Central Files, 740.5/11-1656. Secret; Priority.

²The second conference of NATO parliamentarians was held at Paris November 19-23.

Chancellor was also critical of our attitude in NATO. He repeated what he has said on previous occasions, namely, that he has been told by his NATO Amb Blankenhorn that US Amb to NATO has more than once been without instructions when important issues were on agenda. Chancellor said if US representative in NATO Council has no instructions there is no US leadership; without strong US leadership NATO can not be made strong as it should be.

Chancellor further added that US had failed to appreciate extent to which Soviets had turned their strategy towards building up strength in Near East and Egypt in particular, referring to amount of arms and equipment which French and British reported they found in Egypt. He was further critical of both US and Great Britain for their readiness to believe during last year of so that there had been a real change in attitude of Soviet leaders. Events in Hungary,³ Chancellor said, were evidence enough that US and British had been deceived.

In conclusion, just as we were leaving, Chancellor spoke strongly about what he said was basic error of US foreign policy, namely, a shift last summer from US previous attempt to have controlled nuclear disarmament to policy based on assumption that US would be no. 1 in nuclear atomic military power, Soviet Union no. 2, and thereby the peace of world would be secure. This was an unrealistic position, Chancellor said, and the root of present difficulties.

At this point I ventured to interrupt and challenged Chancellor's statement that US had altered its policy in any such way as he had indicated. We had a rather vigorous exchange of views on this subject. I asked whether he wanted to have the US no. 2 in atomic superiority rather than no. 1. He said of course not but change of policy which had taken place meant we were no longer concerned with attempts to have atomic disarmament. I pointed out difficulties over the years in this field. He replied that the difficulties were not so great as to cause us to abandon our attempts. I denied that we had abandoned our attempts, to which Chancellor answered by saying our new policy of giving up conventional weapons made it impossible for us to consider atomic disarmament. Here again I challenged him as to his interpretation of our policy; he merely referred to an alleged statement of Standing Group and conversation came to an end as we were on point of leaving.

Senator Green's responses to Chancellor's remarks in general were simply to agree that NATO should be strengthened. He made few comments in regard to substantive points Chancellor raised.

³Regarding the Hungarian uprising and the Soviet military intervention in November 1956, see volume xxv.

In connection with Chancellor's critical attitude toward American foreign policy in Egyptian affair, I might point out that I have never had any instructions on basis of which I could attempt to present US side of case to Chancellor. It seems to me quite clear that British and particularly French sources had been quite active in presenting their side of argument. It further is clear Chancellor is confused about our military policy and the whole atomic military picture and its relation to US foreign policy. If I may venture the comment, it is my belief that it is Chancellor who is unrealistic and this is due to his fundamental lack of knowledge of realities of atomic age in which we live. I should welcome a directive from Washington which would enable me to present this whole picture in greater detail to Chancellor.

Conant

80. Message From the Supreme Commander, Allied Forces, Europe (Gruenther) to the President's Staff Secretary (Goodpaster)¹

Paris, November 19, 1956.

Eyes only for Colonel Goodpaster from General Gruenther. Please inform the President that Ambassador Blankenhorn came to see me this morning. He spoke from handwritten notes and this was the substance of his conversation:

"Since you are about to return to the United States, the Chancellor would like to have you deliver an oral message from him to the President. In the first place, he is most appreciative of the recent actions which President Eisenhower has taken to restore unity to the West. It is as important to restore this unity among the Three as it is among the Fifteen.

"As he sees the situation now, the big problem we have facing us is to improve our methods of political consultation. If we had achieved greater progress in that direction some time ago, it is doubtful if the Suez crisis would have happened. The Middle East problem is now one of our great difficulties, and we must solve it. The Chancellor is willing to help the President in every possible way.

"With respect to the details for improving political consultation, the Chancellor hopes to have a specific proposal ready to make at the

¹Source: Eisenhower Library, Whitman File, International Series. Secret; Not Releasable to Foreign Nationals; Eyes Only. The source text is presumably a copy of a telegram sent through Department of the Army channels.

December Ministerial meeting in Paris. (Blankenhorn added here, "I think it is the Chancellor's intention to have Ambassador Krekeler submit this proposal in advance to Washington if he can get it ready in time.")

"The United Nations Forces should not leave the Middle East until a final settlement has been made of the Israeli-Arab problem. Otherwise the Soviets will be able to make great progress in that area.

"The Chancellor feels that an economic solution must be found for the Middle East—a sort of Colombo plan²—whereby the Middle East countries are made economic partners with the West.

"With respect to the situation in middle Europe it is important that we remain patient and calm, and that we not push things too hard or too fast. This is creating a mild problem for the Chancellor since he must continuously hold 'his own boys' back. It is important that we not try to reach a solution by forceful means.

"Military. The Chancellor wants the President to know of his regret that the Federal Republic has not been able to make better progress militarily. However, the political situation has been such that he has had to move more slowly than he had originally hoped. He now has a good Defense Minister in Strauss. However, he is not so well satisfied with his generals. They have not thus far shown enough imagination and push and pull. The military program is now being carefully re-examined and the Germans hope to have a reasonably effective fighting force by the end of 1957, but not before. The enlisted material is excellent.

"The Chancellor believes that it would have a good effect on the West if the United States Forces in Europe could be reinforced. He realizes that this is a difficult matter for the United States, but he thinks it is desirable, at least for the next one or two years.

"Contact with Washington. The Chancellor feels that it is highly important during this critical period that there be close contact between Bonn and Washington. He would like to go to Washington during the second half of January if the President considers it useful.

"The Chancellor is grateful for what General Gruenther said at his press conference on November 13th. It had a very good effect on German public opinion, which was getting jittery. He regretted that Minister Strauss 'popped off' at the same time, but he does not think that it caused any harm. German public opinion is now considerably calmer over what it was ten days ago.

²The Colombo Plan for Cooperative Economic Development in Southeast Asia, inaugurated by the United Kingdom in 1950, included Ceylon, India, Pakistan, and the British territories of Malaya and Borneo.

“In conclusion: The next few months are going to be difficult, but the situation can be handled if the contacts between the governments remain close. For that reason he would like to go to Washington in the second half of January if the President feels that such a visit would be helpful.”

81. Letter From President Eisenhower to Chancellor Adenauer¹

Washington, November 29, 1956.

DEAR MR. CHANCELLOR: I was very much interested in the views which you recently sent me through General Gruenther.² I agree with you that it is of the greatest importance and urgency that full unity be restored in the Western camp. It is most urgent that we bring to an end the threat of hostilities in the Middle East and move in the direction of an overall settlement in the area. The most immediate problems are to secure the withdrawal of armed forces in accordance with the United Nations resolution, keyed to the entry of the United Nations Emergency Force; implementation of the United Nations injunction against the introduction of new forces and military matériel in the area of conflict; and clearance of the Suez Canal. Beyond this, a basis must be found for solving the fundamental Arab-Israeli conflict and reaching agreement on a future regime for the Suez Canal. I welcome your thoughts on the subject and am certain you will agree with me on the necessity of working through the United Nations to find solutions to these problems.

I agree also that there must be improved understanding regarding political consultation among the NATO Governments. You have no doubt by this time seen the report of the Three Wise Men.³ Although we have not yet had a chance to study this report in detail, it seems to us to provide a sound basis for dealing with this problem. However, methods of consultation are not enough. They must be used. While we must work toward harmonization of policies among the NATO countries, I am sure you will agree that it would be unre-

¹Source: Department of State, Central Files, 611.62A/11-2956. Secret; Presidential Handling. Transmitted to Bonn in telegram 1479, November 29, which is the source text, for immediate delivery to the Chancellor. The next day, the Embassy reported that the letter had been delivered through the Foreign Office at 11 a.m. on that day. (Telegram 2087; *ibid.*, 762.00/11-3056)

²See *supra*.

³The Three Wise Men submitted their report to the North Atlantic Council during its meeting in Paris, December 11–14, 1956; see vol. iv, pp. 137 ff.

alistic to expect that we will be able always to achieve identity of viewpoint with regard to matters outside the NATO area.

Improvement of the economic conditions of the peoples of the Middle East is certainly an essential aspect of the problem of our relations with that area. This problem must be worked out with them on a cooperative basis. However, I doubt whether any general approach can be effectively undertaken until progress has been made toward solving the two basic problems of the Arab-Israeli conflict and of the Suez Canal.

One of our greatest hopes in this direction is the clear and continuing evidence of basic differences in the thinking of some of the Heads of State in the Mideast. Some of these are deeply disturbed over recent developments and have a clear understanding of the dangers inherent in the policies pursued by their more reckless and irresponsible allies.

I appreciate the difficulties which have confronted the Federal Republic in making progress in the buildup of its military forces to which you referred in your message. I hope that the Federal Government will soon be able to give NATO a firm statement of its plans. In our view, the need for the forces which Germany has undertaken to contribute to NATO continues to be as great as ever. I am sure you will agree that the urgency for such a contribution has been made all the more apparent by recent events in Eastern Europe.

While additional forces are needed to provide an effective NATO defense in Europe, it would be difficult to increase the American share. As you are aware, a good portion of our combat-ready ground forces is already stationed in Germany. Furthermore, an increase in our forces at this time would give rise to misunderstanding both here at home and abroad.

I should very much welcome an opportunity to discuss these matters with you and would be glad if you could come to Washington some time in the new year. I will communicate with you again as to when we might arrange to see one another.

Sincerely,

Dwight D. Eisenhower⁴

⁴Telegram 1479 bears this typed signature.

82. Memorandum of a Conversation Between the German Ambassador (Krekeler) and the Acting Secretary of State, Department of State, Washington, November 30, 1956¹

Ambassador Krekeler came in to report to me on the results of his recent trip to Germany.

1. Foreign Minister von Brentano had advised the Ambassador that he would like to come to Washington for informal discussions during the second week of January. He felt that such discussions could be most profitable on both sides. I said that the Department would give the matter every consideration, but that I could not give an offhand answer.

2. The Ambassador believed that it was most important that President Heuss should make a formal visit to the United States during the early spring. He felt that this was especially important in view of the elections which would be coming up later in the year and the necessity of gaining support against neutralist elements which were always a threat in the German situation. The Ambassador thought that a date soon after Easter—about April 20—would be most convenient for his President. I promised that we would look into the matter.

3. The Ambassador said that Chancellor Adenauer was preparing a memorandum for President Eisenhower, stating the views of the German Government on their policies in central Europe and the Middle East.² He believed that this memorandum would be most useful in (a) pulling together the views of the German Government and (b) clarifying a number of points which had so far perhaps been misunderstood on both sides.

4. As a result of the actions of the U.K. and France in the Middle East, the Ambassador said that reaction in Germany had been so violently against those two countries that it was at present impossible to proceed with plans for European integration, common market, EURATOM, etc. He believed that, given a little time, this situation might be rectified but any moves in this direction at present could be counter-productive.

5. The Ambassador said that he would like to make a number of observations in connection with our plans for the coming NATO meeting, and I suggested that he get together with Mr. MacArthur. He agreed to do this early next week.

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Hoover.

²No copy of this memorandum has been found in Department of State files. It was presumably a more formalized version of the Chancellor's message to Eisenhower; see Document 80.

6. With regard to the Hungarian situation, the Ambassador said that he had talked with a number of his friends while in Germany who had accompanied a German Red Cross unit into Budapest during the height of the fighting. The Ambassador reported that these people were qualified military observers and it was their unanimous opinion that the operation of the Russian military units was motivated by military considerations and that they did not seem to be dictated by political considerations.

7. With regard to Egypt, the Ambassador told me that the Chancellor had told him that there should be plans developed for economic aid to the Egyptian people. The Ambassador replied to the Chancellor that any such suggestions by the German Government would have to be accompanied by a willingness on their part to participate in the program. He gathered that the Chancellor would be willing to make such a recommendation. I pointed out to him the importance of coordinating our plans for such aid as it might well be necessary at some period to exert concerted pressure on the Egyptian Government to adopt a reasonable course and that we should not be working at cross-purposes.

8. The German Minister of Defense, according to the Ambassador, wished to concentrate upon the immediate organization of five divisions to be combat-ready by the end of 1957. He anticipated that they would be available on an organized but only partially trained basis by the middle of the year. This decision in no way changed their plans for an ultimate force of twelve divisions. He anticipated that these divisions would have less men but more fire power than had originally been planned.

9. The Ambassador closed the visit with assurance that the Chancellor wished, above all, to have close and harmonious relations with the United States and that his actions would be governed to an overriding extent by such a policy. I thanked the Ambassador and assured him of our great desire to cooperate. I pointed out, however, that our problems undoubtedly would be multiplied by remarks that the Chancellor had made to other people, such as Senator Green, in which he appeared to violently disagree with our policies and had criticized them in no uncertain terms. The Ambassador appeared much embarrassed and assured me that he would do everything to help eliminate the effects of such criticism. I advised him that we would show him the report of the conversation with Senator Green at an early opportunity.

83. Letter From Chancellor Adenauer to President Eisenhower¹

Bonn, December 4, 1956.

MY DEAR MR. PRESIDENT: I am especially grateful that you, although preoccupied right now with so many acute problems, found the time to give such extensive consideration to my worries reported to you by General Gruenther.²

The particularly close interdependence of all European affairs should serve as an explanation for my deep concern, though at a first glance the Federal Republic is not immediately affected by all pending questions. Permit me, my dear Mr. President, to express to you two additional ideas:

After your re-election by such an overwhelming majority, your leadership is more than ever the strong and only hope for the free nations that they will survive in this dangerous period of mankind. Our heartfelt prayers are with you.

Let me make, my dear Mr. President, one other point: The developments of the last months, the brutal actions of the Soviet Union everywhere, with arms and other means confirm my opinion that Europe remains the main target of Soviet policy and aggression. P[ar]e[xample], there are more than 7000 tanks in the Soviet occupied zone pointing towards Germany and Western Europe. If the Soviet Union holds Europe, she will control Asia as well. If her position in Europe will be reduced to natural proportions by restricting her power, she can no longer entertain any hope to gain Asia, too. Therefore, the Soviet Union still strives for the control of Europe, in spite of all deviating maneuvers and all present assurances which she will break at a time she considers opportune. The domination of Europe would give to the Soviet Union the key to the control of the world she strives for.

I hope you will understand, my dear Mr. President, why I have reiterated these ideas and convictions. I do so because I believe that the freedom of the world was never—not even in Hitler's time—so much endangered as in these years.

Very sincerely yours,

Adenauer³

¹Source: Eisenhower Library, Whitman File. Secret. The source text indicates it is a translation. It bears no indication how it was transmitted to Washington.

²President Eisenhower's message to Adenauer is printed as Document 81; for the Chancellor's message to the President, see Document 80.

³Printed from a copy that bears this typed signature.

84. Report Prepared by the Operations Coordinating Board¹

Washington, December 5, 1956.

PROGRESS REPORT ON "UNITED STATES POLICY TOWARD
THE FEDERAL REPUBLIC OF GERMANY" (NSC 160/1)²

(Policy Approved by the President August 13, 1953)

(Period Covered: May 18, 1956 through December 5, 1956)

A. Summary of Operating Progress in Relation to Major NSC Objectives³

1. *OCB Recommendation Regarding Policy Review.* The U.S. policy toward Germany as set forth in NSC 160/1 has been reviewed from the standpoint of operating considerations and in the light of operating experience to date and of anticipated future developments. No review of policy is recommended. The five basic objectives are considered fundamentally valid. Most of the ten courses of action are now out of date, but barring unforeseen events, sufficient guidance is provided by the remaining valid courses of action for the immediate future, at least until the 1957 elections in the Federal Republic. No modifications are required in NSC 160/1 as a result of approval of NSC 5602/1.⁴

2. *Summary Evaluation.* With assistance and encouragement from the United States, the Federal Republic has continued to progress toward the major objectives of close association with the West and collective defense. However, internal support for the Government appears to have diminished, primarily because of dissatisfaction with the general course of developments in the fields of rearmament and reunification. Influenced by the approach of the next Federal elections, tentatively scheduled for September 1957, the Government has made decisions which may adversely affect the speed and effectiveness of the German military build-up.

¹Source: Department of State, OCB Files: Lot 62 D 430, Germany. Top Secret. A cover sheet; a two-page memorandum by the Executive Secretary of the OCB indicating that the report would be considered by the NSC Planning Board; progress reports on the Federal Republic of Germany, East Germany, and Berlin; and a consolidated financial annex are not printed. The December 5 Progress Reports on Berlin and East Germany are printed as Documents 182 and 231.

²For text of NSC 160/1, see *Foreign Relations, 1952-1954*, vol. vii, Part 1, pp. 510-520.

³Latest NIE on West Germany is 23-56, dated April 17, 1956. [Footnote in the source text. NIE 23-56 is printed as Document 48.]

⁴For text of NSC 5602/1, dated March 15, 1956, "Basic National Security Policy," see vol. xix, pp. 242-268.

a. *German Contribution to Western Defense.* The German build-up continues to develop at a deliberate pace, with numerous storm signals pointing to mounting troubles ahead. The recruitment of volunteers has been proceeding on schedule, although lack of accommodations will result in failure to reach the force level of 96,000 originally planned by the end of this year. With regard to equipment, deliveries of American grant-aid material amply cover current requirements and permit the recruiting program to proceed without delay. The Federal Government concluded procedural arrangements with the United States and with European countries which will allow for the purchase of additional military equipment, materials and services, as may be required, and has discussed placing orders in the United States for military equipment in the neighborhood of \$1.3 billion. It has also agreed to carry its share of the cost of the current NATO infrastructure program, which includes important installations in Germany. After a long and difficult negotiation the Germans agreed to contribute to the support of Allied forces in amounts totalling \$347 million (U.S. share—\$154 million) for the year ending May 5, 1957, as compared with \$760 million (U.S. share—\$350 million) for the year ending May 5, 1956. During the period, U.S. established that deliveries of military end-items for the German build-up beyond the Nash Commitment would be made on a reimbursable aid basis.

The basic legislation of the Federal Government in the field of defense was substantially completed with the enactment in July of a conscription law. While an eighteen-month period of service had been urged upon the German Government by NATO as required to assure adequate training for the new German forces, the Federal Government nevertheless decided to seek legislation for a twelve-month period of service. The North Atlantic Council promptly expressed grave concern at this development.

b. *Prevention of Soviet domination over all Germany; reduction of Soviet power in East Germany and communist influence throughout Germany.* See Progress Report on East Germany.

c. *Restoration by peaceful means of a free united Germany.* The unaltered Soviet position, as evidenced by a negative Soviet reply to a German diplomatic initiative which was supported by the United States, has continued to block progress toward this goal.

d. *Promotion of a healthy German economy.* The economy of the Federal Republic has continued to progress to new record production levels. It has thus been unnecessary for the United States to take any direct action to support the economy.

e. *Maintenance of the Western position in Berlin.* The Western position in Berlin has been fully maintained. (See Progress Report on Berlin.)

3. *Progress in Meeting Commitments or Program Schedules.* Good progress has been made toward meeting our commitment to furnish major items of equipment for the first six German divisions and the first 24 air squadrons and 18 naval vessels (the Nash Commitment). Generally speaking, the equipment has been available before it could be used and the problem has been more to store and maintain it in good condition than to deliver it on time, though this difficulty is now near solution. Difficulty continues in the procurement of ships for the

German navy; Congress failed to pass the necessary legislation in the last session to provide for the lease of two American destroyers and two destroyer escorts to the Germans for training purposes.

4. *New Commitments.* An agreement on procedures for the sale by the United States to the Federal Republic of military equipment, materials, and services was signed in Washington on October 8, 1956.⁵

B. Major Operating Problems and Difficulties Facing the U.S.

5. *Defense Contribution.* During the past six months the Federal Government, in endeavoring to implement the German defense contribution, has been confronted with an increasingly adverse public reaction and the impact of a national election campaign already under way. Doubts already existing within Germany as to whether the German military contribution was being properly organized or adapted to the requirements of the actual situation were strengthened by press reports during the summer of alleged American plans to reduce the size of American armed forces in conjunction with greater emphasis on atomic weapons. The probability of a basic re-examination by the Germans of the character of the agreed German defense contribution to NATO was indicated by the replacement of Defense Minister Blank by former Atomic Minister Franz Josef Strauss, a persistent critic of German rearmament plans and an advocate of a relatively small but highly trained armed force equipped with atomic weapons. In consequence it now appears doubtful whether the force goal of 12 divisions previously contemplated under German commitments to NATO will be fully met. It is in any case unlikely that the original build-up schedule will be adhered to. There is even some doubt as to whether measures for conscription, without which it will be impossible to create a 12-division army, will be implemented before the 1957 German elections. The renewed threat of Soviet aggression as evidenced by developments in Hungary and Poland may help, however, to overcome public resistance to the measures necessary to accomplish the German build-up.

The fact that the Federal Government for domestic political reasons did not adopt the recommendations of NATO with regard to the period of service under the conscription law represents a setback in the development of German relations with NATO and points to other possible problems in the future in this area. It is clear that the Government itself has not yet solved the problem of developing a convincing method of presenting to the German public the benefits and responsibilities of NATO membership and the military value to Germany of the German defense contribution. Faced with internal opposition to its military build-up plans, the Germans are likely to

⁵For text, see 7 TIAS (pt. 3) 2787-2802.

tend to shift the blame for delays in the build-up to developments outside Germany.

6. *German Reunification.* The campaign for 1957 elections will highlight increasingly the issue of German reunification, and there will be continuing pressure in the Federal Republic for further activity in this field. Opposition party leaders are increasingly insistent in calling for a solution of the unity question on the basis of non-participation of a united Germany in NATO. Some danger arises from the tendency of West German political leaders to vie with each other in making concessions on the unity issue in the hope of persuading the German electorate that they have a better reunification formula than the Government. Moreover, dissatisfaction with the government's unity formula may grow even within the CDU (Christian Democratic Party).

7. *The Coming German Elections.* A number of factors have contributed to diminishing the popularity of the Adenauer government, including the unpopularity of conscription, the lack of progress towards reunification, a spreading feeling that the Chancellor has outlived his usefulness and the erosion of popularity often affecting a party long in power. It now appears fairly certain that the Christian Democratic Party will not retain an absolute majority of Bundestag seats in the 1957 elections. The most likely government coalitions after the elections are either Christian Democratic–Free Democratic or Christian Democratic–Social Democratic. Either of these groupings, although strongly pro-Western, would tend to be less cooperative with the U.S. than the present government on such questions as German rearmament, relations with the Soviet bloc, and the terms which should be offered the Soviets on German reunification. In the event of the formation of a Social Democratic–Free Democratic coalition, with Adenauer's party completely outside the government, our difficulties would be magnified.

8. *East-West Trade.* Although the Federal Republic has cooperated with U.S. policy with respect to strategic trade control, there are serious pressures in Germany to join with other West European countries in urging the elimination of the China control differential. The United States is urging the German Government to resist these pressures but in the interest of ensuring full German support is at the same time re-examining its own position. A further problem is posed by continuing political pressure from the opposition parties and the Soviet bloc for the conclusion of trade treaties with the bloc and Red China.

During the first half of 1956 German exports to the Soviet bloc amounted to about 5 percent of her total exports. German imports from the Soviet bloc during the same period amounted to about 6 percent of her total imports. Trade with the Soviet bloc, including

Communist China, is tending to increase both absolutely and relatively.

C. Listing of Other Major Developments in the Period

9. *The Saar.* The recent agreement reached between the French and German Saar Governments providing for the re-attachment of the Saar territory to Germany eliminates a major obstacle to closer French-German relations and to the development of European integration.

10. *European Integration.* In a speech at Brussels on September 25, Chancellor Adenauer called for a new and more flexible approach toward European integration. Following the Saar settlement and the Chancellor's speech, prospects for EURATOM and the common market brightened, although progress toward these objectives still faces serious obstacles.

11. *East-West Contacts.* The Bundestag has accepted a Soviet invitation to send a Parliamentary delegation to the Soviet Union although the visit will not take place until next year. Considerable controversy in Germany was caused by the initiative taken by the FDP (Free Democratic Party) to work out with the LDP (Liberal Democratic Party (the East German counterpart of the FDP which has collaborated with the Communist regime)) arrangements for the exchange of speakers at each other's political meetings. This is the most significant West German initiative since 1949 for increased contacts with East German politicians.

12. *Communist Party Ban.* The Federal Constitutional Court declared the German Communist Party illegal. The ban is not expected to have any significant effect, given the weakness of the Communist Party in Germany, apart from the fact that the majority of the 600,000 votes previously given to the Communists could go to the Social Democrats in the coming elections.

13. *EPU Trade Imbalance.* The continued heavy German surpluses in EPU have led to considerable sentiment in other countries for corrective measures by Germany, particularly measures which would permit some degree of inflation in Germany, and some provision of credit to other European countries.

86. Letter From Chancellor Adenauer to Secretary of State Dulles¹

Bonn, December 8, 1956.

MY DEAR MR. DULLES: I feel moved to convey to you some thoughts on the occasion of your participation in the NATO Council meeting.

As you may imagine, I am watching the situation and developments in the Eastern Bloc with the greatest attention since these developments are perhaps of decisive importance for the fate of Europe. My observations and considerations lead me to the following conclusions:

1. Soviet Russia's ruling class continues to be firmly convinced that Communism under Soviet leadership will gain control over the world. This may sound improbable to people of our mentality, but nevertheless it is so. It can be accounted for only if the mentality of the atheistic dictatorship and the faith of the Russians in their mission are taken into consideration. In the past—and this includes me personally—we have had similar experiences in Germany when the National Socialist dictatorship and the doctrine that National Socialism would dominate the world completely, radically changed the thinking of people. I believe that the politicians of all free nations should never lose sight of the fact that the Russians are completely governed by the faith that Communism will rule the world.

2. Soviet Russia—even if she continues her tactics of concentrating her action sometimes on one and sometimes on another spot of the globe—will not reach her aim unless she succeeds in dominating Western Europe, and the Russians are well aware of this. It is a fact that they will never be able to gain world domination with the aid of Asiatic peoples alone. Europe and not Asia holds the key to Russian world domination.

3. To be sure, a world power like the United States will have to pay attention also to the problems arising outside Europe. It is my firm conviction, however, that the fate of humanity and thus of the United States, too, will depend on what becomes of Europe.

4. The Almighty has entrusted the United States with world leadership, thus imposing an obligation concomitant with the power that has accrued to the United States.

I would ask you, therefore, my dear Mr. Secretary, to take into consideration the above ideas when pursuing your policy, notwithstanding the numerous mistakes and omissions of which the European side might rightly be accused.

¹Source: Department of State, Central Files, 740.5/12–1156. Confidential; Limited Distribution. Transmitted in Secto 9 from Paris, December 11, which is the source text, with the following notation: "Brentano handed to Secretary this morning letter from Adenauer dated December 8, translation of which follows. Secretary plans reply to this letter from Paris." Dulles was in Paris attending the North Atlantic Council meeting.

Recent developments in Soviet Russia and in the nations of the Eastern Bloc prove that time is working in favor of the free nations, unless the Russians are given new hope that they will yet succeed in overcoming their difficulties.

Wishing from the bottom of my heart that your stay in Europe may not prejudice your speedy recovery,² I remain, as ever,
Yours,

Adenauer³

²On November 3, Dulles underwent surgery.

³Secto 9 bears this typed signature. In a brief reply, dated December 12, Dulles thanked the Chancellor for his thoughts and stated that his estimate of the situation was similar to the Chancellor's. (Secto 13 from Paris; Department of State, Central Files, 740.5/12-1256)

86. Letter From President Eisenhower to Chancellor Adenauer¹

Washington, December 12, 1956.

DEAR MR. CHANCELLOR: Thank you for your letter of December 4² and for the kind sentiments which you expressed in it.

I agree with you that the major objective of the Soviet Union is to control all of Europe. I think that Americans generally believe, as I do, that the freedom of our own country is bound to the maintenance of the freedom of Europe. The events which have taken place in other parts of the world recently in no way affect our fundamental relationship of interdependence.

With kindest personal regards,
Sincerely,

Dwight D. Eisenhower³

¹Source: Department of State, Central Files, 611.62A/12-1256. Secret; Presidential Handling. Transmitted to Bonn in telegram 1624, December 12, which is the source text, with the instructions that it be delivered to Adenauer as soon as possible.

²Document 83.

³Telegram 1624 bears this typed signature.

87. Telegram From the Delegation at the North Atlantic Council Ministerial Meeting to the Department of State¹

Paris, December 13, 1956—11 p.m.

Secto 18. Brentano, accompanied by Hallstein, met with Secretary Dulles for half hour this morning. Views on variety of subjects were exchanged in cordial atmosphere, and there appeared to be general agreement in points of view.

Brentano mentioned his pleasure that report of Committee of Three had just been adopted, and Secretary agreed this should be major step forward for NATO.

Secretary remarked that unrest in satellites seemed to him to increase risk of war by miscalculation on part of Soviets, who might be tempted to take actions to offset Soviet difficulties. Brentano, agreeing, said that he was fearful that if situation in Poland deteriorated radically East Germany might blow up in revolution. Secretary said he realized it would be difficult for people of FedRep to refrain from reacting under such circumstances and this could start major war. Brentano agreed and said problem would become particularly acute for FedRep if border between East and West Germany were blocked (meaning presumably that this would prevent outflow of refugees). Secretary said that this would create dangerous situation, and went on to speak briefly of need for German as well as United States forces in Germany in order that there should be "fair sharing" of defense burden. He expressed United States gratification that there were now concrete plans for raising of German forces. He then said that United Kingdom is in serious financial and economic trouble and that it seemed to United States that Germany should try find ways to help United Kingdom. Secretary mentioned United States, despite increasing defense burdens, is taking substantial steps to ease Britain's serious financial problem. He stated that Germany, "out of her present economic strength," should be willing also to assist. Brentano stated, "we are ready to do so".

Secretary mentioned his understanding that United Kingdom may cut down on size of its divisions and stated that United States also plans to reduce size of its divisions in Europe and elsewhere in light of weapons development and evolving military concepts. This would give United States divisions greater mobility and fire power. Brentano said it was his understanding that German divisions would conform in size roughly to new divisional strength of United States divisions.

¹Source: Department of State, Central Files, 740.5/12-1356. Confidential. Repeated to Bonn.

With respect to political climate for rearmament in Germany, Brentano stated situation was greatly improved. He mentioned fact that draft law had been approved by two-[thirds?] majority in Bundestag and that in preliminary lists of draftees, less than one percent have asked for exemptions on pacifist grounds. This he described as good symptom and mentioned many had worked actively to create "conscientious objectors" and had predicted that 30 percent of draftees would apply for exemptions. Secretary again expressed view that once good German army begins to take shape, German people will take pride in it and will support necessary defense measures. Brentano agreed and thought this would have good effect on 1957 elections.

Brentano then raised question of how to deal with Bulganin note on disarmament,² stating FedRep definitely thought West should be very wary in responding to proposals, which have number of dangerous features. Secretary replied that United States has draft reply which will be discussed in NAC shortly. He described reply as brief one which "dismissed" Soviet proposals. He said one of basic defeats of Bulganin proposals is that they are based on assumption of a permanent division of Germany, since dividing line runs through Germany. He said we also view the coverage of aerial inspection proposed by Soviets as not being responsive to President's proposal³ since it excludes Soviet Union and gives obvious military advantages to USSR. He said he would expect our views to be discussed in NAC possibly next week. Brentano fully agreed with this line of thinking, emphasizing fact Soviet Union itself was not included in zone of inspection and that Soviet proposal, if accepted, would be "beginning of idea of withdrawal of US and UK forces from Europe."

Brentano then handed Secretary a memorandum,⁴ which he described as basic ideas of FedRep concerning Middle East (memorandum not yet translated but will be sent immediately when available in English). Secretary stated while United States not yet decided on details, we are definitely prepared to make our presence felt more actively in Middle East than heretofore. When Brentano mentioned that this was [garble—one of] points of memorandum, Secretary laughingly remarked that perhaps he should have points of memorandum before telling Brentano of our decision. He then briefly sketched ill effects which had come from United Kingdom and French action in Suez—violence done to our alliance, to UN, to political position of UK and France in the Middle East, and to their influ-

²For text of Bulganin's letter to President Eisenhower, November 17, 1956, see *Documents* (R.I.I.A.) for 1956, p. 605.

³For text of President Eisenhower's "Open Skies" proposal, see vol. v, pp. 447-456.

⁴Not found in Department of State files.

ence in Arab world, extremely adverse economic effects on all Western European countries and particularly UK and France, and cloak that this action gave to Soviet repression in Hungary. He said he had last summer pointed out all this to British and French; despite this fact, he now noticed tendency to blame US for consequences of their folly. Pointing out that United States will do all it can to help its allies recover from this folly, we cannot be expected completely to right situation for them.

Brentano said that for reasons given by Secretary and particularly because UK-French action gave cover to Soviet repression in Eastern Europe, majority of German public opinion opposed UK-French action. However, he explained that Germany had to strive to prevent a breakdown of European unity and for that reason Chancellor and he had gone to Paris in November to talk to French. One of results of this trip, he thought, was ratification of Saar treaty by French Assembly. He also mentioned that he was returning to Bonn tomorrow to be present for third reading before Bundestag of Saar treaty.

Dulles

88. Memorandum of a Conversation, Department of State, Washington, January 23, 1957¹

SUBJECT

Proposed Four-Power Working Group

PARTICIPANTS

The Secretary of State
The German Ambassador, Dr. Heinz L. Krekeler
Mr. C. Burke Elbrick, EUR
Mr. J.J. Reinstein, GER

During a call on the Secretary, Ambassador Krekeler referred to a suggestion which had been made for establishing a four-power working group on European security and disarmament. He said that his Government was very much interested in this suggestion.

The Secretary said that he had received such a suggestion from M. Pineau on the occasion of his visit to Washington,² and believed

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Reinstein.

²Regarding French Foreign Minister Pineau's visit to the United States, January 9–11, see vol. xxvii, p. 96. Secretary Dulles also discussed this proposal with the British Ambassador on January 17. A memorandum of their conversation is in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199.

it had been raised even earlier. He said that he was sympathetic to the suggestion but thought it would be necessary to be careful regarding the terms of reference of the working group. Unless the terms of reference were carefully defined, the establishment of the working group might cause trouble. He said that the Italian Ambassador had called on him and was extremely disturbed by the suggestion.³ The Ambassador had asked why the task had not been entrusted to NATO and wanted to know whether the four powers intended to set up an executive council to the exclusion of other NATO members.

The Secretary said that he had told the Ambassador that there was no reason for concern and that policy decisions affecting or of interest to NATO would be taken up in NATO as previously. The suggestion of a working group was not designed to exclude other NATO countries. The problem involved was that of the reunification of Germany. This was a matter of four-power responsibility. It directly affected the Germans and was of concern to the US, UK, and France, which have a special position with regard to Germany which is recognized by the London and Paris agreements. The Secretary said that the Italian Ambassador appeared to accept this position.

The Secretary said that he thought that the terms of reference for the working group should be directed toward the question of reunification. If they were broadened to include European security, a number of countries would be interested. The Secretary said that he realized the problems were related. Achieving reunification would probably depend on reaching an agreement on European security. The matter had been dealt with in that connection at the Geneva Conference where we had put forward proposals which were related to German reunification.

The Secretary said he doubted that we would make much progress on the question of German reunification until the situation in the satellite area reached a more clearly defined status. He thought that the USSR would not be happy to see a projection of the Federal Republic into Eastern Europe. As the satellites become more independent, the chances of reunification will grow.

The Secretary said that it would be necessary to determine where the working group should meet and what the level of representation should be. The Ambassador asked whether there was any suggestion as to the place of meeting. Mr. Elbrick said that it had been suggested that the meeting be held in Washington. The Secretary said he would not exclude Paris as a possibility. However, this might involve a complication with regard to relations with NATO. He thought the meeting should be held either in Washington or

³A memorandum of this conversation is *ibid.*, Central Files, 762.00/1-2257.

Paris, rather than New York, London or Bonn. Ambassador Krekeler said he had reported the suggestion that it would be in Washington or Paris and that there had been no objection on the part of his Government.

89. Telegram From the Embassy in Germany to the Department of State¹

Bonn, January 25, 1957—6 p.m.

2824. Also sent USAREUR Heidelberg for Moreland as information unnumbered. Paris pass USRO, Knight and Wallner. Germans began 1957 conscious new year may bring crucial developments for FedRep. Following message examines dynamics of German body politic where they impinge on US interests. Four main threads intertwine throughout German problem which give major tone to whole complex:

(a) Outstanding event will be Federal election. Campaign will color what Germans think, say, and do in both domestic and international fields for next eight months.

(b) Reunification is principal preoccupation of many, remains at least in back of all Germans' minds, and will come even more to fore as election campaign develops.

(c) FedRep continues enjoy unprecedented prosperity, and economic activity and employment seem likely continue at or near present level during coming year. Present state of economy constitutes element of great stability and contributes to political moderation.

(d) Dominating force in German politics remains 81-year-old Adenauer, who continues command respect and admiration of bulk of population. He has provided great steadfastness in German policy, particularly that of close integration with West. At same time, his stubbornness and preconceived notions occasionally complicate relations with US.

A. In field of national security preoccupation is primarily with Soviet Union and international Communism, both of which Germans fear and detest. All-pervading is desire to avoid World War III. German aspirations, politics and actions in this regard are discussed below:

¹Source: Department of State, Central Files, 762A.00/1-2557. Confidential. Repeated to Paris, London, Moscow, Frankfurt, Bremen, Duesseldorf, Hamburg, Munich, Stuttgart, Berlin, and Heidelberg.

1. During 1956 there was some fluctuation in closeness and cordiality of overall US-German relations. Fluctuation, however, took place on almost abnormally high plane of friendship and was due more to misunderstanding than difference of outlook. Low point was reached during summer as result of "Radford Plan".

Presence American troops is acknowledged by almost all as best concrete assurance that US would come to Germany's defense if she were attacked. Govt is inclined to get jittery at hint of any withdrawal of US forces, and Chancellor is particularly sensitive this subject. He is almost pathologically fearful US might either reach agreement with Soviets on disarmament, before reunification problem solved, or become so reliant on "strategic" atomic weapons as to withdraw into some form of isolation.

Important factor contributing to Chancellor's dismay and anger over so-called "Radford Plan" was feeling it made him look silly politically after his long fight for large German army and because having just returned from Washington and advertised complete accord with US Govt. SPD took opportunity to ridicule his lack of real knowledge US policy.

Other members of govt and CDU have been generally convinced that our basic policy has not changed and have been embarrassed by Adenauer's strong reaction. Even so, recent statements by prominent individuals such as Senators Knowland, Humphrey, Sparkman and Flanders, and new concepts on American strategy attributed in press to Governor Stassen, upset them, particularly because ammunition thus provided Socialist opposition.

Year's end saw excellent German-American relations because of reassuring statements by Secretary on European policy, admiration for American position during Suez crisis, nature of President's reply to Bulganin and because events in Hungary brought home with increased force extent of German dependency on US.

There has as yet been little reaction to announcement of proposed cuts in size of US divisions, possibly because not yet known whether resulting savings in manpower would automatically be followed by proportionate reduction in number of US soldiers in Germany. We believe even if this means eventual withdrawal of 10 to 20 thousand US soldiers from Germany, it could probably be handled so that repercussions in German public opinion and among most govt leaders would not be great. We cannot confidently make such prediction with respect to Chancellor, however, and concurrent British cuts may well make situation more difficult.

Sporadic but extremely unpleasant incidents involving US soldiers seem to have made no permanent impression, and it is not expected that problems arising from existence of numerous US installa-

tions and personnel will reach serious proportions in foreseeable future.

2. Because most Germans realize they cannot face Soviets alone they support concept of collective security.

(a) Govt strongly supports NATO and would prefer more exclusive American attention to European affairs than US able or likely to give in view its worldwide commitments.

(b) FedRep is one of prime movers toward European unity and under Adenauer leadership has shown welcome readiness make concessions to advance Common Market and EURATOM. At present there is much encouraging activity in these fields. If, however, for any reason, they should suffer fate of EDC, effect in Germany, at least, would be such that future of European integration would be bleak indeed.

(c) Despite German commitment to collective effort, there are now visible some increasing signs of desire for greater independence of action. We interpret opinion polls purporting show increasing trend toward "neutralism" as reflecting this desire as much or more than desire to stay aloof from conflict.

3. German relations with East are based on hatred and fear of Communism and Russians, deep fear of war, constant urge to recover Eastern territory and see hostile power removed from their borders. While realizing they can accomplish nothing by force there still remains lurking belief they are smarter and can eventually outwit Russians.

Result is a staunch anti-Communist policy but one which is relatively cautious as applied in its external dealings with Communism.

(a) Problem of reunification remains outstanding unsolved issue of German foreign policy and colors all dealings with Moscow. Desire for reunification is matter of conscience for nearly all Germans, but there is considerable disparity among various groups of population as to how much FedRep should pay for it. To date, actual depth of disparity is unknown since Soviet Union has proven adamant in its refusal to give up East Zone.

German politicians and press constantly keep topic alive by examining most international events in reunification mirror. Subject will certainly be discussed more intensively during coming year as election campaign develops. Although what German parties say about reunification unlikely have decisive effect on election outcome, no politician can afford to neglect topic. In light increased emphasis in election year, govt may be expected to show more initiative on unity issue without, however, changing past position that reunified Germany must have freedom to choose its own alliance partners.

(b) Relations with Moscow have not improved as result exchange of Ambassadors. Diplomatic channels have not been extensively or effectively exploited by either side, but many Germans believe coming year will see intensification of Soviet efforts to further "normalize" relations, either by new initiative in trade field, or by some move designed influence election outcome for Socialists.

(c) Secondary aspect of Eastern problem is relations with satellites. Govt position toward satellites will be conditioned by judgment as to what policies would most contribute to further relaxation of Moscow's control over them. While there is increasing pressure, especially from the satellites, to achieve this goal by establishing relations, and while Foreign Office thinking seems to be moving slowly in same direction, at moment govt still restrained by desire to refrain from taking any step which might encourage additional countries recognize GDR.

(d) Relations with GDR constitute continuing problem. During 1956 there was large movement of goods and individuals across zonal border. FedRep position on recognition is made somewhat easier before world opinion by fact that East Zone regime clearly demonstrates complete subservience to Moscow.

(e) One specific question, which will probably become more acute as West German rearmament proceeds, is what involvement of West Germany and/or US might be anticipated if uprisings should take place in GDR. Responsible German opinion very apprehensive on this score, and both govt and opposition counsel East Zone populace to patience and restraint.

(f) Berlin is particularly frustrating problem. Germans know they are helpless and completely dependent on three Western occupying powers. Nevertheless, through mixture of longing, bravado, politics, and inchoate desire to do something, they continue to poke at problem by talking about making it capital, about voting rights for Berlin deputies in Bundestag, etc. They can be expected to continue these maneuvers—just as we come to expect Communist harassment of our rights of access.

4. 1956 brought serious beginning of defense effort, marked by major cabinet shakeup. Well-intentioned but ineffectual Defense Minister Blank was replaced by energetic and ambitious Bavarian Strauss. Latter's approach to rearmament effort by stressing quality rather than quantity enjoys greater popular appeal. At year's end FedRep had only 70,000 men under arms instead of 96,000 originally promised NATO and now contemplates having approximately 135,000 by end 1957, instead of 270,000 planned last summer.

One of great anomalies of German military buildup is that it begins in midst of protracted international discussion of disarmament. This fact plays into hands of opponents of rearmament in Germany and creates difficult psychological atmosphere in which govt must take such politically unpopular steps as conscription. Moreover, govt finds itself in something of self-contradictory position on disarmament; in principle, it supports international agreement to reduce forces provided adequate safeguards are assured (fully endorsing US position in this regard), while it secretly would prefer to see no major agreement reached until German buildup attains dimensions permitting FedRep to negotiate on more equal basis vis-à-vis both East and West. In other words although they fear war, they also fear sharp

reduction in international tensions would take heat off Western attempts to obtain acceptable reunification.

Further complications in effort to rearm arise from twin sets of facts: on one hand, conscription and "militarism" are unpleasant concepts (as is gradually dawning realization of cost of modern armies). Germans are, therefore, tempted obtain more power with fewer men (and less money) by use of nuclear weapons. On other hand, they are also aware—particularly true of Chancellor—all-out nuclear war would be catastrophic. They are, therefore, only beginning to struggle with following questions: What is relationship in nuclear age of military power to national strategy, how far can one rely on a deterrent concept which is based on weapons whose use might mean destruction of civilization, and how can a govt of democratic processes long maintain large (and expensive) military establishment without creating by-products dangerous to democratic structure of state itself?

To date govt seems to have selected, consciously or otherwise, following solution to dilemma: continue to worry about larger implications for Germany and Western civilization involved in large nuclear stockpiles on both sides of curtain, while concurrently requesting assignment of "tactical" nuclear weapons for their own forces and stoutly maintaining that there exists a NATO requirement for large conventional forces. This is apparently based on following beliefs: (a) that their forces must have most modern weapons if they are to be effective, (b) that use of such weapons makes possible forces less costly in both money and men, and (c) that there could be a "limited" use of nuclear weapons in a European conflict or that there could be hostilities in Europe of some size in which only "conventional" weapons were employed.

Despite above, no substantial body of German opinion concludes FedRep should stand aside unarmed and leave US and USSR to face each other alone.

B. Internal affairs.

1. In economic sphere, West Germany enjoys fruits of continuing boom. With 1956 gross national product (at market prices) over 42 billion dollars, country has doubled level since 1949. German Mark remains one of strongest currencies, and in 1956 FedRep piled up trade and payments surplus of over one billion dollars with EPU countries. Total dollar and gold reserves have risen to over three billion dollars. It is impossible to predict what course Germany would take if there were serious depression, but foregoing factors combine to put country in much healthier position withstand world economic crisis than during crash of 1929-32, when German economy was much more fragile because based to larger extent on foreign loans.

As of September, only 2 percent of labor force unemployed. Number of gainfully employed reached all-time high of 19 million, and workers' living standards were continuing to increase. Rising prices some areas constitute important political as well as economic problem, but fears of inflation are exaggerated. Government worried increased prices some consumers' items may cost votes, but finds it difficult problem to cope with without violating own basic philosophy of free market economy or endangering its support from industry and agriculture.

2. Domestic political scene has become much more fluid. Recent local elections appeared to show SPD passed CDU—temporarily at least—in popular support. Events in Hungary deeply affected German thought and may have served to alter the balance in favor of CDU. Moreover, events of coming eight months can change picture drastically; but if no decisive events take place in that interval, Socialists appear have almost even chance entering government. It therefore of interest to examine to extent feasible today what changes might be expected of German policy if CDU no longer in control.

Present Socialist leadership is moderate and anti-Communist. Embassy concludes that if SPD were to assume responsibility for conduct of govt, German foreign policy would not—in spite of nerve-wracking initial period of "sloshing around"—change to extent dangerous to West. Nevertheless, new tone and emphasis would undoubtedly be given reunification problem. SPD govt would display greater activity and initiative. Actually, SPD unlikely accept solution much different from one which CDU might have been forced to accept had Soviets offered unity for non-participation in NATO. SPD predicates its agreement to any solution on Western approval, including "security guarantee", exact nature of which not yet defined. Despite continued formal opposition to membership in NATO, Socialists have publicly declared they will not tear up treaties.

SPD's position against NATO membership for reunited Germany means that any further conference with Soviets on topic would begin with Western negotiating position weakened.

CDU remains largely under Adenauer's personal control, although party demonstrated greater independence of Chancellor in 1956 than heretofore. Internal stresses continue strong; if Adenauer should die, intra-party dissension would come even more to fore, but probably CDU would not split. Succession question would be one of most difficult to solve since there is still no clear "heir apparent". Half dozen men are in running, with Foreign Minister Brentano appearing hold lead. If reelected Chancellor, Adenauer may agree step down voluntarily after additional year's service, thus permitting more orderly transition.

It must also be remembered that there are several small parties which may be in position to dictate composition of another coalition.

A phenomenon of domestic scene is that both major govt and opposition parties attach so much importance to American goodwill in election year that both Adenauer and Ollenhauer planning trips to US in coming months.

CDU in general, and Adenauer in particular, will undoubtedly expect overt American endorsement at time of elections as in 1953.

Finally, democracy has become going concern in West Germany. Although national traits have not basically changed in ten years and there is much history to overcome, present parliamentary system seems to have become accepted as natural way of life, has won support of broad mass of population, and has no substantial body of opponents internally. Further, establishment of republic has been attended by tremendous rise in standard of living and has attained international respect and support of West. Barring severe depression and/or major international political reverses, foregoing trends appear have good prospect of continuing.

Conant

90. Memorandum of a Conversation Between the German Ambassador (Krekeler) and the Secretary of State, Department of State, Washington, February 11, 1957¹

SUBJECT

Talks with Sandys

Ambassador Krekeler said he had been asked by Chancellor Adenauer to make inquiries as to what position the United States had taken during the discussions with Mr. Sandys² regarding the proposed reduction of British forces in Germany. Specifically, he asked whether the U.S. had agreed or disagreed with the British proposals or had agreed, but asked that they be carried out over a substantial period of time.

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Reinstein on February 12. Krekeler and Dulles also discussed Bulganin's February 5 letter to Adenauer, the Chancellor's forthcoming visit to the United States, support of visiting forces in Germany, overseas territories and the Common Market, economic aid to Poland, disarmament, and the proposed four-power working group. Separate memoranda of the discussion of these topics are *ibid*.

²For documentation on Sandys' visit to the United States, which ended on February 2, see vol. xxvii, pp. 683 ff.

The Secretary said that he had not participated in all the conversations and that it might be well to raise this question with other officials of the Government who had. To the extent to which he had participated in the discussions, the Secretary said he had made the following points to Mr. Sandys.

1. The U.S. recognized the serious financial condition in which the United Kingdom finds itself and did not feel it possible to urge military expenditures which might be very serious from the standpoint of the British economy. He did not believe a reduction in British forces on the Continent should be predicated on unsound military concepts or that we should press SACEUR to adopt military views which he considered unsound in order to justify a reduction.

3. Anything which the British do should be done in a gradual way in order to avoid a shock to NATO and should, as far as possible, be synchronized with the development of new weapons and consequent increases in firepower, as well as the build-up of German forces.

The Secretary made clear that we had not agreed with any specific proposals made by the British. He said that in fact no specific proposal had been given to us.

91. Telegram From the Embassy in Germany to the Department of State¹

Bonn, February 18, 1957—2 p.m.

3171. On occasion of my farewell call on Chancellor this morning, he read me draft of his proposed letter to Bulganin stating that official copy of it would be transmitted to Embassy through Foreign Office, but did not indicate whether or not we should be asked for comments.² He agreed that I could telegraph substance of letter and I am so doing.

¹Source: Department of State, Central Files, 661.62A/2-1857. Confidential; Priority.

²On February 8, the Soviet Ambassador in Bonn delivered to Adenauer a letter from Bulganin dated February 5. In a memorandum to Dulles on February 11 concerning the letter, Elbrick noted that the Soviet letter contained nothing new. He continued: "What is striking, however, is the unusually conciliatory and almost cajoling tone of the letter, which may indicate that it is primarily designed to embarrass the Chancellor and to bolster the position of the SPD in the coming elections. It constitutes a strong bid for bilateral negotiations concerning trade, cultural and consular relations. It hints at the possibility of bilateral discussions on disarmament and European security which must in any event, according to the USSR view, be settled before progress on reunification is possible." (*Ibid.*, 762A.00/2-957)

For texts of Bulganin's letter and Adenauer's reply, dated February 27, see *Moskau Bonn*, pp. 233-240.

Chancellor stated he and Foreign Minister had not been in agreement as to form of letter but were in complete agreement as to its contents. He had insisted letter must take friendly and soft tone, otherwise Social Democrats would throw in his face in election his alleged refusal to have good relations with Moscow.

As I listened to reading, note seemed to me friendly in its tone, but in substance a reaffirmation of Federal Republic position. He stated his willingness to consider negotiations for furthering trade, pointed out that considerable trade was already going on. As to attack on NATO in Bulganin letter, he reminded Bulganin of his statement in Moscow on Chancellor's visit that while they did not like Germany's entry into NATO, they were realists and accepted it as a fact. Chancellor in this letter suggests it would be well if they returned to this realistic position.

On reunification issue and Bulganin's reference to two German Governments, Chancellor formulated what seemed to me a by-pass of essential issue; namely, status of Pankow. He said something to effect that in Moscow it had been agreed that reunification was responsibility of four powers and he expected Soviets to live up to this promise of their responsibility. Then note ended with discussion of Germans still held in Russia.

In connection with his dealing with reunification, he stated that in note which would be sent later, position of his government as being only legitimate and authorized spokesman for all Germany would be emphasized. I suggested to him this was matter of some importance as there was misunderstanding in some circles in United States on this point. Chancellor expressed opinion that there was no danger that any considerable portion of German opinion would demand negotiations with Pankow at any level. He agreed Socialist opposition was as clear on this point as he was.

On looking to future, Chancellor was optimistic about election prospects for his party. His worry for long term was that if Socialists came into government, right radical tendencies still existing in Lower Saxony would once again become active.

Conant

**92. Memorandum of a Conversation, White House,
Washington, February 28, 1957¹**

PARTICIPANTS

The President

Mr. Ollenhauer, Chairman, German Social Democratic Party

Mr. Fritz Heine, Press Chief of Social Democratic Party

Mr. C. Burke Elbrick, Assistant Secretary

During his call on the President, Mr. Ollenhauer raised the question of German reunification and European security. He said that it is apparent that there can be no reunification of Germany without the agreement of the Soviet Union and the Soviet Union is unwilling to contemplate a reunited Germany in the North Atlantic Treaty Organization. He, as the leader of the Social Democratic Party in Germany, felt that it is entirely possible that present Soviet opposition to reunification can be overcome by an agreement "acceptable to both sides". He felt that it is most important to strive to reach such an agreement in order that Germany may develop normally. The President observed that the difficulty with this thesis is the fact that, while the Western Powers would observe the terms of any such agreement, Soviet behavior has taught us that the Soviet Union would violate such an agreement whenever it might feel that it was to its advantage to do so. For this reason, the President said, we feel strongly that the Western Powers can only talk to the Soviet from a position of strength. For this reason also, NATO is an indispensable defense structure which enables us to deal confidently with Russia.

Mr. Ollenhauer said that the Social Democratic Party in Germany does not favor unilateral talks between the Federal Republic and the Soviet Union on the subject of reunification. His party recognizes that Germany's very close connections with the West demand that any negotiation in this field be conducted with the Western Powers. He did not want the President to be in any doubt about this. The President said that Germany is one of the strongest of the European countries and that, since this is so, it is inconceivable that Germany can be a "neutral" country. While it would be most undesirable for Germany to revert to the militaristic policies of former years, it is important that it not remain unarmed and that it form a part of a peaceable but strong European defense structure. The President said further that the preservation of peace is the basis for our deep interest in the matter of European integration. The uniting of European countries can, he believed, assure the peace of the world. Mr. Ollenhauer agreed that it is impossible to contemplate a neutral Germany.

¹Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 204. Confidential. Drafted by Elbrick.

He was in complete agreement with the President on the great importance of European unity and he felt that present efforts at integration should be carried further and include all European countries and not only six of them. The President felt that once the six have joined together in a European community other countries would be attracted to that nucleus. It is possible that such a community would exercise a peaceful influence on the satellite countries of Eastern Europe. He felt that the development of a real European community would be the greatest imaginable step forward.

**93. Memorandum of a Conversation, Department of State,
Washington, March 4, 1957¹**

SUBJECT

Situation in the Middle East

PARTICIPANTS

U.S. Side

The Secretary of State
Deputy Under Secretary Murphy
Senator George
Mr. Bowie
Mr. Elbrick
Mr. Sullivan—Defense
Mr. Timmons
Mr. Reinstein
Mr. Creel
Mr. Parker

German Side

Mr. von Brentano, German Foreign Minister
Dr. Krekeler, German Ambassador
Professor Grewe, German Foreign Office
Baron von Welck, German Foreign Office
Mr. von Kessel, Minister, German Embassy
Mr. Harkort, German Foreign Office
Mr. Limbourg, German Foreign Office
Mr. von Lilienfeld, German Foreign Office

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 834. Secret. Drafted by Reinstein and Creel on March 11. Brentano was in Washington, March 3–7, for talks with U.S. officials on topics of mutual concern. For text of the joint communiqué issued at the conclusion of the Dulles–Brentano talks, see Department of State *Bulletin*, March 25, 1957, pp. 490–491. For Adenauer's account of the visit, see *Erinnerungen, 1955–1959*, pp. 275–277.

The Secretary opened the meeting by saying we were very happy to have Mr. von Brentano here. He was sorry that his visit could not coincide with that of President Heuss as originally scheduled and regretted that the latter's indisposition had prevented him from coming at this time. The Secretary referred briefly to his plans for leaving Washington on March 6 for the SEATO Conference in Australia,² and thereafter going to Bermuda for a meeting with Prime Minister Macmillan.³

Turning to the first item on the agenda,⁴ the Middle East, the Secretary said he would be interested in hearing the German views on this subject but he understood the Germans were primarily interested in hearing his own appraisal. Brentano indicated assent.

The Secretary said he had had some discussion of the Middle East with Mr. von Brentano at the NATO Meeting last December and that he would proceed from that point. The United States had taken the position from the outset in the Middle East dispute that in accordance with the provision of the United Nations Charter disputes must be settled by peaceful means and force should not be used against the territorial integrity of another state. The Secretary said that most countries' attitudes and positions in their international relations reflect their natural affinities rather than principles. The United States, however, felt that its position in the world today was such that it must base its policy on certain fundamental principles rather than let our position be governed by what countries we liked or by historic friendships. This was not an easy position to take and it was possibly the first time in history such a position had in fact been taken.

The United States had therefore supported the UN resolutions calling for withdrawal of the attacking forces.⁵ The British and French had complied but Israel had not yet done so, and there was feeling that pressure would have to be exerted on the Israelis. We had thought it might be easier for the Israelis to withdraw if the United States made a statement as to the position it would take on some of the fundamental issues, not in the nature of any promise or inducement, or by way of giving Israel anything to which it was not entitled, in the event of Israeli withdrawal. We therefore had given a memorandum to the Israeli Government on February 11⁶ setting

²For documentation on the third meeting of the SEATO Ministerial Council, March 11–13, see vol. *xxi*, pp. 181 ff.

³For documentation on the Bermuda Conference, March 21–23, see vol. *xxvii*, pp. 704 ff.

⁴A copy of the agenda is in Department of State, Conference Files: Lot 62 D 181, CF 834.

⁵For documentation on the Suez Canal crisis, including these resolutions, see volume *xvi*.

⁶For text, see vol. *xvii*, pp. 132–134.

forth our views on the international status of the Gulf of Aqaba and the Straits of Tiran. There was nothing new in our position and the Egyptian Government had itself taken the same position some six years ago. With regard to the Gaza Strip, it was under Egyptian administration pursuant to the armistice agreement but was not a part of Egypt. The Secretary pointed out that the area had no natural resources, not even water. The population consisted predominantly of the refugees who were being supported by the United Nations, with most of the money being furnished by the U.S. He drew the conclusion that there was a considerable reason, in view of these facts, for the United Nations to exercise responsibility in the Gaza area. The Secretary said he felt that our statement of these views to the Israeli Government had partly been responsible for the announcement last Friday of the Israeli decision to withdraw its troops.

At the moment Premier Ben Gurion had run into political difficulties at home and the present situation was obscure. The Israeli Government had requested further assurances from us, but we had replied we could give no assurances beyond what had already been announced publicly. He hoped that the Israeli Government would take a favorable decision today.

The Secretary said that if the Israelis did withdraw, the focus of attention would shift to the Arab countries, particularly Egypt, and the Suez Canal. Egypt had not allowed the clearing of the Canal to be completed. In his own mind, there was no doubt that they were dragging their feet and using the Canal as a means for trying to bring about the withdrawal of Israeli forces. He spoke at some length on the adverse consequences, particularly to the countries of the Middle East and South Asia, if the Canal were not opened. He said that the Texas Railway Commission had authorized an increase in Texas production of 200,000 barrels a day and that, with the approach of summer, the immediate situation did not involve an intolerable burden on Europe, although the purchase of oil in the United States and Venezuela involved higher costs and a foreign exchange burden.

We therefore believed we should do all we could to get the Israelis to withdraw. Otherwise fighting might break out again and Soviet penetration of the Middle East would be facilitated. The Secretary felt our two countries were in the best position to influence Israel. He had had a talk with Ambassador Krekeler the other day and was pleased to learn that the German Government had made representations to the Government of Israel to induce withdrawal.

The Secretary then discussed briefly the matter of Canal tolls. A proposal had been put forward to the UN Secretary General that these tolls should be paid to some international institution such as the International Bank, with Egypt to get half the total amount and the other half to be impounded pending a final settlement. Fifty per

cent of the Canal tolls could considerably more than meet Egypt's out-of-pocket expenses for maintaining and operating the Canal.

The Secretary said that Egypt had taken an equivocal position regarding the Six Principles agreed on last October and now claimed these were no longer applicable. He regarded this position as untenable, since the Six Principles were an expression of the application of the Constantinople Convention of 1888 and therefore had permanent and universal significance for all countries. Whatever the rights and the wrongs of the British-French action, there was no reason why other countries should be penalized for it. He pointed out that the Six Principles were all right as far as they go but they call for further implementation. Steps toward that end had been taken as reflected by the Hammarskjöld report on his talks with the British, French and Egyptians. Whether it would be possible to pick the matter up at that stage, he did not know. The time might not be ripe to attempt to bring the three governments together in the same room and Hammarskjöld might have to negotiate with them separately. The Secretary said that Egypt should be disposed to reach a settlement since it was in a bad economic position, but hints have come out that they don't want to.

The Secretary said that there was a real danger that the Canal would be opened without a settlement. This would mean that there would be a *de facto* situation in which Egypt would get whatever it wanted. He expressed concern that everyone would be so eager to use the Canal that we might lose the possibility of safeguarding the longer-run interests of the user nations. He particularly was concerned that there be assurances against the use of the Canal as an instrument of national policy. The Secretary said there was no doubt in his mind that the Egyptians were using the Canal in this manner. He said we could not be acquiescent in this situation. Some machinery was necessary to prevent Egypt from blackmailing us in the future. He said that Hammarskjöld was hopeful that after the withdrawal of the Israeli forces, the Egyptians would be reasonable and flexible. He said this was the position which Fawzi was taking in New York but he was not sure that what Fawzi said was all backed up by Nasser.

Mr. von Brentano thanked the Secretary for his appraisal. He said that as far as basic principles were concerned there seemed to be complete agreement between the two Governments regarding the assessment of the situation and of the measures to be taken. While Germany had no direct interest in the Middle East dispute, it did have three rather important indirect interests.

In the first place Germany had been an important user of the Canal and had a vital interest in the reopening of the waterway. He

had made a statement on this subject at the London Conference, to which he felt it was unnecessary to add.

Secondly, there was a problem with regard to the Federal Republic's relations with the Arab States. At the moment these relations were good and quite correct despite the fact Germany was making reparations payments to Israel. The Federal Republic was anxious to prevent any deterioration of the relations, owing to the problem of preventing the recognition of the so-called German Democratic Republic. There was a danger that if these relations should worsen the GDR might try to move into the vacuum in the interest of securing recognition or building up its own trade relations. The situation involved elements of blackmail. As for the British and French action in Suez, the Federal Republic had acted with restraint, although it regretted this development because it enabled the Soviet Union to pursue a policy of diversion in Eastern Europe.

Thirdly, there was the matter of the Federal Republic's relations with Israel. The Federal Republic wished to do nothing to upset reparations deliveries to Israel. He understood Ambassador Krekeler had made clear to us the Germans did not wish to suspend these deliveries even if a sanctions resolution should be voted in the United Nations. The German Parliament and people regarded this matter as a moral obligation rather than a political one. Any change in this policy would involve great difficulties and Brentano hoped that such a question would never be put to them. The Germans had informed the Israeli government that in view of their desire to maintain reparations deliveries they hoped they would not be confronted with a problem in this regard. He said he believed that the Israeli Government understood the viewpoint which had been expressed to them.

Brentano then referred to the memorandum he had given to the Secretary in Paris on the overall situation in the Middle East.⁷ As that memorandum had indicated, the Federal Republic was prepared to participate in any settlement of the problems of the area both because of its own interests in the area and the fact that such a settlement would help promote peace and stability in the world. The Federal Republic had welcomed the "bold and courageous" statement by President Eisenhower in setting forth his plan for the Middle East and was prepared to participate fully in this plan both from a political and economic standpoint.

Brentano said he wished to give one illustration of the Federal Republic's difficulties in the face of the Suez dispute. For over a year the Germans had planned to participate in a trade exhibition in Cairo which was to open very shortly. The Egyptians had proposed that the German Minister for Economic Affairs, Mr. Erhard, should go to

⁷See footnote 4, Document 87.

Cairo to open the German exhibit. The German Cabinet had decided that this would not be a good time for Erhard to go but there was some fear that the Egyptians might make this a question of prestige. While Brentano felt himself that someone else should go, he would be glad to learn the Secretary's views on this point.

In conclusion, Brentano said the Federal Republic was quite aware of the difficult position of Israel and would be glad to make any contribution it could toward an overall settlement in the Middle East which would help this small country to acquire a feeling of security. He suggested that perhaps some guarantee with regard to the Gulf of Aqaba could be worked into the Suez settlement. He wondered whether the Arabs themselves did not feel that such an overall settlement was necessary for their own economic and political purposes.

The Secretary said he was glad to notice Brentano's reference to the Eisenhower doctrine,⁸ since he himself felt it would be a constructive step to counter Soviet activities in the Middle East. He pointed out that the United States cannot carry alone the responsibility of developing relations with countries in this area advantageous to the West and that we looked forward to useful participation by the Federal Republic in this effort. He felt that the Federal Republic could play an important role in helping to develop the economy of the Middle East.

As for the Erhard visit to Cairo, he agreed that this was not an appropriate time to send a high-ranking Cabinet Minister to Egypt, since Nasser could play up this move as an indication of support for his viewpoint.

Regarding an overall settlement in the area, we foresaw difficulties in proceeding quickly, in view of the high feeling between Israel and the Arab States. The United States was prepared to contribute in important ways to a settlement both economically and politically, as had been indicated in our statement in 1955, but it appeared doubtful whether an overall settlement could be reached within the next few months.

⁸For documentation on the American Doctrine for the Middle East (Eisenhower Doctrine), approved by the President on March 9, 1957, see volume XII.

94. Memorandum of a Conversation, Department of State,
Washington, March 4, 1957¹

SUBJECT

Developments in Eastern Europe

PARTICIPANTS

U.S. Side

The Secretary of State
Deputy Under Secretary Murphy
Senator George
Mr. Bowie
Mr. Sullivan—Defense
Mr. Elbrick
Mr. Timmons
Mr. Reinstein
Mr. Creel
Mr. Parker

German Side

Mr. von Brentano, German Foreign Minister
Dr. Krekeler, German Ambassador
Professor Grewe, German Foreign Office
Baron von Welck, German Foreign Office
Mr. von Kessel, Minister, German Embassy
Mr. Harkort, German Foreign Office
Mr. Limbourg, German Foreign Office
Mr. von Lilienfeld, German Foreign Office

Turning to the second item on the agenda, the Secretary asked Mr. von Brentano if he would like to speak on this item.

Brentano said this item was of particular interest to the Germans. They felt some concern that the Middle East crisis tended to push the Eastern European problem into the background. They felt it was most important for us to keep in mind at all times that the principal field in the East-West struggle lay in Eastern Europe.

Brentano said there were two related questions: (1) Do recent events in Eastern Europe compel us to make a change in our own policy toward the Soviet Union, and (2) should we follow a uniform policy toward the Soviet Union and the various satellites, with particular reference to Hungary and Poland?

As for the Soviet Union Brentano felt that the effects of the Twentieth Party Congress and the de-Stalinization program were not yet clarified. The series of developments set in motion thereby were still going on. He was convinced, however, that no events had taken place which would justify us in deviating in any way from our present policy. Such changes as have taken place were merely in per-

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 834. Secret. Drafted by Reinstein and Creel on March 11.

sonages and he was convinced that there had been no change whatever in the basic political objectives of the Soviet Union. He cited in this connection the Soviet November 17 proposals,² and the Khrushchev interview with Alsop. He therefore considered it extremely dangerous, and he wished to be clear about this, to think now in terms of making concessions to the Soviet Union. He referred to various discussions now going on in certain quarters on the possibility of troop withdrawals, neutralization of Germany, establishment of a neutralized belt in Central Europe, etc. Brentano said that he wished to say frankly and firmly that, in the opinion of the Federal Government, any proposals along these lines would be extremely dangerous.

Brentano then turned to the question of the satellites. In Hungary he said the will of the people had been turned back by brutal oppression and there appeared little that could be done to reverse this. He felt, however, that for humanitarian reasons something should be done to assist the Hungarian people even though in the process we might grant some measure of relief to the Soviets.

In Poland, Brentano said, the line of development was not clear. He was not optimistic that Gomulka could maintain his position. He urged that we develop and maintain a common policy toward Poland and coordinate the implementation of the agreed policy. Unilateral action would be highly undesirable. In response to a question from the Secretary, Brentano made it clear that the coordination he had in mind involved not just the United States and the Federal Republic but the entire free world.

Turning to the Soviet Zone of Germany Brentano referred to his conversation with the Secretary at Paris.³ He said that there was no immediate danger to a revolution there. The present stage of relative calm there was due primarily to the fact that the people still had hopes that developments in process would bring about German reunification and to their realization that any uprising would be immediately suppressed by the Soviets with brutal force as in Hungary. The principal danger would arise if there were a revolution in Poland which could spread to East Germany and produce another June 17.⁴ This was his great fear.

Here again, Brentano emphasized, it was important that we coordinate our policies. He cited as an example of this need a recent shipment from the United States of 87,000 tons of hard coal to the Soviet Zone via Hamburg. This created a difficult problem for the Federal Republic, which had been endeavoring to use the East Zone's

²For text of the Soviet declaration on disarmament, see Department of State *Bulletin*, January 21, 1957, pp. 90-93.

³See Document 87.

⁴See footnote 2, Document 57.

need for hard coal as a political weapon in order to get some quid pro quo for any hard coal shipments. The Federal Republic has been giving substantial financial assistance to the hard-pressed Evangelical Church in East Germany. The East Zone regime had refused to permit this to continue unless it were supplied with hard coal by the Federal Republic and had arrested a man who was sent to the East Zone with 800,000 marks for the Evangelical Church. If the East Zone succeeded in getting hard coal from other sources the Federal Republic was deprived of a political weapon. Brentano asked the Secretary for his views on how we might best coordinate our policies on such matters.

In reply to these points the Secretary said he agreed entirely on what Brentano had said about the situation in the Soviet Union. Despite the developments set off by the Twentieth Party Congress he felt nothing had happened which justified any change in our policies toward the Soviet Union.

As for Hungary, he also agreed with Brentano's analysis and his concept that some humanitarian relief should be given to the Hungarian people even though that might involve some advantages to the Soviet Union. There was no point in protracting misery. If these relief measures could be administered in such a way that they could be identified as coming from the West, possibly the net balance would be in our own favor.

The Secretary said the situation in Poland was different. He believed that the Government of Poland wished to gain some measure of independence from the Soviet Union. It obviously did not wish to do anything which would provoke what had happened in Hungary and it was not in our interest to do so. Our view was that the gradual development of Polish independence should be promoted by peaceful evolution rather than by violent revolution as in Hungary.

The Secretary referred to the fact that a Polish Trade Mission is now in Washington.⁵ He said that the talks were as yet in an exploratory stage and no decisions had been reached. We felt it useful that Poland not feel entirely dependent economically on the Soviet Union and that it have some assurance the Soviets cannot destroy it by economic measures. The process of gradual evolution can be promoted by cautious steps along this line. It would be very useful to give the Poles a taste of what it is like to get economic support from the West. This might also make the Soviets realize the unwisdom of putting too much pressure on the Poles. With regard to economic aid to Poland at this time we are not thinking of anything of great magnitude. The principal commodities in which the Poles have indicated

⁵For documentation on talks between the Polish Trade Mission and U.S. officials, February 26-June 7, see vol. xxv, pp. 582 ff.

interest are short-staple cotton, coal-mining machinery and wheat. We understand the Poles are also talking with the Canadians, the British and the French regarding the same commodities.

As for the matter of coordination of this problem, probably the best forum was the North Atlantic Council. We have already made a preliminary statement there and will make a further one after the situation has developed. It would be useful if other countries could also discuss in the Council what steps they are taking. The Secretary said that he did not think coordination should be carried on in a way in which nothing is done until it is fully coordinated. He believed that what Brentano had in mind on this was the kind of talk they were having at the moment. Brentano nodded assent.

As for the problem of coal shipments to East Germany, the Secretary thought the best place for coordinating the matter was in Bonn. He pointed out that COCOM controls were limited to strategic goods and that it was not so easy to control non-strategic items. He was sorry if the coal transaction had been embarrassing. While he was not sure we have the machinery to control this, we did recognize some primacy of interest on the part of the Federal Republic in the matter of trade with East Germany and we would try to work this problem out. Brentano said he thought this problem could be dealt with by the quadripartite Working Group in Bonn.

The Secretary asked Brentano whether any thought was being given to the establishment of diplomatic relations with Poland by the Federal Republic. Brentano said there were groups in the Federal Republic urging that this step be taken. However, the Federal Government had taken a basic position against this. It was the Government's policy not to recognize any government which recognized the German Democratic Republic. Only one exception had been made to this policy. That was in the case of the Soviet Union where it was felt the exception was justified because of the matter of repatriation of German war prisoners and because of the special responsibilities of the Soviet Union for the reunification of Germany.

Brentano said he would be interested in the Secretary's views as to whether establishment of diplomatic relations with Poland would be a good idea or not. One aspect to be borne in mind is that such a step might amount to a "kiss of death" for Gomulka. Brentano had recommended in the Bundestag Foreign Relations Committee that no steps be taken at this time toward recognition of the Polish Government and this would continue to be the Federal Government's posture in the immediate future. At this time the Germans were thinking only in terms of limited economic assistance, without any overall trade agreement, in such commodities as grain. A figure of 200,000 tons was under discussion. It was conceivable that in the future trade missions could be exchanged which would have no political powers

and would not involve diplomatic recognition. Any such step would be taken only in consultation with the other Powers.

The Secretary said that while this problem lay primarily within the competence of the Federal Republic, nevertheless since Brentano had asked his views on the establishment of diplomatic relations, he would consider it premature at the moment. He could see, if the evolutionary process should develop, that it might be helpful if it led to a discussion of the problem of the Polish-German frontier. The Soviet Union was in a position to bring pressure to bear on Poland by alleging that the frontiers would be changed to the disadvantage of Poland. This question had repercussions even in the United States, where there are substantial groups of Polish extraction. The time might come when it would be useful to do away with the fear that without Soviet support Poland would be dismembered. In any event he supposed it would probably not be fruitful to have this issue come to the fore before the coming elections in the Federal Republic. Brentano nodded assent.

It was agreed that in response to any inquiries from the press it would be said that the Secretary and the Foreign Minister had had a useful exchange of views on the Middle East and Eastern Europe and that the discussions would be continued the next day.

**95. Memorandum of a Conversation, Department of State,
Washington, March 5, 1957¹**

SUBJECT

German Reunification and European Security

PARTICIPANTS

U.S. Side

The Secretary of State
Deputy Under Secretary Murphy
Senator George
Mr. Sullivan—Defense
Mr. Bowie
Mr. Elbrick
Mr. Timmons
Mr. Reinstein
Mr. Creel
Mr. Parker

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 834. Confidential. Drafted by Reinstein and Creel on March 11.

German Side

Mr. von Brentano, German Foreign Minister
Dr. Krekeler, German Ambassador
Professor Grewe, German Foreign Office
Baron von Welck, German Foreign Office
Mr. von Kessel, Minister, German Embassy
Mr. Harkort, German Foreign Office
Mr. Limbourg, German Foreign Office
Mr. von Lilienfeld, German Foreign Office
Mr. Jaenicke, German Foreign Office

Mr. von Brentano said he was sure the Secretary would understand that this subject (the third item on the agenda) was of special significance and importance to the Federal Republic. He believed they had agreed yesterday that there was no reason to change our policies in view of the absence of any evidence the Soviets had changed their policies. It was important that we make perfectly clear we have no intention of changing our policies. On the other hand it was also important that we not be guilty of rigidity and inflexibility. Great changes have taken place in the Soviet Union and these may present important possibilities. We must remain prepared to take advantage of them. Therefore we need on the one hand to continue our present policy with great determination, while on the other hand, we must remain flexible in our ideas and prepared for some Soviet initiative. Brentano said he personally expected such an initiative. While it might be designed primarily for propaganda purposes he foresaw that the Soviets might make some spectacular proposals within the context of the German election campaign which would go considerably beyond those in Bulganin's recent letter to Chancellor Adenauer.

Brentano felt it should be one of the special tasks and duties assigned to the Four-Power Working Group,² the creation of which he welcomed, to examine all the possible changes in order to be able if necessary to adjust our policies to changing conditions. It would be unfortunate if we were caught unprepared by any new Soviet initiative. It was also important to take into account public opinion on this subject in our two countries.

The Secretary replied that he felt he need not say much on this subject beyond echoing Brentano's remarks regarding the usefulness of the Working Group. He agreed that we must be prepared for proposals from the Soviets which might be spectacular, or seem to be, and we should be prepared to react quickly and in unison. He stressed the importance that the Working Group be identified primarily with the problem of German reunification rather than that of European security, in view of the interest of many other countries in

²See Document 98.

the latter question. We should avoid giving the impression that the Four Powers were setting up an executive committee to deal with political matters.

Brentano agreed it was necessary to avoid the impression that the Working Group was forming policy on matters primarily within the competence of other organizations. At the recent WEU meeting the Italian Foreign Minister had made rather suspicious inquiries about the purpose of the Working Group, but it had not proved difficult to allay his fears. Brentano had assured him that, if anything were decided, the North Atlantic Council would be informed. He had gone on to point out that the question of German reunification was inseparably linked to European security. He had said to Martino that it would be helpful for studies to be made in the first instance by those governments which would be responsible for signing a treaty on reunification. Brentano stressed that the question of reunification could not be treated in isolation but must be dealt with in relation to European security and European disarmament. Mr. von Brentano referred to Mr. Ollenhauer's recent visit to the United States.³ He said that ideas of a somewhat nebulous character were being put forward in certain circles. He thought that these ideas should be studied by the Working Group.

Brentano said he felt we could avoid any misinterpretation by stressing that the Working Group would merely study the problem and was not authorized to make any decisions binding governments. He said he would welcome it if it could be indicated publicly that the Working Group would not terminate its studies after its initial session but would continue in being thereafter. This would make a good impression on public opinion in Germany. The Group could be somewhat smaller than presently constituted and could meet as necessary.

The Secretary said it has always been his view that the Working Group would continue in existence almost indefinitely. One of its purposes was to deal with Soviet proposals when they came. We did not know when we could expect such proposals. Therefore the Working Group should continue in existence until it was decided to terminate it.

³See Document 92.

96. **Memorandum of a Conversation, Department of State,
Washington, March 5, 1957¹**

SUBJECT

Western European Union and NATO

PARTICIPANTS

U.S. Side

The Secretary of State
Deputy Under Secretary Murphy
Senator George
Mr. Sullivan—Defense
Mr. Bowie
Mr. Elbrick
Mr. Timmons
Mr. Reinstein
Mr. Creel
Mr. Parker

German Side

Mr. von Brentano, German Foreign Minister
Dr. Krekeler, German Ambassador
Professor Grewe, German Foreign Office
Baron von Welck, German Foreign Office
Mr. von Kessel, Minister, German Embassy
Mr. Harkort, German Foreign Office
Mr. Limbourg, German Foreign Office
Mr. von Lilienfeld, German Foreign Office
Mr. Jaenicke, German Foreign Office

Turning to the fifth agenda item on Western European Union, Brentano said he had only a few comments to make. In the recent WEU Ministerial Meeting in London the main question brought up had been the British plan for reducing their troops in Europe. It had been a good meeting, and there had been a frank and objective discussion of this problem. The other members of WEU had expressed very serious misgivings about the British plans. For one thing, the presence of British forces on the Continent had been an essential pre-condition for the WEU treaty coming into being. Brentano mentioned his fear of a chain reaction being set off by this British move, which could be disastrous vis-à-vis the Soviet Union because the Soviets might interpret this as the start of unilateral disarmament by the West. It had been the consensus of the WEU meeting that this problem must be dealt with in NATO, although there was a problem about timing. He said it would be appreciated if the United States would set forth its views on this subject when the matter came up in the North Atlantic Council on the coming Friday.

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 834. Secret. Drafted by Reinstein and Creel on March 11.

The Secretary replied that we shared the concern expressed by Brentano but were not quite sure how the problem could best be dealt with. We had the impression that the British position was very firm and that they had concluded that their financial situation is such that they must take this step. We were aware that the Federal Republic was prepared to help alleviate the British financial problem but the British seemed determined to go ahead anyway. The Secretary said it was a difficult situation. It did not involve a voluntary contribution since it was specifically provided for in the Brussels Treaty. It would be unfortunate if there had to be important changes in this respect. The Secretary agreed there might be repercussions elsewhere. On the other hand, we must recognize that the United Kingdom does face serious financial strains. Even though the United Kingdom has treaty engagements, these engagements do not provide it with the resources to carry them out. He believed we must accept as inevitable the fact that there will be important reductions in British forces in Europe and try to see to it that these reductions are brought about as gradually as possible and as consistent as possible with the strategic concepts and military views of SACEUR. We had expressed this view to Mr. Sandys when he had visited Washington. The Secretary said he hoped there was some flexibility in the British position, but he was not too optimistic as to the degree. He feared they had taken pretty definitive decisions.

The Secretary said that we would do what we could at the meeting on Friday. He felt there was nothing to be gained by putting the UK in the position where it must openly make a breach in its treaty obligations. This would not be a healthy development in our relations. He said that we as members of NATO and the Germans as members of WEU would have to adapt our convictions to the hard realities of the situation. He agreed there would be repercussions, certainly in Europe and possibly also in the United States. Our original formula had been that we would carry our fair share of the whole. He did not know what the application of this would be to the new situation. He did not think it would lead to any change in our plans, certainly not as to the Executive Branch. He could not guarantee what the reaction would be in Congress.

The Secretary said that in connection with the reaction in Congress it was important that we have good news from Germany regarding the build-up of its own military strength. He assumed this was going forward as fast as possible within the framework of the present exigencies of the political situation. However, it was not as fast as we had hoped.

Brentano replied that as of January 1, 1957 the Germans had 70,000 men in uniform. By the end of this year the figure would be 135,000. By July 1, 1957, three infantry divisions would be organized

and by the end of the year two armored divisions, two naval squadrons, and two air transport wings. In addition, by the first of next year sufficient cadres would have been trained to enable the Germans to build up their tactical units in greater strength. Brentano said the figures he had given were definitive and he felt the Germans were making considerable progress.

The Secretary then said that our own plans do not call for any reduction in our troop strength in Germany, although there may be some adaptation in the structure of our divisions in Germany as in the case of those at home. The Secretary asked Mr. Sullivan to speak on this point. Mr. Sullivan said that the reorganization of our divisions had been under study for some time. Cuts in actual division strength of 2,000 to 3,000 men would be involved, depending on whether the division was infantry or armored. The surplus of personnel, however, would be absorbed into support units for artillery or new weapons. Mr. Sullivan stated that our plans for fiscal year 1958 which had just been approved called for no cuts in personnel in Germany.

97. **Memorandum of a Conversation, White House,
Washington, March 7, 1957¹**

SUBJECT

The President's Conversation with von Brentano

PARTICIPANTS

The President
Mr. von Brentano, German Foreign Minister
Heinz L. Krekeler, German Ambassador
C. Burke Elbrick
Mrs. Lejins (interpreter)

After greeting Minister Brentano, President Eisenhower mentioned the Government's desire to have Chancellor Adenauer visit the U.S. in late May. He read to the Minister a statement regarding the invitation to Chancellor Adenauer which he said would be given to the press following this morning's talk, if Brentano approved.² The Minister indicated his complete agreement with the announcement.

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 834. Confidential. Drafted by Elbrick.

²For text of this statement, as finally released to the press on April 19, see Department of State *Bulletin*, May 6, 1957, p. 719.

Minister Brentano expressed his regret that President Heuss had been obliged to cancel his expected visit to Washington. In reply to the President's question, Brentano stated that the President is recovering from his illness and is now able to be up and about for several hours each day.

The Minister said that he was very satisfied with the talks that he had had with Secretary Dulles which had served to reaffirm the identity of views between the two Governments on matters of mutual concern. He could assure the President that the Federal Republic of Germany would continue in the course that it had heretofore followed, knowing that it could count on the support of the U.S. He expressed the view that the U.S., as the greatest Western Power, must maintain the leadership of the free world for some time to come. The President acknowledged the validity of the Minister's observation. He said that Europe one day will be able to stand on its own feet. He referred approvingly to the European integration movement and said that the combined skills and resources of Europe will be forged, through integration of the Western countries, into a third force which will ensure the salvation of the Western world. Brentano said that he preferred not to use the expression "third force" since it is a term which was often misused as indicating that Europe would provide a balance of power as between the East and the West. He felt that Europe must align itself on the Western side, to which the President agreed.

The President referred to the forthcoming spring meeting of the North Atlantic Council and was pleased to know that the meeting would take place in Bonn. He said that NATO is in good shape with respect to policy but that it was undergoing certain economic difficulties. Brentano referred to the contemplated reductions in British forces in Europe and wondered if NATO could deal with this very difficult problem. The President said he saw no reason for pessimism with respect to the future of NATO. He said that the NATO partners differ occasionally on policy but are aware that their best interests dictate unity of action and purpose. He referred to the recent Suez crisis as an "accident of the road". These accidents, he said, would occur from time to time but should not destroy the effectiveness of NATO.

The President commented very favorably on the elimination of the Saar problem as marking a decisive step forward in relations between France and Germany and the beginning of a sound policy.² He

²Meeting in Bonn on September 29, 1956, Adenauer and Mollet agreed on the framework of a solution to the longstanding problem of the Saar. According to the outline of the accord, the Saar would return to German control on January 1, 1957, and would become the tenth *Land* of the Federal Republic of Germany. In return,

felt that there was nothing more important in Europe than close Franco-German relations.

There was some discussion of the Eastern European satellite countries and Brentano commented on the effect of recent developments there on the Eastern Zone of Germany. The President felt that the "law of gravity" in politics would draw the Eastern countries toward the West and that the liberation of the satellites would result. Brentano agreed though he expressed some fear that the Soviets might try to turn the clock back. The President said that he felt that as the West grows strong the Soviet Government will grow more careful.

Germany agreed to compensate France through a series of economic concessions regarding coal and navigation.

98. Editorial Note

Between March 6 and 15, a Four-Power Working Group, composed of representatives of the Governments of the United States, the United Kingdom, France, and the Federal Republic of Germany, met in Washington to discuss the problems of German reunification in relation to European security. The group, formed early in 1957, considered these matters in relation to proposals made at the Geneva Foreign Ministers meeting of 1955, completed its work on March 15. The report which reviewed developments since the Geneva Conference of October 1955, proposals on European security presented since the Geneva Conferences, and Western proposals made at Geneva. A copy of the final report, including seven annexes, dated March 15, is attached to a memorandum of March 16 from Beam to Murphy. (Department of State, Central Files, 762.00/3-1657) Additional meetings of the Working Group were held in Bonn, May 13-18, and in Paris, June 18-22, in order to discuss consolidating the Western position on German reunification. Documentation on the meetings and on the reunification issue is *ibid.*, 762.00.

99. Letter From Chancellor Adenauer to President Eisenhower¹*Bonn, March 23, 1957.*

MY DEAR MR. PRESIDENT: In a note dated February 23, 1957, presented by the United States Embassy here,² your Government has expressed the wish that the Federal Republic pay the United States, as was the case last year, an amount of DM 650 Million or \$155 Million by way of contribution towards the costs of stationing United States Forces in the Federal Republic. A reply to this note was conveyed today to the Department of State. In view of the fact that the United States note was addressed to me you will permit me, I am sure, to express some additional comments to you.

For one thing I should like to emphasize that the Federal Republic's obligation to pay "support costs" expired last year. Our two governments agree on this point. We are now acting on the basis of Article 3 of the NATO treaty on measures of mutual aid; these measures—according to an accepted practice among the NATO countries, which is surely known to you—are to be regarded as voluntary.

To the Federal Republic it means a great sacrifice that it is now to pay DM 1.200 Million out of its defense budget for defense efforts other than its own; this diversion of funds renders more difficult its own rearmament efforts. An increase would considerably slow down the speed of German rearmament. This would conflict not only with the German interest but also with that of the Allies—particularly at a time when Britain prepares to reduce her forces on the continent.

Nor is it possible for me now to increase the defense budget as a whole. The financial burden imposed by defense expenditures on the Federal Republic today is no less than that borne by other countries in a comparable position.

Let me recall only that before the end of this year the Federal Government will place at the disposal of NATO three motorized infantry divisions and two armored divisions. You will also understand that it is impossible for me to increase the defense budget, at any rate in this year when my alliance and defense policies are particularly exposed to debate and controversy.

In allocating the amount of DM 1.2 billion we have considered in the first place those countries which are in need of special assistance, and here it was primarily Britain. This is because we recognize

¹Source: Department of State, Presidential Correspondence: Lot 66 D 204, Adenauer to Eisenhower. Ambassador Krekeler delivered this letter to Secretary Dulles on March 27; see *infra*. Dulles transmitted it to President Eisenhower the same day; see Document 101.

²Not found in Department of State files.

Britain's difficulties and because we see in the British plans for a reduction of forces a grave threat not only to the Federal Republic but to the entire Western Defense Community. The Council of Ministers of WEU has now succeeded with great difficulty to achieve a provisional, reasonably satisfactory compromise. In this connection it was of great importance that Britain could look to the German-British financial arrangement as a result of which Britain has largely been relieved of its foreign exchange and financial difficulties with regard to the stationing of forces. If this arrangement, however, is now placed in jeopardy the agreement reached in London will also be in danger.

I know that your Government is far from desiring such a situation. In practice, however, the upholding of your request would have this effect, since it is not possible—for the reasons explained by me—to implement both the Anglo-German arrangements and to meet the American request,—quite apart from the fact that the other countries maintaining forces in the Federal Republic would, of course, increase their requests in turn.

Let me address to you, my dear Mr. President, the urgent request for an early decision which takes account of the grave anxieties which I feel with regard to the future of the Western Defense Community.

With my best wishes and regards, I am,
Yours very sincerely,

Adenauer³

³Printed from a copy that bears this typed signature.

100. Memorandum of a Conversation Between the German Ambassador (Krekeler) and the Secretary of State, Department of State, Washington, March 27, 1957¹

SUBJECT

Financial Support of United States Forces in Germany

The German Ambassador called at his request. He presented to the Secretary a note, a translation of which is attached,² in response to the United States note of February 23, 1957,³ to the German Fed-

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Reinstein on March 28.

²Not printed.

³Not found in Department of State files.

eral Government requesting an increase in the amount of financial support which the Federal Government had offered for United States troops in Germany. The Ambassador also gave the Secretary of State a letter from the Chancellor to the President on this subject.⁴

Ambassador Krekeler said he had been instructed to inform the Secretary that the Chancellor had reviewed the problem with great care. He was very sorry, but he felt it would be impossible to allocate more than the DM 1.200 million which had been established with the agreement of Parliament for the support of visiting forces in the Federal Republic. The Chancellor felt that it was impossible to ask the Parliament for an increase in this amount. He had asked the Ambassador to point out that this problem had a special bearing on the elections and asked that the difficulties of the Federal Government be viewed with understanding. He pointed out that the Federal Government was going forward with its military build-up and would assign five divisions to NATO this year.

The Secretary noted that the Federal Government took the position that the defense burden which it was carrying was comparable to that being borne by other countries. The Ambassador said that this point was elaborated on in the note. While the Federal Government admitted that Great Britain was bearing a heavier burden, it felt that the Federal Government was bearing a burden equal to that of France, and higher than that of Belgium and The Netherlands.

The Secretary asked whether the Federal Government felt that it was bearing a burden as heavy as that of the United States. The Ambassador said he felt that the position of the Federal Government and the United States were different. The Secretary remarked that the American gold reserves were going down, whereas the German gold reserves were going up.

The Secretary concluded the conversation by saying that he had been informed by representatives of the Defense Department that this matter had recently been discussed in the Congressional committees concerned, which had expressed considerable unhappiness with what was being done and strong criticism of what had been offered. The Ambassador said that the Federal Republic had a problem in this respect, as well, since it would have to have the consent of Parliament for any increase in the amounts of funds which had been allocated for the support of visiting forces.

The Secretary said that he and the President were sympathetic with the problems confronting the Federal Republic in this particular year. He said that the German note would be carefully studied.

⁴*Supra.*

101. Memorandum From the Secretary of State to the President¹

Washington, March 27, 1957.

I enclose herewith a communication from Chancellor Adenauer to you, as received by me today from the German Ambassador.² This deals with the matter of German contribution to the support of American troops in Germany. The Germans have offered us \$77 million, which is half of what we received last year, and we have asked for what we got last year.

The Ambassador said he was instructed also to transmit orally the Chancellor's personal assurance to you that he had studied this matter very carefully and was genuinely convinced that it was impossible to do more this year. The funds allocated for the financial support of foreign forces in the Federal Republic with parliamentary agreement will be exhausted by the contemplated contributions to the United Kingdom, France, and the United States. The principal contribution is to the United Kingdom, which will receive considerably more than last year, but somewhat less than what the British estimate they need completely to cover their troop expenditures in Germany. However, the United Kingdom agreement is not being finalized until it is known that the United States will accept the German offer. Any increased payment to us would probably be at the expense of the United Kingdom and would have a serious impact upon the whole matter of stationing United Kingdom troops on the continent. You may recall that Macmillan urged that we should take action which would permit of finalizing the United Kingdom-German agreement.

It is, I believe, the view of the Defense Department that we should insist upon getting more. I think that under a "capacity-to-pay" test the Germans should pay more. However, we in the State Department feel quite clearly that the political price of getting more would be excessive. It would either require the Chancellor to go back and get an additional appropriation, which would be politically very hazardous for him, or require the British to give up to us some of the amounts which are now to be paid them. This would be costly from the standpoint of our United Kingdom relations.

I therefore recommend that we acquiesce in the Chancellor's proposal. But perhaps before deciding this finally, you may want to have a meeting with Defense and State to hear Defense's viewpoint

¹Source: Eisenhower Library, Dulles Papers, White House Memoranda. Confidential; Personal and Private.

²Document 99.

which will also reflect, I believe, a Congressional view that we should try to get the Germans to pay more.³

³On March 28, President Eisenhower telephoned Secretary Dulles. The transcript of the conversation reads in part as follows: "The President said there was one question that was not covered by State—that is what Germany proposes to do for the French as compared with the past. Said France has taken most of troops out and sent them to Algeria and he did not see any reason why France would be given a favored position.

"President asked if Secretary had talked directly to Charlie Wilson on this—and when the Secretary was going to take it up. Apparently the Secretary said he would do so, and talk to President later." (Eisenhower Library, Whitman File, DDE Diaries)

102. Memorandum of a Conference With the President, White House, Washington, April 2, 1957, 2:30 p.m.¹

OTHERS PRESENT

Secretary Dulles
Ambassador Bruce
Mr. Robert Murphy
Mr. Timmons
Deputy Secretary Robertson
Assistant Secretary McNeil
Admiral Radford
General Goodpaster

Mr. Dulles said there were two essentially separate issues to discuss—German support costs and the reduction of our forces in Germany

Regarding the first, the German contribution to the cost of supporting our forces in Europe, a good case can be made that the Germans could pay more. They have, however, already budgeted a definite amount. If we press them to increase the contribution for U.S. forces, the Germans will certainly cut their payments to the United Kingdom and to France. The result will be ill will toward us on the part of the French and the British, and we will in the end have to help them out to a considerable extent in compensation. The German budget provided rather liberally for the French and the British—as we pressed them to do—but they allocated to us only one-half of what we received last year.

Secretary Robertson then reviewed the matter from the standpoint of the Defense Department for the President, utilizing a memo-

¹Source: Eisenhower Library, Whitman File, DDE Diaries. Drafted by Goodpaster on April 4.

randum of which a copy is attached.² He said that Congressional opinion is so strong on this matter that it may affect adversely our aid program proposals. He suggested we should point this fact out to Adenauer, and present the question to him as one of equitable mutual security contributions. At his request Mr. McNeil then reviewed charts showing the increase in German economic strength over the past several years. He said the Germans could afford an increase without difficulty as a mutual defense contribution, and confirmed that Congress is taking a very stiff position on this matter.

Both Mr. McNeil and Mr. Robertson referred to the "slippage" in German rearmament effort.

The President recalled that Adenauer is coming up for election this fall. He said he feels that Adenauer generally wants to go forward with collective defense effort, including the German rearmament, but he is limited in how much he can attempt. Secretary Dulles said that he too thought that Adenauer is trying hard and honestly to make good on the rearmament program. It is not a question of his will. The short-fall is simply a measure of the real political difficulties he is experiencing. It has been very hard for him to go forward with the program, and to obtain any conscription law at all. By pressing him, we may risk what we are seeking to gain. The President asked if we should not say to Adenauer that, if this is all they plan to contribute to the support of U.S. forces, and plan to do themselves, we will have to reexamine our deployments next year. Admiral Radford said that Strauss had described the program to him in December.³ It sounded like a good program. Five divisions by 30 June 1957, two additional by the first of January 1958, and five more "soon." Later, evidence began to appear of a cutback, culminating in messages from Bonn two months ago indicating that Strauss is not going to do what he said he would. Admiral Radford said he thought the United States had been the victim of some sharp practice in this matter.

The President said the real question was as to how this matter would affect the election. He said he is ready to write a letter setting forth the whole thing. He added that he felt Congress would be more inclined to accept the situation if German defense effort were rising rapidly. Mr. Murphy pointed out that, for the Germans to increase their contribution, they would have to go back to the Bundestag for an appropriation. Funds cannot be transferred from their own defense effort to support costs. The President said we must find some way to establish our position with Adenauer. He recognized that Adenauer might well not publish what was sent. We could

²Not found in Department State files.

³No record of this conversation has been found in Department of State files.

report what Mr. Strauss said. We might say that we will wait until next year to press the matter further, but we could add that we feel they should contribute an additional amount, and that we intend to insist upon it. Mr. McNeil said it might be possible to apply the \$77 million they are contributing to the period from May until November, and let them know we will seek additional funds then. The President suggested that we might say to Adenauer that we will have to review the matter at the end of the year. Mr. Dulles said he would try to draft a reply to Adenauer in collaboration with Defense. He said it was very important to the British to get the situation settled. He felt we should acquiesce in what the Germans are contributing to the British. The President said we should tell the Germans that they cannot satisfy us by taking funds from the British and French contributions. Mr. Dulles said we should try to get the Germans to accept the British arrangement as definitive.

The group next took up the subject of force skills and deployments. Mr. Robertson said that for forward planning for FY-59 Defense wanted to pull out some men and units from Europe. There was discussion of the renewal of the fighter wing, and certain anti-aircraft and other elements from the United Kingdom. The President indicated he associated this with the IRBM, and this point was clarified after discussion. He said that we should make clear that we are trying to help the British out with regard to foreign exchange burdens, but that we feel that they could take over a unit which is going to be stationed within the UK itself.

The President asked why we cannot streamline divisions and cut down backup troops without public announcement. It could be done on a worldwide basis, avoiding the connotation of pulling out of Europe.

Mr. Robertson said it is not planned to touch major units, but to cut down administrative elements, and the President said he is all for cuts of this kind. Admiral Radford said we should let our allies know that we will be cutting numbers. Secretary Dulles recalled that, in the December NATO meeting, he announced that there would be a change in numbers without reducing the strength of units and without removing major units. He saw no need to make any public announcement. Secretary Dulles said he assumed Defense would keep in close touch with SACEUR on this matter, and Secretary Robertson undertook to do so. Secretary Robertson said that the British are giving a lot of publicity to the withdrawal of our anti-aircraft units (which are armed with weapons now becoming obsolete), and there was some thought that they were doing so to divert attention from their own cutbacks. The President asked what weapons will be used against low-flying aircraft, and some of the new missile developments were discussed with him.

The President then took up his views regarding the desirability of having the British get the German tank order for their Centurion tanks. Mr. Robertson said that Defense had received a statement of the President's view and policies had been adjusted to that in Defense, and in the Army too. Germany, however, is leaning toward the M-48 tank. Secretary Dulles said a message had just been received indicating that Mr. Strauss had announced his decision in favor of the M-48. The President expressed himself very strongly on this matter. He said he had understood that the Germans were going to buy Centurions (this understanding was apparently based on a statement by Minister Blank); German military men had opposed this decision, and it appeared that it was being reversed. The President said he could find many ways to influence the Germans toward the Centurion. There was discussion which indicated that our services had, in a degree, facilitated German consideration of the M-48. Mr. McNeil said that the matter of delivery schedules was still open. The President said it looked to him as though someone had decided to sell M-48s in spite of the President's ideas. He said if such was not the case, they had not been very clever in their methods.

Secretary Robertson finally said that, in addition to pulling out administrative personnel and some administrative units, it might be necessary to pull out certain combat support units. The President said it would be best simply to pull out men as part of a worldwide tightening-up operation, not as a cutback in European strength.

G

Brigadier General, USA

103. Letter From President Eisenhower to Chancellor Adenauer¹*Washington, April 12, 1957.*

DEAR MR. CHANCELLOR: I have received your letter of March 25, 1957² with regard to the German contribution to the costs of supporting American forces in the Federal Republic. I appreciate your having gone into the matter personally and am glad that you have written me on the subject.

¹Source: Department of State, Presidential Correspondence: Lot 66 D 204, Eisenhower to Adenauer. Secret; Presidential Handling. Transmitted to Bonn on April 12 in telegram 2850, which is the source text, with the instruction that it be delivered to Adenauer.

²Presumably a reference to Document 99.

I can understand that this problem involves difficulties for you. Frankly it also involves serious political difficulties for my Administration. Our defense budget is now being considered by the Congress. As you probably know, we ran into substantial difficulty with the Congress last year regarding the amount of financial support which the Federal Republic gave to our forces. The Congress was very critical of the agreement which we made with you last year, and there has been increased criticism this year of the arrangements which your Government has proposed to us.

The criticism stems basically from the fact that our Congress does not feel that the Federal Republic has been carrying its fair share of the burden of defending the Atlantic Community, either in financial terms or as regards the actual contribution of forces. Our figures indicate that the defense burden borne by the Federal Republic has been substantially less than that of the average for other European NATO countries and far less than the burden being carried by the United States. While I recognize that the buildup of military forces by the Federal Republic is now under way, progress has been considerably slower than we had been led to expect by earlier statements by the Federal Government. Our agreement to the current level of support for our forces was based in large measure on the increased burden to the Federal Republic that was expected to result from a rapid buildup of military forces, which has not materialized. Moreover it is not clear to us that steps are being taken which will in fact lead to the creation of the forces which we understood as recently as the conversation between Defense Minister Strauss and Admiral Radford in December 1956 would be established.³

At the same time, as you are aware, the already heavy burden of our defense budget has been rising and we are encountering increasing difficulty in meeting fully all of the varied military requirements which our own position in the world imposes upon us. The current level of DM support covers only a fraction of the total cost of equipping and maintaining the United States Forces in Germany, and any further reduction in the level of support would directly increase our already rising defense costs. These circumstances create a political problem for us which I can assure you is a very genuine one.

I have been glad to learn from your letter of the importance which you attach to the arrangements which you have worked out with the British. I hope that these arrangements, and those which you have made with the French, can be brought to a final conclusion as soon as possible. Prime Minister Macmillan mentioned to me at Bermuda his concern regarding this matter.⁴ I see no reason why the

³No record of this conversation has been found in Department of State files.

⁴For documentation on the conversations at Bermuda, March 21-23, between President Eisenhower and Prime Minister Macmillan, see vol. xxvii, pp. 704 ff.

conclusion of these arrangements should be held up by our negotiations.

When we concluded the arrangements on this subject with your Government last year, our negotiators made it clear that our agreement to the amount of support which you offered for our forces was premised on our expectation that the buildup of German forces would proceed rapidly. It was understood we were free to raise the issue of further support in the future if, in our judgment, the circumstances warranted.

In view of our respective political problems, it occurs to me that we might approach the matter on somewhat the same basis as that employed last year. This might permit us to accept the lump-sum payment which your Government has offered us. It would be regarded as a payment "on account" so that the entire subject could be reviewed again in six months' time. This suggestion might provide the way out of our immediate problems. Meanwhile, your forthcoming trip to Washington will give us an opportunity to discuss all these problems personally.

With kindest personal regards,
Sincerely,

Dwight D. Eisenhower⁵

⁵Telegram 2850 bears this typed signature.

104. Telegram From the Embassy in Germany to the Department of State¹

Bonn, April 27, 1957—5 p.m.

4185. Personal for the Secretary from Bruce.² Chancellor recalled Hallstein to Bonn this morning. After long conversation between themselves, Hallstein sent for me and asked that following message from Chancellor be communicated to you immediately.

Chancellor was informed yesterday that Department of Justice intended shortly to offer for sale American securities representing ownership of Stinnes Works in Ruhr area. Chancellor had referred to this matter, although not specifically by name, in his letter of March

¹Source: Department of State, Central Files, 611.62A231/4-2757. Secret; Priority.

²David K.E. Bruce was appointed Ambassador to Germany on March 14 and presented his credentials on March 17.

26, 1957, to President Eisenhower.³ Stinnes case in his opinion is unique in connection with disposition of German assets in United States—is only instance where all physical property is located in Germany. Moreover majority of stock of company is owned by German citizens actually resident in Germany although other members of Stinnes family domiciled in America have minority interest.

There are 30,000 workers in the various Stinnes plants with a considerable Communist minority amongst them. These Communists have been hopefully expectant of some such action as is now reported to be contemplated by the United States Government. In addition other political elements unfavorable to him will capitalize on issue.

He attaches very great importance to this affair in connection with his campaign. He feels that in the Bundestag as well he will be bitterly criticized for not having been able to negotiate more successfully in this regard with the United States Government. He wonders if the administration could not decide to put off any final decision in this case until after the German election. That will give him a chance to say he is still making representations in this regard and will as well (for your private information) try to develop plans in case the ultimate decision is completely adverse which might include an attempt to have German interests buy in the securities at public sale.

Bruce

³This letter discussed the question of German prewar assets in the United States. (Department of State, Presidential Correspondence: Lot 66 D 204, Adenauer to Eisenhower)

**105. Memorandum of a Conversation, Palais Schaumburg,
Bonn, May 4, 1957, 11 a.m.–2 p.m.¹**

USDel/MC/6

PARTICIPANTS

United States

Secretary Dulles
Assistant Secretary Elbrick
Ambassador Bruce
Mr. David R. Thomson

Germany

Chancellor Adenauer
Foreign Minister von Brentano
Defense Minister Strauss
State Secretary for Foreign Affairs
Hallstein
Ambassador Krekeler

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by David R. Thomson, Counselor of the Embassy in Bonn. Dulles was in Bonn for the North Atlantic Council Ministerial Meeting, May 2–4.

Lt. General Heusinger
Interpreter Weber

SUBJECT

Middle East; Defense strategy

Election Prospects

The Secretary asked the Chancellor how he thought the elections would come out. The Chancellor replied that he thought that the prospects were good—the other parties of the coalition were now coming closer to the CDU, though there were still grounds for caution in assessing prospects. The Chancellor remarked that the Russians had “dropped their bomb” regarding atomic weapons much too early in the German election campaign.² The Secretary said that Adlai Stevenson had made an issue of atomic tests during the American election last fall. The Soviets had sent a note in support of his position,³ and this had not helped Stevenson at all. The Secretary added that one can almost count on the Russians to make tactical errors of this kind in dealing with elections.

The Chancellor stated that, in considering the forthcoming German election, a principal factor was the effect on German public opinion of the past war and the consequent great fear of any new war. The SPD was doing its best to exploit this feeling. The Chancellor continued that he had seen a brochure on Ollenhauer’s visit to the United States, however, and had noted that Ollenhauer had never spoken about the issue of atomic weapons there—and the American press had not even questioned him on it.

Atomic Weapons

The Chancellor said that the SPD takes the position that the Federal Republic should have no atomic weapons and that the Allies should not keep them on German territory. This view, the Chancellor said, was completely senseless. The Chancellor said that the United States, as the principal power which has undertaken the responsibility of protecting Germany, must have the right to determine its own weapons. The Chancellor felt that steps should be taken to make this point plain for all to understand. He suggested that between now and the time of his visit to the United States, the Secretary give some consideration to the kinds of statements which might be made.

The Secretary said that he had made a somewhat similar statement in his press conference that morning. He had wished to make clear his view that, unless an international agreement on disarmament

²For text of the letter from the Soviet Government to the Federal Republic, dated April 27, 1957, see *Moskau Bonn*, pp. 245–249.

³Not further identified.

ment can be obtained, the development of atomic weapons must continue. Naturally, all efforts for controlled disarmament must be made. But abstention from development of atomic weapons under present circumstances would be like undertaking to face any enemy's rifles with bows and arrows.

With reference to the NATO Ministerial Meeting, the Secretary said that he had been surprised and impressed by the reluctance of other Western nations to see atomic weapons abolished.

Von Brentano said that he had received no hint of such a feeling from French Foreign Minister Pineau, with whom he had had a completely frank conversation that morning. He said that Pineau's feeling, on the contrary, was that the defense of Europe should not be left entirely to non-continental European powers, and should not be allowed to depend too greatly upon Great Britain, in particular.

The Chancellor said that his main concern in the military field was with relations with the United Kingdom, and that there were no reasons for worrying about relations with the French. He referred to confidential conversations and exchanges of letters with Premier Mollet some time ago, and said that it had been agreed that French and German military staffs and individual officers be brought together as much as possible, to prevent the development of differences. Strauss emphasized this by referring to the Protocol of January 18, 1957 on technical military cooperation between France and Germany, which confirmed this proposal and established a committee.

German Relations With Italy

The Chancellor said that, likewise, the Federal Republic's relations with Italy, including his personal relations with Italian statesmen, could hardly be better. He had assured Foreign Minister Martino that Italy would not be pushed aside as a weaker power. He also enjoyed excellent relations with Segni and Fanfani. The Secretary remarked that Fanfani was indeed a good man, but that President Gronchi was something else. The Chancellor replied that Segni, Martino and Fanfani had also expressed the latter view and had in fact "opened their hearts" to him about Gronchi.

The Secretary said he felt the Western nations should consider having the Italians participate more fully on matters which could be handled on a five-power basis. The Chancellor said that he could indeed understand Italy's feelings in this respect. Von Brentano, however, suggested that any steps in this direction must be taken with caution, because of the parallel feelings of the Benelux nations. He noted that there had been many signs of jealousy on their part resulting from Germany's excellent relations with France. The Chancellor stated, conclusively, that good German-French relations were

of first importance, and that other nations would have to accommodate themselves to this principle.

The Western nations must think of ways, the Secretary continued, to satisfy the pride of the Italians—small measures would suffice, it was not necessary to do too much. Last year, he recalled, the Italians had been very pleased to be included on the committee considering the shipment of arms to the Middle East. Even though the effectiveness of the committee had come to nought because of the French, the Italians had not forgotten this favor. The Secretary asked the Chancellor to give him any suggestions along these lines which might occur to him in the course of events. The Chancellor remarked that these questions could be discussed completely frankly with Italian leaders, even with Saragat.

The discussion then proceeded to a number of points which the Chancellor had listed on a personally hand-written agenda.

Soviet Penetration of the Mediterranean

Indicating that he had not yet had a chance to discuss this matter with von Brentano, the Chancellor said he was concerned that the NATO Ministerial Conference had failed to discuss Soviet penetration of the Mediterranean area and the consequent dangers, particularly for Italy. He said that Segni had brought this up with him years before. The Chancellor continued that Soviet designs on the Mediterranean area, part of a vast pincer movement against Western Europe, were presumably one of the bases for the recent Soviet intervention in the Middle East crisis.

The Middle East

The Secretary said that there was no doubt about Soviet ambitions to obtain control of the Middle East and the Mediterranean. The German documents captured in Berlin showed that conversations between Molotov and Hitler regarding a possible division of the world into three spheres of influence had broken up on the issue of Molotov's insistence on control of the Persian Gulf area. At the first Council of Foreign Ministers meeting in 1945, furthermore, Molotov had demanded a Soviet trusteeship of Tripolitania.

The Secretary said that the Soviets had undoubtedly made some progress in penetrating Egypt and Syria, and Syria today must be considered as almost having reached the status of a Soviet satellite. If the British and the French had pursued their ill-fated venture in the Middle East, the Soviets would undoubtedly have become the dominant power in the Arab world. Now that the United States had taken the problem of the Middle East in hand, however, the Secretary expected a reduction of Soviet influence in the long run. The British had made too many of the kind of errors which a nation is inclined

to make when it has become weak but believes it must appear strong—such as the seizure of Buraimi and the effort to force Jordan into the Baghdad Pact. The Secretary said that the temptation to use force was always at hand, but that the United States believed that the problems of the Middle East could be peacefully worked out in time and Soviet influence reduced. He said that the beginnings of a reduction of Soviet influence in Jordan could now be perceived, and there was a much improved relationship with Saudi Arabia. He expected that the situations in Syria and Egypt would eventually change to Western advantage. The whole problem of Soviet influence in the Middle East would be easy to handle, the Secretary continued, if it were not for Israeli-Arab enmity. In summary, the Secretary felt that, with inevitable fluctuations, the trend in the Middle East problem was toward improvement.

Economic Assistance in the Middle East

The Federal Republic ought to be able to assist in extending economic assistance to the Middle East, the Secretary said to the Chancellor. Germany is now free from any colonial taint. On long-term economic development projects in this area, the Secretary said, the Federal Republic and the United States should work more closely together than has been the case in the past.

The Chancellor replied that he agreed to this general proposition, and that the Federal Republic was in principle prepared to proceed with projects. He referred to his recent visit to Tehran at the invitation of the Shah, a man who, he said, was to be taken seriously. The Shah had requested German-Iranian cooperation in the field of economic development, and in his reply the Chancellor had stated that it would be necessary to have capital participation from other countries, particularly the United States. In specific industrial projects, the Chancellor felt that German nationals should not take on the leading jobs—this would cause future difficulties in relations with Iran. The outcome of the discussions had been the formation of a joint committee of experts located in Iran and charged with formulation of specific recommendations. On the basis of such recommendations, the Chancellor would consult once again with the Shah. (The Secretary remarked at this point that the Iranians could use a tough German tax collector. The Chancellor: Should we give up Schaeffer?) The Chancellor noted that the British press had been “very impolite” about his visit to Iran, though he felt he could hardly have done anything there to arouse British antagonism.

The Iranians had demonstrated in their talks with the Chancellor particular interest in a project for a pipeline direct to Turkey (not through Iraq). The Chancellor said he hoped that, if the Germans should decide on some practical projects, the United States would be

ready to participate in them also. The Secretary asked whether the Chancellor had in mind American governmental assistance or investment by private enterprise. The Chancellor said that he meant assistance through private investment, and the Secretary added he considered this to be better.

The Chancellor continued that he could not quite agree with the approach suggested by Special Ambassador Richards,⁴ who, he thought, was recommending too fast a start. For example, according to the Chancellor, Richards has suggested to the Iranians that they invest in a steel mill with the capacity of 300,000–400,000 tons—a project which the Chancellor considered totally unrealistic. The Secretary replied that this might have been a misunderstanding. The Chancellor said that he had heard this from the Shah, who had made a perfectly clear statement as he had just retold it. The Chancellor wondered whether the Iranians were exaggerating matters in order to encourage the Germans to take bolder steps. The Secretary said that this kind of thing had been done before, and that he was always glad to have such a cross-check on statements by third countries. The Chancellor then said that when he had gone into the matter more closely with the Shah, it had appeared to him that Richards must have been talking about steel mills in the United States.

Military Policy

The Chancellor said that he had received the news the previous day that Great Britain would no longer call up draftees from the class of 1940. If this had indeed now been stated so precisely by the British, the Chancellor said, then Germany was confronted by a very grave situation. The Chancellor said that he was currently very concerned by the mass of Soviet troops in the Soviet Zone of Germany. Recent British actions, said the Chancellor, had sharpened the necessity for him to clarify his views on atomic weapons for the Bundeswehr. (He commented in this connection that his views on this subject as published in the press were almost always subjected to some distortion, and he specifically named the *London Times* and *Le Figaro* as offending newspapers.) In the wake of the story of the scientists' statement on atomic weapons, and of the emotional reaction of the Evangelical Church, particularly under the leadership of Niemoeller, he wanted to make plain once again the following points:

- 1) The Federal Republic has no atomic weapons.
- 2) The Federal Republic has not asked its allies for any atomic weapons. (But he emphasized that he had not stated that the Federal Republic never would acquire atomic weapons.)

⁴For documentation on the Richards Mission to the Middle East, see volume XII.

3) According to his information, the United States has not yet achieved practical results in the production of tactical atomic weapons. The interim period, therefore, must be used to press for disarmament. Once tactical weapons become a reality, however, Germany should re-examine the situation.

British Military Leadership

The Chancellor said that he was now confronted with the following very serious situation: He understood that UK ground forces were to be deployed in the future from Kassel to the North Sea, while US forces were to be confined to the area south of Kassel. He had also heard from his German military advisers that Britain's military leaders, and particularly Montgomery, were adopting a strategy which was quite contrary to the US policy of forward defense. He was in general very much concerned with the trends in top British military leadership. His concern had been increased by a book published by two reputable French journalists with close connections in the French Ministry of Defense (*Les Secrets de l'Expedition d'Egypte*, by Beuve-Merry and Bromberger). The Chancellor said that this book presents British leadership in a fearful light, and he recommended that the Secretary read it. The Chancellor said that all these things, together with British intentions to reduce forces in northern Germany, left him acutely worried about the security of the North German plain. The Russians, he said, have 7,200 tanks in the Soviet Zone, and might be tempted to push into this area if it should be stripped of its defenses.

The Chancellor, therefore, wished to request that a certain number of United States combat units be attached to the German division stationed in Hannover. He felt that only in this way would there be sufficient security for northern Germany, since the presence of American troops would surely be a deterrent to the Soviets.

The Secretary replied that the basis for these British steps was, as he had said on May 1, the historical change occurring in the status of Great Britain as a world power. The Secretary wished to make it clear, however, that he did not consider the UK as a factor to be written off as negligible. He said that, despite the Suez fiasco, the US military consider the British to be competent and dependable. Weaknesses in British military performance in the Suez affair had been due, at least in part, to an effort to preserve the secrecy of the undertaking at the outset. Eden had been a sick man. The Secretary continued that he felt that Macmillan was a good, strong, and dependable person; and that one should not conclude, on the basis of Suez or of French-oriented or other journalistic reports, that the British forces were other than dependable and brave.

The Chancellor replied that the virtues of British troops should not be confused with the qualities of British military leadership. He was greatly concerned, the Chancellor continued, at Montgomery's proposals for "defense in depth", which had been expressed as a matter of moving Belgian troops back to Belgium, Dutch troops back to the Netherlands, etc. General Heusinger amplified this statement by describing the recent NATO exercise at which Montgomery had projected possible defense actions in a theoretical attack situation in 1965. Heusinger said that Montgomery had thoroughly supported the thesis expressed in the White Paper. Heusinger added that General Norstad had indeed stressed the theory of the "forward strategy", but Heusinger had been surprised that Norstad had not countered Montgomery's presentation in much more detail. The Secretary assured the Chancellor that such opinions expressed by Montgomery were not shared by the US Government, and said it was his impression that they were also not shared in many responsible quarters of the British Government. The Chancellor said that he hoped not, but added that the British have never done anything about Montgomery.

Defense Strategy

The Secretary said he believed that the defense of Germany and Western Europe cannot be left entirely to the deterrent of massive atomic counter-attack. Depending on the situation, there would be powerful moral considerations against a massive retaliation on Moscow which would annihilate millions of people. There was a definite development, however, toward nuclear tactical weapons with far greater power than conventional tactical weapons. The time would arrive fairly soon, though it had not arrived yet, when forces equipped with such weapons, if stationed on a national border, might make virtually impossible invasion by hostile forces. Though this development was by no means yet complete, the Secretary believed that the trend was therefore away from defense by massive retaliation and toward defense by tactical atomic weapons.

Disarmament

The Secretary said that he doubted whether it would be possible to obtain an agreement on controlled disarmament which would abolish atomic weapons, since this new form of power was bound to be utilized in the field of armaments. He did believe, however, that it might be possible to reach agreement on control of the means of delivery of atomic explosives, i.e., on control of weapons of mass destruction in contrast to tactical atomic weapons. The Secretary felt that this was the most likely direction in which the London Disarmament Conference might achieve some kind of positive result on controls.

The Chancellor repeated his concern about the United Kingdom's placing all reliance on massive retaliation. In the light of the British inclination to pull out of the North German plain even in the absence of an agreement on controlled disarmament, the Chancellor felt that there was a genuine chance of the Soviets' moving into the plain if there were no US forces stationed there. General Heusinger gave a brief presentation on the strategic importance of the North German plain. Strauss stated his conviction that neither Soviet nor satellite forces would attack this area if it involved the risk of tangling directly with United States forces, and said that the specific German request was that two US combat teams be relocated from south to north Germany.

The Secretary stated that on these military matters he could not express an opinion, but assumed that the Germans would be discussing them with General Norstad.

Soviet Embassy's Note of May 4

During the course of the conversation, Ambassador Smirnov's note of May 4 to the Chancellor was delivered. An interpreter was called in and he rendered a rough oral translation which was the basis for the provisional report of this note in Embassy telegram No. 4289 of May 4.⁵ The Chancellor reacted in particular to the allegation in the note that he and von Brentano had said the Federal Republic should possess atomic weapons if other Western powers acquired them. He retorted: "I never said that."

As soon as the note had been read, the Chancellor remarked that he was not sure whether the Federal Republic should proceed with commercial negotiations with the Soviet Union. If we should start them, he said, perhaps we shall see to it that they are dragged out. There would have to be some trade with the Soviet bloc, of course, but the Chancellor did not think that it should be allowed to grow too large. The Secretary concurred. The Chancellor said he would have to study Smirnov's note further, but that he thought the Soviet note of April 27 was outrageous.

The Secretary said that, if the Chancellor and the Foreign Minister would allow him to do von Brentano's work for a moment, he could suggest the lines of a reply which he would make to the May 4 note if he were in the latter's position. The Federal Republic, the Secretary suggested, might state that it has one great responsibility to itself and to humanity: to ensure that its territory is not used as a base for any aggression. This responsibility the Federal Republic will scrupulously discharge. As for the means of its own defense, howev-

⁵Not printed. (Department of State, Central Files, 661.62A/5-457) For text of this note, see *Moskau Bonn*, pp. 254-255.

er, the Federal Republic will not accept the dictates of any country; least of all of a country which forcibly holds some 20 million Germans in bondage. As for the reference to policy on disarmament, the Secretary concluded in his suggestion, this subject was being negotiated in conference at London and the Federal Republic will observe any agreement reached there.

Relations With Poland

The Chancellor asked the Secretary about the course to be set for relations with Poland. The Secretary replied that it was difficult to judge the degree of independence achieved by the Gomulka regime. The Secretary was inclined to believe that there had been some beginnings of Polish independence which deserved some encouragement—though this should not be overdone. Referring to the aid negotiations, the Secretary said that the United States may be disposed to extend a certain amount of economic aid, designed to encourage whatever additional degree of independence might be practicable in Poland and possibly in other satellite countries. This had not been an easy decision to reach, the United States Government was not entirely sure about the decision it was taking, but it did have a certain amount of confidence in the wisdom of its decision.

The Chancellor replied that it might therefore appear appropriate for the Federal Republic cautiously to envisage the establishment of additional economic relations with Poland.

European Unity and the Role of Great Britain

Von Brentano said that he had had a very useful conversation that morning with Pineau on ratification of the Rome Treaty⁶ and allied subjects, and on their common concern about the United Kingdom's position. The UK, von Brentano said, had been exerting an unfortunate pressure on France in two respects: (1) The British had been urging the French to reach agreement on the Free Trade Area prior to ratification of the treaty on the Common Market. Von Brentano had agreed with Pineau that this would be impossible—negotiation of the Common Market treaty had taken some 18 months, and it was obvious that negotiations on the Free Trade Area would also last for months. This British intervention, therefore, could have only a very unfortunate psychological effect on the French with respect to prospects for ratification of the Common Market treaty. (2) Von Brentano also considered British advocacy of the so-called "Grand Design" as unfortunate. He felt that this was not a good scheme, and that it could only have the effect of destroying prospects for practi-

⁶Reference is to the treaty ratified in Rome on March 21, 1957, creating EURATOM and a European Common Market.

cable projects toward European unity. Von Brentano said that Pineau had fully agreed with him on this point. Von Brentano explained that one of the most questionable aspects of the "Grand Design" was that it was proposed as including all the NATO countries in its membership. He said that he did not know whether the United States and Canada would be willing to join the proposed single great assembly, whereupon the Chancellor interjected: "We would not join it."

The Secretary replied that the United States Government shares some of this concern regarding the British moves. The Secretary had just seen Foreign Minister Lloyd, who had firmly denied that there was any British governmental opposition to the treaties on the Common Market and EURATOM and had asserted that these treaties had the strong support of Macmillan and Thorneycroft. Lloyd, however, had suggested reasons why there should be some connection between the Common Market and the Free Trade Area (von Brentano interjected: "We agree"). The Secretary said that he agreed that there are some tendencies to endanger the prospects for practical European projects by superimposing rather vague, more generalized plans. The United States Government, he assured the Chancellor, would not participate in such maneuvers, and specifically had no intention of joining the "Grand Design".

Von Brentano confirmed that he and Pineau had agreed not to accept the British proposal regarding the Free Trade Area. Their position would be that the Common Market treaty should be ratified first and as soon as possible, and that negotiations on the Free Trade Area should then proceed.

The Secretary said that the United States Government strongly supported the Common Market, and did not wish any position on its own part to interfere with the prospects for ratification of this treaty. If the Common Market treaty should not be ratified soon, he said, there would be great discouragement in the United States about European unity. As long as Western Europe remains divided, the Secretary said, it appears to the American public either as subject to being captured by the Russians or as representing some kind of charge on the US which the American public is not prepared to carry indefinitely. A united Europe, by contrast, could be as powerful as the United States or the Soviet Union. Complete sovereignty for the many nations of Europe, said the Secretary, is a luxury which European countries can no longer afford at US expense. If the Common Market treaty should fail, after the failure of the EDC, the Secretary thought that further support for Europe could hardly be expected from American public opinion.

The Chancellor said that the German process of ratification should be completed at the end of June. Von Brentano mentioned

that the French Government also hoped to meet this deadline, but he had heard that the British Ambassador in Paris, Sir Gladwyn Jebb, had been making representations toward delaying the French schedule on ratification. The Secretary suggested that the Chancellor discuss this matter with Macmillan during the latter's forthcoming visit.

Support Costs

The Secretary said he hoped that President Eisenhower's most recent proposal on support costs⁷ would be found acceptable by the Chancellor.

Von Brentano replied that the Federal Government would, of course, like to reach agreement as soon as possible, but the difficulty was that parliamentary approval was required for each separate agreement on support costs. If the US-German agreement should contain a reservation, the Bundestag would undoubtedly object on the grounds that other countries would demand similar consideration. Hence there could be no certainty about keeping the Federal Government's total contribution down to the definite sum envisaged by the Bundestag. Under the present budgetary situation, the Bundestag could hardly be expected to grant more than last year's total contribution. The Federal Government had indeed made a generous offer to the British, von Brentano said, and this had been partly because the Secretary had encouraged it to do so.

The Secretary replied that he hoped the Germans realized that the United States Government was also faced with parliamentary difficulties in this matter. The Congress had become excited about the support costs issue, and this was admittedly to a certain degree attributable to certain Defense officials who were anxious to free funds for other projects. The point in the President's proposal, the Secretary said, was that the residual problem for this year could be dealt with after the parliamentary recesses on both sides and after the German elections. The United States Government could emphasize to the Congress the reservation in the proposed agreement; while the Federal Government would be in a position to assure the Bundestag that it was committed to make no further payment without the agreement of the Bundestag.

Von Brentano asked if it would not be possible for both sides to agree on the figure offered by the Germans, since a formula could undoubtedly be found which would not exclude later discussions. The Secretary said that he believed there was agreement on this point, but Hallstein pointed out that there was still one difficulty in the US proposal: namely, that the first payment was characterized as "on account". This implied that a later payment must be made, Hall-

⁷See Document 103.

stein said, and the implication would undoubtedly be unacceptable to the Bundestag. The Secretary said that it had not been our intention now to obtain an implied obligation to make a further payment, but simply to find a formula on later discussions which would be acceptable to both parliaments.

Stinnes Properties

Von Brentano said that he had heard from Washington of the US decision to proceed with sales of the vested Stinnes properties, and wished to make again an urgent plea that such sales be delayed until after the German elections. The Chancellor added that it should not be forgotten that Stinnes had numerous socialist connections.

The Secretary asked if it would not be possible to solve this problem by organizing a group of German interests who would purchase the properties to be sold. Hallstein replied that such a group had indeed already been organized, but Krekeler explained that it was not clear to what extent such a group would be legally in a position to purchase. Less than 50 per cent of the securities were apparently legally unencumbered for such sale. Krekeler expressed the view that a delay of some months in disposition of the properties, affording time to negotiate, would provide desirable clarifications for both sides. The Secretary said that both the President and he had discussed this matter with the Attorney General. There were many complex regulations affecting this sale under legislation administered by the Securities and Exchange Commission, which make delay costly. The Secretary felt confident, however, that a solution to the question would be found through purchase by a German group. He pointed out that, for the first time, exceptions to previous practice were now possible so as to permit purchase of vested German properties by German interests.

Status of Forces Negotiations

The Secretary stated briefly to von Brentano (as the meeting adjourned to the luncheon table) the US position favoring a continuation of the negotiations.

Effects of Atomic Radiation

Particularly in the light of the forthcoming Bundestag debate on the subject, the Chancellor told the Secretary that it would be most helpful to the Federal Government to obtain from the United States as much factual material as possible which would demonstrate the limits to the effects of nuclear radiation on human beings.

Proposed Visit of Nuclear Scientist

In the presence of the Chancellor, the Secretary suggested to Ambassador Bruce that steps be taken within the coming weeks to get a top-ranking and prominent American nuclear scientist to visit Germany.

106. Letter From the Secretary of State to the President¹

Paris, May 4, 1957.

DEAR MR. PRESIDENT: I dictate this en route from Bonn to Paris. I have just had a most interesting session of over three hours with the Chancellor. Also present on his side were Foreign Minister von Brentano, Defense Minister Strauss and General Heusinger. A full memorandum of our talk is being prepared² and will I think be worth your reading particularly in anticipation of the Chancellor's visit to you.

The high spot was the Chancellor's deep concern over UK developments. The combination of their white paper policies and their collapse in the Middle East, including what he considers their bad military performance in Suez, make him deeply depressed. He feels that they cannot be relied upon to fight in Western Germany and therefore pleads for some US troops to be moved north to stiffen the northern front and to make the Russians realize that if they attacked they would have to fight US and not merely UK.

I endeavored to reassure him that while we felt that inevitable adjustments were occurring in British policy and military dispositions, we still felt that Britain was a strong and dependable ally.

Obviously Macmillan will have quite a job to do when he speaks with the Chancellor on Monday.

While we were talking, a new Soviet note was delivered.³ It was read to the Chancellor and myself. In essence it referred to a prior Federal Republic statement that it did not have, and had not asked for, atomic weapons. The Soviet note said this was unsatisfactory unless it meant that the Federal Republic would not ask for, and would not permit, atomic weapons on its soil.

¹Source: Eisenhower Library, Whitman File, Dulles/Herter. Top Secret; Priority. Transmitted to the Department of State eyes only for the Acting Secretary in Dulte 9 from Paris, May 4, which is the source text. The source text bears the President's initials indicating that he saw it.

²*Supra.*

³See footnote 5, *supra.*

I suggested that the Chancellor should reply in effect that the Federal Republic had one supreme obligation which it would fulfill, that was never to allow its soil to be used for aggressive purposes; but that it did not accept dictation from anyone as to how to defend itself, least of all from a nation which had forcibly annexed the eastern zone and 20 million Germans.

The Chancellor seemed to like this and it was suggested that von Brentano should pay me a per diem for having done his work.

The Chancellor is indeed perplexed about how to handle during the election period the atomic problem. The issue is being exploited by the Socialists, and the scientists and the churchmen, particularly Evangelical, are making life difficult for him.

I suggested that would be a good idea if we could have stationed at our Embassy for the next few weeks someone knowledgeable in these matters who could help meet the emotional appeals which are becoming the battle cry of his political opposition. The government officials themselves are too ignorant of these matters to know what to say.

This idea was warmly welcomed by the Chancellor; and if you think it has possibilities you might want to speak to Lewis Strauss about it. Of course it would have to be handled with great care, but I think Bruce can be relied upon to do so. The Chancellor also said the atomic expert should preferably be able to speak German.

Defense Minister Strauss gave the most categorical assurances regarding the West German military build-up. He said they were planning to have nine divisions in being by the end of 1958 and would begin on the last three in 1959, provided the US is in a position to supply the armor for the armored divisions to meet this time schedule. He also said that the alleged delay in their armored divisions was not due to their asking for later deliveries of tanks as had been reported, but due to the fact that they could not get any early delivery date from our people.

The Chancellor sent his warmest greetings to you and said he eagerly looked forward to seeing you.

Faithfully yours,

Foster⁴

⁴Dulte 9 bears this typed signature.

107. Memorandum of a Conversation Between the Secretary of State and the German Ambassador (Krekeler), Washington, May 12, 1957¹

Washington, May 12, 1957.

In conversation with the German Ambassador I said that I felt that the conversations about the Stinnes Company which we had at Bonn on Saturday² had not left the position very clear because this item only came up as we were moving from the drawing room to the lunch room. I said that I had since discussed the matter with the Attorney General and that he had not felt that it was practical to postpone the sale for a matter of months because of the SEC registration conditions, but that I did feel that the Germans should take advantage of the unique opportunity now offered them to buy in the property themselves. The Ambassador said that there was some problem of money because of the necessity of taking care of some American interests.

I said that I thought that this financing could no doubt be arranged through New York investment banks. I mentioned that a tentative approach on this subject had been made to Lazards. The Ambassador said that he would advise his Government that they should send over to New York promptly someone with authority to organize a purchase group. I said I thought this was the best way to proceed.

JFD

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Confidential; Personal and Private. Drafted by Dulles. According to the source text, the conversation took place in the evening at Eleanor Dulles' residence.

²See Document 105.

108. Telegram From the Embassy in Germany to the Department of State¹

Bonn, May 16, 1957—11 a.m.

4443. Eyes only for Secretary. In view nature Adenauer's visit and improbability his being able draw any domestic political advantage from substantive results, I recommend for your consideration something relatively dramatic with respect to arrangements for visit. Although I recognize it would be burdensome and perhaps impracti-

¹Source: Department of State, Central Files, 033.62A11/5-1657. Secret; Priority.

cable for the President and that there may be other disadvantages from Washington point of view, I suggest that an invitation from the President to Adenauer to visit him at his farm at Gettysburg would be very helpful to Chancellor's reelection and subsequent relationships with him. This might be confined to lunch on Sunday, a short walk around the farm, and his return with you to Washington where he could spend quiet night German Embassy.

Such an idea has never been hinted at by Chancellor or any of his entourage, but if an invitation were extended, reaction would undoubtedly be one of mingled surprise and joy.

I make this suggestion reluctantly but feel something unusual is desirable for following reasons: there is every sign the election will be close. Chancellor is well aware of this and, in fact, thinks of little else. He is ardently seeking political help and, in this unique German situation, particularly relies on U.S.

You will recall how paramount this was in his thoughts the first day you saw him in Bonn when he even suggested that Harold Stassen keep the Disarmament Subcommittee discussions going until September 15. You will also recall he had no specific suggestions to make when you asked him what he would consider helpful in NATO communiqué. Unfortunately, he and his cohorts are still unable to think of anything that would assist him in a political way which might be incorporated in the communiqué at the end of his Washington visit.

The kind of thing which would be helpful—for example, a new and dramatic reunification plan, seems presently unlikely. Your comments at press conference May 14² and your staunch friendship for Chancellor are deeply appreciated. If, in addition, striking evidence were given that he enjoys the esteem, respect and friendship of President Eisenhower, as demonstrated by personal visit to President at his farm, it would be valuable to Chancellor politically and invigorating to him personally.³

Bruce

²For the transcript of Dulles' news conference, see Department of State *Bulletin*, June 3, 1957, pp. 894–901.

³On May 17, the Department of State informed the Embassy in Bonn that the President would be delighted to receive Adenauer at Gettysburg on Sunday, May 26. (Telegram 3258 to Bonn, May 17; Department of State, Central Files, 033.62A11/5–1757)

109. Telegram From the Embassy in Germany to the Department of State¹

Bonn, May 18, 1957—1 p.m.

4497. Reference: Department telegram 3210² and Embassy telegram 4451.³ Foreign Office informed us today final list of agenda topics submitted by Foreign Minister to Chancellor for approval was as reported in Embassy telegram 4451 with exception that importance of German elections and status of forces omitted. Status of forces problem, however, included among several on which Foreign Office preparing contingency papers. Additional topics in this category are: support costs, war criminals, and (only if raised by US) extent and implications of Eisenhower Doctrine, Israel question and position of Federal Republic on China trade.

Principal objective of trip is demonstration here of Chancellor's influence and solidarity with US and therefore we believe discussion of following points should be conducted with view to how final communiqué can serve this purpose.

Two stormiest issues for Chancellor in election campaign are atomic questions and relation of disarmament to German reunification. Opposition continues to press argument that US no longer insists that progress on disarmament be contingent on corresponding progress on reunification and possibility that US and USSR will make agreement over Germany's head. While government satisfied with Secretary's statement to press May 14⁴ it would be useful to restate jointly points made in Secretary's press conference in addition to usual statements on continuing closest collaboration and consultation on disarmament and reunification. This might include statement Chancellor had won further assurances that US would not initiate any agreement on disarmament which would adversely affect German reunification. It might also give some support to government in problem making clear to public that any progress on disarmament is bound to create atmosphere more favorable for reunification. There is greatest confusion at all levels here on distinction between inspection, thinning out, neutralization and disarmament. Sensational press and opposition leaders are doing their best to discredit Secretary's press conference by implying divergence of view between him and Stassen. Anything designed to counteract this would be desirable.

¹Source: Department of State, Central Files, 033.62A11/5-1857. Confidential; Priority.

²Telegram 3210 enumerated the various briefing papers that were being prepared for Adenauer's visit. (*Ibid.*, 033.62A11/4-2557)

³Telegram 4451 transmitted a draft agenda for the Adenauer talks. (*Ibid.*, 033.62A11/4-1657)

⁴See footnote 2, *supra*.

Defense Minister Strauss has said he is recommending to Chancellor that communiqué include statement to effect that in Washington conversations it was made clear that American defense policy and plans are based on assumption that Federal Republic will make its appropriate contribution to Western defense and that US has no present intention of reducing its forces in Europe. He explicitly said he intends use this to meet opposition arguments that US must defend Germany under all circumstances in its own interests and it would be prudent to bear in mind that if Chancellor proposes this for communiqué, his party may use it to threaten reconsideration of US policy if SPD elected. As Department aware, SPD has demanded government renounce atomic weapons and refuse stationing US atomic weapons or atomic forces in Federal Republic. In this connection, statement to effect US will not station its troops anywhere without most effective means to defend themselves would serve similar purpose but would involve same possibility of exploitation.

Krone has privately raised with us possibility of Chancellor's suggesting a moratorium on atomic tests, to be in some way tied in with his visit. While this suggestion does not seem realistic we are reporting it for what it may be worth.

Chancellor also has made considerable point of close consultation with us on latest techniques and plans for civil defense. Minister Interior Schroeder today informed Embassy Chancellor plans to mention this in Washington and shortly after his visit Schroeder will travel to US for about ten days study trip. Communiqué might state that close cooperation in field of civil defense will continue and will find expression in early visit by German Minister of Interior to undertake detailed studies with Federal Civil Defense Administration, American Red Cross, and other US agencies concerned.

Chancellor may wish communiqué to indicate he raised vested assets question and received assurances US Government doing utmost. We doubt he really wants any long discussion or expects US concessions on this point.

Re "status reunification problems," working group is in public eye here and it will be expected Washington communiqué at least express gratification at progress and harmony and determination continue closest collaboration on this problem recognized as of vital interest to both countries and cause world peace.

European integration remains one of Chancellor's major policy planks and recognition his contribution this field would be psychological boost. To add much to Chancellor's internal strength, however, statement would have to stress importance of Germany's contribution and role in these new activities.

Re buildup, believe highly desirable that Adenauer be made aware our position, as reflected in position paper for NATO Ministe-

rial Meeting.⁵ While Embassy does not believe Chancellor could effect material changes prior election, if situation to improve after election, Chancellor should be made aware now of our dissatisfaction.

If Chancellor berates U.K. White Paper⁶ would perhaps be appropriate call his attention to gap created by German slippage. Reduction in German forces promised by end of 1957 of 135,000 far overshadows 13,500 U.K. cut. Should he request expression of satisfaction with buildup in communiqué, this would give opportunity explain fully our position leading to reluctance join in such statement.

Bruce

⁵A copy of this document, BNM D-10/6, "German Military Buildup," is in Department of State, Conference Files: Lot 62 D 181, CF 870.

⁶The British White Paper on national defense was printed in *The New York Times*, April 5, 1957.

110. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to the Secretary of State¹

Washington, May 23, 1957.

SUBJECT

Your Meetings with Chancellor Adenauer

While the Chancellor desires to use his visit to Washington in order to demonstrate his close relationship with the United States Government for the purposes of his election campaign, he has for some time been anxious to come here for a discussion of major policy issues. He will hope that the communiqué will reflect a close association of German and American policies and will give him substantial satisfaction on the major points he intends to discuss with you and the President.

Although he suffered some losses last year, the Chancellor's political fortunes rose after the Hungarian crisis. The events in Hungary were cited by the Chancellor and his adherents as proof of the correctness of their foreign policy. However, the recent debate regarding atomic weapons in Germany, in which the Chancellor finds his position in opposition to the prevailing emotional moods of the German

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Secret. Drafted by Reinstein.

population, has undoubtedly caused him considerable concern. Recent press reports of changes in American policy regarding Europe in connection with the disarmament negotiations again revived fears of an American deal with the Soviet Union at German expense and are also being used to attack the German Government.

1. Disarmament, German Reunification and European Security.

While the Chancellor and his adherents have expressed gratification regarding our recent official statements clarifying the true United States position on rumors regarding a neutralized or demilitarized zone in central Europe, speculation on these subjects continues to run high in the German press. There still appears to be concern in the German government as well that they have no firm and clear assurance that an agreement will not be made on disarmament which will result in a relaxation of tension on the basis of the status quo. The Chancellor will undoubtedly seek to obtain, both in the communiqué and in the proposed Four Power declaration on German reunification, statements not only that nothing will be done to prejudice the reunification of Germany but that in fact the Western powers, and in particular, the United States, will insist upon German reunification as a condition to a comprehensive agreement on disarmament. The Chancellor will admit that initial steps, particularly in the field of inspection, can be taken without bringing in the question of German reunification. While he would like to obtain as tight a link as possible between disarmament and reunification, he may confine himself to seeking assurance that progress should be made on the two subjects *pari passu*.

I think that it is important that we speak with the Chancellor as frankly as we can about our general approach to the disarmament problem and tell him as much as we can regarding what may come into the public domain in the coming months, if we are to avoid the type of problem which arose at the time of the press reports regarding the so-called "Radford Plan". The publication of press reports regarding this alleged plan soon after the Chancellor had visited Washington last year gave rise to charges in Germany that the Chancellor did not enjoy the confidence of the United States Government and deeply affected the Chancellor himself.

The Chancellor may refer to the confusion which has occurred in public discussion regarding various concepts of inspection zones, zones of limitation, demilitarized zones, neutralized zones, etc., as well as the confusion which has arisen over various Eden plans. As to the former, he may well propose to you that some steps be taken to clarify in the public mind the distinction between zones for inspection purposes which are being discussed in the context of the disarmament discussions, and zones of force limitations, which have

been discussed in the context of European security. As to the various Eden plans, the British have made clear that the only Eden plan which has any current validity is the plan for reunification with free elections in Germany.² The various other proposals put forward by Eden have been overtaken in subsequent discussions and proposals.

2. *German Reunification and Report of the Four Power Working Group.*³

The Chancellor will no doubt endorse the idea of the early issuance of a Four Power declaration on German reunification⁴ along the lines proposed by the Four Power Working Group. It would be helpful if agreement could be reached between us and the Germans during the course of the Chancellor's visit on the proposed text of the declaration so that we could jointly seek British and French agreement on a final text. It would also be well to agree on a time of release. The Germans hope for an early release and would like to have the declaration issued at Berlin in order that it might become known as "The Declaration of Berlin". A paper on this subject is attached. (Tab C)⁵

The Germans have received intelligence reports, to which they give considerable credence, that the Soviets will soon take a new initiative in this field, aimed at separating Germany from NATO and preventing the Federal Republic from acquiring atomic weapons. The Chancellor will undoubtedly wish assurance that we will continue to work closely with the Federal Republic in countering Soviet moves. In responding, you may wish to thank the Chancellor for the manner in which his Government has kept us informed and consulted with us and in NATO in connection with its exchanges with the Soviet Government.

The Chancellor will also wish to raise, perhaps in his conversation with you and the President, the question of a Four Power conference with the Soviets. His purpose may be to ensure that, if progress is being made in the field of disarmament, the unification issue will be pressed simultaneously. You may wish to remind the Chancellor that the Soviets proposed in February that a meeting of the Disarmament Committee should be attended by Foreign Ministers. At that time we thought it possible, although unlikely, that the Soviets might wish to have the meeting as a screen to bring the Foreign Ministers together. We solicited the German views, which were not in favor of having a meeting at the Ministers' level. While point-

²For text of the Eden Plan, FPM(54)17, January 29, 1954, see *Foreign Relations*, 1952-1954, vol. vii, Part 1, pp. 1177-1180.

³See Document 98.

⁴A draft of this declaration is in Department of State, Conference Files: Lot 62 D 181, CF 888.

⁵No tabs were found attached to the source text.

ing out the dangers of a meeting with the Soviets in the absence of any indication that it would be fruitful, you may wish to leave the matter somewhat open in the light of developments in the London disarmament talks. There is a danger that if we leave the matter open, the Germans may let this be publicly known and create the impression of a more favorable United States attitude than is the case.

3. NATO Military Problems.

The main problem under this heading which the Chancellor will undoubtedly wish to discuss is the relation between nuclear and conventional capabilities and he may express his continuing concern over the drift which he sees toward a situation in which the Western Powers will have only the capability to conduct nuclear warfare.

While the Chancellor has exhibited a deep interest in these subjects, it is not wholly clear to us that he is fully familiar with the relevant NATO Ministerial decisions. It might be well if you could go over the main points in MC-48 and the Political Directive,⁶ stressing both (a) the need for the progressive development of a NATO atomic capability in the shield forces and (b) the fact that such adequate shield forces should also be able to deal with incidents such as infiltrations, incursions and local hostile actions without necessarily using nuclear weapons.

You may wish to point out to him that the question of the exact relationship between capabilities needed in conventional and nuclear fields must be based on advice from the NATO military authorities. A study of what is needed is being made by General Norstad at NATO's request, pursuant to the Political Directive and the resolution of the WEU Council last March which the Germans sponsored. We have the utmost confidence in General Norstad's judgment and we are certain that the studies which he is making will permit governments to focus on this problem effectively in the fall.

Recent public opinion polls suggest a very high degree of public resistance in Germany at the present time, not only to the German possession of atomic weapons, but to the possession of these weapons by forces stationed in Germany. This sentiment is being exploited by the Socialist Party. You may wish to express appreciation of the difficulties confronting the Chancellor, while pointing out to him that the Soviet campaign of intimidation is designed to divide the Western Allies and to prevent us from defending ourselves effectively.

⁶For documentation on MC-48 and the NATO Political Directive, see vol. iv, pp. 1 ff.

You may also wish to lay a basis in discussions under this heading for a discussion on the German military build-up by pointing out that there are substantial shield forces on the European central front but that they are largely from non-continental countries and that they must be supplemented by the full German contribution if NATO strategic plans are to be capable of implementation.

The Chancellor will wish to be reassured regarding the maintenance of U.S. Forces on the Continent. He also continues to fear that the United States would hesitate to engage in all out war with the Soviet Union in the event of an attack on Europe. His concern on this point stems in part from his misinterpretation of a talk which he had with Secretary Quarles last year.⁷ It would be helpful if both you and the President could reassure him on these points.

The Chancellor may again raise the suggestion he made to you in Bonn May 4⁸ that the U.S. Forces be moved to the British defense sector in the North German plain. If he does, you might point out there continue to be substantial effective British forces in the area, at the same time noting that this is in the first instance a deployment question within SACEUR's responsibility.

4. German Military Build-up.

It is not entirely clear to us that the Chancellor is aware of the degree to which the German defense effort is lagging and the extent to which current German planning falls below what we have for some time been led to expect the Germans would do. It would be well if Mr. Sprague of the Defense Department could speak on this point. The present German Defense Minister has, in effect, disavowed the plans of his predecessor for a rapid build-up to a force of 500,000 men. The German Government has not submitted new plans to NATO. However, we have reason to believe that they are operating on a plan which would produce a total of 343,000 men by 1961, of which 200,000 would be ground forces. While this would produce twelve divisions, some of them would be under-strength and they would be inadequately supported.

The fault lies partly in the unwillingness of the German Government to devote more money to the build-up, partly to indecision regarding military planning, partly to faulty administration. We do not expect the German Government to undertake new commitments or to make announcements prior to the elections. However, by the fall, when the elections are past, SACEUR's requirements based on the Political Directive will have been established. We think we should expect the Germans to come into NATO in the 1957 Annual Review

⁷See Document 72.

⁸See Document 105.

with a statement at least in general terms of what they plan to do to meet these force requirements and within what time period.

5. European Integration.

The Chancellor's primary concern under this heading will be the effect of the recent change in the Italian Government and the French political crisis on the prospects for ratification of the Common Market and EURATOM treaties. He will be anxious to obtain your analysis of the political prospects in these two countries. A paper on this subject is attached. (Tab G) He may perhaps also raise the question of some American pressure to bring about the ratification of the treaties.

6. German Relations with the Soviet Union and the Satellites, Particularly Poland.

The Chancellor may give you an indication of the plans of the Federal Government for the conduct of its negotiations with the Soviet Union on trade matters and on the repatriation of Germans from the U.S.S.R. If he does not volunteer a statement on this subject, it would be useful if you could ask for one.

On the subject of Poland, he may wish your appraisal of most recent developments and a statement of the outcome of our aid discussions. It appears to us that Gomulka has successfully maintained his position and there is every indication that his regime will continue with the foreign policy and domestic programs initiated last fall. A paper on Poland is attached. (Tab K)

The Chancellor will probably indicate a German desire to intensify trade relations with Poland as a preliminary to development of relations in the political field. It would be useful if you could say that, although the Poles did not wish to bring the matter into their recent negotiations with us, we for our part would be disposed to examine some triangular arrangements, once the United States-Polish bilateral agreement has been finally concluded.

7. German Assets in the United States; Stinnes Case.

The German Ambassador has outlined to us the proposals which he sketched out to you in his talk on May 20.⁹ These are discussed in an attached paper. (Tab L) The proposals would involve a substantial outlay of United States Government funds (at least \$100 million). The Germans feel that, if the United States Government were willing to put up \$100 million, representing the amount of German assets used to pay claims against Japan, as was proposed by the Administration in 1955, a satisfactory compromise could be reached.

⁹A copy of the Secretary's memorandum of conversation with Krekeler is in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199.

The Germans think this would permit substantial satisfaction of U.S. claims against Germany and a 70% return to former German owners.

The significant fact in the German approach is the desire to seek some compromise. On the other hand, the Germans are unwilling to put forward a proposal themselves and apparently expect that we will do something during the course of the discussions. It would appear undesirable to reject the German suggestion out of hand. It is suggested that you indicate that the difficulties in the way of doing anything more than has been proposed by the Administration are very serious and that we cannot do more than study the suggestions.

The Germans have made a new approach to us on the Stinnes case, requesting an extension of 30 to 60 days in order to permit them to organize a consortium to bid for the property. This matter has been raised with the Department of Justice and will have to be dealt with on the basis of the situation when the talks occur.

The Germans will undoubtedly press very hard for some reference to these subjects in the communiqué.

8. Financial Assistance for United States Forces in Germany (Support Costs).

Discussions with a view to reaching an agreement on the basis of your conversation with von Brentano still are going on in Bonn. The Germans have given us drafts which we do not think adequately reflect the agreement reached with von Brentano. The financial position of military forces is becoming increasingly acute and we are informed by Defense that some funds must be made available by June 1. Meanwhile, the House Appropriations Committee has stricken from the defense appropriation the entire amount which we requested from [for?] the Germans for the current year.

If no agreement has been reached by the time of the conversations on Monday, we feel that you should press von Brentano to settle the wording of the agreement with us in Washington.

111. Memorandum From the Secretary of State to the President¹

Washington, May 24, 1957.

SUBJECT

Your Talks with Chancellor Adenauer

Before your meeting with the Chancellor on Tuesday² morning, I will have two talks with him on Monday. We plan to discuss disarmament, German reunification, NATO military problems, the status of the German military build-up, European integration, and relations with the Soviet bloc. The Chancellor will also raise the question of German assets in the United States. We plan to raise with him the question of financial support for United States forces in Germany if a settlement has not been reached by that time.

The Chancellor will have two principal problems on his mind. One is the implications of the increased development of nuclear weapons. The other is the question of disarmament and its relation to German reunification.

As you know, the Chancellor is deeply troubled from a moral viewpoint about the implications of nuclear warfare. In addition, nuclear weapons have become a major campaign issue in Germany which is causing him serious difficulty. The Chancellor has taken the position that the German Federal Government is not seeking atomic weapons, but he has refused to foreclose the possibility of eventual German possession of tactical nuclear weapons if an agreement on disarmament is not reached in the next several years. He has also defended the stationing of United States units with atomic capability in Germany. His position is being sharply attacked by his Socialist opposition. You may wish to mention your appreciation of the courageous stand which he has taken.

At the same time, the Chancellor is very much concerned that Western defense efforts are being too exclusively centered on nuclear capability, particularly in the British case. He fears that we will drift into a position in which we will be unable to deal with any difficulty except by resort to nuclear weapons.

The Chancellor will wish to be reassured regarding two points of American policy. One is the maintenance of United States forces on the continent. The other is our determination to respond to a Soviet attack on Europe, concerning which he has lingering doubts.

¹Source: Department of State, Central Files, 033.62A11/5–2457. Secret. Drafted by Reinstein.

²May 28.

It would be useful if you could discuss with him the role of nuclear weapons and assure him that we believe that the NATO shield forces, which must be ready to use nuclear weapons in all-out war, should be sufficient to also be able to handle limited hostilities without necessarily using nuclear weapons. It will also be desirable that you assure him of our firm determination (a) to fulfill our obligations under the North Atlantic Treaty, reacting instantly to a Soviet attack, and (b) to contribute on a fair share basis to the defense of Europe.

In this connection, it would be useful if you could emphasize to him the importance of an effective contribution by Germany to NATO defense in Europe. You might say that, while we appreciate the political difficulties which confront him, we have a feeling that the Germans have not set their sights high enough in the terms of the effort which they are making. Once the election is out of the way, we look forward to a real effort on their part to move forward rapidly with the creation of the forces which we have been expecting for some time they would contribute to NATO. You may wish to stress the importance to the alliance of every nation contributing its fair share to the defense effort.

The Chancellor is most anxious that we should continue our negotiations with the Soviets in an effort to reach an agreement on disarmament. At the same time, he is concerned, as are the German people, that an agreement of substantial scope on disarmament might be reached without having come to an agreement with the Soviets on German reunification.

I will have gone over the disarmament problem with him in some detail. It would be most helpful if you could do so as well and review the main aspects of the problem with him. I recommend that you also assure him that we will do nothing in the disarmament field which would prejudice the reunification of Germany. On the other hand, it would be well if you could emphasize the importance of our continuing to explore the possibilities of a disarmament arrangement with the Soviets in a flexible way.

The Chancellor may raise with you the possibility of a new Four-Power conference with the Soviets later in the year.³ What he

³On May 25 at 5:05 p.m., Dulles telephoned the President. The transcript of the conversation reads:

"The Sec. reported the word from the German Embassy re the proposal to have a four-power conference on German reunification. Adenauer wanted the Secretary's views. The Secretary said he would be very dubious about the propriety of our joining with the Germans to make such a statement. The British and the French would be upset. The Sec. said that if Adenauer does bring it up with the Pres. he would suggest that the Pres. be a little reserved about it. The Sec. says in this matter we should not tread on the toes of other countries. We do have joint responsibility with the British and French on German reunification. The Sec. said that if the paper from the Germans appeared significant he would call him at Gettysburg tomorrow morning." (Eisenhower Library, Dulles Papers)

may have in mind is pressing the issue of German reunification simultaneously with the disarmament discussions in order to keep at least a loose link between the two and to take advantage of any flexibility in the Soviet position. You may wish to point out the dangers involved in a new meeting unless there is real grounds for believing we could make progress. You might suggest that it would be premature to consider the matter until we can gain a clearer idea of Soviet intentions from the London discussions. In the light of the development of the talks with the Chancellor, you may wish to express a willingness to review the question later in the year.

The Chancellor will also probably raise with you the question of German assets in the United States and perhaps the forthcoming sale by the Alien Property Custodian of the predominant German share in the Stinnes Company, an American holding company with properties located in Germany. If he does, it would be desirable to bring the Attorney General into the discussions.

The Chancellor will hope that the final communiqué will be of assistance to him in Germany from an election viewpoint. We will have to devote a part of the meeting on Tuesday to a discussion of the communiqué.

John Foster Dulles⁴

⁴Printed from a copy that bears this stamped signature.

112. Editorial Note

Between May 24 and 29, Chancellor Konrad Adenauer, accompanied by Foreign Minister Brentano and others, visited the United States for discussions with President Eisenhower and Secretary of State Dulles. After brief stops in New York City and Greenwich, Connecticut, the Chancellor proceeded to Gettysburg, Pennsylvania. On May 26, Adenauer and Eisenhower spent the afternoon at the President's farm in Gettysburg. On May 27, at 8:44 a.m., in a telephone call to Dulles, the President discussed the visit. The transcript of the conversation reads:

"The Pres said the Adenauer visit was mostly social and went well—had a good time.

"He mentioned having 100,000 troops. The Pres asked him how long? A said they were all veterans except the last increment. The Pres said he is not going to say a public word until after elections and A is reelected and after that he will. He talked election—re agri-

culture, A said his interest is 4 million voters. The Pres said they feel hopeful.

"[4-1/2 lines of source text not declassified] The Pres disabused him re favorite nation—but I'm not sure exactly what this was about. Weber did not make notes—mostly social. A was most appreciative of the whole thing." (Eisenhower Library, Dulles Papers)

On May 27, 28, and 29, Adenauer held discussions in Washington with administration officials and Congressional leaders. Adenauer's impressions of the visit are recorded in *Erinnerungen, 1955–1959*, pages 309–311.

113. Memorandum of a Conversation, Department of State, Washington, May 26, 1957, 11:30 a.m.¹

SUBJECT

Report of Four-Power Working Group on German Reunification

PARTICIPANTS

German Side

Chancellor Adenauer	Mr. von Eckhardt
Foreign Minister von Brentano	Mr. von Hase
Ambassador Krekeler	Mr. von Baudissin
Dr. Grewe, Foreign Office	Mr. von Lilienfeld
	Mr. Limbourg
	Mr. Schnippenkoetter

U.S. Side

Secretary Dulles	Mr. Irwin, Deputy Assistant Secretary of Defense
Mr. Murphy	
Mr. Dillon	Col. Heasty, Defense Department
Ambassador Bruce	Mr. Timmons
Mr. Elbrick	Mr. Reinstein
Mr. Bowie	Mr. Walmsley
Mr. Berding	Mr. Creel

After the Secretary had welcomed the Chancellor to Washington, he asked whether the proposed agenda was satisfactory.² The Chancellor said it was. The Secretary suggested that the first item on the agenda, disarmament, be discussed in a restricted meeting. It was agreed to hold such a meeting in the afternoon.³

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Secret. Drafted by Creel on June 3.

²Regarding the agenda for the meetings, see Document 98.

³See Document 116.

The Secretary then turned to the second item on the agenda, the draft Four-Power declaration and annex prepared by the Four-Power Working Group on Reunification.⁴ The Secretary said we considered the draft documents prepared by the Four-Power Working Group to be generally acceptable. He had only two comments:

(1) With regard to the disagreed language of Section IV dealing with the status of the East Zone of Germany after reunification, we thought that something less specific would be preferable. We therefore proposed the following wording in this section: "We would not seek to gain any military advantage as a result of the withdrawal of Soviet forces." The Secretary explained that we were reluctant to make a firm commitment that no forces would ever be advanced into East Germany because of our fear that this might create a vacuum of power. At the same time, if German forces even of a limited character were established there under NATO control this could be considered a violation of our commitment under the terms of the language proposed by the UK-French-German members of the Group. We would, therefore, prefer some language more limited in character, as he had suggested earlier. The Chancellor indicated his agreement.

(2) With reference to the disagreed passage in Section III of the declaration on the relationship between disarmament and German reunification, the Secretary said we would prefer the following language: "The Four Powers wish to make clear that they do not intend taking any steps in the disarmament field which would prejudice German reunification." The Secretary said that the point was that while we do not intend to take any steps which would prejudice German reunification, it was quite another thing to say that we would not take steps which would have a particular effect. It was not always possible to tell what the effect on this issue might be of our actions in other parts of the world, such as Japan or Poland. This could well depend on whether the Soviets might claim that these actions were in fact prejudicial to German reunification. We did not wish to give the Soviets complete control over our policies and actions in other parts of the world. It was always difficult to say we would not do anything which would have a particular effect, since this involved the question of Soviet mentality and we are not always clear what is in their minds.

The Chancellor said that he was doubtful that the Soviets would in fact claim that what the United States or the other three Western Powers might be doing in other areas would prejudice the reunification of Germany. In any event he would appreciate being furnished with our suggestions for the specific wording of this paragraph in order that he might study the matter. He would be able to discuss it further tomorrow.

The Secretary then commented that there appeared to be certain duplications in the Annex of material already covered in the main

⁴Copies of the draft declaration and the annex are in Department of State, Conference Files: Lot 62 D 181, CF 888.

document prepared by the Working Group, which he felt tended to weaken the total effect of the two papers. In addition, he felt that the reference to the Geneva Summit Directive⁵ regarding the reunification of Germany by free elections deserved a place in the main document rather than the Annex.

The Chancellor said he wished to explain the idea of the Annex. The German thinking had been that the Annex should be in condensed form (in order to take into account the laziness of the average reader) to summarize the principal ideas spelled out in more detail in the main document. The Secretary said he was prepared to yield to the Chancellor in his estimate as to how much the German people were willing to read, and if the Chancellor considered the documents to be in the best form we would not argue to the contrary. The Chancellor said that if the Secretary had any doubts on the matter and thought the documents could be compressed, he believed this question should be referred to the Four-Power Working Group for study. The Secretary indicated his agreement.

⁵For text, see vol. v, pp. 527–528.

114. Memorandum of a Conversation, Department of State, Washington, May 26, 1957, 11:30 a.m.¹

SUBJECT

NATO Military Problems

[Here follows the same list of participants as the memorandum of conversation, *supra*.]

Taking up the third Agenda item, NATO military problems, the Secretary said he had little or nothing to add to what he had said at the NATO Meeting in Bonn, where he had also had an opportunity for full discussions with the Chancellor.² It did come to his mind, however, that since that date the Chancellor had had a meeting with Prime Minister Macmillan;³ the Chancellor was possibly in a position to throw further light on the question of British thinking, particularly on their willingness to leave reserve forces on the Continent.

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Secret. Drafted by Creel on June 3.

²See Document 105.

³Prime Minister Macmillan and Foreign Secretary Lloyd visited Bonn following the NATO meeting.

The Chancellor said he would like first to say something about his conference with General Norstad shortly before leaving Bonn for the United States. Norstad had given him a comprehensive survey of the NATO situation and had made a very good impression.

The Chancellor said he also wished to refer to the recent resolution of the Bundestag on atomic weapons, and to the recent press conference of Mr. Ollenhauer in which he had said that should the Social Democrats come to power in Germany they would insist that United States forces in Germany not be equipped with atomic weapons; he had also indicated that the SPD was prepared to accept all the consequences flowing from this decision. The Chancellor said he did not think the SPD would be successful in forming the next government and he was confident the present government would remain in power. In this event it would insist that Allied troops in Germany should be equipped with the most modern and efficient weapons. The Chancellor added that it was obviously the intention of the SPD to undermine NATO whereas his government wished to see NATO made as strong as possible.

As for the Macmillan talks, the Chancellor said they had been conducted in a very good atmosphere, although at first he had been somewhat concerned over British insistence on building hydrogen weapons and reducing their conventional forces. The formula which had been agreed upon in the talks was that steps must be avoided under all circumstances which would produce any weakening of NATO, and that in assessing the British as well as the overall NATO situation account must be taken of the German forces which are now being built up.

The Chancellor said he had later asked General Norstad if hydrogen weapons of British manufacture would come under his command. Norstad had replied in the negative but had said he could not conceive of a situation where the British would not cooperate fully with NATO in this matter. The Chancellor said that, as the Secretary was aware, the French were also considering manufacturing hydrogen weapons. Such a development, quite apart from French difficulties in Algeria, would involve further weakening of the conventional forces assigned to NATO. The Chancellor said he therefore saw a possibility (and he stressed this was only a possibility) of a development in the direction of a weakening of NATO should NATO member states attempt to build up stocks of atomic weapons not coming under the control of the Supreme Commander while at the same time reducing the conventional forces under the Supreme Commander's control. It was quite important whether the Supreme Commander had the power of control in this situation or was entirely dependent on the goodwill and understanding of the other parties. The Chancellor said he was aware the Secretary might not wish to comment on this prob-

lem now but he had merely wished to direct attention to his concern over this potential development.

The Secretary said he was not clear whether the Chancellor was satisfied with the question of the disposition of the British reserve force, i.e., whether this should be stationed on the Continent or in the United Kingdom. The Chancellor said this problem had been discussed but no decision had been taken. The matter required the approval of the Council of Western European Union. This in turn required the advice of General Norstad which was not expected until some time during the summer. It therefore appeared that the decision of the WEU Council could not take place before fall.

The Secretary said he wished to comment briefly on the Chancellor's remarks about the position of the SPD, not because he was interested in intervening in German internal affairs but because the question was of great importance to the posture of the free world. (The Chancellor interpolated that Mr. Ollenhauer had made the statements in question at a large press conference.) The Secretary drew the Chancellor's attention to the world map behind him. He referred to Finland, where important mineral deposits had been taken over by the Soviet Union during the last war; to Estonia, Latvia, and Lithuania, which had been forcibly taken over by the Soviets; and to Poland, East Germany, Czechoslovakia, Hungary, Roumania, Bulgaria and Albania, which had come under Soviet control solely as a result of the Soviet threat to use military force in these areas. On the other side of the world Mongolia, Tibet, North Korea, and North Vietnam had all been taken by Soviet force. All these aggressive expansions had occurred in areas where there were no collective security arrangements. On the other hand, in no area protected by such collective security arrangements had there been such aggression. The Secretary said he also wished to observe that the heart of collective security arrangements is the willingness of all parties thereto to use whatever force is necessary to repel aggression. He therefore could not but conclude, as had the Chancellor, that to leave such a vital area as the Federal Republic unprotected by collective security arrangements, or so poorly protected that it would become a tempting target for aggression, would represent a betrayal not only of the Federal Republic but also of others in the free world who were willing to stand beside the Federal Republic. We were trying to limit the danger that atomic weapons would be used in a manner contrary to the moral sense of those peoples who have any moral sense. But to agree to forego the availability in case of need of the most effective weapons would be as foolish as to have agreed to forego the use of gunpowder when this began to replace bows and arrows.

The Chancellor said he was in complete agreement with the Secretary. He was convinced, as he had already indicated, that his gov-

ernment would win the elections. He had wished to make the point only so that there would be no doubt the majority of the German people approved his government's course of action. He wished to reiterate once again that both for Germany's allies and for its own forces, his government wished to have the most modern and effective equipment available.

115. **Memorandum of a Conversation, Department of State, Washington, May 26, 1957, 11:30 a.m.¹**

SUBJECT

European Integration

[Here follows the same list of participants as Document 113.]

The Secretary asked the Chancellor to speak on the fifth Agenda item, owing to his great interest in the subject and all that he had done on behalf of European integration.

The Chancellor said there would be no difficulty as far as Germany was concerned and he was confident that EURATOM and the Common Market would be ratified by the Bundestag in July before the summer recess. He was, however, concerned by the situation in Italy and France. In France, in particular, a prolongation of the government crisis could cause difficulties. No one could change this, however, and we must await developments. There was one case in which he felt the United States could help, namely, that of the Netherlands. The Dutch were planning to take up the ratification question only after the summer recess, and there was a danger that other countries might also wait for action of the Netherlands. If the Dutch could move faster it would benefit all of us. The Chancellor again affirmed that in Germany there was no problem and he was sure that the agreements would be ratified by a large majority.

The Secretary said he had found the statement on this subject in the communiqué on the Macmillan talks² very good and that it represented an advance over the position taken by the British earlier. He was a bit surprised, however, over the Chancellor's concern regarding Italy. He inquired if this was because of the governmental crisis.

The Chancellor asked Foreign Minister von Brentano to comment on this point. Brentano said that as regards Italy he believed

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Secret. Drafted by Creel on June 3.

²For text of this communiqué, dated May 9, see *Documents* (R.I.I.A.) for 1957, pp. 386–387.

the new Italian government if confirmed in office would try to secure ratification with the support of parties not in the government. He was more concerned about France, even though there presently appeared to be a majority in the French Parliament for the agreements. If the governmental crisis were drawn out, mounting disagreements and tensions over other problems, such as Algeria, could have an adverse effect on ratification. He was, nevertheless, still optimistic over the outlook. As for England the British position, as the Secretary had indicated, had been clarified in the Bonn talks with Prime Minister Macmillan and Foreign Minister Lloyd. The British had made it clear that they would no longer try to have the free trade area question settled prior to ratification of the Common Market; also that they were willing to postpone further discussion of the Grand Design, which could have interfered with ratification.

Brentano said that he hoped the United States would continue to be helpful in GATT when the Common Market plan was discussed there. It was expected other nations would cause difficulties with the Common Market plan. He referred to a similar tendency in OEEC to attack the EURATOM agreement. Brentano said the support of the United States Government would be welcomed in trying to get discussion of these questions deferred until after ratification.

The Secretary said that there was no doubt that the fall of the Mollet government would have a bad effect on the attitude of other countries, such as Italy. Certainly the United States would do all it could in any quarter to assist this matter forward. He had repeatedly emphasized to the French his opinion that failure on their part to ratify the Common Market and EURATOM agreements, following on the defeat of EDC, would have a catastrophic effect on United States attitudes toward Europe. As for the Netherlands, he would be glad to look into the matter. He was aware that under Dutch constitutional requirements the ratification process was ponderous and slow-moving, and it might be hard to stir them into any speedier action.

**116. Minutes of a Meeting, Secretary of State Dulles' Office,
Department of State, Washington, May 28, 1957, 4 p.m.¹**

PARTICIPANTS

United States

Secretary of State

Ambassador David K.E. Bruce

Mr. C. Burke Elbrick, EUR

Mr. Robert R. Bowie, S/P

Mr. John N. Irwin, Deputy Assistant Secretary of Defense

Mr. J.J. Reinstein, GER

Federal Republic of Germany

Chancellor Konrad Adenauer

Foreign Minister Heinrich von Brentano

Ambassador Heinz L. Krekeler

Professor Wilhelm Grewe

Interpreters:

Mr. Weber

Mrs. Lejins

SUBJECT

Disarmament

The Secretary said that we had the impression that the Soviets may be sincerely interested in a disarmament agreement. The reason, he believed, was that the burden of the present rate of armament on their economy was something which they would like to lighten. We are ourselves, with our strong industrial economy, finding it a considerable burden to devote ten per cent of our gross national product to armaments. The Soviets perhaps find it difficult to keep up with us, considering the fact that their gross national product is perhaps one-third of ours. We also think that they are concerned lest the possession of atomic weapons spread generally and are particularly concerned that some of the satellites might come into possession of atomic weapons and consequently exercise greater independence. The Soviets have recently shown greater interest in the treaty to establish an international atomic energy agency to exercise controls which would assure that atomic materials will be used only for peaceful purposes. In London they have exhibited considerable interest in what is called there the "fourth country problem".

The Secretary said that he himself would not place any particular confidence in what the Soviets say merely because they say it, but when what they say coincides with their self-interest, one can place some reliance on it. This is particularly true when our free world interest lies in the same direction. We had therefore concluded

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Top Secret. Drafted by Reinstein on June 3.

it was worthwhile to probe further as to what the Soviets would or would not do. The Secretary said it is basic that we would not do anything on the basis of a Soviet undertaking unless it can be controlled. We are alert to the fact that there is always a tendency on the part of the democracies to disarm, if there is the slightest excuse for doing so. We hope at least we would not follow the pattern which has happened so many times in our history, of limiting our armaments without reciprocal limitations, with the result that aggression follows.

The Secretary said he had had considerable international experience in his lifetime and he well realized the tendency of people to put faith in treaties which sound well, which are signed by people with well-known names, and which have seals and red ribbons on them. We were determined to seek an agreement which is not a trap. We had had very considerable discussion during the last few days in particular about the subject of disarmament. There had been meetings in the State Department under his chairmanship, at which the Defense Department, the Armed Services, the Atomic Energy Commission and other agencies of the government concerned had participated. The conclusions resulting from these meetings had been taken to the President on the previous Saturday and had been approved by the President.² The Secretary said he wished the Chancellor to know that there was nothing in our position which was not fully approved by the Defense Department, by the Joint Chiefs of Staff and by the Secretary personally.

The Secretary said that one conclusion we had come to was that the aspects of the disarmament problem which particularly touched on Western Europe ought to be dealt with by more full participation of the Western European powers than is presently the case. We had received word that the other Western Powers which are active in the London disarmament negotiations, that is, the United Kingdom, France and Canada, this morning had agreed with this point of view. It would probably be presented at a meeting of the NATO Council which we hoped would be held on the following day. The Secretary said we hoped that out of this discussion would come some program which would insure that the Western European countries and SACEUR would have a more active voice in the disarmament question and that responsibility would not devolve solely on the Four Western Powers involved in the London discussions.

The Secretary said he had thus far confined himself to a discussion of procedural matters. He now wished to take up the following questions of substance: (1) inspection and controls; (2) nuclear weapons; and (3) conventional weapons.

²See vol. xx, pp. 513 ff.

The Secretary said that as far as inspection and controls were concerned, the United States adheres to the position originally put forth by the President at Geneva.³ This was that we would be ready to have aerial inspection and ground controls, either fixed or mobile, over all of the continental United States (and Canada, as well, if this were agreeable to the Canadian Government), if the U.S.S.R. would agree to the same arrangement for its territory. If, as we believe, the Soviets would reject this, we face the problem of what alternative arrangement could be made. It seemed to us that the alternative must then be a series of stages in which a beginning would be made where the problems were least difficult, with a gradual extension as circumstances permit. The Soviets had suggested an aerial inspection and ground control system over a slice of eastern Soviet territories in Siberia as against a slice of the United States including all of the United States west of the Mississippi. The Secretary said that our military people could see little advantage in inspection of only such a slice of the U.S.S.R. Furthermore, there would be great political difficulty for us in equating such a substantial part of the United States with even a substantial slice of Siberia, even if the areas were comparable on an acreage basis. While we have not arrived at any fixed conclusions and while there is considerable flexibility in our position, and we intend to probe Soviet intentions, it may be that the only feasible thing which can be done at present is to start on an experimental basis in areas relatively free from the political complications which the Secretary had referred to, that is, principally in the Arctic areas. The Secretary said he wished to repeat that our ideas were flexible and not fixed, but that our thinking was developing along these lines.

The Secretary then turned to the subject of nuclear armaments. He said our suggestions have as their central purpose the suspension of the development and growth of nuclear weapons, at least for a period during which it could be ascertained whether nuclear weapons could be brought under control. It would be our suggestion that, after a date to be fixed, those countries which have nuclear weapons should agree not to use any further fissionable materials to produce weapons and that during this stage at least nations which do not have nuclear weapons should agree not to manufacture them. The Secretary said that an agreement not to put new fissionable material into weapons is the kind of an agreement which our experts tell us can be controlled. It would not be possible to account for past production of fissionable materials, but it could be determined whether new production was devoted to peaceful purposes.

³For text of the President's "Open Skies" proposal, see the vol. v, pp. 447-456.

The Secretary said we would also propose that nations which have fissionable materials at the agreed date should agree to take certain amounts out of their weapons stockpile and put them into a stockpile for peaceful purposes. Thus we might start initially in a modest way to check future fissionable materials production for military purposes and also to make some inroad in the stockpile already devoted to military purposes. The Secretary said he had alluded to the fact that we would propose that nations not possessing nuclear weapons might forego their production to see how this experiment goes. However, he wished to make it clear that we would not agree to withhold such weapons from our Allies if their importation were necessary to repel aggression. In other words, our proposals would not extend to what might be called a NATO stockpile, where U.S. weapons could be stored subject to the possibility of transfer to its Allies if the need for their use should arise, nor would our proposals preclude the training of our Allies in the use of nuclear weapons.

The Secretary said that we still feel that the suspension of nuclear tests should be coupled with some form of nuclear control. He said we had given most conscientious and thorough study to the problem. We were convinced, on the one hand, that the testing of nuclear weapons for the foreseeable future, if kept within certain limits, would not be injurious to human life. On the other hand, we were concerned over the possibility that the continuity of developing and testing weapons would be irrevocably interrupted by a suspension of tests while the Soviet development program would continue to go forward. This opened up the possibility of a Soviet breakthrough in this area because the Soviets would continue with their preparations while our whole establishment would be broken up and our scientists scattered.

With respect to conventional weapons, the Secretary said that our proposals in the first stage are based on the concept of a reduction of forces by the U.S.S.R. and the United States to a level of armaments consistent with armed forces of 2,500,000 men. There might have to be some comparable ceilings for other Western powers which have a substantial military potential, although it is likely that U.K. forces will be below the ceiling before it can be agreed upon. Such countries as the Federal Republic, which are just beginning their build-up, would not be required to reduce their forces, but would be asked to accept some ceiling such as that established in the Brussels Treaty.⁴

⁴For text of the Treaty of Economic, Social and Cultural Collaboration and Collective Self-Defence, concluded at Brussels on March 17, 1948, among the United Kingdom, Belgium, France, Luxembourg, and the Netherlands, see Department of State *Bulletin*, May 9, 1948, pp. 600-602.

The Secretary said he had referred to a level of armaments compatible with a certain number of men in the armed services. He said he thought that the number of men in the armed services at any one time is a most dangerous and elusive concept. He remarked that in the Brussels Treaty, the approach is that certain levels of forces are fixed, but the effective limitation is on the armaments appropriate to the number of forces. Armaments involve a less elusive and more definite concept than numbers of men, since men can be moved in and out of the military services if there are arms for them. The Secretary said we would think it appropriate that there be some reduction in armaments at the time when the agreed level is arrived at between the U.S. and the U.S.S.R. The Secretary said this involved difficult problems in comparing weapons. This was particularly difficult when it came to dealing with a country like the U.S.S.R., which we knew from experience always cheats on its agreements.

The Secretary said that he did not attach great importance to the reductions which might be made in forces at the first stage. Reductions at the second stage, which would be of more significance, would be dependent on two things. One was the settlement of some of the major political issues in the world, such as the reunification of Germany. The second would be the establishment of roving, mobile controls within the Soviet Union. While it would be difficult to make such controls 100 per cent effective in such a vast country as the U.S.S.R., some risks might be incurred if there had been a settlement of some of the major political problems. The Secretary said there was one other area he should mention, that is, guided missiles and outer space missiles. It is our thought that a commission might be established to study how to insure that the use of outer space missiles would be exclusively for peaceful purposes. We think this is a suitable area for study but not for agreement at this time.

Chancellor Adenauer said that he was very grateful for the explanation which the Secretary had given. In his response he wished to go into some of these matters in some detail. However, before doing so, he wished to ask one question. When the Secretary had spoken of a first step, did he mean that this would deal only with aerial inspection or would it deal with other matters?

The Secretary said that we were thinking of aerial inspection plus ground controls in the inspected area, together with the establishment of an inspection system of atomic plants which would make it possible to control an agreement that future production would be used only for peaceful purposes. The establishment of controls in atomic plants would require about two years, so that it would take that period of time to bring into force the agreement to use future production of fissionable materials only for peaceful purposes. Initial steps in aerial inspection and ground controls could be brought into

force, we hope, in a few months' time. In addition, there would be a reduction of conventional forces as between the United States and the U.S.S.R., which would come into force in about twelve months.

In response to a further question from the Chancellor, the Secretary said he wished to make clear that, in our opinion, a first stage Treaty should include the following matters:

1. Aerial and ground inspection in some areas, perhaps not of great significance, primarily to make sure that controls of this character can be implemented.

2. An agreement to abstain from future productions of nuclear weapons, both on the part of nations which have such weapons and on the part of nations which do not have them.

3. A reduction of the forces of the U.S. and the U.S.S.R. to a level of 2,500,000. He remarked that he did not attach great military importance to this aspect of the Treaty.

The Secretary said a first stage Treaty involves all of these arrangements, although they would come into force at different times depending on the time required to set up protective controls which might be as much as two years in respect to some matters.

The Chancellor asked whether there would be an armament stop in this period.

The Secretary said there would not be.

The Chancellor asked whether, therefore, during this time, and until there was an effective control, the development of armament could go on.

The Secretary said this was correct except as regards the limit of 2,500,000 men in the U.S. and Soviet forces. The Chancellor remarked this was probably not of great significance and the Secretary said our Forces would probably be at that level at any rate. The whole modern trend is toward reduction in the number of men as the effectiveness of weapons increases.

The Chancellor said that in the first part of the Secretary's statement he had spoken of countries belonging to the Soviet Union. He asked whether this would cover Red China.

The Secretary said that we did not contemplate that, as part of the first stage, controls would be established over Red China. We did contemplate the inclusion in the Treaty of a provision under which if military developments and activities in Red China made it desirable, the U.S. could call off the arrangement. It was intended to approach the matter in that form in order to avoid the political problem of recognizing and dealing with Red China. The problem would be dealt with negatively rather than positively, so to speak.

After referring to his notes, the Chancellor said that the statement by the Secretary to which he had referred was that the U.S. would be prepared to agree to the inspection of the entire continental

area of the U.S. if the U.S.S.R. would subject all its territory to inspection. Did this statement cover Red China, he asked.

The Secretary responded that it related only to the Soviet Union.

The Chancellor asked whether the satellites would be covered. The Secretary said they would not. He recalled that the original proposal made by the President at Geneva covered only the territory of the U.S.S.R. He said that our military authorities felt that if inspection were extended to the whole of the U.S.S.R. and not merely to a part which would be sealed off from the rest, we would gain greatly. He said the fact of the matter was that, as far as the U.S. is concerned, there is little that the U.S.S.R. cannot learn. It is possible to buy at most book stores maps and pictures of military establishments in the U.S. It is possible to fly over most of the U.S. except for six restricted areas. Anyone can hire a Piper Cub and photograph anything except in theory in these restricted areas. In fact, one can fly high enough to get most of these areas.

The Secretary said that an agreement enabling us to fly over the U.S.S.R. would give us much and would add very little to Soviet knowledge. For this reason, he believed it was certain that the U.S.S.R. would continue to reject our proposal. The Secretary said that we actually see no military disadvantage in agreeing to inspection of part of the U.S. in exchange for the right to inspect part of Siberia. We would gain from such an arrangement. However, it raised the political difficulty of equating part of the U.S. for part of Siberia.

The Chancellor said that, while his information was perhaps not correct, he had understood that the U.S. had such an inspection over the U.S.S.R. Two and one-half years ago he had received a visit from high ranking American officers who had showed him apparatus which they said they could use by flying in the air stream over the Soviet Union. They also showed him pictures which had been taken.

The Secretary said he wished this were true. While we had some useful pictures, they were only of a small part of the U.S.S.R. It was not feasible at the present time, whether through over-flights or through use of balloons to cover all of the U.S.S.R.

The Chancellor said that he did not wish to go into these technical details but would like to make some general remarks. He said he thought he agreed freely that the U.S., as the leading power of the Western world, should make every effort to reach an agreement with the U.S.S.R. on disarmament. The question of timing, however, was of very great importance. That is, when one should go to the U.S.S.R. with a generous proposal. The Chancellor said that he was sorry to say that he could see no sign of the Russians wishing to come to an agreement with the West. He recalled the talks which he

had with Bulganin and Khrushchev at Moscow in 1955.⁵ He and von Brentano had had a lengthy discussion of a very frank character with them. They had been told that the Soviets found it very difficult to meet the demands of their population, to rearm at the rate necessary to keep pace with the U.S., and to meet the demands of Red China. The Soviets had asked the Germans to help them with Red China. They had not said anything about disarmament. What they had said was that they were afraid of the U.S., and also, perhaps for reasons of politeness, that they were afraid of the Germans. The principal point which they had made was that they were afraid of the U.S. and that they found it necessary to keep up with the U.S. in the arms field.

The Chancellor said that the Germans had, of course, rejected the Soviet proposal. He thought that the important thing was that the Soviets had not said anything about disarmament. The Chancellor said, that in looking back to October 1955, that he thought he should frankly say that the power of the U.S.S.R. had increased. There were several factors involved. The first was that the power of the West had diminished. This was due in part to difficulties between the U.S. and the British and French. In the second place, the U.K. had, to some extent left the framework of NATO. The Soviet Union on the other hand had crushed the revolt in Hungary and managed to keep Poland under control and had extended its influence in the Middle East. The Chancellor said that he did not wish to say that the Soviet Union was stronger than the U.S., but he did think the power of the Soviets had increased relatively.

The Chancellor said that this was a subject on which one could not furnish proof. One theory was as good as another. However, he thought that one should consider what the results might be of unsuccessful negotiations. The will of some countries to resist the Soviets would diminish. The Soviets would believe that if proposals had been made to them and rejected, other proposals would be made. The essential question was whether the Soviets had given up their goal of world domination. He personally did not believe that they had.

The Chancellor said that, as he remarked at the beginning, this was a situation in which a solution must be found without war. If the United States believed that the time had come that the Soviets were prepared to give up their aim to dominate the world, the other countries of the free world must accept this view. However, taking such a decision placed a great responsibility on the United States, perhaps a greater responsibility than had ever been placed upon any American Administration. If the negotiations failed and there were a

⁵See vol. v, pp. 573 ff.

loss of confidence in the United States, the United States would have lost everything that it had been working for for a period of years. The Chancellor said that this was a question of such seriousness that he felt it desirable to be completely frank in discussing it.

The Chancellor said that the proposal raises particular problems for Germany. The Secretary had said we must avoid anything which would perpetuate the continued division of Germany. He had also said that responsibility must devolve on other countries and that NATO would be consulted regarding disarmament on Wednesday. It would be impossible for the NATO Ambassadors to be in a position to comment on proposals at a meeting on Wednesday without having consulted their governments.

With specific regard to Germany, the Chancellor referred to the discussions which had taken place in the morning meeting⁶ and particularly to the point he had made that the German elections would be of decisive importance to the entire Western world. He said that if the proposals to be made at London could be used for propaganda purposes and if it could be portrayed that steps were being taken in the disarmament field without laying a basis for political settlements, this would have a very serious effect on the German elections. He said he frankly could see no chance for the Government.

The Secretary said that he was glad that the Chancellor had asked these questions. In the first place, the Chancellor had asked whether we thought the Soviets had renounced their desire to rule the world. His answer was that they had not. However, there was more than one way to winning the domination of the world. It might be possible that the Soviets might be willing to renounce the effort to dominate the world by military forces if they thought they could achieve it by other means.

The Secretary said that if the West, and particularly the United States, were not willing to deal in any way with the problem of disarmament, we would have undermined the confidence of many peoples in the Western governments, and particularly in the United States Government. The Secretary said the Chancellor had spoken of a possible loss of confidence in the United States. He thought that confidence in the United States, to the extent that it exists, rests, not only on the fact that we are strong, but on the belief of other people that we are sincerely devoted to peace and freedom and that we want to find ways of lightening the burden of armaments on mankind.

The Secretary said that the first phase of steps we are considering are certainly of such a character that they will in no way limit and will in fact increase the military strength of the United States.

⁶See Documents 113-115.

We have some chance of finding out through aerial inspection something about the Soviet Union that we do not know in exchange for something that they know. In the nuclear field, we propose that materials should not be used for weapons at a time when our stockpile is larger, perhaps several times larger, than that of the Soviets. We do not propose to diminish our weapons stockpile, nor to abandon the bases from which we could stage an attack on the U.S.S.R., if necessary. In other words, our proposals would leave us in a position of superiority.

The Secretary said that he did not believe that such an initial step would be interpreted as giving up our superiority or endanger any part of the free world. On the contrary, it would freeze our superiority.

The Secretary said that he thought that anything less than this in the first stage would be interpreted throughout the world and indeed in the United States as a trend toward militarism which was not appropriate to a free and Christian people.

The Secretary said that the Chancellor had referred to the NATO meeting on Wednesday. He felt he must have failed to make his point clear. It had never entered his mind that the NATO representatives would express views at the meeting on Wednesday. The purpose of the meeting was to tell the NATO countries our view that they should organize themselves to take a greater role and responsibility in the field of disarmament. When the disarmament discussions touched on issues such as German reunification and the situation in the satellites, we felt that the NATO countries should have the opportunity and, indeed, the responsibility of participating. We had in mind a greater degree of participation than is gained by an occasional report to NATO, an occasional discussion with an Ambassador in London or a meeting such as the one which he was having with the Chancellor. Although his meeting with the Chancellor was highly useful and afforded him an opportunity to give the Chancellor our thoughts to a degree which few people in the United States Government knew them, it was, nevertheless, more or less accidental and would probably not be repeated within the next few months. The whole purpose of our approach to NATO was to propose to the NATO countries that they organize themselves to participate effectively in the disarmament problem. The Secretary said he personally believed that their countries should have continuous representation in London somewhat similar to the representation the Germans had had at the Geneva Conference in 1955.

Herr von Brentano said he wished to ask a question. The Chancellor had indicated, and there was no need to stress, that the Germans were interested in a relaxation of tension. However, he was somewhat concerned as to how Germany would be affected by the

proposals. As he understood it, the proposals would comprehend inspection, limits on nuclear weapons and some limitations on conventional forces. He asked whether he could assume that the proposals would cover Europe.

The Secretary said that the United States did not assume this. We did not think that the first phase of the effort should touch Europe in any way. We further felt that before anything was done affecting Europe, the European countries should organize themselves so that they could participate effectively and accept greater responsibility in this area. He said that we did not wish to be in a position of simply telling the Europeans what was being done. We wish them to decide for themselves what should be done. He said the United States could not think for Germany, but that Germany should think for itself and participate in the development of such a program. The Secretary said that our thinking was at this time there should be no over-flights in Europe, no ground controls in Europe and no limitation of conventional forces in Europe. These should be left until we come to the second stage, which would be based upon European participation. He indicated that he felt that participation was particularly necessary in the case of Germany, the Benelux countries and possibly Italy. If the European countries involved wanted Europe dealt with in the first stage, we would have no objection. However, it was not part of our proposal.

Herr von Brentano said that he was still somewhat concerned about what the Secretary had said. If he understood it correctly, an attempt would be made to reach a comprehensive agreement on disarmament between the United States and the Soviet Union. It was psychologically impossible for an agreement to be reached between the larger countries without affecting the smaller countries. One could not limit the armament of the larger powers without limiting the armament of the smaller powers. As he understood the proposal, it would mean that Britain would in fact leave WEU. It would mean the implicit confirmation of the division of Germany. This would create great problems in Germany. He said he wished to raise these problems, not because he was a German, but because of the importance of the German problem to all countries. If the feeling developed in Germany—that the division of Germany had been accepted and that an agreement on disarmament would be based on the division of Germany, the reaction would be very bad and might affect other countries, as well.

The Secretary said that he thought that to describe what we proposed as a comprehensive agreement was going far beyond what was actually contemplated. All that was contemplated was what he had already outlined involving the inspection of areas remote from Europe. It did not involve areas where the problem of freezing the

political situation was an issue. It touched on the problem of disarmament only by proposing that the atomic stockpiles of the United States and the U.S.S.R. be frozen at their present levels. This would involve the Soviets conceding U.S. superiority in this field and abandonment of the Soviet effort to catch up with the United States. The proposed reduction of conventional forces to 2,500,000 had been put forward a long time ago. It had no substantive significance.

The Secretary said Herr von Brentano had spoken of the United Kingdom leaving WEU. He could not see any connection between these proposals and the Brussels Pact. The Brussels Pact would not be affected, nor would NATO, nor would the United Kingdom forces in Germany, nor would our ability to meet a Soviet attack.

The Secretary said that none of these substantive proposals were new. The proposal for reciprocal aerial inspection had been made by the President at Geneva. The proposal of a cut-off date for the production of nuclear weapons had been made at least six months ago. The limitation of 2,500,000 men had been made a long time ago. The only new thing was that we did not think the arrangements should apply to Europe until there had been a settlement of the political problems in Europe. In other words, we were cutting back our proposals until the conditions described by Herr von Brentano could be dealt with. We did not wish to go into these problems until Germany was in a position to deal with these matters.

Herr von Brentano said he did not wish to be misunderstood. He acknowledged the accuracy of what the Secretary had said. On the other hand, he did not wish to have the impression created that there would be relaxation of tension separate from the settlement of political problems. This was why the Germans had suggested that it be stated that, because there were new negotiations in prospect, it was desirable to solve the political problems. This was why they wished to propose a future Four Power conference. This would make it clear that there was a connection between the disarmament negotiations and the solution of the German problem.

The Secretary said we would have no objection to making clear in any way that in our view a comprehensive disarmament agreement was not possible without a solution of some of the major political problems, such as the reunification of Germany. Our own working papers reflect this. The essence of the decision which we had just made, which he had thought would be pleasing to the Germans, was that it was not possible to have the degree of disarmament which had been previously discussed without European participation. The political responsibility was too great for us to bear.

The Secretary said that as far as inspection was concerned, we were proposing to do it only on an experimental basis. We did not even wish it to apply to the European area without full German and

other European participation in the decision. He remarked that it was Governor Stassen's opinion that the Soviets would not be willing to accept real inspection and ground controls unless they cover Europe. If this were so, the question would then be up to the Germans and their European colleagues to decide. We would not urge them. The Secretary said he himself had thought we were purporting to speak in London for other countries to too great an extent without having a mandate to do so. We did not wish to do so any longer.

The Chancellor said he wished to ask a question. The Secretary said he had not answered all of Herr von Brentano's questions. The Chancellor said perhaps his question would in fact deal with these unanswered questions. The Secretary had spoken of agreements regarding three matters, air and ground inspection, nuclear weapons and conventional forces. His question was to what extent such a proposal would affect American participation in NATO. The Secretary said, not at all. The Chancellor said the agreement would be a very good agreement in this case.

Herr von Brentano referred to the German suggestion regarding a Four Power conference and requested the Secretary's views. The Secretary said he thought that the proposal was an interesting one but that he doubted that it could be made in the communiqué. He did not think we could confront our Allies with a statement on this subject before they had been consulted.

The Secretary said that, in point of fact, the same proposal had been made by some people in our own government recently and we had been considering it during the last ten days. He found it interesting that the Germans had made the same proposal. The Secretary said that while he felt the proposal had some merit, he was afraid it might operate as an enticement to the Soviets to accept things in the disarmament agreement on the basis of the feeling that they would gain more than we would out of a Four Power conference. He thought we would need to weigh very carefully what we would gain from such a conference. He was not sure we had gained very much out of the Geneva conferences. He was not sure what we would gain out of another Four Power conference. On the other hand, he thought some way should and could be found to link a comprehensive disarmament agreement with the reunification of Germany.

The Secretary said he wished to point out that what the Soviets want most out of a disarmament agreement was not comprehended in what we were now proposing to do. For a long time the Soviets had pressed in particular for three things. One was the liquidation of all foreign bases. This was not touched in any way. The second was the withdrawal of United States forces from Europe. This was not touched in any way either. The third was the liquidation of NATO and WEU. This was not touched in any way. The Secretary said that,

in other words, the things which the Soviets really want, even inspection in Europe, would not be touched in our proposals. It was implicit in our proposals that the extension of these arrangements would be dependent on the solution of some of the major political problems, notably the reunification of Germany.

The Secretary said that he was not certain whether we could usefully add a Four Power conference to these proposals. If he hesitated, there were two reasons for doing so. One was the need for consulting our allies. The other was whether such a conference would in fact be an asset to us. He thought that we could make it clear that there could not be an effective general disarmament plan unless there were reunification. As far as a possible Four Power conference was concerned, we would, of course, give great weight to German views.

The Chancellor said that he would like to think this entire matter over.

The Secretary said he hoped that the Chancellor would take the time to think it over. He was satisfied it was the kind of policy which the Chancellor would want us to adopt. He wished to make clear again that what we were considering was a very limited agreement and not a comprehensive agreement, that it need not apply to Germany or to Europe, and that from the standpoint of procedure, we proposed to bring Europe and particularly Germany into the discussion of the problem. These were the only new points. Everything else was old.

117. **Memorandum of a Conversation Between Secretary of State Dulles and Chancellor Adenauer, Department of State, Washington, May 28, 1957, 10 a.m.**¹

[Only the interpreter, Mr. Weber, was also present.]²

The Chancellor said he was glad of a chance to talk with me privately about personalities. He was anxious to know what we thought about Krekeler as Ambassador. Was he adequate? The Chancellor said he felt that von Kessel was abler, but he was not quite so sure as to his complete integrity. He was going to have this further checked.

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Secret; Personal and Private. Drafted by Dulles. The conversation lasted until 10:45 when the Secretary escorted Adenauer to the White House for a meeting with the President. A memorandum of their conversation is printed *infra*.

²Brackets in the source text.

I said that I considered Krekeler a thoroughly competent Ambassador with whom we got along very well. Perhaps he was not as forceful as some and it was not, of course, possible for me to judge the accuracy of his reporting, but we had no criticism to make of him. The Chancellor said he was always thinking about the problem of a successor. He felt there was no obvious successor in sight and that if he won the election he would probably have to hold on for a time. He had thought of von Brentano as one of three or four who might possibly succeed him. As I did not personally know the others of whom he was thinking, he saw no point in mentioning their names to me. He thought von Brentano smoked too much and that that made him nervous. He said he had told von Brentano last night that he should stop smoking.

I spoke in turn of some personalities. I said we hoped that he had been pleased with Ambassador Bruce, whom we regarded as one of our ablest diplomats. I said I felt he might be more politically minded than Ambassador Conant, who had been a very learned person but perhaps somewhat lacking in a political touch. The Chancellor said the trouble with Conant was that he was too "liberal".

I referred to a remark which the Chancellor had made a year before when he spoke of Riddleberger very highly. I said we had contemplated Riddleberger would be Assistant Secretary for European Affairs, but that his health had made this impracticable.

Having in mind what AWD had reported of the Chancellor's concern regarding developments within our own government, I said that Secretary Humphrey would soon be replaced by Mr. Anderson, and I spoke of Mr. Anderson's high qualifications and experience, and indicated I thought he had more of an international viewpoint than Secretary Humphrey. I said there might be some early change in the Defense Department, but this would not have any significant bearing on our international policies. I said as far as I was concerned, I had no present intention of resigning and that there was complete harmony between the President and myself with respect to all aspects of foreign policy. I referred to the fact that Governor Stassen was now working under me and not as an independent agent of the President. The Chancellor expressed his gratification of this fact, of which he apparently had not been informed.

The Chancellor indicated the importance of our talking more with some of the European countries. I asked what others he referred to, to the Benelux countries for example? He said no, France and Britain. This phase of the talk was quite obscure to me.

I mentioned that we had learned in a reliable way that someone in the German Government had been reported to inform Macmillan and/or Lloyd of the fact that in my first talk with the Chancellor I had spoken of the declining position of the UK in world affairs and

speaking of their present defense program had said that they were not able to play the part they had done before the First World War. This apparently had been reported to Macmillan and/or Lloyd in a way which made it seem that I was deprecating British greatness. I said I was concerned at the fact that such an intimate talk as I had should in garbled form be passed on to the British for no purpose I could see except to make trouble. The Chancellor seemed greatly concerned and disposed to doubt the accuracy of my statement. When I said it seemed to be correct without doubt, he said he would study the matter further from the standpoint of checking on who had been present when we talked; it was hard for him to believe any leak to the British had occurred.

JFD

**118. Memorandum of a Conversation, White House,
Washington, May 28, 1957, 11-11:52 a.m.¹**

SUBJECT

Disarmament; the Communiqué on Chancellor Adenauer's Talks in Washington;
Support Costs

PARTICIPANTS

Federal Republic of Germany:

Chancellor Konrad Adenauer
Foreign Minister Heinrich von Brentano
Ambassador Heinz L. Krekeler
Prof. Dr. Wilhelm Grewe

United States:

The President
The Secretary of State
Mr. Donald A. Quarles
Mr. Robert C. Murphy
Ambassador David K.E. Bruce
Mr. C. Burke Elbrick
Mr. Robert R. Bowie
Mr. J.J. Reinstein

Interpreters:

Mr. Weber
Mrs. Lejins

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Secret. Drafted by Reinstein on June 4.

Disarmament

The President welcomed the Chancellor. He said that he had expected that the meeting would be conducted in a slightly less formal atmosphere. Given the character of the meeting, he would suggest that the Chancellor raise such matters as he cared to discuss.

The Chancellor thanked the President. He said that he could only report that he and the Secretary had had several very good talks, the results of which were reflected in the draft communiqué.² On their way to the White House, they had discussed a possible change in the communiqué, in the paragraph dealing with disarmament, on which he believed they had reached agreement. Mr. Dulles said that no language had been agreed. He thought there had been agreement that it might be made clear that somewhat active participation on the part of the Federal Republic in the disarmament negotiations was contemplated. He thought he could work out some language on the point with Foreign Minister von Brentano.

The Chancellor said that he would like the language to say that the Federal Republic would be consulted not only as a member of NATO, but because its interests were affected.

The President said that he wished to make clear that the United States does not intend to take up in any international conference any matter in which one of our allies is concerned and to take decisive action on it without the consent of that ally. He said it would not only be discourteous to do so; it would be foolish. The President suggested that the point the Chancellor had in mind might be expressed by including a short sentence in the communiqué stating that nothing affecting Germany could have force or effect without the consent of Germany. He suggested that the drafting of the exact language be left to Herr von Brentano and Mr. Dulles. He thought there was no difference in intent.

The President asked whether the Chancellor had any other points to raise on the communiqué. The Chancellor said he did not.

Mr. Dulles said that he and Chancellor Adenauer had had a long talk on disarmament the previous afternoon at which he had explained American thoughts on this subject very fully.³ He had told the Chancellor that he had been given our thinking more fully than had been done with any of our allies to date and more than most people in the United States Government. Mr. Dulles said that the Chancellor had a very natural concern lest we should make a comprehensive disarmament agreement covering the entire area under

²Not found in Department of State files. For texts of the communiqué and declaration issued by the President and the Chancellor on May 28, see Department of State *Bulletin*, June 17, 1957, pp. 955–956.

³See Document 116.

discussion, including continental Europe, without adequate consideration for the need of avoiding prejudice to the reunification of Germany. He said he thought he had made clear to the Chancellor that the principal evolution of our thinking had been along lines much in accord with the Chancellor's thoughts. In particular, we had become increasingly aware of the difficulty of applying a system of inspection and control in Europe until the question of German reunification was taken care of. We were, therefore, prepared to leave this matter out of the first stage of disarmament, until the reunification question could be taken care of.

Mr. Dulles said that he had also told the Chancellor that it was our feeling there was a tendency on the part of the four Western powers who were carrying on the disarmament negotiations in London to assume too much responsibility vis-à-vis other countries. It was, therefore, our intention to seek more active participation by other powers. He had made this point to the Chancellor in particular in their discussion the previous day and it would be raised with our other continental allies at the NATO meeting on the following day. The problem of how to work out procedures for participation was still before us. This also was involved in the statement in the last page of the communiqué on which language remained to be worked out.

The President remarked that the language of the communiqué looked fine to him.

Chancellor Adenauer said that, as Mr. Dulles had said, he had given the Chancellor on the previous day a very full account of the American views on disarmament. After thinking over what Mr. Dulles had said to him on the previous evening and in the conversation which they had had that morning, he could now say that he was in full agreement with the American position.

Communiqué

It was then agreed that the communiqué be issued as soon as possible. Mr. Dulles suggested that agreement on the language on disarmament be reached immediately. The German representatives suggested that some additional words be added to the sentence at the beginning of the last paragraph of the communiqué reading as follows:

"The President stressed that any measures for disarmament applicable to Europe would be accepted by the United States only with the approval of the NATO allies, which he hoped would take a leading role in this regard".

They suggested adding the phrase:

“and in connection with the reopening of negotiations on European security and German reunification”.

The President thought this language might cause some difficulty. Mr. Dulles pointed out that it seemed to suggest that NATO had responsibility for German reunification. He pointed out that the previous paragraph referred to the responsibility of the four powers for this question.

Professor Grewe then suggested as a substitute the addition of the following words to the sentence:

“and taking into account the link between European security and German reunification”.

The President and the Secretary agreed to this suggestion.

German Assets in the United States

The discussion on this subject is recorded in a separate memorandum.⁴

Financial Support for United States Forces in Germany

Ambassador Bruce raised the question of financial support by the Federal Republic of American forces in Germany. He pointed out that this had been discussed by the Chancellor and Secretary Dulles in Bonn on May 4,⁵ at which time an agreement had been reached. The question of working out suitable language was still pending. He asked whether Foreign Minister von Brentano could say whether he thought the matter could be worked out in the next few days.

Herr von Brentano said he was not prepared for a discussion on this subject. However, he was familiar with the matter. At the meeting on May 4, Mr. Dulles had said that there was a problem of presentation from the viewpoint of the American Congress and had suggested that the United States make a reservation allowing it to raise the question again later. The Chancellor had pointed out that this would give rise to difficulties with the Bundestag. Language on the subject was now being negotiated in Bonn. Herr von Brentano read the American and German formulations for the United States reservation. He suggested that there was no difference in substance be-

⁴The memorandum focused on a brief and general discussion of German assets in the United States. Adenauer noted that there might be a way to solve the problem without using American tax funds. The President added that the matter of assets had given him and the Secretary “much anxious thought”. The President concluded: “However, this was a matter of law, and it was not always easy to persuade Congress to solve problems in a manner one would like.” (Department of State, Conference Files: Lot 62 D 181, CF 888)

⁵See Document 105.

tween the two texts. He said that the presentation in the German draft would be better from the viewpoint of the German Bundestag.

The President said he understood that the matter was then only a question of phraseology.

Mr. Dulles said that this would be a subject of Congressional interrogation and would be of particular interest to the Defense Department. Secretary Quarles said that the more definite the reservation could be, the better the position of the Administration before Congress would be.

The President said he realized that the Chancellor had several speeches to make.⁶ In view of this fact, the meeting might be brought to a close. Assuming that both he and the Chancellor would for the next few years continue in their present positions, he hoped that the Chancellor would find it possible to visit him again. He felt that these visits were always very useful from the American viewpoint. The Chancellor thanked the President. He said that each of his visits had been most profitable to him, not only in terms of the specific matters which he had dealt with, but in learning to appreciate increasingly the qualities of the American people and the American way of life.

⁶For texts of Adenauer's addresses to the House of Representatives and Senate, see Department of State *Bulletin*, June 17, 1957, pp. 956-960.

119. Memorandum of a Conversation, Capitol Building, Washington, May 28, 1957, 3 p.m.¹

SUBJECT

Negotiations with the USSR

PARTICIPANTS

Chancellor Adenauer
Foreign Minister von Brentano
Ambassador Krekeler
Richard Balken, German Embassy
Jonathan Dean, Office of German Affairs
Senator Johnson
Senator Knowland
Senator Green
Senator Wiley
Senator Bridges

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Confidential. Drafted by Dean.

The Chancellor began the conversation by thanking the Senators for agreeing to meet with him in private. The Chancellor said he saw difficult times ahead in Europe. He said he greeted the efforts of the United States to reach an agreement with the Soviets because only such an agreement could solve the problems of the world. But the way to such an agreement was long and filled with dangers and in order to reach a successful conclusion and to avoid these dangers, the true character of the Soviets must be known and constantly borne in mind. The Chancellor said he did not wish to exaggerate but that the freedom of Europe was vital to the continued freedom of the United States. Germany and Europe and the United States continued to be in a perilous position which only the strength and wisdom of the United States as the main power of the free world could withstand. The Chancellor said that the future was unclear but that Soviet aims were very clear. The Soviets would attempt to dissolve the alliance of the free world in order to achieve eventual domination of the world. They knew that their main battle would be against the United States, which would have to remain strong and alert.

Senator Johnson said he believed he spoke for the other Senators when he said that he shared fully the same doubts with regard to the intentions of the Soviets as the Chancellor and that the United States would do its utmost to retain its strength and its alertness with regard to the future.

The Chancellor stated that the character of the Soviets was deceptive and difficult to measure. He said he had felt the same feelings of doubt and uncertainty with regard to the rise of the Nazis. It remained inexplicable, he said, how the German people could have followed "Hitler and his bandits" but at the same time he could not understand why the outside world had helped Hitler so much by giving him recognition and stature through agreements and through such actions as participation in the 1936 Olympic Games which were of tremendous psychological assistance to Hitler. The Chancellor said it was clear that an attempt must be made to come to terms with the Soviets but that the West, and the United States in particular, must be cautious, careful and acute in these dealings with the Soviets.

Senator Johnson said he was grateful for these remarks by the Chancellor. He said that as far as the Legislature of the United States was concerned that the Chancellor was in the presence of the four or five men in the United States who would be most cautious and most reserved in going into any arrangements with the Soviet Union.

The Chancellor thanked the Senators and the meeting was terminated.

**120. Memorandum of a Conversation, German Embassy,
Washington, May 28, 1957¹**

In a group consisting of the Chancellor, von Brentano, the Vice President, David Bruce and myself (Weber interpreting), we discussed a possible visit of the Vice President to Berlin in connection with the dedication of the Benjamin Franklin Auditorium and the possibility of the timing of this which would be appropriate in relation to the German elections. Considerable interest in this was shown by the Chancellor and it was left that Ambassador Bruce and Minister von Brentano would try to work something out.

(Ambassador Bruce can probably fill in this memorandum somewhat.)²

JFD

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Secret; Private and Personal. Drafted by Dulles. The conversation presumably took place during a dinner which the Chancellor gave for Secretary Dulles.

²No account of this meeting by Bruce has been found in Department of State files.

**121. Memorandum of a Conversation Between Secretary of
State Dulles and Chancellor Adenauer, Department of
State, Washington, May 29, 1957, 10:34–10:45 a.m.¹**

We discussed the problem of leakages and Chancellor Adenauer expressed the opinion that it was very wrong and dangerous to make memoranda of conversations. Therefore, this is a memorandum to end all memoranda.

JFD

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Drafted by Dulles. A note on the source text indicates that Weber was also present, but he made no notes. The time of the meeting is taken from Dulles' Appointment Book.

122. Memorandum of a Conversation, Federal Civil Defense Administration, Washington, May 29, 1957¹

SUBJECT

Civil Defense in U.S. and Germany

PARTICIPANTS

German side:

Chancellor Adenauer

Foreign Minister von Brentano

Ambassador Krekeler, Germany Embassy

Commander Klug, Defense Ministry, Bonn

Mr. Selbach, Personal Aide to Chancellor

American side:

Mr. Peterson, Federal Civil Defense Administrator

Ambassador Bruce

Mrs. Howard, Special Assistant to Administrator, FCDA

Mr. George, Office of European Regional Affairs

The meeting was arranged, at German request, to discuss protection of the civilian population. It was anticipated in this connection that Chancellor Adenauer might wish to set some details concerning the program under which the U.S. will test certain shelters of German design at the Nevada proving grounds this year.

Mr. Peterson welcomed the Chancellor and stated that rather than attempt to give a set briefing it might be more useful if he could deal with matters of specific interest to the German side. Since the conversation thereafter consisted entirely of questions put by the Chancellor, with replies by Mr. Peterson, it will be reproduced below in that form.

Q. We understand that at one time you were thinking in terms of civil defense by means of evacuation from the cities, but that you have now shifted over to a shelter program. Is this correct?

A. Not entirely. At the time we were stressing evacuation only, the danger from fallout was not fully appreciated. Fallout shelters can be built fairly cheaply, however, and while our thinking now is still in terms of evacuation, we are also stressing the need for adequate shelter against fallout, so that the lives of people who may have gotten safely away from the cities will not be endangered by fallout some distance away.

Evacuation is practicable today only because we believe we can count on 3–5 hours warning against attacks other than from submarines. The coming of the inter-continental ballistic missile, which will cut warning time down to 15–30 minutes, will clearly mean that evacuation is impossible. We have no shelters at present, however,

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Confidential. Drafted by Scott George.

and will have to rely solely on evacuation until shelters are built or until the ICBM is here.

Q. A couple of years ago you had tests which called for moving the Federal Government out of Washington. Is this still the plan?

A. Yes, if time permits.

Q. Would this involve all government officials?

A. No, just those essential to maintain vital functions of government.

Q. Do you have special shelters outside Washington?

A. We have re-location sites, some underground, for all necessary personnel.

Q. Who pays for these, the Federal or State Governments?

A. The Federal Government. We are encouraging State and municipal authorities to take similar action.

Q. If shelters were constructed for the population in New York, for example, would the Federal, State, or City Government pay for them?

A. This has not been decided. FCDA has made a proposal, now under consideration by the President, which would call for the Federal Government's bearing the greater part of the cost. It is our feeling that if the States and municipalities give the necessary land, and maintain the shelters when built, this would be a fair proportion of the burden for them to carry.

Q. Is there any legislative or other authority making it compulsory that new buildings have adequate shelters built-in at time of construction?

A. No, and unfortunately the Federal Government is setting a bad example in this respect. The new State Department building, for instance, has no provision for shelters.

Q. Obviously the State Department counts on obtaining peace.

A. We all hope so. But I did not mean to emphasize the State Department particularly—it is general throughout the Government. I am certain that we will eventually come to a shelter program. We will be forced to put some of our industries underground, as in Norway, Sweden, and I believe, Russia.

Q. I am sure you are aware of this, but the Russians built the Moscow subway 60 meters underground. Bulganin told me that they can protect the entire population of Moscow, that the subway, for instance, can be furnished with food and water, and sealed off to protect those inside. I don't know, of course, whether it is true that adequate shelter provision has been made for the entire Moscow population.

A. Well, everything the Russians say is not necessarily true. And all of it is not necessarily untrue, for that matter.

We have made a study in St. Louis, a typical American city, which shows that if there were adequate shelters capable of bearing an over-pressure of 30 pounds per square inch, 60% of the population could be saved in event of an attack, even giving the enemy every advantage of surprise, accuracy of bomb delivery, etc.

The shelters we are testing for you are capable of withstanding 180 pounds per square inch, and I think you are definitely on the right track.

Q. We are glad to hear this. I would like to get additional details in the civil defense field, and I would like if possible for Minister of Interior Schroeder to come over in June for this.

A. He would be quite welcome.

Q. Good, then Ambassador Krekeler will be in touch with you as to details of the visit. One more question at this time—do you have authority to tell the States what to do or is FCDA's capacity purely advisory?

A. In wartime, I would have virtually unlimited power as the President's representative in this field. In peacetime, however, FCDA has very limited powers. This is one of the major difficulties we face.

I might say that the best civil defense work in the free world is being carried out in Norway and Sweden. They have teeth in their laws, they can draft people for civil defense, and most important, they are going underground, and really getting adequate shelters. There is no question in my mind that they are better prepared than any other country in the world to withstand an atomic attack.

Q. You are aware of Dr. Schweitzer's statements on the danger of fallout. What do you think of this?

A. There is no question, of course, that radioactivity can be transferred (from grass to cow to milk to human beings, etc.). But to our best knowledge there is no threat to human life from atomic tests, and we do not feel that tests have contributed significantly to the total radioactivity in the world. If war comes and hundreds of bombs are dropped, that will of course be another question.

As far as tests are concerned, the sooner we quit testing the better, but as much as we abhor war, we cannot accept a dishonorable peace either, so that testing unfortunately remains necessary in view of what the other side is doing.

The Chancellor had no particular comment on this, but asked if, when Mr. Peterson referred to a real threat from fallout, he meant fallout occasioned by large-scale use of bombs in war. Mr. Peterson confirmed this, and the Chancellor observed that radioactive clouds would endanger all countries, whether or not they were involved directly in a war.

This concluded the conversation, which lasted about 40 minutes.

123. Memorandum of a Conversation, Washington, May 29, 1957¹

SUBJECT

Atomic Energy Discussions

PARTICIPANTS:

Federal Republic of Germany

Konrad Adenauer, Chancellor

Heinrich von Brentano, Minister of Foreign Affairs

Heinz L. Krekeler, Ambassador

Wilhelm Grewe, Assistant Secretary for Foreign Affairs

Interpreter, Mr. Weber

United States

Lewis L. Strauss, Chairman, AEC

Adm. Paul F. Foster, AEC

Dr. Charles L. Dunham, AEC

Dr. Goudschmid, AEC

Dr. Merrill Eisenbud, AEC

Gen. Herbert B. Loper, Defense

Gen. Alfred D. Starbird, AEC

Mr. Richard Kirk, AEC

Amb. James Bruce, Embassy Bonn

Mr. C. Burke Elbrick, EUR, State

Mr. Jacques Reinstein, GER, State

Mr. Gerard C. Smith, S/AE, State

Lewis Strauss opened the conversation by telling the Chancellor how glad he was to have the opportunity to discuss atomic energy matters with him. He mentioned the talks the United States had had with the three Wise Men of EURATOM earlier this year and how that project promised to speed the atoms-for-peace program. He said that the short time the Chancellor had at his disposal would not permit any comprehensive coverage of the atomic energy field and suggested that the best way to proceed would be for the Chancellor to ask questions. Admiral Strauss mentioned that Merrill Eisenbud, a distinguished member of the AEC staff, would be available for a period in Bonn to develop in greater detail for the Chancellor any of the matters covered this morning. He also said that Dr. Bishop, the AEC representative in Paris, could come to Bonn for consultation if the Chancellor so desired.

Chancellor Adenauer thanked Admiral Strauss for his kind words and offer of expert advice and agreed that it would be best for him to ask questions at this meeting. He said that there were two recent events in Germany which had caused concern. First, the statement by eighteen well-known scientists warning against the harmful

¹Source: Department of State, Conference Files: Lot 62 D 181, CF 888. Secret. Drafted by Smith.

radiation effects of tests and urging the German Government to set a model for the world by refusing to equip its forces with nuclear weapons. The Chancellor said he had discussed this matter with five of these scientists, led by Dr. Hahn. One would not expect to have scientists reverse themselves publicly—the best one could expect would be silence. The Chancellor said that he noted that there was great difference among scientists in their estimates of the risk of danger from nuclear testing. He had asked two German generals to join him with the five scientists to explain the military situation. The scientists had not previously thought through the military situation.

The second episode had been the Albert Schweitzer appeal. The Chancellor said that Schweitzer's prestige was very great in Germany—that he spoke almost with the authority of the Bible. Schweitzer's statement that radioactive fallout from testing would harm the human race had caused great concern in Germany.

The Chancellor said that some months ago a scientific committee had been set up to consider the radiation question and had come up with a conclusion differing from Schweitzer's. Their results will be published after a few months' delay so as to avoid any appearance of being intended as a rebuff to Schweitzer and the eighteen scientists. The Chancellor then asked Admiral Strauss what results U.S. studies had come up with in regard to the possibility of harm from tests.

Admiral Strauss first pointed out that Merrill Eisenbud of the AEC staff was an expert on radiation and would be able to fill in any details the Chancellor might want. He pointed out that there had been Soviet agitation against testing since the early days of the atomic energy program. Two and one-half years ago the National Academy of Science, an independent agency, had begun a study of the radiation question. It had reported that it found that even if testing continued at the same rate as at present, humans would only receive 1/100 roentgen over their normal reproductive lifetime; as opposed to this, they would receive seventy times as much radiation from normal background sources and from medical x-rays. The British Medical Research Council had reached similar conclusions; but the agitation against testing continues.

Admiral Strauss stated that naturally the Albert Schweitzer statement had given us concern. We had found out that the Editor of the *Saturday Review of Literature* had gone to Schweitzer and persuaded him to make the statement after presenting to him the alleged scientific basis for the statement. Schweitzer was reluctant to make the statement, but agreed to do it on condition that it not be used to weaken free nations in the face of peril from the Soviet Union. On publication, the statement of this condition was omitted. The radioactivity of fish and plankton in the Columbia River was owing to Phosphorus-32 coming from the cooling water in the Hanford plants.

It is not a by-product of weapons testing and the figures concerned are not in point in discussing the Strontium-90 question. Admiral Strauss said that he felt Albert Schweitzer had been deceived unintentionally and that his scientific arguments were unsound.

Admiral Strauss then pointed out that owing to the development of "clean" weapon design techniques, radioactive fallout could be greatly reduced. We had pursued this development for humanitarian and tactical purposes.

Chancellor Adenauer asked if we had made any attempt to contact Albert Schweitzer in an effort to get him to take back any erroneous parts of his statement. Admiral Strauss pointed out the fact that Dr. Libby had written a very respectful letter pointing to the errors in the Schweitzer document, but there had been no response. Chancellor Adenauer said that in view of the great response which the Schweitzer appeal had evoked in Germany, he wondered if it would not be possible to obtain a retraction from Schweitzer. Admiral Strauss added that the Schweitzer statement had had a great effect also in the United States, that the reaction exceeded any previous intervention of this sort and that it might well be that we should send people to visit him.

Chancellor Adenauer then asked about the problem of depositing of radioactive wastes from power reactors. He said that Prime Minister Macmillan of the United Kingdom had told him that dumping radioactive wastes in the sea could have unforeseeable effects and therefore the U.K. intended to dispose of its wastes in coal mines. Chancellor Adenauer asked what could be done to handle this problem.

Admiral Strauss said that these wastes may become very valuable and therefore one must find a way to store them in a recoverable form. Certainly, one should not dump them into the sea promiscuously. Some of the fission products have half-lives of thousands of years. We are studying the interchange of the waters of the seas between depths and surface waters. We will study the ground burial problem, but even here great care must be taken to avoid seepage owing to porosity and to avoid contaminating underground streams. He concluded that waste disposal was a considerable problem but soluble.

The Chancellor then asked if the U.K. had an H-bomb, admitting that this might be a difficult question to answer. Admiral Strauss said "I believe so, but can't say so categorically." The Chancellor asked if nuclear tests are necessary for the development of weapons systems, and whether or not a one-year suspension of testing would do irreparable damage. Admiral Strauss said that he could answer the first part of this question in the affirmative without hesitation. The second part he could only answer with qualification. All

U.S. tests have specific purposes. For example, the current test series is directed at proving up small weapons to defend cities against aerial attack and to develop "cleaner" weapons. He said the second part of the question is tied into the disarmament negotiations and so very difficult to answer. In view of General Loper's great experience with the testing matter and with disarmament, he asked him to answer this phase of the question. General Loper said that testing is a necessary part of any research and development cycle whether for a war item or a peace item. We know of no way to completely rid ourselves of atomic weapons, since one cannot determine scientifically that the other side had actually eliminated all their weapons. We assume that atomic weapons will be with us from now on. It is inevitable that improvements will come from weapons research without testing. There will be a lower degree of reliability, but even without testing, weapons will be improved. So what is gained by ceasing tests if such development continues anyway? We feel that the danger of testing is not so great as to warrant non-completion of the research and development cycle by testing. The United States is not an aggressive nation. We are interested in developing weapons for defense. This is a much more complex problem than development of weapons for offense, where the problem is merely to produce a fairly limited number of big weapons. We want to develop deliverable weapons for use against submarines, airplanes, intermediate range ballistic missiles, inter-continental ballistic missiles. We very desperately need defensive weapons.

Chancellor Adenauer asked if Congress would publish its report on the fallout hearings now in session. Admiral Strauss said that he expects this report to be out before the end of this session of Congress. He also said that a new weapons effects handbook would be published by the Department of Defense late in June.

Chancellor Adenauer asked about the prospects for thermonuclear controlled reaction. He said that German scientists were predicting that something quite revolutionary was in the offing in this field. They referred to work being done at Columbia University. Admiral Strauss mentioned that Dr. Bishop, who was present at this meeting, had until recently been in charge of the controlled thermonuclear program in the United States. For five or six years, we have believed that it was theoretically possible to produce high enough temperatures—in millions of degrees—and contain the gases in closed spheres by the use of magnetic fields and cause the fusion of light elements. After we do this, we might produce large amounts of power without uranium. We have a very active program involving five laboratories in the United States. The U.K. and USSR are also pursuing this idea. It will be a number of years before it can be proved up in practice. Admiral Strauss added that we welcomed the

fact that German scientists were working in this field and said that we would be glad to exchange information with them. Chancellor Adenauer expressed his gratitude for this offer and asked if the price of uranium had not come down as a result of prospective advancements in controlled thermonuclear power. Admiral Strauss suggested that long before thermonuclear power was competitive, any existing uranium mines would be worked out.

Chancellor Adenauer thanked Admiral Strauss for the information developed during the meeting which he had found most instructive. He reverted to the great prestige of Albert Schweitzer and how important it would be to get him to admit inaccuracies in his statement. He felt that millions of people had developed fears as a result of the Schweitzer statement. Admiral Strauss thanked the Chancellor for his kind expressions. He said we had no present means of contacting Albert Schweitzer. We would have to develop some. We would study the Chancellor's advice on this score with great care.

Admiral Strauss then introduced Merrill Eisenbud to the Chancellor.

The Chancellor said he personally knew Schweitzer and was concerned that after his many years in the service of humanity this recent episode which had instead of relieving suffering instilled human fears, was most unfortunate. In order to keep Schweitzer's memory pure, he thought it would be desirable to attempt to get him to clarify his statement.

124. Editorial Note

On June 5, Elin O'Shaughnessy called on Chancellor Adenauer to discuss European security, but before he was able to present the United States view, the Chancellor "launched into a long tirade" against a paper which had been submitted by Harold Stassen to the United Nations Disarmament Subcommittee. For O'Shaughnessy's report on this meeting and related documentation, see volume XX, pages 604 ff.

125. Letter From President Eisenhower to Chancellor Adenauer¹

Washington, June 6, 1957.

MY DEAR CHANCELLOR: I much appreciate your thoughtful message of May 30.² It gave me great personal pleasure to have you here.

I think it was a particularly useful time for our discussions. I fully share your conviction that our work together has served to emphasize again the closeness of our aims and to advance our common purpose of establishing peace and freedom in the world.

Permit me to take this opportunity of repeating my assurance given to you in Washington that it is our purpose not to make to other countries governmental proposals involving Germany on which we have not first consulted your government. We shall seek better assurances of coordination, which will avoid the risk of unintentional lapses.

Sincerely,

Dwight D. Eisenhower³

¹Source: Department of State, Central Files, 611.62A/6-757. Confidential. Transmitted to Bonn in telegram 3470, June 7, which is the source text.

²This message expressed the Chancellor's gratitude for his reception in Washington. (*Ibid.*, Presidential Correspondence: Lot 66 D 204, Adenauer to Eisenhower)

³Telegram 3470 bears this typed signature.

126. Editorial Note

On June 7, the Governments of the United States and the Federal Republic of Germany exchanged notes at Bonn which provided for a voluntary contribution toward costs resulting from the maintenance of United States troops in Germany. According to the agreement, the Federal Republic would pay DM 325 million (\$77 million) toward the support of U.S. forces. For texts of the exchanged notes, see Department of State *Bulletin*, July 15, 1957, pages 129–130.

127. Report Prepared by the Operations Coordinating Board¹*Washington, July 17, 1957.*PROGRESS REPORT ON UNITED STATES POLICY TOWARD
THE FEDERAL REPUBLIC OF GERMANY (NSC 160/1)²

(Policy approved by the President, August 13, 1953)

(Period covered: December 6, 1956 through July 17, 1957)

A. Summary of Operating Progress in Relation to Major NSC Objectives³

1. *OCB Recommendations Regarding Policy Review.* While the basic objectives of NSC 160/1 are still considered fundamentally valid, many of the ten courses of action are now out-of-date and no longer furnish adequate operating guidance. In particular, up-to-date guidance is required with regard to the specific courses of action to be followed in promoting the basic objectives of Germany's association with the West, an effective German contribution to the military strength of the Free World, and the reunification of Germany.

The Board notes the National Security Council has already directed a review of policy on West Germany, East Germany and Berlin.

2. *Summary Evaluation.* Progress has been made with regard to the major objectives of the firm association of the Federal Republic with the West and Germany's participation in the collective defense of the West. However, influenced by the approach of the next Federal elections and uncertainties regarding atomic armament, the German Government has not taken the vigorous action necessary for a rapid and effective military build-up. It is unlikely that firm decisions regarding the ultimate force goals will be made until after the German elections.

a. *German contribution to Western defense.* Reluctance to take in an election year unpopular measures necessary to large-scale rearmament, coupled with practical difficulties (particularly a shortage in

¹Source: Department of State, OCB Files: Lot 62 D 430, Germany. Secret. A memorandum of transmittal, dated June 1, which stated that the NSC had noted and discussed the Progress Report with particular reference to the recent reduction in the West German defense plans; reports on Berlin and East Germany; and a financial annex are not printed. For the July 17 Progress Reports on Berlin and East Germany, see Documents 204 and 235.

²For text of NSC 160/1, see *Foreign Relations, 1952-1954*, vol. vii, Part 1, pp. 510-520.

³The latest NIE on West Germany is 23-56, dated 4/17/56. [Footnote in the source text. NIE 23-56 is printed as Document 48.]

training areas, barracks, and potential pilots and technicians) and uncertainties as to the future course of NATO strategy, have resulted in a drastic revision of the Federal Republic's defense plans which were presented to NATO in Germany's initial submission to the 1956 Annual Review Questionnaire. In the Fall of 1956, the Federal Republic announced that the goals for the number of men in uniform by the end of 1956 would be reduced from 96,000 to 70,000 and by the end of 1957 from 270,000 to 135,000. Government spokesmen stated that the goals for the period beyond 1957 would depend on the results of the current NATO reappraisal of basic strategy.

Despite this element of uncertainty as to the eventual strength of the German armed forces, slow but basic progress is being made in the military build-up. During 1957, five understrength divisions with a limited combat capability are scheduled to be assigned to SHAPE. Two additional divisions at regimental combat team strength are expected to be assigned to SHAPE during the Spring of 1958. A small naval command and two air transport squadrons also are to be turned over to NATO command during the current calendar year. On April 1, 1957 approximately 10,000 men were inducted under the conscription law enacted last July. Under present plans no more men will be drafted this year; inductions will be resumed in the Spring of 1958 when another 30,000 men will be drafted.

b. *Prevention of Soviet domination over all Germany: reduction of Soviet power in East Germany and Communist influence throughout Germany.* See Progress Report on East Germany.

c. *Restoration by peaceful means of a free united Germany.* Soviet intransigence has continued to block progress toward this objective. A U.S.–U.K.–French–German Working Group met in Washington March 6 to March 15, 1957 to review Western policy with regard to German reunification in relation to European security.⁴ There was general and unreserved agreement that there is no prospect of entering into successful negotiations with the Soviets on German reunification in the near future. There was also agreement that the proposals advanced by the Western Powers at Geneva remain generally valid but that there was a need for increased public understanding of the Western position. Further meetings of the Four-Power Working Group were held in Bonn from May 13 to 18 and in Paris from June 18 to 22 to study methods of presenting the Western position on reunification in positive terms designed to convince Western—and particularly German—opinion that this position is completely sound.

d. *Promotion of a healthy German economy.* The economy of the Federal Republic has continued to set new records in production and for-

⁴See Document 98.

sign trade, and rapid growth in foreign exchange reserves has continued.

e. *Maintenance of the Western position in Berlin.* The Western position in Berlin has been fully maintained. (See Progress Report on Berlin.)

3. *Progress in Carrying Out Commitments for Funds, Goods, or Services and Other Programs.* Commitments for the delivery of military equipment to the Federal Republic both as grant aid under the Nash list⁵ and on a reimbursable basis are being met. German cash orders for United States material under the Procurement Agreement of 1956 now total over \$300 million. Orders for additional equipment, including guided missiles, will probably increase this amount substantially during the current year.

4. *New Commitments for Funds, Goods or Services.* A loan agreement with the Federal Republic has been concluded under which the United States will make available on loan one destroyer for an initial period of five years. The Federal Republic will pay for all outfitting and rehabilitating costs.

B. Major Operating Problems and Difficulties Facing the United States

5. *Defense Contribution.* The whole character of the Federal Republic's defense contribution in terms of manpower, weapons and the mission of her forces is under searching review by the Federal Government. Doubts already existing within Germany as to whether the Germany military contribution was being properly organized or adapted to the requirements of the "atomic age" were strengthened by the British decision to withdraw part of their forces stationed in Germany and to place primary emphasis on strategic atomic weapons to deter attack against Great Britain and the NATO area. At the present time there appears to be a certain dichotomy in German thinking on this subject, with certain elements contending that the NATO powers, including Germany, should have large ground forces in Western Europe armed with conventional weapons and others maintaining that primary reliance should be placed on smaller units equipped with tactical atomic weapons. The Federal Republic has recognized that a unilateral solution of this question is not possible and, through the WEU, has raised the whole problem for consideration by the North Atlantic Council and SACEUR. Substantial public opposition has developed in West Germany to arming German forces with atomic weapons or to stationing atomic weapons in the Federal Republic. Judging from informal statements, the German Minister of Defense, Franz Josef Strauss, is prepared to argue for a reduced German defense contribution in terms of man-power (from 500,000 to as low as 340,000) but with a combat capability equivalent to that

⁵Not further identified.

of the final force goals expressed in both the 1955 and initial 1956 ARQ (Annual Review Questionnaire) submission in terms of new weapons with atomic capability.

6. *Certain Specific Points of Disagreement.* During the period the United States Government found itself at odds with the Federal Government on the following specific problems:

(1) *Financial support of U.S. troops.* The Germans were informed we could not accept as final the contribution of DM (Deutschemark 325 million (\$77.5 million) for the support of American troops in Germany for the year ending May 1958—one-half of last year's amount—offered by the Federal Government. An interim arrangement has been agreed to under which the U.S. has accepted the German offer subject to the understanding that the matter would be reviewed at the end of six months upon U.S. request;

(2) *German assets in the U.S.* Despite German pressures on behalf of proposed legislation by the United States Congress for the full return of vested German assets, the Administration has reaffirmed its position favoring only a limited return of such assets (i.e., only those properties with a value of \$10,000 or less); and

(3) *Status of Forces Negotiations.* The Germans revealed their dissatisfaction with the slow progress of the Status-of-Forces Conference in Bonn and proposed that the conference be terminated even though agreement has not been reached on all issues. We consider none of the remaining areas of disagreement to be insuperable and are urging that these negotiations be pursued to their conclusion.

7. *German Reunification.* The desire for reunification and the problem of how to make progress toward this goal continue to represent fundamental motivating forces in Germany with regard to both external and internal policies. However, the importance of reunification as an issue in the context of the German election campaign has been reduced, partly as a result of the Chancellor's skillful tactics in rebutting the charge that he is inflexible on this issue, and partly because of renewed evidence that the Soviet Union is unwilling to discuss the subject in realistic terms at this time. On the other hand, the Germans are devoting increasing attention to the relationship to the German reunification problem of the current disarmament negotiations in London and of the atomic armament issue. Certain anxiety persists that an agreement on disarmament may be reached among the Big Powers without parallel agreement on German reunification, which would eliminate an important bargaining point for achieving the latter objective. Although Soviet repression in Hungary dampened German hopes for reunification in the short run, Germans point to the revolutionary situation in Poland as holding forth promise of fundamental changes in the Soviet empire which could in due course alter the present negative attitude of the Soviets on the reunification issue.

C. Listing of Additional Major Developments During the Period

8. *Chancellor Adenauer's U.S. Visit (May 24 to 29)*. During his visit, the Chancellor held a series of important discussions with the President and Secretary of State which dealt primarily with the problem of disarmament and its relation to German reunification. Following these talks a communiqué and joint declaration⁶ were issued by the President and the Chancellor in which they agreed that if initial steps toward disarmament should be successful, "they should be followed within a reasonable time by a comprehensive disarmament agreement which must necessarily presuppose a prior solution of the problem of German reunification." In addition the joint declaration noted that the Chancellor had advised the President, as well as the British and French Governments, "that the Federal Republic would consider that the conclusion of an initial disarmament agreement might be an appropriate time for a conference on the reunification of Germany among the Foreign Ministers and the four powers responsible therefor.

In anticipation of the German general elections next September a number of other important German political leaders, including Erich Ollenhauer, leader of the opposition Social Democrats, also made visits to the United States.⁷

9. *The Coming German Elections*. The campaign for the general elections to the next Bundestag on September 15, 1957 got well under way. Since the end of 1956, at which point the opposition SPD (Social Democratic Party) had overtaken Adenauer's CDU (Christian Democratic Party) in public opinion polls, the popularity of the Adenauer Government, and with it the confidence of the CDU, have recovered steadily. This trend reflects: (a) public reaction to the developments in Hungary, which seemed to have confirmed Chancellor Adenauer's policies based on the assumption of a continued Soviet threat, (b) the government's achievements in the fields of internal prosperity and social welfare, and (c) the difficulties being experienced by the opposition parties in finding solid campaign issues. (At present, the Social Democrats are concentrating their attack on the government position regarding atomic weapons for the German armed forces and the storing of atomic weapons on German soil by other powers.) The election promises to be extremely close, and it is still doubtful that either the governing Christian Democrats or the opposition Social Democrats will win a majority of Bundestag seats in September. Coalition possibilities after the elections, in descending order of probability, are: (1) the continuation, with the help of sever-

⁶For texts of the communiqué and joint declaration, see Department of State *Bulletin*, June 17, 1957, pp. 955-956.

⁷See Document 92.

al of the smaller minor parties, of the present coalition dominated by the Christian Democrats; (2) a coalition of the Christian Democrats and the largest minor party, the Free Democrats; and (4) a so-called great coalition of the Christian Democrats and the Social Democrats. Of these various alternatives the third would give rise to the greatest likelihood of any considerable departure from the foreign and domestic policies which have been pursued by the Adenauer government for the past eight years.

10. *European Integration.* The Saar territory passed from French to German sovereignty on January 1, 1957 under the terms of the agreement between the two governments on the matter. The Federal Republic signed the treaty for EURATOM and the Common Market on March 25, 1957, and has taken steps toward ratification of these agreements this summer.

11. *East-West Trade.* The Federal Republic agreed in April, in response to Soviet initiative, to enter into trade talks with the Soviet Union [which] will begin on July 22, 1957. The Federal Government has informed NATO that in these talks (1) it plans to propose an exchange of goods for a period not to exceed three years; (2) it has no intention of concluding a bilateral clearing agreement; and (3) it will strictly observe existing embargoes. The Germans hope to receive manganese ore, coal, oil and timber from the Soviet Union. The German Government is under considerable pressure from German industrial and commercial interests to expand trade with Communist China.

During the second half of 1956 German exports to the Soviet Bloc accounted for about 3.6% of the total exports. German imports from the Soviet Bloc during the same period amounted to about 4.2%.

12. *EPU Trade Imbalances.* Large-scale EPU trade balances in favor of the Federal Republic continued to complicate the economic relations between Western European countries. The German Government has agreed to make advance payments amounting to 30 million pounds (\$84 million) to the U.K. for purchases of arms. It has also agreed to advance 75 million pounds (\$210 million) to the U.K., in the form of a deposit at the Bank of England, in anticipation of ten annual installments due on the debt arising out of British postwar aid paid to the Federal Republic.

**128. Memorandum of a Conversation, Department of State,
Washington, July 17, 1957¹**

SUBJECT

Return of German Assets

PARTICIPANTS

Ambassador Krekeler, German Embassy
The Secretary of State
Mr. Douglas Dillon—W
Mr. Raymond E. Lisle—GER

Ambassador Krekeler, who called at his request, delivered to the Secretary a letter from the Foreign Minister thanking the Secretary for his message on the occasion of the Stinnes award. A copy of the letter is attached.²

Ambassador Krekeler then turned to the subject of German assets. Nothing had given him more trouble in the seven years of his service in the United States. Several years ago five Bundestag Deputies had formally complained to the Chancellor that the Ambassador was not sufficiently active in pressing the German case for return. This was the only time a complaint had ever been made against him.

The coming election is of tremendous importance, he said. The Communists are making every effort to get the Federal Republic out of NATO. Everything is at stake. The situation is confused by the intense public feeling on the question of atomic weapons and by charges that the Chancellor has failed to reunite Germany. The Chancellor has made headway in recent speeches. However, his election may be jeopardized by failure to achieve a solution to the question of German assets. The issue is a very live one and any failure on the part of the Chancellor will be made a subject of partisan attacks. The SPD would not be satisfied by a limited return up to \$10,000. They have never accepted this solution in any way. Professor Baade, an SPD Deputy, has been one of the leading figures in the fight for full return. Therefore, they are in a good position to attack the Chancellor.

On the basis of advice given him by Ambassador Krekeler, the Chancellor has said that the solution worked out should not be a burden on the American taxpayer and in his "good talks" with Mr. Dillon the Ambassador had sought to propose a solution based on that principle.

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Lisle.

²Not printed. Dulles' letter to Brentano, dated June 27, was transmitted to Bonn in telegram 3706, June 27. (*Ibid.*, Central Files, 611.62A231/6-2757)

The Secretary noted that any solution based on the proposals made by the Ambassador would require \$100 million of new money. Mr. Dillon was working on the figures to see whether this would be made unnecessary by a more modest return than that contemplated in the German proposals.

The Secretary asked how the Germans viewed the ownership of General Aniline. The Ambassador replied that on the basis of clear instructions he was able to say that General Aniline was not German property and that there was no question of the Germans seeking a return of the value of this property. The Secretary asked Mr. Dillon whether General Aniline was not included in the figures on which he was working. Mr. Dillon replied that they were, but account had to be taken of this in any over-all settlement. Even if the Germans did not consider it their property the Swiss interest must be taken into account.

The Secretary said that a plan based on the German proposals had run into serious difficulties, particularly in view of the necessity for economy. Mr. Dillon, however, was looking into the problem on the basis of figures to be provided by the Attorney General to ascertain whether it would be possible to return more than the \$10,000 provided by the present Administration bill without use of \$100 million of new money. He was not sure whether this would content the Germans.

The Ambassador made reference to the figure of 97 percent used by the Secretary in his press conference yesterday³ as the percentage of claimants who would be satisfied by a \$10,000 limited return. Mr. Dillon noted that this figure had been given by the Attorney General only last week but that the figure we had used in public releases and in our presentations to Congress had been 90%. The Secretary recalled that the Attorney General had said something to the effect that if the amount of return were raised to some higher figure, perhaps, \$20,000, the percentage would run well over 98%. The Ambassador thought that the 90% figure was the more correct one but it must be remembered that this did not include the shareholders in corporations, the American properties of which had been vested.

The Ambassador had been asked to return to Germany and report to his Government on August 1, and hoped therefore that he could have a favorable report by July 30. The Secretary replied that every effort was being made to work out the solution promptly and that it was hoped that the necessary figures would be obtained from the Department of Justice today.

³For the transcript of Dulles' news conference of July 16, see Department of State *Bulletin*, August 5, 1957, pp. 228-235.

The Ambassador stated that although immediate Congressional action would of course be desirable, he recognized this was not possible this year. He was sure that Congress would approve any solution on which the Administration and the Germans agreed. He hoped there could be a very early announcement of such agreement. He would suggest this announcement make clear that hardship cases would receive prompt payment, but that other cases would take longer. This would make possible the use of the money flowing in over a period of time from German repayments on the settlement of its postwar debt. Thus, it would not be necessary to vote a \$100 million new appropriation.

Ambassador Krekeler stated that when he had thanked the Attorney General a few weeks ago for all the assistance that he had given him, the Attorney General urged that the Ambassador call on him when he had any problem. If the Secretary thought it desirable he would be willing to go to the Attorney General with the Secretary. The Secretary did not think that was advisable, but if the Ambassador wished to call personally on the Attorney General he saw no objection and the German Government might be pleased by this effort of the Ambassador.

Ambassador Krekeler thought that any doubts the Attorney General might have arose out of the question of General Aniline. He repeated that his Government did not consider this a German corporation or a German interest that could come into German hands. It would be better if it were left out of any arrangement. The Secretary noted this would be difficult, as we consider General Aniline German property and, if any plan based on the German proposals was worked out, the value of General Aniline would have to be returned to the Swiss on the same basis as any on which compensation was given to German claimants.

129. **Minutes of the Cabinet Meeting, White House,
Washington, July 24, 1957, 10-11:35 a.m.¹**

[Here follows a list of persons present. The President presided at the meeting.]

¹Source: Eisenhower Library, Whitman File, Cabinet Records, Germany 1957. Confidential. Drafted by Minnich.

*Vested German Assets (CP 57–12/1 and Supplements A and B)*²—In presenting the State Department recommendations as set forth in the Cabinet paper, Sec. Dulles emphasized how the whole principle of sanctity of private property in time of war was involved. He also noted how it would be helpful to our relationships with Germany if, assuming the action will sometime be accomplished, something could be done about it within the month. He pointed out that Treasury did not favor the action because of the charge that would be made against the closely balanced budget and the difficult debt situation. In response to Sec. Wilson, he stated that action must of course wait upon legislation but that an Administration statement of intent would serve the cause.

The President, after noting Sen. Smathers' correspondence in opposition to such a proposal, suggested that the action contain a proviso which would limit the amounts that could be paid for lawyers' fees such as the proviso that governed similar activity after World War II.

Acting Attorney General Rogers stated Justice's belief that the Administration ought not to make any change in the position taken last April for return of vested German assets up to a limit of \$10,000. If action should be taken, he hoped that a rash of court actions could be avoided by transferring to the German Government the responsibility of adjudicating and paying specific claims.

Sec. Humphrey spoke against the proposal on the basis that Germany was not poverty-stricken and that the United States would lose more than it would gain from an expansion of the program. Sec. Dulles replied with emphasis on the value to the United States to be considered as a country where it is safe to have private property.

Sec. Humphrey and Mr. Brundage urged that any action to be taken be based on a separate appropriation rather than on a diversion of funds from GARIOA payments.

The President ascertained the procedure that would be followed in carrying out payments and the extent to which "instructions" pertaining to German payments would be appropriate. Then he expressed his belief that the Administration ought to submit this proposal to the Congress as the only solution the Administration could find for a very vexing problem. He did not wish the United States to violate its traditional devotion to the sanctity of private property.

²CP 57–12/1, July 10, was entitled "Return of Vested German and Japanese Assets—Payment of War Claims of American Nationals." The two supplements, dated July 23, were entitled "Précis of the Recommendations of Cabinet Paper 57–12/1" and "Statement from the Department of Justice of Cash and Unliquidated Assets Less Reserves for Claims and Litigation as of June 30, 1957." (*Ibid.*)

After further discussion, he repeated his belief that the proposal should be submitted to Congress.

It was agreed that State would develop a statement in coordination with Justice for early release, and that Justice would be responsible for the legislation. It was further agreed that the matter would be taken up with the Leadership prior to any release. The Secretary urged that every effort be made to avoid any leakage of the proposed action. At this reference to leaks, the President asked whether any Cabinet members would object if he called in J. Edgar Hoover to look at some of these leaks which he found very exasperating. He cited a recent experience pertaining to a private query of his about certain provisions of the Cordiner report, a query which was recounted in the press very promptly. Sec. Dulles thought that such a request to the FBI would itself become known and cause great furor. The President, after stating his belief that Mr. Hoover at least ought to be able to operate without publicity, commented that he heard no objections and felt free to go ahead.

[Here follows discussion of unrelated subjects.]

130. Telegram From the Embassy in Germany to the Department of State¹

Bonn, September 16, 1957—11 a.m.

877. Overwhelming CDU victory attributable primarily to following combination of factors:² Adenauer clearly dominated campaign, and his prestige and popularity gave CDU great advantage over opposition with colorless leader; prevailing prosperity so great that inclination to risk change minimized; CDU foreign policy had won Germany welcome role as respected member in family of free nations and appeared offer maximum security and most favorable position obtainable under present world conditions.

No single issue can be isolated as determining election outcome. Most important for many voters was extent of present prosperity; increased support for CDU in industrialized Ruhr perhaps best evidence that disinclination to risk upsetting present well-being outweighed traditional appeal of SPD as workers party.

¹Source: Department of State, Central Files, 762A.00/9-1657. Confidential; Niact.

²On September 15, in West Germany's third postwar election, Chancellor Adenauer's party, the Christian Democratic Union (CDU) and its Bavarian affiliate, the Christian Social Union (CSU), won 50.2 percent of the popular vote and gained an absolute majority of 270 of the 497 Bundestag seats.

Chancellor's constant exploitation of fear that SPD policy on NATO would jeopardize German security undoubtedly convinced some voters that SPD program dangerous. Repeated overtures on behalf SPD by Communists in USSR and East Zone strengthened this impression in German public, which basically suspicious of and hostile to Communism. Furthermore, continued Soviet intransigence on reunification and general hard line in world affairs made SPD advocacy of new approach to USSR seem unrealistic if not dangerous.

Despite SPD promises to abolish conscription, defense policy was not decisive issue, with rearmament and compulsory service now taken for granted. SPD exploitation of fear of atomic bombs and campaigning against atomic weapons for German army won few new voters but failed convince majority that it offered Germany greater security in atomic age than CDU.

High level participation again favored CDU, which expanded beyond its 1953 base to capture lion's share of 5 million Germans voting for first time as well as number of former supporters of smaller parties.

FDP losses were penalty for opportunism and refusal to take clear position on coalition intentions which, together with willingness demonstrated in NRW to form coalition with SPD, cost substantial bourgeois support. Fact that FDP won even 7.7 percent attributable in part to reluctance among many voters to see any one party become too strong. Losses of FDP constitute blow to prestige of "young Turk" leadership in Duesseldorf.

Insignificant vote for right radical DRP and left radical BDD with their programs of German neutralization and negotiations with Pankow again demonstrated that radicalism has no present appeal in FedRep and its supporters remain confined to lunatic fringe.

Most important result of election is firm mandate it gives to Chancellor, especially in foreign policy where he has free hand and Parliamentary strength to continue with past policies, especially on intimate alliance with West.

While size of victory certainly due in part to Adenauer's stature, welcome feature of campaign for long pull was CDU emphasis on team of men around Chancellor, and we believe any inclination by journalists to interpret results primarily as proof of penchant for authoritarian leadership would be exaggerated. Democratic processes were fully operative. Campaign for most part was fought fairly and public decided it preferred status quo to risk of uncertain changes.

SPD failure to break CDU hold came as no surprise to opposition leadership, which had been reconciled to Adenauer's continuation in office. SPD will probably be subjected to internal stresses with Ollenhauer's uninspiring leadership getting much of blame. Wehner will probably claim good showing in Hamburg calls for ac-

ceptance of his more radical approach as standard party program. This effort will be hotly contested by right wing under Fritz Erler who will use extent of CDU victory to prove German public wants moderate policies. As first tentative estimate, we believe on balance SPD will not be radicalized as result of expected power struggle.

Bruce

**131. Memorandum of a Conversation, Department of State,
Washington, October 21, 1957¹**

SUBJECT

Possible Visit to the United States by Dr. Ludwig Erhard, German Minister of Economics

PARTICIPANTS

Mr. Robert Anderson, Secretary of the Treasury
 Mr. Frank Southard, Special Assistant to the Secretary of the Treasury
 The Secretary of State
 Mr. C. Douglas Dillon, Deputy Under Secretary for Economic Affairs
 Mr. Fred W. Jandrey, EUR
 Mr. J. J. Reinstein, GER

The Secretary referred to Ambassador Bruce's recommendations that Dr. Erhard be invited to visit the United States to discuss his ideas regarding the European financial situation and what Germany could do to assist in achieving financial stability.² He said he was aware of the fact that Mr. Burgess was opposed to the idea. However, he was inclined to feel that Mr. Bruce's ideas should prevail in this particular matter.

Mr. Anderson said that he had originally been sympathetic to the idea, but in the light of considerations which had been brought to his attention by Mr. Southard, he had changed his mind. He said that Dr. Erhard had made a speech in August in which he had said that he thought the Deutschemark could be revalued upward if similar action were taken with regard to the dollar. This had caused great speculative activity, which had brought great pressure on the pound. A week later the German Government had issued a statement that it did not intend to revalue the Deutschemark. Mr. Anderson remarked that business interests in Germany did not agree with Dr. Erhard's

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Drafted by Reinstein.

²Bruce's recommendations were transmitted to Bonn in telegram 1098, October 5. (*Ibid.*, Central Files, 762A.13/10-557)

views. He thought there was also disagreement in the Government and Central Bank and suggested that Dr. Erhard was not in a position to speak for the German Government.

Mr. Anderson said that it would be impossible to have Dr. Erhard come to the United States without causing new speculation which would cause great difficulty for the British. Furthermore, it was difficult to see what could usefully be accomplished until there was a clearer idea of what the developments were likely to be in France. Mr. Southard laid great emphasis on the difficulty which the British were encountering in maintaining the position of the pound. He said that following the British and German statements at the recent meeting of the International Monetary Fund, an improvement had taken place in the British position. It is essential that nothing be done to disturb the atmosphere. Mr. Southard said that Dr. Erhard was incapable of remaining silent on the subject of exchange rates and apparently did not realize the damage which was done by his statements. He calculated that Dr. Erhard's public statements had cost the British Government a half-billion dollars of their reserves, pointing out that this had in turn caused problems for the United States.

The Secretary said that Dr. Erhard is the second strongest man in the German Government, and may well be the next Chancellor of the Federal Republic. He said that Germany is the strongest country in Europe from an economic viewpoint and it is desirable that the Federal Republic share some of the financial burdens which are being carried by the United States. The Secretary mentioned in particular assistance to underdeveloped areas. He expressed concern over the idea that it was impossible to arrange a discussion with Dr. Erhard with a view to obtaining the assistance of the German Government. He asked whether it would not be possible to have Dr. Erhard reaffirm, before coming to the United States, the position of the Federal Government that no change should be made in the exchange value of the Mark. Mr. Anderson said that too frequent reaffirmations of the position would also be bad and that the best thing to do was to be silent.

The Secretary said that it would seem that for the indefinite future it would be impossible for us to talk to Dr. Erhard. He did not think this was feasible from a political viewpoint. He had no strong views as to the timing of a visit by Dr. Erhard, but he thought it should be possible to work out some arrangement under which Dr. Erhard could be brought to the United States without raising these difficulties. If Dr. Erhard had ideas which we did not like, it was all the more important that we should talk to him, since he might well become Chancellor of the Federal Republic in the not too distant future.

Mr. Anderson said that he would be willing to have Dr. Erhard come to the United States in the light of the considerations which the Secretary had mentioned, provided that some way could be found of dealing with the problem of speculation over exchange rates. He suggested that we should inform the British of our intentions in advance.

It was agreed that a message to Ambassador Bruce would be worked out on this basis.³

³Telegram 1123 to Bonn, October 23. (*Ibid.*, 762A.13/10-557)

132. Memorandum of a Conversation Between the German Ambassador (Krekeler) and the Deputy Under Secretary of State for Political Affairs (Murphy), Department of State, Washington, October 23, 1957¹

SUBJECT

Various Subjects

Ambassador Krekeler called on Mr. Murphy following his return to Washington from extended leave. The following subjects were discussed.

Call on the Secretary of State

Dr. Krekeler said he had not seen Chancellor Adenauer since the elections. He had had an extended discussion with Foreign Minister von Brentano. Dr. von Brentano had asked him to see the Secretary of State as soon as possible and to seek Mr. Dulles' views on the question of German relations with Eastern European countries. Ambassador Krekeler said that apart from the question of German relations with Yugoslavia, the German Federal Government was still confronted with the question of what it should do about Poland in particular, and possibly other Eastern European countries. He said that no decisions on this subject had been reached as yet. From the German viewpoint, the problem had two aspects. One was what the Germans could get out of the establishment of relations. The other was what the chances were of an evolutionary development in Eastern Europe. Mr. Murphy said the Secretary's time was taken up at

¹Source: Department of State, Central Files, 611.62A/10-2257. Confidential. Drafted by Reinstein.

the moment with the visits of Mr. Macmillan and M. Spaak,² but that an appointment could undoubtedly be arranged for the following week.³ He said that he would inform the Secretary of the Ambassador's desire to discuss German relations with Eastern European countries.

German Force Build-Up

Ambassador Krekeler said that the German military authorities were very pleased with the results of the recent maneuvers. They were particularly satisfied with the performance of the conscripts. In fact, he had received one report that the conscripts had turned out better than the volunteers. The Ambassador indicated that his information had come directly from the military and that he had not seen Defense Minister Strauss prior to leaving Bonn. Mr. Murphy asked how the build-up of German forces was progressing. Ambassador Krekeler was unable to provide any specific details but stated that the program for the next fiscal year would be fulfilled. He remarked that it was important to go forward carefully, indicating that the Iller River incident had caused some feeling about pressing the build-up too rapidly.

Visit to the United States by Defense Minister Strauss

Mr. Murphy asked whether Ambassador Krekeler had any information as to Herr Strauss' plans for visiting Washington. Ambassador Krekeler said he had no specific information on this subject. He doubted, however, whether it would be possible for the Defense Minister to come during the current calendar year due to the need for the Germans to get their build-up plans to NATO during the Annual Review.

Support Costs

Mr. Murphy asked if there were any new developments on support costs and if the Ambassador had had any discussions on it in Bonn. The Ambassador said he knew of nothing new. He remarked that the United States had reserved the right to raise the matter again during the latter part of this year. Mr. Reinstein pointed out that the agreements which had been concluded in June⁴ had not yet been

²Prime Minister Macmillan visited Washington, October 22-25, for discussions with President Eisenhower; for documentation, see vol. xxvii, pp. 788 ff. Secretary-General Spaak visited Washington on October 24 to discuss NATO matters with Eisenhower and Dulles; for documentation, see vol. iv, pp. 172 ff.

³According to Dulles' Appointment Book, Krekeler met with Dulles and Reinstein on October 29 at 2:30 p.m. No record has been found of the conversation.

⁴See Document 126.

ratified by the Bundestag. Ambassador Krekeler said he had been unaware of this fact.

Break in German Diplomatic Relations with Yugoslavia

Mr. Murphy said that the Yugoslav Ambassador had called on him on the previous day to protest the attitude of the United States Government with regard to this matter. The Ambassador had also taken the position that the Federal Republic had no right under international law to break off relations with Yugoslavia, suggesting that such a step was appropriate only as a preliminary to going to war. Mr. Murphy said he had pointed out to the Ambassador that the United States Government had in a friendly way pointed out to the Yugoslav Government before they recognized the GDR the difficulties which would be certain to arise if such a step were taken. We also pointed out to the Yugoslavs that the German Government had made its position on the subject very clear and that the only exception which it recognized was the Soviet Union. Ambassador Mates had alleged in response that the German Government followed a different policy in dealing with large powers and in dealing with small powers. Mr. Murphy had pointed out to him that the German Government had made an exception in the case of the Soviet Union because of the fact that it was an occupying power. In addition, it had the difficult problem with regard to the repatriation of German nationals in the Soviet Union. Mr. Murphy said that he had made it clear to the Yugoslav Ambassador that he knew the German Government deplored the fact that it had had to take the step of breaking off relations with Yugoslavia, as we did, although we found the German position entirely understandable. The Yugoslav Ambassador had claimed that pressure was being exerted on the Yugoslav Government and that the Yugoslav Government could not have its policy dictated from the outside. The Ambassador had even said that this constituted an intervention in Yugoslav internal affairs. Mr. Murphy said he had told the Ambassador that he could not follow this reasoning. On the other hand, the recognition of the Soviet Zone regime did constitute an action by the Yugoslav Government involving German internal matters.

Mr. Murphy asked Ambassador Krekeler whether he had had an opportunity to discuss this matter when he was in Bonn. The Ambassador said that he had seen Foreign Minister von Brentano before the Yugoslav action had been taken. He stated that it was his personal view that Marshal Tito had been frightened by the events in Hungary. He was concerned that the liberalization process would get out of hand and undermine his own position. He thought that Tito had been driven for essentially internal reasons toward rapprochement with the Soviet Union. He doubted very much whether the

Yugoslavs had gotten anything in exchange for their action in recognizing the GDR.

Ambassador Krekeler said that the Yugoslav recognition of the GDR was only one symptom of a change in the Yugoslav position which he was inclined to feel was now somewhat like that of the Chinese. Mr. Murphy said there was a danger that the trend in Yugoslav policy might go farther than the Yugoslavs actually wanted. He thought we should be careful not to push the Yugoslavs into the Soviet Bloc. Ambassador Krekeler said that he felt part of the explanation of the Yugoslav position was the attitude toward Khrushchev. He thought Tito was anxious to help Khrushchev maintain his position. The Ambassador expressed some skepticism regarding the degree of Yugoslav understanding of the requirements for reaching a European settlement. He said he thought it was of some significance that the Yugoslavs had consistently taken a position against European integration, not only for themselves but for the other countries involved. They had frequently warned the Germans against becoming involved in Western European arrangements.

Mr. Murphy said that he was not clear why the Yugoslavs had chosen this particular time to take the action. He had asked the Yugoslavs about this both before and after the action had been taken, but they had been unable to give any answers. The Ambassador had said to him the previous day that the Yugoslavs always felt this was the right thing to do, and that Yugoslavia was much like a man about to dive into a swimming pool. At some point he dives.

Ambassador Krekeler remarked that if the Yugoslavs had really been interested in establishment of German relations with Poland, it was difficult to see why they had recognized the GDR, since this was not helpful in terms of the development of German relations with Eastern Europe. Mr. Murphy said this point had been made to the Yugoslavs at the German request prior to their taking action. Ambassador Krekeler said that one thing which struck him about the Yugoslav action was that the Yugoslavs had not discussed the problem as they saw it with the Germans beforehand and merely pronounced their intention to the German Government. He pointed out that Foreign Minister von Brentano had made a particular point of this in his press conference on October 21. (Ambassador Krekeler gave Mr. Murphy the Foreign Office version of the Brentano press conference, which will be translated and distributed separately.)⁵

Mr. Murphy asked what the Federal Government now intended to do. Was it contemplated that a trade mission would be maintained in Yugoslavia? Ambassador Krekeler said that he did not think so. The Germans had asked the French to represent them in Belgrade.

⁵Not found attached to the source text.

He said that they would not violate the undertakings which they had given Yugoslavia in their trade and payments agreements, indicating that he had in mind specifically the credit given to Yugoslavia by the German Government in recognition of Yugoslav war claims. Mr. Murphy indicated that he thought the German action in asking the French to represent their interests in Yugoslavia had been a wise one and reflected the very good state of relations between France and Germany.

133. Telegram From the Mission in Berlin to the Department of State¹

Berlin, October 24, 1957—3 p.m.

483. For the Secretary from Bruce. Chancellor Adenauer has been confirmed in power for another four years. Even in the event of his death or retirement, his party, the CDU/CSU, could be expected to maintain its position as the dominant force in West German politics during that period.

The question as to who might succeed him, if he should relinquish his office, remains unanswered. It has frequently been posed. On one occasion, he is said to have responded: "Look at Churchill. He had designated Eden as his heir apparent; I shall not make a similar mistake."

It is to be anticipated and hoped that the United States will, for a considerable span of time, be dealing with Adenauer, who will control a majority in the West German parliament. If the "old fox" remains on the scene we can make assumptions that might well be unwarranted in case of his removal from it.

The recent Adenauer campaign was characterized by a frank and repeated avowal of his loyalty to American foreign policy. The assertions of independence of the United States, of suspicion of its motives and intentions, so clearly manifested in certain other European countries, evoked no imitation in the Federal Republic. The Chancellor was constant in his theme: namely, that there are two great power complexes in the world, the USSR and the USA. Germany, a second, or even third rate power, must make its choice between the two, and its selection must be alliance, friendship and fidelity to the USA and an unswerving adherence to the NATO alliance. In private,

¹Source: Department of State, Central Files, 762A.00/10-2457. Confidential; Priority; Limited Distribution. Repeated to Bonn.

he expressed the opinion that the United States should exercise greater leadership in NATO, and cease to be so tender about the national susceptibilities of other members.

In short, while Adenauer continues in authority, and directs his almost authoritarian prerogatives to the ends in which he sincerely believes, it is probable that occasions will seldom arise likely to precipitate a marked division of interest or objective between our two countries. Even if there should occur clashes of temperament or opinion, they should be capable of *sub rosa* settlement.

The position occupied by the FedRep in Europe, geographically, economically and financially, together with its as yet unrealized military potential, would be disturbing if one entertained doubts as to Adenauer's future attitudes toward foreign policy. These will be determined, I believe, by his estimate of the wisdom with which he thinks American foreign policy is being conducted. He must be fully sensible of the peculiar and favorable posture of his own country, and how a tempting oscillation between East and West might contribute to its superficial benefit.

No such hesitation, however, as far as one can presently speculate, has been cherished by him (though it may have entered into his calculations). Moreover, despite its startling achievements in other fields, the FedRep has not yet regained its prestige in political affairs. Its governors are ambitious to serve as mediators, or as second best to influence the play of events in the Middle East, as well as in Africa. Freed of the erstwhile taint of colonialism, no longer possessors of territories, their brutal management of dependent peoples almost forgotten, they toy with the pleasing idea that they are less suspect in the Arab and African countries than are other nations still exercising suzerainty in those murky localities.

Torn by a feeling of guilt toward the Jews, to whom they are in course of making periodic financial atonement, they have not yet decided whether to accord diplomatic recognition to Israel, or to rationalize their refusal to do so by asserting the greater usefulness of their role as impartial and uncommitted observers of regrettable national rivalries.

In relation to the Soviet satellites in Eastern Europe, their future course of action is also not resolved. Intrigued by the possibilities inherent in the Polish situation, and, in lesser degree, elsewhere, much study has been pursued by them as to how best they might maneuver to their own and allied advantage by an increase in their trade, and more formal relationships in that area. The recent recognition by Yugoslavia of the so-called East German Republic and the swift Federal Republic riposte to this action has postponed whatever plans were being evolved by Adenauer and his counselors in this connection. Nevertheless, it may be expected that a resumption of attention

to such relationships will again be brought under advisement. The historical trend of preoccupation with Turkey and lands farther east has begun to reassert itself. Delegations of responsible Germans have begun to investigate commercial opportunities, especially in Turkey and Iran, and their government can be expected to support, with ample credits, undertakings of a nature which might promise ultimate advantages to its citizens.

Everywhere, the FedRep is expanding its thrust outward, taking moderate but adventurous risks. Its preferred partner in these fields would be the United States. I believe we should have intimate conversations at an early date with German administrators to ascertain whether a combination in some places of our outlays might not be of mutual benefit, and likely to advance our political objectives. In the domain of economic aid, consultation, and possibly joint action, with the Germans might multiply the effectiveness of our present programs. In conjunction with them and other allies, we might enter into arrangements with rich native governments, such as those of Kuwait, Saudi Arabia, Iraq and Iran to sponsor and participate in area development schemes, instead of bearing alone the burden of supplying manpower and funds for such purposes, with little assurance our efforts will be rewarded even by so evanescent a tribute as short-lived gratitude.

It would be idle to dwell on the possibilities of fruitful cooperation between the Germans and ourselves if the result would be to weaken our indispensable ties with older and more proven allies. But such would not be the case, if we could arrive at an understanding with Germany, prosperous of [to?] our associates, subject to the multilateral endorsement and participation of others. It seems to me unwise to await longer a concerted movement, of which there are no apparent signs, conducive to a broadening of Western influence in the satellite and other worlds, when a commencement to that end might be made in partnership with the only friendly nation now [able?] to afford like ourselves a venture of this scope.

There is much talk of "grand designs" and careless paternity of other resounding phrases. But while Adenauer is still alive and active, should we not search out his designs, if any? To do so would not be difficult, for the Germans are not the least vocal of peoples. They labor under a subdued sense of guilt, and will not be the first to extend an invitation. Their dynamism is extraordinary, but it has been chiefly devoted to an animation of their domestic concerns. I think it can be harnessed to broader uses, consonant with US aims. I shall not in this telegram suggest how this might be done, but call your attention to an imperfectly utilized source of strength and

energy, which, although at present not being dissipated, is too exclusively devoted to narrow national aspirations.²

Hillenbrand

²In telegram 1165 to Bonn, October 28, Dulles told Bruce: "Thanks for your thought piece No. 483. This is stimulating and helpful." (*Ibid.*, 762A.00/10-2457)

134. National Intelligence Estimate¹

NIE 23–57

Washington, November 5, 1957.

THE OUTLOOK FOR GERMANY²

The Problem

To estimate the outlook for Germany, including the Federal Republic of West Germany, East Germany, and Berlin, but with special reference to political developments in the Federal Republic and to the foreign and defense policies of its government.

Summary

1. As a result of the decisive victory of the Adenauer government in recent elections, the prospects are good for the continuance in West Germany of a moderate stable government allied with the West. Its current economic health as well as political stability could be threatened both by crises generated by internal circumstances and by developments outside West Germany's control, e.g. a major recession in the West, or a major decline in the strength and cohesion of

¹Source: Department of State, INR–NIE Files. Secret. A note on the cover sheet reads:

"Submitted by the Director of Central Intelligence.

"The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

"Concurred in by the Intelligence Advisory Committee on 5 November 1957. Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction."

²A notation on the source text indicates that NIE 23–57 superseded NIE 23–56, Document 48.

NATO. We believe that, barring such external developments, serious internal divisions and extremism are highly unlikely.

2. The rate of economic expansion will probably slow down primarily as the result of an increasingly tight labor situation. Some price rises also appear likely. However, serious economic strains appear very improbable unless caused by a major recession in the West.

3. The Soviet leaders have again slammed the door on reunification. They have no intention of permitting the anti-Soviet population of East Germany to be added to that of West Germany on terms which would enable a unified Germany to join with the West. Moreover, they want to continue their occupation of East Germany in order to protect their position in Eastern Europe, to apply a vise on Poland, and to retain the advantages of the advanced deployment of powerful military forces.

4. Similarly the USSR is not likely to weaken its hold on Berlin and, in conjunction with the East German regime, will probably apply increased pressures on the Allied position. A widespread East German revolt seems unlikely in the next few years, although spontaneous outbreaks are always possible, particularly if there were uprisings elsewhere in the Satellite area.

5. So long as this situation continues, the West Germans seem likely to remain in NATO. They also believe that they must rearm in order to assure their national security, either as a part of NATO or, if need be, independently. Nevertheless, rearmament progress will probably continue to be hampered by doubts concerning the basic strategic concepts upon which forces and weapons systems should be built, and by a lack of popular enthusiasm to accept the costs and sacrifices involved. We believe the West Germans are unlikely to consider withdrawing from NATO and assuming a posture of armed neutrality unless the alliance became greatly weakened or unless the USSR made an acceptable reunification offer. In the event the USSR reassessed its position and offered new terms for reunification, the West Germans would not accept them if there were clearly a risk of their becoming a Soviet satellite; on the other hand, they probably would accept something less than they or their Western allies now consider essential.

Discussion

Domestic Situation in West Germany

[Here follow numbered paragraphs 6–16 concerning the recent elections in West Germany.]

Economic Situation and Trends

17. One very important factor underlying the high degree of current political stability in West Germany has been its remarkable progress in economic development and international trade. Starting with a heavily damaged industrial base and a very low standard of living, West Germany is now enjoying considerable prosperity and has a sound financial position. This economic progress has absorbed the major energies of the West Germans, has contributed to the weakening of formerly rigid class distinctions, and has greatly enhanced the acceptance of the policies of the Adenauer government. The CDU's overwhelming victory in the recent election was probably more an endorsement of German prosperity than a measured approval of the specific policies which accompanied it.

18. Both domestically and in foreign trade the West German economic situation in 1956 and early 1957 was exceedingly favorable. The West German gross national product, in terms of purchasing power equivalents, is now about as large as that of the UK, \$74.4 billion compared with the UK's \$75.6 billion, and considerably larger than France's almost \$60 billion.³ By 1960, when the Saar is scheduled to return to the German economic area, West Germany's total GNP will probably exceed that of the UK. West Germany's per capita consumption in 1956 was slightly lower than that of France and about 10 percent below that of the UK, but it was substantially improved over earlier years. The rapid recovery of West Germany is due to the fact that it invested a significantly higher proportion of its national product than did other West European states. Moreover, while France and the UK struggled with internal inflation and foreign payments problems, West German prices increased only slightly and an export boom was piling up large foreign exchange reserves, which had reached \$5.5 billion by August 1957, about 70 percent of it in gold and dollars. However, West Germany's relative position in Western Europe still falls short of the position of pre-war Germany, both in over-all production and in per capita production and consumption.

19. The recently accelerating trend in the West German surplus to an annual rate of almost \$1 billion in the first half of 1957, has been due primarily to expanding demand and inflation in the rest of Western Europe.⁴ The resulting strains on the foreign exchange reserves of other Western European countries, intensified in recent months by capital flights to the Deutsche Mark, may now be

³Estimate for 1956 on the basis of 1955 US prices. Figure for West Germany adjusted to include West Berlin. [Footnote in the source text.]

⁴A footnote in the source text containing a table entitled "West Germany's Foreign Trade" is not printed.

brought under control by the French devaluation and more stringent credit restrictions in the UK. In any case the West German government will almost certainly maintain its refusal to appreciate the Deutsche Mark. Its approach rather is to liberalize import duties, to advance the schedule for payment of foreign debt obligations and arms purchases, to make increased restitution payments, and to provide for some export of capital. If these measures plus some anticipated inflation in West Germany fail to correct the imbalance, the Federal Republic hopes that other countries will make the necessary adjustments. If they do not, West Germany will be under increasing pressure to appreciate the Deutsche Mark, relax credit restrictions, and lend more extensively abroad, or suffer trade discrimination.

20. Long-term private capital investment abroad by West Germans is developing slowly. In the year ending June 30, 1957, it amounted to \$118 million, mostly in the Western Hemisphere. Private lending in the Middle East and South Asia has consisted mainly of medium-term credits to facilitate the sale of capital equipment and construction goods. West German exports to these latter areas have been expanding steadily for a total of \$650 million in 1956, or about 9 percent of all West German exports. The Federal Republic has made two recent loans to the IBRD for a total of \$175 million, and this may indicate that further government loans abroad will be made. West Germany is committed to provide \$200 million during 1958-62 for the development of the overseas territories of its Common Market partners and may undertake loans to the European Payments Union and to France.

21. There are indications that the rate of economic expansion in West Germany may be slowing down. Some decline was to be expected as the backlog of reconstruction needs was met and the labor situation became tighter. In 1956 real GNP and industrial production increased 6.4 and 8 percent respectively, as compared with gains of 11.2 and 14 percent in 1955. However, in early 1957 West German economic growth accelerated somewhat, as it did in the rest of Western Europe. In large measure, the level of West German economic activity is dependent on conditions in other Western countries, since West German exports total over 30 percent of its industrial production. The continuing growth of the West German economy even at somewhat reduced rates has been due largely to the rising level of its exports.

22. In part the declining rate of growth has been in response to the West German policy of maintaining a tight monetary and financial brake on the economy in order to control inflationary pressures resulting from an already tight labor market. Gross fixed capital investment reached a peak of 23 percent of GNP in 1956, but fell off significantly in the first half of 1957. Authorizations for both indus-

trial and residential construction have declined. The recent reduction in the bank rate was an attempt partially to offset this trend.

Economic Outlook

23. Under the best of circumstances West Germany will encounter greater obstacles to future economic growth. Fully 50 percent of the total population is now employed or self-employed—a higher proportion than in any other Western industrial country. The labor force will grow more slowly during the next five years. Due mainly to low wartime birth rates, annual net accretion to the labor force will decline from the current rate of 700,000 to about 400,000 by 1962. Moreover, the average number of hours worked in manufacturing and building has fallen from 47.7 in early 1955 to 46.7 hours per week in early 1957. Further reductions are likely as the result of already negotiated and pending trade union contracts.

24. West Germany will increasingly encounter some of the inflationary pressures which have bedeviled its Western neighbors. The tight labor market and somewhat more limited opportunities for productivity increases raised West Germany wage costs by 5 percent in 1956; greater restlessness on the part of trade unions indicates that this trend is likely to continue. Recently several large trade unions, including those of the metal workers, have announced their intention to seek higher wages, shorter hours, and greater fringe benefits. Coal prices have been raised by 8 percent since the election and other basic industries may seek to follow suit. In contrast to substantial surpluses in recent years, the federal budget is expected to be in deficit by over \$1 billion in the year ending March 31, 1958, as a result of growing defense and social security expenditures. These and other factors point to the likelihood of rising wage costs and an accelerated rise in consumer prices.

25. Because of West Germany's strong foreign exchange and trade position, it will be able to absorb a considerable amount of inflation without economic strain. However, industrial disputes, pressures on profits, and public sensitivity to inflation may thus come to disturb an otherwise favorable economic and political situation.

[Here follow numbered paragraphs 26–29 concerning "Current Attitudes."]

East Germany and the Reunification Problem

Soviet Policy Toward Germany

30. Whatever may be the long-term Soviet objective in Germany, it is obvious that during the past year, the Soviet leaders have again slammed the door on reunification and locked and bolted it. If for no other reason than to protect its position in Eastern Europe, the USSR believes that it cannot now afford to give up its control and

occupation of East Germany. Over the longer term, perhaps the Soviet leaders have some hope that events will so progress as to give them an opportunity to bring about West Germany's withdrawal from NATO and heighten responsiveness to Soviet pressures. They will probably continue to show interest in negotiating with the Federal government on matters of common concern, particularly trade, and at the same time probe for weaknesses on larger issues. At the moment the Soviet leaders almost certainly are not giving any thought to permitting the deeply anti-Soviet population of East Germany to be added to that of West Germany on any terms acceptable to the West Germans.

31. Retention of control over East Germany has practical advantages for the USSR, aside from that of denying it to the West, including (a) the application of a vise on Poland through the powerful Soviet military forces stationed in East Germany, (b) the advance positioning of Soviet forces against NATO, and (c) the possibility of exerting continuous political pressure on the Federal Republic through holding 18,000,000 Germans hostage. While the USSR is taking a smaller percentage of East German GNP, it still derives a considerable economic advantage from its position. In addition, the importance of East German uranium must be considered. We believe these advantages outweigh in Soviet eyes the adverse effect of holding down a deeply anti-Communist, anti-Soviet population through a regime devoid of popular support.

32. We believe that the USSR will continue to oppose any scheme for German unification which does not create conditions in central Europe at least as favorable to the Soviet position as those which now obtain through the occupation of Eastern Germany. It seems unlikely, in particular, that the USSR will be genuinely interested in proposals for reunification on the basis of a neutralization of Germany alone. The USSR is probably convinced that the prospect of a neutralized Germany is illusory, that a formally neutral Germany would sooner or later side with the West. The USSR will almost certainly continue to insist on direct negotiations between East Germany and the Federal Republic as a pretext for avoiding serious discussion. The USSR will seize every opportunity to enhance the position and prestige of the East German regime. At the same time the USSR will take all measures, including the suppression by force of popular movements, to maintain the security of its position in East Germany.

33. Similarly the USSR will probably not weaken its present hold on Berlin, although it will probably continue to turn over additional responsibilities to the East German regime. Pressures on West Berlin are almost certain to continue in order to test Western vigilance and resolution, to maintain a security check on allied move-

ments, and to erode the Western position. As more authority is transferred to the GDR, the harassments of Western communications are likely to be stepped up in an attempt to force West Germany and the Western powers to deal with the East German regime. The ousting of the Western Allies will remain a major Soviet objective. To achieve this objective the Kremlin might take harsh action against Berlin if: (a) Western political, psychological, and military strengths eroded sufficiently to encourage Moscow to believe that Western responses would lack unanimity and decisiveness, or (b) the Soviets became convinced that more vigorous actions against West Berlin would divert Western strengths from other areas of critical importance to the Bloc.

The Situation in East Germany

34. The overwhelming majority of East Germans regard the regime of the zonal Communist Party (SED) as alien in its subservience to Soviet interests and have not accepted the "German Democratic Republic" as a separate national entity. Their overriding political aspiration is for reunification and the elimination of Soviet control. Faced with almost universal hatred and contempt, the SED regime has been forced to resort to many techniques for repressing and diverting open hostility, and it has had to forego any change which might be interpreted as a confession of weakness. Hence, the processes of de-Stalinization in other areas of the Bloc have not led to any changes in the SED leadership. Walter Ulbricht, the leader of the party, has remained fanatically loyal to Moscow and his position and repressive policies have been strengthened by Khrushchev's unqualified public endorsement. Stability in East Germany rests heavily on the presence of Soviet troops and the belief of the populace that these troops would be decisively employed against any attempt to change the political situation by force.

35. Contributing to the basic political discontent is the low standard of living, which we estimate to be less than 75 percent that of West Germany. The people are aware that these conditions are due both to Soviet exploitation and indigenous Communist mismanagement. The Communists have attempted to alleviate economic grievances as one means of avoiding a popular revolt in this highly sensitive area. In order to assist the East German government to maintain economic growth and to provide some concessions to German consumers, the USSR has reduced its exploitation considerably and is providing goods and foreign exchange to the zone on a loan basis. The result has been some improvement in living standards and a reduction in the population's irritability. However, the economic situation of the zone is likely to remain depressed in spite of a possible increase in Soviet assistance. The USSR is not willing to un-

dertake assistance on a sufficient scale markedly to improve the situation in the next few years and the SED regime lacks the flexibility and resources to do so on its own. A factor contributing to the depressed situation has been the continuous loss of manpower due to the flight of almost 300,000 refugees annually to the Federal Republic since 1953.

36. Although the East Germans have little or no loyalty to their own regime, a majority appear to be socialist in orientation. In any reunification they would probably attempt to salvage some of the social changes—land reform, nationalization of large-scale industry, and the enhanced status of the workers relative to other East German groups—which they believe have been the only accomplishments of the occupation regime. Although these attitudes have lent some plausibility to the Soviet proposal for the reunification of the “two Germanys” on a “confederative basis,” the East Germans by and large recognize that the Soviets are using this formula as a device for perpetuating their control of East Germany.

37. A widespread East German revolt seems unlikely in the next few years, although there is always the possibility of spontaneous outbreaks, particularly if there were uprisings elsewhere in the Satellite area. The population is aware, both through their own experience and by viewing the example of Hungary, that resort to force would prove abortive, if not disastrous. Moreover, it seems clear that the SED leaders, whose personal and political survival would be at stake, would assist in repressing disorders without mercy. They would probably consider the East German forces unreliable and would therefore depend almost entirely upon Soviet forces.

38. While the present Soviet position on East Germany appears frozen, it is possible that the Kremlin will make changes in the leadership of the East German regime in an attempt to give it an appearance of respectability. Such alterations would be made only with due regard to the Soviet security position in Poland. Such a move would be designed to increase the chances for broadened international recognition of the East German regime and its acceptability within East Germany. Although the Soviets probably regard the present West German government as unlikely to make substantial concessions on reunification, such changes in East German leadership would have the effect of placing Bonn in a less advantageous position.

[Here follow numbered paragraphs 39–66 concerning “Lines of Development in West German Foreign Policy.”]

135. Telegram From the Department of State to the Embassy in Germany¹*Washington, November 16, 1957—3:55 p.m.*

1332. Paris for USRO, Embassy and Thurston. It is important that Germany play constructive role at Heads of Government meeting.² We have accordingly been considering approach to Adenauer by U.S., and separately by U.K. and possibly France, to urge upon him desirability his announcing at meeting expanded and/or accelerated German contribution to collective NATO defense. Material such announcement would appear lie in following three areas:

1. Support Costs—One of NATO's major current problems would be at least temporarily met, and desirable example would be set, if Adenauer could announce at meeting Germany's readiness to meet full Deutschemark costs of U.K. and French forces in Germany for 1958/59,—even though as far as we know French have not yet requested support for next year. Would be necessary that Adenauer state these costs would be met without impairment of German build-up plans set forth in German 1957 Annual Review submission. We recognize possibility Adenauer might require U.S. assurance we would not demand Deutschemark support for our own forces after current fiscal year. Desirable that UK and France suggest support costs announcement to Adenauer since if raised by US Adenauer likely counter with proposals about our own costs.

Such announcement would constitute important contribution to meeting, standing as practical example of mutual endeavor and rational division of effort within NATO. Must be recognized, however, that announcement would have little popular appeal or impact, being in public view no more than further temporary resolution of perennial internal NATO financial problem. Other announcements and actions thus necessary if Germany to play its required role.

2. German Missile Production—Second possibility is for Adenauer to announce Germany's readiness, subject to approval of SACEUR and WEU partners, to throw its weight into missile race on side of West. Such announcement, considering Germany's World War II missile achievements and present industrial and financial resources, would have both practical significance and popular impact. If this general idea has merit, would be necessary explore urgently in first instance with SACEUR, and with WEU members other than

¹Source: Department of State, Central Files, 396.1-PA/11-1657. Secret; No Distribution Outside Department. Drafted in EUR, cleared by Reinstein, and approved by Elbrick who signed for Dulles. Also sent to London and Paris.

²For documentation on the NATO Heads of Government Meeting, held in Paris December 16–19, see vol. iv, pp. 218 ff.

Germany, with view to France, preferably, taking it up with Adenauer. Extent of required revision of Brussels Protocol would be minimized by confining project at this point to missiles.

3. German Buildup—Third possibility would be for Adenauer effectively to lay to rest long-standing fears and suspicions Germany does not plan to achieve its full assigned NATO goals. While these goals will not be officially confirmed until Council approves NATO force requirements paper now under development, Adenauer could reaffirm Germany's determination to complete its vital contribution to shield. Considerable reassurance, even if not new stimulation, would be derived from such reaffirmation, and from succinct statement of actions taken and in progress to overcome obstacles which have delayed German buildup.

Effort persuade Adenauer announce increase in planned level German defense expenditures at this time, in light low percentage of GNP going for defense, would probably be unavailing, because of likely German reaction increased expenditures would waste money without enhancing buildup of key elements of strength. Would be difficult refute argument buildup delay has not been primarily due to lack of funds, though budgetary factors can be expected become limiting factor on rate of buildup at later date.

We note Bonn's impression (Bonn 1515, rptd London 164, Paris 254,³ to which we are replying separately) Germans anxious have our ideas on December meeting and to follow our lead. Accordingly sooner we can coordinate views on optimum German contribution at meeting with UK and France and communicate those views to Adenauer the better.

Request comments all addressees urgently. Paris comments should be coordinated among Embassy, USRO and Thurston.⁴

Dulles

³Telegram 1515 from Bonn reported the results of a meeting between Foreign and Defense Ministry officials which had been called to prepare proposals for the NATO meeting at Paris. (Department of State, Central Files, 740.5/11-1357)

⁴On November 28, Bruce reported that Erhard had stated that it would be important for the United States in the Paris meeting to reaffirm its support for the territorial integrity of its NATO partners against any type of attack. (Telegram 1567 from Bonn, November 18; *ibid.*, 396.1-PA/11-1857)

The Embassy in London and the U.S. Permanent Representative reported their agreement with the proposals outlined in this telegram. (Telegrams 3156 from London and Polto 1343 from Paris, both November 19; *ibid.*, 396.1-PA/11-1957)

136. National Security Council Report¹

NSC 5727

Washington, December 13, 1957.

DRAFT STATEMENT OF U.S. POLICY ON GERMANY

General Considerations

A. Significance of Germany to U.S. Policy

1. Germany is of vital importance to the United States:

a. Germany's location in the heart of Europe and its considerable material and human resources make it a key area in the struggle between the Communist and Free Worlds.

b. The division of Germany is a chronic source of European instability and East-West friction, and a possible source of major armed conflict.

c. The future development and orientation of the Federal Republic will significantly affect the development of Europe as a whole.

2. U.S. policy toward Germany cannot be separated from the larger issues of U.S. global policy or European policy:

a. The reunification of Germany would involve a major readjustment in relations between East and West, because of the strategic importance to the USSR of its position in East Germany and because of the close relationship of the United States and Western Europe with West Germany.

b. Major U.S. decisions on such matters as U.S. troop deployment, use and disposition of nuclear weapons, and disarmament could have important effects on our relations with West Germany and hence on our position in Europe.

c. The development of a strong Western Europe will not be possible without German participation and cooperation in common European political, economic, and military institutions.

B. Major Policy Factors

Political and Economic Stability of West Germany

3. The Federal Republic is now the strongest economic power in Western Europe, has a stable political system, and is playing an increasingly prominent role in European and world affairs. As a result of the recent decisive electoral victory of Chancellor Adenauer's government, the prospects are good, at least for the next few years, for a

¹Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5727 Series. Secret. A cover sheet, a note from NSC Executive Secretary Lay stating that the Report would be considered by the Council on December 23 (although not actually done until February 6, 1958), a table of contents, a financial appendix, and a military annex are not printed. Supplement I (Berlin) and Supplement II (East Germany) are printed as Documents 213 and 237.

moderate stable government allied with the West. Political extremism of either the Left or the Right is not now significant. The continued economic and political strength of the Federal Republic is very important to the success of U.S. policy in Europe.

The Division of Germany and the Problem of Reunification

4. The division of Germany is a potential source of armed conflict and therefore a potential threat to U.S. security. Reunification will remain a central aim of West German policy and is a strong motivating force among the people of both East and West Germany. Until now West Germany has agreed with the United States and other Western powers in seeking reunification through free elections and avoiding any moves toward reunification which would jeopardize either West Germany's security or a unified Germany's political and military association with the West. At the same time, the USSR has rejected all Western proposals to settle the German problem through free elections, has insisted the problem must be settled by negotiation between the "two German states", and more recently has indicated it would not enter into discussions of any kind with the Western Powers on the German problem. There is no early prospect of Soviet agreement to a reunified Germany which might become militarily associated with the West. The USSR would also demand a very heavy price from the West in exchange for any diminution of its tight control over East Germany.

5. The West Germans have three possible lines of policy open to them. Broadly stated, these are:

a. To seek a rapprochement with the USSR and the Satellites, in order to achieve reunification while preserving an acceptable degree of independence from Soviet control. This alternative would be given little consideration in West Germany unless the United States acted in such a way as to signify abandonment or critical reduction of defense commitments in Western Europe.

b. To follow an independent course in foreign affairs, eschewing military alliances and counting on a stalemate between East and West which would enable West Germany to achieve a strongly independent neutral posture. So long as their present confidence in the effectiveness and reliability of U.S. security assurances continues to exist, however, most West Germans would not consider this alternative seriously unless there was some better prospect than at present of attaining reunification thereby.

c. To remain firmly attached to the Western alliance, in confidence that the strength and resolution of the West will protect West Germany against any attack while it attempts to enlarge its role in the Western alliance and in the world at large. During the next few years close cooperation with the Western alliance seems likely to be regarded not only as the sole workable alternative for West Germany, but also as affording opportunities for expansion of trade and influence.

6. However, in order to retain West German association over the longer run and to reduce the likelihood of West German unilateral efforts to solve the reunification problem, the West must continue to convince the West Germans that it will seek, as and when possible, to achieve unification. The West Germans fear that the United States may make an agreement with the USSR of major character (such as a comprehensive disarmament agreement) without settling the problem of German unification. In addition, the United States might have difficulty convincing the West Germans of its sincerity in reunification were it to oppose a Soviet offer for reunification which the West Germans considered did not endanger their security and which was made at a time when the West Germans discounted the danger of Soviet aggressive designs. However, if the United States were willing to guarantee such a settlement, the readiness of West Germany to accept it would be increased.

7. Since the Geneva Foreign Ministers Conference of 1955 the Soviets have from time to time proposed the withdrawal of foreign troops from Germany, but have not linked withdrawals to German reunification. More frequently they have proposed withdrawal of all foreign troops from Europe, the liquidation of all foreign bases, and the abolition of all military pacts. In the West, various proposals for troop withdrawals have also been put forward, but these have been linked with an agreement on reunification and have been couched in terms of troop withdrawals from the center of Europe. Proponents argue that troop withdrawal proposals, if combined with satisfactory assurances of security for the West and with an agreement on reunification, might provide a feasible approach to removing the major irritant of a divided Germany. Proponents argue that such withdrawals would also reduce the threat of conflict which exists in the present confrontation of hostile Soviet and Western forces in the center of Europe. A major appeal to the United States of a plan providing for the withdrawal of Soviet troops from Eastern Europe, without jeopardizing the security of Western Europe, would be the elimination of the major instrument of Soviet control in the area. At present, however, there is no indication of any Soviet interest in a withdrawal of forces on both sides under conditions which would provide reasonable assurances of security for the West. Furthermore, the West German and other Western European Governments would be strongly opposed to any significant reduction in the number of U.S. forces stationed in Germany, until there is some indication of change in the Soviet position regarding security and reunification.

8. Proponents of German neutralization have argued that the Soviets will agree to reunification only upon terms which guarantee the neutralization of a unified Germany, and that the West Germans themselves may eventually accept a neutralized status outside NATO

in order to achieve unification. They also argue that neutralization is not too heavy a price to pay for Soviet withdrawal from East Germany (and possibly other Satellites) and the diminution of the considerable dangers to peace inherent in the present division of Germany, the isolation of Berlin, and the confrontation of large hostile forces in Central Europe.

9. The United States has maintained that the neutralization of Germany is not acceptable under present conditions for the following reasons:

a. West German military association with Western Europe is very important to strengthen NATO capabilities in Europe.

b. Financial and political considerations probably would militate against relocation elsewhere in Europe of NATO forces withdrawn from West Germany, and might lead therefore to sizeable force withdrawals from the Continent.

c. A neutralized Germany would have such different political interests from those of the NATO allies that it would not participate fully in the efforts to achieve greater Western European integration. Without such German participation, Western European integration is not likely to progress far enough to enable Western Europe to achieve the strength and prosperity which would best assure its independence over the long run.

d. As long as Western Europeans continue to feel that their security depends on U.S. participation in a strong NATO alliance, a unilateral U.S. proposal for neutralization would undermine the present West German Government and ties with the West as well as the support of other European Governments for NATO. Efforts to obtain the agreement of our NATO allies to such a proposal would run serious risks of having the same results.

The Relationship of the Federal Republic to the Western Community

10. The participation of the German Federal Republic in a strong and effectively integrated Western European Community is essential if Western Europe is to realize its maximum potential as a counterweight to Soviet power. The success of the Community may likewise have a decisive bearing upon the completeness and dependability of West Germany's association with the West. West German participation in an effective Western Community constitutes the best guarantee that West German strength will be used constructively, rather than independently, for the achievement of narrow nationalistic aims.

11. West German disposition to cooperate with other Western countries stems in part from belief in the over-all superiority of the West. Recent evidence of Soviet scientific achievements has led the West Germans to believe that the United States and its Western allies must increase their efforts in order to maintain Western military and over-all superiority.

12. To an increasing extent the Federal Republic has assumed a leading role in the movement for Western European integration, and is participating actively in the European Coal and Steel Community, the embryo European Economic (Common Market) Community, and the Atomic (EURATOM) Community. The West German attitude will be important in determining the future direction of these Communities, especially the rate at which the Six Members thereof² move toward full economic union and toward increased political unity. It will also be important in determining many related matters, such as the kind of commercial policy the Six Members adopt in their trading relations with the outside world, and the ultimate character of a broad free-trade area which has been proposed to associate the United Kingdom and other Western European countries with the Six. However, increased economic strength and the avoidance of financial crisis in France and the United Kingdom may be the critical factors in determining the rate of progress of these institutions; and should it prove to be essential for them to obtain substantial foreign financial assistance, the willingness of the West Germans to provide a proportion of such aid would be important.

13. The West Germans have some sense of dissatisfaction with their political relations with the West. They apparently expected, when they were given sovereignty, that they would enter more fully into the councils of the West. They feel that their actual and potential strength entitles them to play an increased role. They profess to find their role in NATO unsatisfactory. What they would probably like is a "political standing group" consisting of the United States and the United Kingdom, France and Federal Republic. The smaller European countries (particularly Italy and the Benelux countries), while recognizing German reunification as a U.S.–U.K.–French responsibility, are bitterly opposed to any system of regular Great Power consultation which they fear would exclude them from any voice in the formulation of Western policies.

The Federal Republic's Relations with Eastern Europe (including East Germany)

14. The Federal Republic has made it a cardinal point of foreign policy, as recently confirmed by its severance of relations with Yugoslavia, not to maintain diplomatic relations with countries which grant diplomatic recognition to the so-called German Democratic Republic. It has made an exception only in the case of the Soviet Union.

²Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany. [Footnote in the source text.]

15. The Federal Republic's official relations with the Soviet Union, always quite reserved, have become increasingly cool. These relations have not thus far contributed to the achievement of the maximum objectives of either power—for the Soviet Union, the detachment of the Federal Republic from the West; and, for the Federal Republic, progress toward German reunification. Even with respect to the minimum objectives—for the Soviet Union, considerable expansion of trade and cultural relations; and for the Federal Republic, the repatriation of all German nationals in the Soviet Union—progress has been minimal.

16. In its relations with the Satellites other than East Germany, the Federal Republic appears to be moving toward a position of greater flexibility. In particular, the Federal Republic will seek to strengthen its economic ties in Eastern Europe. The West Germans consider that their interests are served by encouraging Communist deviation from Soviet hegemony. However, West German policy is as yet uncertain and cautious because of (a) the desire to prevent a broader recognition of the East Zone government; (b) uncertainty as to whether establishment of relations with Poland and other Eastern European countries would in fact loosen Soviet control over Eastern Europe; and (c) the extremely sensitive political issue of the Eastern boundaries of Germany.

17. Any expansion of West German influence in Eastern Europe which loosens the ties between the USSR and the Satellites would advance U.S. objectives in that area. In view of the problems just cited, however, this can best be accomplished in the immediate future through the development of West German economic relations with the Eastern European countries (other than the Soviet Union) rather than by the establishment of diplomatic relations. West German trade missions in selected Eastern European countries would provide for official West German representation and could, to the extent that the Eastern European governments desire political contact with the Federal Republic, provide a cover for such contact. However, more extensive consultation with the Federal Republic on U.S. economic and political policies affecting the Eastern European countries would help to enhance and direct West German energies in that area.

18. The Western Allies have taken the position that the Oder-Neisse line is temporary and that the final boundaries of Germany should be fixed in a peace settlement with the agreement of an all-German Government. They have taken no position on where the boundary should be. The Federal Government has from time to time hinted at the desirability of finding some compromise solution of the border question. However, it would be unwise for the United States to take a position on the boundary, at least until prospects for a set-

tlement are more promising, because to do so would incur the ill will of either the Poles or the Germans, or both.

19. In East Germany the present Communist regime, though overwhelmingly opposed by the population, will be strongly entrenched as long as it is backed by massive Soviet military strength. The USSR has made clear its determination to maintain its power position in East Germany. The East German regime appears to be about to launch an intensified campaign to reduce Western influence on the population by reducing contacts between East Germany and the West. The Federal Republic fears Western involvement with Soviet military forces in the event of any large-scale uprising and has therefore strongly encouraged the East German population in its avoidance of active measures to change the existing situation. The Federal Government favors continued non-official economic relations with East Germany because it considers the Soviet Zone a source of needed commodities (e.g., brown coal). It also believes that a limited shoring up of the East German economy is an important factor in reducing the danger of an East German uprising and is a humanitarian duty towards less fortunate countrymen. (For a fuller discussion of U.S. policy toward East Germany, see Supplement II to this paper.)

Berlin

20. The Berlin situation calls for the utmost vigilance on the part of the Western Powers. The Western Powers are publicly committed to defend their position in Berlin, and the loss of this position would have incalculable consequences in undermining the Western position in Germany and the world at large. Yet Berlin remains isolated behind the Iron Curtain and exposed to constant Communist pressures and harassment. While the pattern behind recent increased difficulties is not easy to discern, it seems probable that Communist efforts are directed at this time more toward sealing off the Soviet Zone from Western influence than toward a major interference with the Western lines of communication to Berlin. (For a fuller discussion of U.S. policy on Berlin, see Supplement I to this paper.)

The Federal Republic's Role in Western Defense

21.³ Because West Germany was not psychologically or administratively prepared, some delay and difficulty was inevitable in the creation of West German armed forces. But the principal obstacles to building up an effective West German force have been, and will probably continue to be, uncertainty as to the basic strategic concepts upon which forces and weapons systems should be built and, to a lesser degree, a lack of popular enthusiasm for the costs and sacrific-

³A notation on the source text indicates that paragraph 21 was revised on January 3, 1958. No original text of the paragraph has been found in Department of State files.

es involved. Force goals for West Germany, originally worked out in consultation with the West German Government in the course of EDC planning, were endorsed by NATO in 1952 and were established by the North Atlantic Council in 1955 as a major contribution to the "shield concept" for the defense of Europe. West Germany will fall far short of attaining these goals (*[less than 1 line of source text not declassified]*) Army divisions by the end of 1958, *[less than 1 line of source text not declassified]* air squadrons by the end of 1959, and an overall personnel strength of *[less than 1 line of source text not declassified]* men by the end of 1959). In December the NATO Council approved the following West German force goals for 1958: *[less than 1 line of source text not declassified]* Army divisions, *[less than 1 line of source text not declassified]* naval vessels, and *[less than 1 line of source text not declassified]* air squadrons (including *[less than 1 line of source text not declassified]* undergoing operational training). West Germany is expected to meet these 1958 goals. Following approval (probably in the spring of 1958) of the NATO Military Committee Document (MC-70)⁴ on minimum essential NATO force requirements during 1958-1963, in the consideration of which West Germany is participating, revised West German military plans for the period beyond 1958 can be expected.

22.⁵ The Federal Republic presently has approximately 120,000 men in the armed forces, and recent planning figures show an interim strength goal for the armed forces (excluding territorial forces) of 303,000 men by 1961. The Army consists of seven divisions: three infantry divisions already committed to NATO; two armored; one mountain; and one airborne. All seven are understrength and possess only a limited combat capability. By March 31, 1959, the West Germans expect to have nine divisions, one at only brigade strength. The Navy's present combat capability (principally minesweeping) is quite limited. A naval construction program is underway but will not be completed until 1961. The Air Force is still being organized and trained and has no combat units—primarily because of the difficulty of obtaining qualified pilots and land for airfields, and because of preoccupation with the implications of advanced aircraft types and missiles. West Germany has recently indicated an interest in integrating short-range tactical missiles in its NATO-committed forces. West German defense expenditures, although mounting, are only about 4.4% of gross national product as compared with 10.4% for the United States, 7.9% for the United Kingdom, and 7.6% for France. However, the Federal Republic has indicated to NATO that West

⁴Not found in Department of State files.

⁵A notation on the source text indicates that paragraph 22 was revised on January 2, 1958. No original text has been found in Department of State files.

German defense expenditures will increase sharply in 1958 and subsequent years.

23. The United States has agreed to furnish the Federal Republic approximately \$900 million of military equipment as grant aid. Most of this matériel has now been delivered and no further aid is now contemplated, except for nominal amounts for training and possibly a modest mutual weapons development program. Present West German contracts for arms purchases outside West Germany total \$1 billion, with approximately one-third of that total placed in the United States. The West Germans at present are producing little military equipment other than transportation equipment and soft goods. West German manufacturers have been reluctant to engage in arms production, but this attitude is changing.

24. The West German financial contribution to the support of other NATO forces in West Germany has undergone successive annual reductions from a level of \$1.7 billion per year agreed to in May 1952 to a level of \$346 million for the period May 19, 1956–May 19, 1957. In May 1957 negotiations resulted in a West German agreement to make what the West Germans claimed to be a “final” contribution of \$285.7 million, of which the U.S. portion would be \$77.4 million (half that of the preceding 12 months). The United States accepted this reduction, but reserved the right to request an additional \$77.4 million for the balance of U.S. FY 1958, after the West German election. In November 1957, the United States sent a formal note requesting the \$77.4 million, to which no reply has yet been received.⁶ On December 3, 1957, the British, after failing in negotiations to have the Germans furnish 50 million pounds (\$140 million) to cover the Deutschemerk requirements of British troops in Germany for the year beginning April 1, 1958, invoked in the NATO Council the clause in the Brussels Treaty under which the United Kingdom reserved the right to withdraw troops committed to the Continent in case they encountered financial difficulties, including those of a foreign exchange nature. In doing so the British said that if satisfactory financial arrangements could not be worked out they would have to reconsider the whole question of how many troops they could maintain on the Continent.

25. Inability on security grounds to disclose more fully to the West Germans information regarding certain weapons systems, has inhibited the Federal Republic in making the decisions needed for a

⁶As the West German contribution to the support of U.S. forces in West Germany has declined, German dollar receipts from expenditures by U.S. military forces in West Germany have risen. Total receipts from such expenditures have reached a level of \$408 million in FY 1957 and, without the additional \$77.4 million contribution requested from the West Germans, could reach a level of \$500 million in FY 1958 exclusive of offshore procurement. [Footnote in the source text.]

rapid military build-up. Security factors also have limited the scope of technical relations between West Germany and the arms-producing countries, particularly the United States, and have prevented the effective utilization of West German potential in the research and development field. The NATO meeting and implementation of the principles enunciated in the Eisenhower-Macmillan talks should facilitate disclosure of technical information to the West Germans, particularly if the industrial security system in West Germany is improved. The prohibitions in the Brussels Treaty on the West German manufacture of certain types of weapons, particularly missiles, also limit the West German contribution to the development and production of these weapons. These limitations (other than those on atomic, biological or chemical weapons) can be amended or cancelled by a two-thirds vote of the Western European Union (WEU) Council of Ministers, provided a request from the Federal Republic is supported by a recommendation by SACEUR. The Federal Republic has not been disposed to date to initiate requests for modifying these limitations, although there have been indications that the West Germans are interested in undertaking with their neighbors, particularly France and Italy, research concerning nuclear weapons, leaving production of such weapons to their allies who are not restricted by treaty. Additionally there are indications that the West Germans are looking toward the development and manufacture in West Germany of shorter-range missiles.

The Federal Republic's Relation to Underdeveloped Areas

26. The Federal Republic has exhibited a lively interest in the underdeveloped areas. Its principal interest has been in expanding West German trade, but it has exhibited a healthy awareness of the basic political problems in these areas and of the need for combatting Soviet influence.

27. It is evident from the size of West German gold and foreign exchange reserves (\$5.75 billion as of October 31, 1957) and the current rate of increase (about \$2 billion a year) that the West Germans could provide a great deal more capital for foreign investment than they have provided in the past. Short and medium term credits have generally been provided where necessary to maintain the level of West German exports. However, the volume of West German long-term lending and direct investment by West German firms has not been large, in part because of the strong internal demand for capital in West Germany itself. The government has been reluctant to make public funds available for public lending even in a fashion analogous to the U.S. Ex-Im Bank. There have recently been a number of West German suggestions for increased coordination or new methods of coordination with the United States and other industrialized coun-

tries in the assistance field, but these suggestions appear to reflect hopes that further U.S. or international funds could thereby be obtained to supplement whatever rather circumscribed efforts the West Germans have been prepared to make themselves.

28. Recently there have been some indications of a greater willingness on the part of the West Germans to extend credit abroad,⁷ although they are still attempting to limit their credits to sound loans of medium term. West German officials have begun to give active consideration to the establishment of a new government mechanism to facilitate extension of external government credits.

Basic Objectives

29. Restoration by peaceful means of Germany as a united state, firmly attached to the principles of the United Nations, with freedom of action in internal and external affairs, capable of resisting both Communism and neo-Nazism.

30. Firm association with the West of the Federal Republic and ultimately of a united Germany through the North Atlantic community, preferably as a member of an integrated European community.

31. A contribution by the Federal Republic, commensurate with its human and material resources, to the defense of the West and to the solution of problems confronting the West.

32. Prevention of Soviet domination over all Germany and elimination of Soviet power in East Germany.

33. Maintenance of the Western position in Berlin, pending the reunification of Germany.

Major Policy Guidance

34. Continue to promote effective actions by the Federal Republic to further European integration through such arrangements as the Coal and Steel Community, the Common Market, EURATOM, and ultimately the Free Trade Area.

⁷The West Germans have made the maximum portion of their IBRD subscription which is subject to call available for lending by the Bank and have in addition lent \$175 million in U.S. dollars to the Bank. The Government has established a very small foreign aid program with funds of \$12 million, largely for technical assistance, \$2 million of which it has agreed, through NATO, to lend to Iceland. West Germany has also committed itself to providing a \$200 million contribution to the overseas investment fund of the Common Market. It also appears probable that credits will be provided to India which will postpone payments of perhaps \$250 million coming due on Indian imports from West Germany. Some credits for new Indian orders may also be made available. [Footnote in the source text.]

35. Seek a more rapid build-up of the West German forces to be contributed to an integrated NATO defense and a greater utilization of West German resources for the common defense. In particular:

a. Support the elimination of the restrictions in the Brussels Treaty on West German contributions in the missiles field.

b. Encourage the utilization of the West German scientific potential for Western defense.

c. Promote the development of a mutually acceptable degree of industrial security which will permit a fuller utilization of West German facilities and resources for weapons production and for research and development.

d. Establish through NATO agreed force goals for West Germany and encourage the development of West German forces along lines which will result in their inclusion in an integrated NATO military structure and which will not involve the establishment of a completely independent West German military capability.

e. Continue to provide essential U.S. training for West German military personnel, including a minimum amount as grant aid for certain types of training considered necessary to maintain U.S. influence upon development of the German defense forces.

f. Provide, as appropriate, assistance under the Mutual Weapons Development Program.

g. Be prepared to sell to West Germany appropriate types of matériel consistent with availabilities and priorities.

36. Continue to seek an appropriate West German financial contribution to the support of Western forces in West Germany until West Germany gives evidence that it is assuming its full responsibility for achieving NATO agreed force goals for West Germany.

37.⁸ On the basis that it is in the best interest of all countries concerned to discourage production of nuclear weapons by a fourth country, seek to persuade West Germany not to undertake independent production of such weapons. Assure West Germany that the United States will actively support the NATO decision to establish stocks of nuclear weapons which would be readily available for the defense of the alliance in case of need.

38. Maintain West German confidence in the intention of the United States to fulfill its NATO obligations.

39. Support a more significant role for the Federal Republic within NATO as it evidences its willingness to assume its full military responsibility within NATO.

40. Make clear to the West Germans that while urging them to accelerate their defense activities we are also urging (a) the United Kingdom to continue to make a substantial contribution to the de-

⁸A notation on the source text indicates that paragraphs 37-42 were revised on January 2, 1958. No original texts have been found in Department of State files.

fense of Continental Europe and (b) France to reconstitute its forces committed to NATO.

41. Encourage the Federal Republic to assume a greater measure of responsibility in activities of international organizations where U.S. interests are likely to be advanced thereby.

42. Encourage substantially increased West German financial and technical assistance to underdeveloped areas, both directly and through appropriate international institutions, and West German cooperation in countering Soviet penetration of such areas. In particular:

a. Consult in appropriate ways with the Federal Republic with a view to inducing it to assume increased responsibilities toward the underdeveloped areas.

b. Make clear to the West Germans that U.S. public funds cannot be expected to be available in sufficient amounts to make it unnecessary for West Germany itself to extend additional credit if its exports are to be maintained.

43. Continue to press for the reunification of Germany through free all-German elections, and under conditions which would take into account the legitimate security interests of all countries concerned. Make clear that reunification is essential to any genuine relaxation of tension between the Soviet Union and the West, but that the United States will not agree to any reunification involving (a) Communist domination of a reunified Germany; (b) a federated Germany which perpetuates the existing Government of the German Democratic Republic; (c) the withdrawal of U.S. and other allied forces from West Germany without an effective military quid pro quo from the Soviets and the Satellites; or (d) the political and military neutralization of Germany.

44. [Although it is not now propitious for the United States to advance major alternatives toward achieving German unification, such as neutralization, the United States should give continuing consideration to the development of such alternatives (which may be later required by developments in either West Germany or the USSR or both) with a view to the long-run solution of the unification problem.]⁹

45.¹⁰ Encourage the development of economic relations at this time between the Federal Republic and the countries of Eastern Europe (other than the Soviet Union) on a basis consistent with U.S. economic defense policies and over-all trade and assistance policies

⁹Supported by Treasury, Budget and ODM. [Brackets and footnote in the source text.]

¹⁰A notation on the source text indicates that paragraphs 45–47 were revised on December 18, 1957. No copies of the original texts have been found in Department of State files.

which will contribute to the development of the independence of these countries from the Soviet Union. To this end consult with the Federal Republic from time to time.

46. Maintain the Western position in Berlin, even to the extent of resisting Soviet pressure at the risk of a general war, in accordance with Supplement I to this paper.

47. Hamper the Soviets from making effective use of East Germany and oppose efforts to achieve international recognition and internal acceptance for the East German regime, in accordance with Supplement II to this paper.

137. Memorandum of a Conversation Between Secretary of State Dulles and Chancellor Adenauer, Bristol Hotel, Paris, December 14, 1957, 5 p.m.¹

The Chancellor said that he was confident that his Parliament would approve of the storage of nuclear weapons and the establishment of nuclear sites in the Federal Republic but that it would be necessary to go through the process of parliamentary debate.

I spoke of the Soviet proposal and of Macmillan's idea that perhaps it would be a good thing to agree that there should not be missile sites in the Federal Republic, East Germany, Poland or Czechoslovakia. I said that while as a military matter it might not be desirable or important to have such sites east of the Rhine, I had some question as to whether or not it would be good to give all of the Federal Republic a special status in this regard. It might be a move toward neutralization. The Chancellor said that he agreed with that point of view and that the Federal Republic would not be equated with East Germany.

The Chancellor expressed the fear that there might be a change of US sentiment due to the fact that it would come under fire from Soviet ICBMs. He feared also that this might lead to the US exercising its right to withdraw from NATO. I said I did not think that there was any cause for concern on these points. I said that we had already assumed that Soviet bombers with megaton weapons would be able to inflict massive destruction on the US even though many of them were shot down and that whether or not this destruction was

¹Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Top Secret; Personal and Private. Drafted by Dulles. The source text indicates that Weber was present as an interpreter. Secretary Dulles was in Paris for the meeting of the North Atlantic Council.

caused by the bombers that got through or by missiles did not particularly alter the situation.

[2 paragraphs (22 lines of source text) not declassified]

The Chancellor expressed the hope that we could in our speeches, particularly the public speech of the President, emphasize the importance of peace. I said that this was in the President's mind but that I would carry to the President the Chancellor's exhortation in this respect.

The Chancellor said that he felt chagrined that although the US and indeed German military people really had knowledge of the Soviet advances in the way of missiles they had not adequately reacted. I said perhaps this was because the information went primarily to the Air Force and the Air Force tended to depreciate developments that might end up by putting them out of business.

The Chancellor said that General Heusinger had felt that the command structure of NATO was so complicated that it would never work. He suggested that I should ask General Norstad to talk to the Chancellor and General Heusinger about this if there was an opportunity. I said I would try to communicate that thought to General Norstad this evening.

John Foster Dulles²

²Printed from a copy that bears this typed signature.

138. Telegram From the Office of the Permanent Representative on the North Atlantic Council to the Department of State¹

Paris, December 17, 1957—1 a.m.

Polto 1775. From USDel. Secretary Dulles' meeting with Chancellor Adenauer, Saturday, December 14.

Secretary Dulles had one and a half hour discussion with Chancellor Adenauer at latter's suite in Hotel Bristol. First half was private conversation.² This report covers second half.

1. The question of how to focus the heads of government meeting on important questions was canvassed. Secretary said it seemed impossible to have really frank exchange on important questions before 300 people. Ideally it would be well for heads of governments

¹Source: Department of State, Central Files, 611.62A/12-1757. Secret; Priority; Limit Distribution. Repeated to Bonn.

²See *supra*.

to speak very frankly to each other, but probabilities were that each head of government, for domestic political reasons, would have to make a speech for home consumption. Chancellor agreed, citing Dutch need to speak on Indonesia, German need to speak on reunification and Berlin, possible Greek and Turkish desire to speak on Cyprus. Secretary thought much of real business would have to be done in private talks and in follow-up by NAC. He went on, however, to say that dramatic effects of heads of government meeting should not be minimized. Its impact had already been demonstrated by Soviet reaction in sending Bulganin letters.³ Secretary gave Chancellor outline of President's speech,⁴ which Chancellor thought excellent. Secretary hoped that this would set pace, and perhaps limit wide-ranging speech-making which would consume too much time. At best, it was thought that general speeches would probably not be completed on Monday but would extend until Tuesday's session. Germans thought it would be well to state at outset that heads of government meetings would be completed on Wednesday, thus putting premium on brevity and focusing attention on business at hand. Secretary remarked that British would like to extend meetings through Thursday, perhaps because of fact that Parliament adjourns on week-end. There was agreement that effort should be made to keep meeting concentrated on business at hand, with Wednesday as free as possible for very important business of considering and agreeing upon final communiqué.

2. Secretary then brought up other matters:

a) Support costs. Secretary asked Chancellor how FedRep was getting along on support costs question. Chancellor replied that question is now before NATO, and that FedRep did not want to discuss question at these meetings. Secretary stated importance we attach to a settlement, especially to enable U.K. forces to remain on Continent, which is very important for NATO. Hallstein gave résumé of discussions with British, saying that FedRep had had to state bluntly that support costs cannot continue in view increased German outlays for defense build-up. Said FedRep had offered British relief on foreign exchange problem in form advance payments on debts and on armaments purchases; but that British had then shifted ground and now based case on budgetary problem, which FedRep not in position to meet. Added that foreign exchange position is only criterion on which NATO asked to render opinion and "that we have already offered to meet". Secretary then said (and Hallstein in an aside told

³Reference is presumably to a December 10 letter from Bulganin to Eisenhower concerning disarmament. For text, see Department of State *Bulletin*, January 27, 1958, pp. 127-130.

⁴For text of the President's opening address, see *ibid.*, January 6, 1958, pp. 3-6.

translator to get this clearly across to Chancellor) that, while he did not want to take sides in this matter, if British forces have to leave Germany it will be difficult to convince U.S. public and Congress that U.S. forces should remain. Chancellor made no reply.

b) Secretary Dulles asked what can be done further to stimulate development in under-developed areas and how Germany can help with this problem, particularly with Indian trade deficit in order to prevent failure India's five-year plan. Hallstein said Germany could help, it has entree in certain areas—and Secretary added "you also have money". Hallstein expressed view that there should be coordination of efforts in this field, but agreed with U.S. that no new NATO machinery should be developed. Secretary added on broader economic matters it would be well if German Economics Minister could have talk with Secretary Anderson and Dillon, instancing balance of payments problem in Europe.

c) Secretary then brought up question of France, saying that he thought France is weakest point in NATO. While richly endowed in material and human resources, France is politically sick. Its governments must be truculent in international relations because of political weakness. Germans agreed on this diagnosis, and on this point conversation ended.

Burgess

139. Memorandum of a Conversation Between the President and the Assistant Secretary of State for European Affairs (Elbrick), U.S. Embassy Residence, Paris, December 16, 1957, 9 a.m.¹

USDel/MC/11

SUBJECT

Support Costs

In the course of a briefing for the President regarding matters that Macmillan might raise with him during his call this morning, I mentioned the question of support costs for foreign forces in Germany. I said that the British might want to know what our intentions are with respect to support costs for our own forces next year, since this would have a bearing on the German decision to grant support to the British. While no decision had been taken in the Government

¹Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 204. Confidential; Limit Distribution. Drafted by Elbrick.

regarding our intentions for next year, it looked as though we had very little chance of getting any more money out of the Germans. We had asked for a second slice of \$77 million for the current year, but had had no reply from the Germans. If we pressed for funds for next year, our chances of receiving even the \$77 million would be reduced.

The President said he thought the Germans had been very slow in meeting their defense obligation under NATO. He said that we have a Congressional problem and asked how this particular item is presented in the Defense budget. I said that the costs of our forces in Germany are presented by Defense as a separate item and that Congress in the past has not appropriated money for this purpose. I said that Brentano informed us very recently that expenditures for the German forces will begin to mount rather sharply next year; they expect to spend 14 billion marks next year, 17 billion in 1959, and 21 billion in 1960. Currently they are spending 9 billion for their own forces and 1.2 billion for support of foreign forces.

The President said he felt that the British have a serious problem here. As for ourselves, we are more or less committed to defense of the line in Europe in any event. Our request for support costs from the Germans has not the same basis as the British request. He thought that we would probably have to refrain from requesting support for next year even though there would be attacks on this decision from certain Congressional quarters.

140. Memorandum of a Conversation, U.S. Embassy Residence, Paris, December 17, 1957, 9:30 a.m.¹

PARTICIPANTS

<i>United States</i>	<i>Germany</i>
The President	Chancellor Adenauer
Mr. C. Burke Elbrick	Dr. Hallstein
Col. V.A. Walters	Mr. Weber (Interpreter)

Chancellor Adenauer said he was very happy to see the President looking so well. He congratulated him on his quick recovery. He thought the President looked better now than when he saw him last spring.² The President inquired concerning the Chancellor's health

¹Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 204. Secret. Drafted by Elbrick.

²See Documents 112 and 118.

saying he had been very worried about him. The Chancellor said he had had nothing more than a case of grippe, but he felt well now.

The President said he thought Prime Minister Macmillan had expressed a very good idea yesterday when he suggested that the Foreign Ministers consider the various matters which might result in resolutions or agreements that could be translated into the communiqué. He thought that the Ministers would be occupied for sometime and that the Heads of Government might not be required to meet until tomorrow. He thought that there had been enough talk around the council table and that the time had now come to work. Adenauer said he thought the first thing the Foreign Ministers should take up this morning is the communiqué. He thought it was a good idea for the Heads of Government to meet tomorrow, and he inquired whether the President was willing to meet again on Thursday. The President said he would be glad to attend the meeting if it were necessary to complete the conference.

Adenauer said he thought the British wished to prolong this meeting in order to avoid appearance before the House of Commons on Thursday. If, on the other hand, they arrived in London from a successful NATO meeting, they could limit their appearance to an explanation of the meeting itself.

The Chancellor referred to Aneurin Bevan's recent visit to Germany. The President interrupted to say that Bevan was recently in the United States and seemed to be making it his business to tell everyone how to run his affairs. Adenauer said that in their conversation, he had pointed out that Bevan hated the Germans. This hatred stemmed from a very short period of German history and Adenauer said that he, too, could hate the British if he considered only a short period of British history. Bevan had replied he did not hate all Germans. Apparently, Bevan considered this conversation sufficient to report to the press that he and Adenauer had achieved a "broad measure of agreement."

Adenauer said that Minister Bech of Luxembourg had recently remarked to him that if Germany were neutralized, a new political party composed of radical right and left would grow up in Germany to support union with the Soviet. Adenauer had made this same point to Bevan. The President said that nothing could be more wicked for Germany and the world than neutralization of Germany. He could see only one result of such neutralization, namely, absorption by the communists. Adenauer referred with some impatience to the recent lectures by George Kennan which unfortunately had made quite an impression. The President said that what Kennan really proposes is the neutralization of all of Europe, which would be the actual result of his proposal for neutralization of Germany. He de-

scribed Kennan as a headline-seeker. Adenauer said that unfortunately the opposition papers are quick to pick up this kind of thing.

The President referred to elections in the United States, saying that the voters there are influenced by international relations in voting for the national ticket, and by national affairs in congressional elections. Adenauer said that federal elections in Germany are all influenced by international developments. The President said this is due to the fact that the Parliament elects the government, which is not true in the United States.

Adenauer said that one of the greatest historical achievements to modern times is the fact that the United States has adapted itself to the important international role that it must play.

Referring again to yesterday's meeting, the President said he felt very strongly that the Council members had not observed a consultative procedure which so many of them had previously urged. Late in the afternoon, we had learned that seven representatives had already issued the texts of their remarks yesterday to the press. The President felt that this was a denial of the principle of consultation. Adenauer said he thought a mistake had been made by the Chairman who should have cautioned against the release of these presentations and should have arranged to hold a press conference himself following the meeting.

As Adenauer was taking his leave, the President said he was always happy to see him and said he hoped he would come to see him soon again in the United States. Adenauer said that nothing would please him more.

BERLIN

U.S. POLICY TOWARD ALLIED RIGHTS IN BERLIN¹

141. Telegram From the Berlin Element, HICOG, to the Office of the High Commissioner for Germany, at Bonn²

Berlin, March 31, 1955—2 p.m.

637. Bonn pass USAREUR Heidelberg. During monthly informal meeting between Allied Commandants and Mayor Suhr in which both parties freely exchanged views, only question brought up by Mayor [was] increase in toll rates in DDR levied on non-East German vehicles (Berlin to Bonn 628, Department 575, and Berlin to Bonn 636).³ Suhr, who is somewhat of a pessimist (and probably realizes this reputation since he took pains to say that the views he was expressing were not the most extreme voiced by the members of his Senat) stated that it was possible that we might be making the first move in the initiation of a new blockade. The Senat had already met that afternoon, will meet again this morning, and the Senat will discuss with the Berlin House of Representatives and with Bonn.

According Suhr trucks serving West Berlin paid a total of 5,000,000 DMW last year. On basis of new rates, same total and composition of traffic as last year, this total would be 40,000,000 DMW. Last year Berlin budget provided 1,500,000 DMW in order to help West Berlin truckers bear toll charges at previous rates. On basis this new figure, Berlin contribution would have to be 31,000,000 DMW. Very large truck which has been paying 20 DMW would, according to Mayor, have to pay 280 DMW. Many small independent truckers could not afford pay these increases out of their own pockets and if shortly after April 1, when the new rates come into effect, shortages should develop in some fresh foods such as milk, reaction of population could be serious and might even border

¹Continued from *Foreign Relations, 1952-1954*, vol. vii, Part 2, pp. 1235 ff.

²Source: Department of State, Central Files, 962A.7162B/3-3155. Secret; Niact. Repeated to Paris, London, Heidelberg, and Washington. The source text is the Department of State copy.

³Telegram 628 from Berlin to Bonn reported that the German Democratic Republic had announced greatly increased road tolls for non-East German vehicles effective April 1. (*Ibid.*, 962A.7162B/3-3055) Telegram 636 from Berlin to Bonn transmitted the text of a draft note from the U.S. High Commissioner to his Soviet counterpart. (*Ibid.*, 962A.7162B/4-155)

on panic. Therefore, Senat decided yesterday afternoon temporarily to advance what sums might be necessary to truckers in order to insure normal transport of food. (Suhr said fifty-nine percent of trucks serving Berlin are Berlin-owned.) This, however, can only be stop-gap temporary measure.

Mayor Suhr recommends immediate action on side of West. Based on successful precedent in September 1951,⁴ he favors immediate interruption of East/West German talks now going on regarding implementation IZT agreement. (Report reached us this morning that this already done.) If this not successful, next step in his opinion should be stoppage of deliveries to East Zone. Certain other measures should be considered, such as increase of demurrage charges in West German ports against ships bringing cargoes for DDR. (Consideration might also be given to Kiel Canal possibility.) Furthermore, in Mayor's opinion this abusive toll rate increase represents a breach of May 12, 1949, agreement ending blockade.⁵ Because of this he urges immediate protest of three Western Allies to Soviets. Suhr was fearful FedRep will react lethargically and therefore requested general Allied support in Bonn of seriousness of situation being expressed not only by Berlin Senat but also by Bundestag Committee for All-German Affairs which has been meeting in Berlin during last three days and which yesterday adopted unanimous resolution being forwarded to Bundestag.

Commandants assured Mayor Suhr that they shared his concern about potential grave seriousness this development and that they would communicate with their HICOMers. General Honnen told Mayor that we had already acted along this line and that we had learned that representatives of the three Western Allies had already discussed this situation in Bonn during the afternoon.

After Mayor had left, it was decided that it would be undesirable and time consuming to attempt coordinate Allied position both in Berlin and in Bonn and in view of nature of subject, coordination should be within AHC. French appeared agree with our tentative reaction that course of action most likely yield immediate results and therefore safest in long run would be immediate tripartite protest today to Soviets. British Deputy Commandant suggested desirability of first assessing whether Berlin-owned trucks with help of Senat subsidy could assure Senat essential Berlin requirements. However, British Commandant recognized that such an approach might not

⁴Reference is to the signing of the interzonal trade agreement on September 21, 1951, which brought about a reduction in Autobahn tolls. For documentation on the negotiations leading to this agreement, see *Foreign Relations*, 1951, vol. III, pp. 1828 ff.

⁵For text of the communiqué of May 5, 1949, which ended the Berlin blockade and removed the restrictions on communications, transport, and trade to Berlin, effective May 12, 1949, see *ibid.*, 1949, vol. III, p. 751.

take adequately into consideration importance of principle involved and possibilities inherent in this Communist move.

Since two out of three commandants were under pressure depart quickly, discussion was very brief and above positions given more as indications of preliminary reactions rather than as their considered views.

In general, we recommend as immediate first steps delivery today of tripartite note along lines suggested to Bonn yesterday⁶ together with such preliminary German measure as interruption implementation talks relating to IZT agreements. We would doubt wisdom at this stage, when possibility still exists Communist retreat (not impossible if their desire was harassment without intention of going so to extremes such as blockade) of actually taking positive counter-measure such as immediate increase of demurrage charges in Hamburg, since in turn this might lead to further positive step on Communist side, etc., making settlement more difficult.

Paragraph which we suggest in our telegram to Bonn 636 as possible close (i.e., blandly suggesting, if in fact need for funds was responsible for measure, discussion either at technical German level or even between Allies and Soviets) increasingly desirable in our eyes for two basic reasons: (a) Such a suggestion would appear eminently reasonable, and (b) any regular Allied contribution to the upkeep of the Helmstedt Autobahn should strengthen our assertion as to Allied basic right use this access to Berlin.

Parkman

⁶For text of the letter from Conant to Pushkin as delivered on April 1, see Department of State *Bulletin*, April 18, 1955, p. 648.

142. Telegram From the Berlin Element, HICOG, to the Office of the High Commissioner for Germany, at Bonn¹

Berlin, April 1, 1955—1 p.m.

643. Bonn pass USAREUR Heidelberg. Reference Department telegram 2634 to Bonn, 472 to Berlin.² I of course appreciate the importance of preparing measures to be taken by FedRep with or without Allied support as may be necessary, or direct actions by US such

¹Source: Department of State, Central Files, 962A.7162B/4-155. Secret; Niact Repeated to Heidelberg and Washington. The source text is the Department of State copy.

²Not printed.

as those suggested in Bonn's 2838 to Department.³ At the same time I urge caution and deliberation in putting into effect measures going beyond those that may be necessary in present stage and which might only have effect of elevating controversy to a level involving governmental prestige and of a character appearing to assume the initiation of a new blockade. As matters stand traffic is being cleared on Helmstedt Autobahn at normal rate for both passenger and freight, although higher rates of course being paid, and Senat's action already reported insures at least temporary continuance.⁴ Our note⁵ suggests possibility of discussions in Treuhandstelle of economic justification for increased tariffs and in my opinion FedRep should take initiative in developing in this forum what are the actual maintenance costs of Autobahn roads and bridges. Even if without satisfactory result, this might have result of exposing true Communist motivation and better set stage for direct action and/or retaliatory measures. Moreover, East press line is still that there is no reason for such excitement as has been generated in West, continues to insist that reasons for increased tolls are purely economic, and that they have never said they would not be ready to negotiate about them.

I have taken the liberty to advance these personal views, shared by responsible members of my staff, and which conform to those expressed to me by some level-headed business men and Senat officials, because I feel that the Soviet response to our protest note is not likely to be immediate, or if immediate, to produce an early solution. If a possibility still exists for the Germans to work out a reasonable solution, which I still believe is conceivable, then it seems to me it would be a mistake to take the initiative in disrupting traffic patterns, thereby shaking confidence in ability of Berlin's industry to deliver, commit the US indefinitely to direct use of its own resources, and of our own accord change the conditions under which the Autobahn access to Berlin is now used.

Having in mind the basic importance of maintaining confidence in Berlin, I feel that the wording in the proposed statement contained in Department's 2634 to Bonn, repeated Berlin 472, namely, "which

³Telegram 2838 transmitted the following text of a possible draft statement which might bolster confidence in Berlin:

"The United States Government has been apprised of new measures taken by the Communist authorities which will interfere with the transportation of goods to and from the city of Berlin. The situation is being closely watched.

"The United States is already consulting with the Germans, the British and the French to consider what measures may prove necessary to assure the flow of goods in and out of Berlin." (Department of State, Central Files, 962A.7162B/3-3155)

⁴On March 31, the Berlin Senat decided to earmark one million Deutsche Marks to reimburse drivers for the higher tolls.

⁵For text of the note to Pushkin, dated April 1, see Department of State *Bulletin*, April 18, 1955, p. 648.

will interfere with the transportation of goods", should be avoided at this time and some more innocuous phraseology substituted such as "drastically increasing the rates for passenger and freight traffic."

This message has been shown to General Honnen and he concurs.

Parkman

143. Telegram From the Berlin Element, HICOG, to the Office of the High Commissioner for Germany, at Bonn¹

Berlin, April 2, 1955—4 p.m.

654. Heidelberg for USAREUR. Paris for CINCEUR. In the light of developments reported Bonn's 2859² and assuming that no further harassing measures are taken, our view of how allies and Germans should proceed deal with problem of increased highway tolls is as follows:

1. Now that Allies have protested to Soviets, we believe a period up to roughly three weeks should be allowed for West Germans to try to negotiate settlement highway tolls through Interzonal Trade Office. This length of time probably unavoidable (a) in order allow Soviet and GDR bureaucracy take account Allied protests, (b) because GDR would for reasons prestige refuse back down immediately (in 1951 GDR backed down after twenty days).

2. While negotiating tactics and weapons must be left to West Germans, we believe they should avoid overt drastic measures such as increased demurrage charges on GDR cargoes, steps to impose levies on IZT. Administrative delays in IZT plus intimations of withholding FedRep exports would seem advisable for tactical purposes depending on progress negotiations. Allies and West Germans should avoid initiating any change in flow or pattern of traffic between FedRep and West Berlin, i.e. expanding airlift, using military convoys or trucks for commercial purposes, shifting traffic to rail, et cetera.

3. If no progress made in negotiations this period, consideration should then be given to more drastic countermeasures. Since such

¹Source: Department of State, Central Files, 962A.7162B/4-255. Confidential; Priority. Repeated to Paris, Moscow, Heidelberg, and Washington. The source text is the Department of State copy.

²Telegram 2859 reported that despite pretensions by the East German economic experts that the tolls were levied for economic reasons, the interzonal trade experts from the Federal Ministry of Economics had returned from a meeting with their East German counterparts convinced that the measures were purely political and had called for early West German and Allied counteraction. (*Ibid.*, 962A.7162B/4-155)

steps might well provoke more GDR measures and bring situation closer to real blockade, these steps should not be taken until plans for meeting real blockade conditions are fully decided upon.

4. Of course, if GDR harasses other means transport or interferes further with Autobahn traffic situation would enter critical stage earlier.

5. USCMB concurs. French and British here seem generally in accord.

Parkman

144. Telegram From the Department of State to the Office of the High Commissioner for Germany, at Bonn¹

Washington, April 5, 1955—6:09 p.m.

2689. In planning for further action which may be necessary re developments highway traffic to Berlin Department has following considerations in mind.

1. In event becomes necessary take up issue with Soviets at Moscow, Allies should be prepared make strong statement to Soviets perhaps quite soon that action is breach of 1949 New York and Paris agreements which obligate Soviet Government take necessary steps maintain normal transport to Berlin. This is direct obligation to Allies which we expect to be fulfilled and cannot be evaded by claims that GDR action is not controlled by Soviet Union. Timing such representations would have to be guided by developments Germany and other aspects Western relations with Soviets as well as determination when such action would be most effective.

2. As suggested Deptel 2666 to Bonn (rptd Berlin 479),² Allies could offer send military inspection team to assist determining road damage in order to help reach rational solution.

3. Question rational [*rationale?*] payment for repair of roads especially in IZT context.

4. Review of steps necessary increase air capacity transport goods by use of commercial capacity or use military craft in some way.

¹Source: Department of State, Central Files, 962A.7162B/4-555. Confidential. Drafted by Eleanor Dulles and Blumberg, cleared with Lewis and Kellermann, and approved by Barbour. Also sent to Berlin and Moscow and repeated to Paris and London.

²Not printed. (*Ibid.*, 962A.7162B/4-155)

5. Necessity and extent of any US financial assistance to transport or other elements Berlin economy.

Urgent comments on above steps and their timing would be helpful to Department planning.

Dulles

145. Letter From Marshal Zhukov to President Eisenhower¹

Moscow, April 6, 1955.

DEAR MR. PRESIDENT: I have received a letter from Berlin from the Soviet officer L.I. Lysikov and his wife T.V. Lysikovaya² with the request to render assistance in the misfortune which has befallen them. As is apparent from this letter, the text of which I send you herewith, their minor son Valery being depressed by the bad marks he received in school did not return home. Having entered the American sector of Berlin he was detained there and at the present time is in hands of American military authorities.³

As you yourself can see the letter of the parents of Lysikov needs no explanation. You will understand therefrom that the "political" motives which have been attributed to the minor schoolboy Valery Lysikov cannot be taken seriously.

Recalling our old acquaintanceship and those days when we fought together against a common enemy and also our friendly joint work in Berlin, I ask you to settle this matter and to return the schoolboy Valery to his parents. I hope that you fully understand the suffering of the parents of Lysikov. We are both also fathers and can consider this incident from the human point of view putting aside all irrelevant considerations.

¹Source: Department of State, Central Files, 761.00/4-655. Secret; Niact; Limit Distribution. Transmitted to the Department of State in telegram 1730 from Moscow, April 6, which is the source text. The original Russian language text was transmitted as an enclosure to despatch 389 from Moscow, April 7. (*Ibid.*, 761.00/4-755)

²A translation of this letter was transmitted to the Department of State in telegram 1732 from Moscow, April 6. (*Ibid.*, 761.00/4-655) A certified copy of the Russian original was also attached to despatch 389.

³On March 18, Valery Lysikov entered the Western sectors of Berlin and sought asylum. Following exchanges between U.S. and Soviet authorities in Berlin and Moscow, and a meeting with his parents in Berlin, Lysikov initially reiterated his desire to stay in the West. On April 5, after spending several days in Frankfurt, he changed his mind and asked to be returned to his parents. His return was effected on April 9. Documentation on this incident is *ibid.*, 761.00.

I wish to believe, Mr. President, that you will not be indifferent to the facts set forth in the letter of the parents of Valery and to my present request.

With respect

G.K. Zhukov⁴

⁴Telegram 1730 bears this typed signature.

146. Telegram From the Office of the High Commissioner for Germany to the Department of State¹

Bonn, April 6, 1955—9 a.m.

2915. Paris pass CINCEUR for information as Bonn's 213. Following is our evaluation effectiveness of use restrictions on interzonal trade (IZT) as countermeasure in connection current GDR road toll. Evaluation submitted in view paragraph 3 Deptel 2666, April 1, 479 to Berlin.² and obvious fact that threat of partial or total suspension IZT presents logical first possibility as countermeasure where West Germans with Allied backing can negotiate from position justification and strength.

Background. Since 1952, IZT exchanges have increased steadily in importance, reaching level with deliveries each direction including certain invisibles valued slightly over DM-West 425 million calendar 1954 (including share West Berlin, which accounted for roughly 25 percent value total West German imports from Soviet Zone and less than 10 percent exports). Principal West German deliveries are iron, steel, and coke from Ruhr; agricultural produce; and gamut of producers and consumers goods whose export limited principally by poor Soviet Zone performance on counterdeliveries. Principal Soviet Zone exports brown coal briquettes; certain textiles; mineral oil products; sugar (now very short supply) and potatoes; and assortment of specialties such as office machines, cameras and optics, ceramics, hunting weapons, toys, Christmas decorations. Prospects for calendar 1955: at East German insistence, 1955 goods list signed January 19 ambitiously projects deliveries each direction at new high of 1 million accounting units equivalent DM-West. Prior road tax crisis, most

¹Source: Department of State, Central Files, 962A.7162B/4-655. Confidential; Priority. Repeated to Berlin, Moscow, Paris, Heidelberg, and Duesseldorf.

²Paragraph 3 of telegram 2666 asked HICOG for an appraisal of the effectiveness of restrictions on interzonal trade. (*Ibid.*, 962A.7162B/4-155)

optimistic West German export estimate on fulfillment was 700 million but substantial increase in exchanges was expected, particularly in key products. For further recent background, see Bonn D-1740, February 15, 1955.³

Comparative interests in IZT. In terms import policy and immediate requirements, healthy and relatively flexible West German economy clearly less vulnerable to impact suspension IZT than short-supply, rigidly planned East German economy. This particularly true at present juncture with Soviet Zone seriously short many raw materials needed for production and apparently under stress readjustments revised Soviet Bloc trading pattern, particularly in connection new GDR-Soviet trade agreement.⁴ Soviet Zone also under pressure to repay in equal installments in 1955 and 1956 Soviet credit 485 million rubles given in August 1953, which will involve additional burden.

On Western side only IZT import of substantial interest is brown coal briquettes (about 3.5 million tons during 1954 of which about $\frac{1}{3}$ went to West Berlin last year); remaining imports being of interest largely as function of West German interzonal export policy. Brown coal briquette receipts of substantial importance to West Berlin, and alternative receipts of inferior West German briquettes likely to involve complications in view present uncertainty re transport facilities between Berlin and Federal Republic. As regards effect on West German exports, diversification of West German deliveries such that no one industry of importance likely to be gravely affected. Main sectors of West German economy involved are Ruhr iron, steel and coke which have adequate backlog orders; agriculture, where, in view of over DM 80 million deliveries to Soviet Zone last year, some problems might arise under embargo; in finished goods sector, principal instance which occurs to us as involving difficulties is Berlin electro-technical industry.

On Soviet Zone side, with very few exceptions resulting from negotiating compromises, IZT imports comprise products chosen by central trading authorities to meet pressing needs. Key sector IZT is covered by account No. 4, under which Ruhr iron, steel and coke traded against briquettes on virtual quid pro quo basis. Critical Soviet Zone need Ruhr products attested 1 by fulfillment briquette deliveries past 2 years despite Soviet Zone hostage this item. Even in past 2 months, during which deliveries from Soviet Zone under 1955 goods list generally very sparse pending clarification Soviet Zone delivery obligations to Soviet Bloc, briquette delivery schedules have been met. According Ministry Economics, Ruhr industrialists at Leip-

³Not printed. (*Ibid.*, 462A.62B41/2-1555)

⁴Reference is to the trade agreement signed at Moscow on March 25.

zig Fair gained impression that under current readjustments Bloc trading pattern Soviet Zone expects fewer steel and coke imports from Bloc and thus more dependent than ever on Ruhr deliveries (Washington in better position evaluate than we).

Specially imposed West German restrictions on import of traditional Soviet Zone consumer goods enumerated above would cause loss of profitable business for producing industries. Should also note that any West German restrictions this connection could probably be intensified helpfully if some restrictions imposed other Western countries (e.g., France bought \$375,000 GDR office machinery 1954 while U.S. purchased \$1.7 million various goods from Soviet Zone in same periods).

Conclusions. Clear that balance of advantage in terms economic vulnerability to reduction or stoppage IZT lies with West. This advantage sufficiently wide that unless GDR and Soviets have overriding pol motivations in mind they are likely to attempt to withdraw gracefully on Autobahn tax if faced with evidence Federal Republic determination to utilize IZT restrictions as countermeasure. However, equally clear that IZT restrictions constitute main weapon Allied countermeasures arsenal while Soviet side has other effective means harassment communications with Berlin. Therefore must consider that test strength would not necessarily lie between Autobahn tax and IZT restrictions but between broad harassment versus IZT restrictions in which case comparative vulnerability would swing in favor Soviets.

As policy problem for Western occupying powers, immediate use of IZT counterweapon has so far been simplified by prompt West German reactions to challenge. By its immediate suspension routine IZT negotiations, Federal Government in deliberations and public statements has exercised initiative and apparent skill and given sufficient indication its readiness to use IZT weapon if necessary. Consequently, in view considerations expressed Berlin's 589 April 1 and 599 April 2,⁵ we believe techniques and timing re IZT countermeasures, as well as question whether initial suspension should be partial or total, can at moment be left primarily to West Germans. We shall of course continue keep in close touch with them re actions they propose.

General lines evaluation based upon consultation with and con-
curred by HICOG Berlin.

Conant

⁵Printed as telegrams 643 and 654 from Berlin to Bonn, Documents 142 and 143.

147. Letter From President Eisenhower to Marshal Zhukov¹

Washington, April 9, 1955.

DEAR MARSHAL ZHUKOV: I have received your letter about Valery Lysikov.² By the time I received it, however, Lysikov had already indicated his desire to return to his parents. The American authorities concerned were, of course, preparing at that time to carry out his wishes.

Lysikov's request to return home was granted in response to a strong principle followed by the United States Government that each person must be allowed to determine his own fate. We have traditionally granted asylum to persons who have sought the protection of the United States Government. We have also insisted upon the right of those persons to leave when they so desired.

I recognize the feelings which Lysikov's parents must have had about their son and can well appreciate your remarks about the importance of looking at such cases from the humane point of view. In the same spirit, I hope you will understand my feelings in a problem which has been causing great concern to the American people. I have in mind the anguish felt by the families and friends of the Americans being held against their will in the Chinese People's Republic.

I welcome the chance your letter gave me to send my cordial personal greetings to you and to Madame Zhukov and your two daughters.

Sincerely yours.³

¹Source: Department of State, Central Files, 761.00/4-955. Secret; Niact. Transmitted in telegram 806 to Moscow, April 9, to be delivered to the Foreign Ministry. Telegram 806 is the source text. The letter was delivered on April 10.

²Document 145.

³Telegram 806 does not bear President Eisenhower's signature.

148. Telegram From the Office of the High Commissioner for Germany to the Department of State¹

Bonn, April 12, 1955—5 p.m.

2980. Deptel 2753, Bonn's 2973, Moscow's 1775 to Dept.²

¹Source: Department of State, Central Files, 962A.7162B/4-1255. Confidential; Priority. Repeated to Berlin, Moscow, Heidelberg, and Paris.

²Telegram 2753 to Bonn, April 8, reported that an Allied show of firmness was required in the next few days. Telegram 2973 from Bonn, April 10, reported on a

1. As reported Bonn 2973, FedRep planning start IZT tax or fee program late this week. Intend no publicity this move, but we suggesting FedRep arrange leak to hasten impact on Treuhandstelle negotiations. We not too sanguine chances success fee program. It could react unfavorably on GDR brown coal for Berlin and encourage intra-German customs barriers. However, FedRep has decided to try it, and we feel it desirable to keep them in aggressive posture. May be useful in locating sensitive points of SovZone at this stage negotiations.

2. FedRep still unwilling halt shipments already documented, but we intend keep pushing this point.

3. In light Moscow reftel and our feeling situation not yet creeping blockade, we recommend intergovernmental note be delayed pending further Treuhandstelle discussions and further notes to Pushkin. We planning with Br and Fr to send second note to Pushkin probably April 13,³ in which we plan emphasize language in four-power communiqué of June 20, 1949⁴ as basis for Sov obligations in this matter. We hope this note will coincide with growing realization and effect of FedRep countermeasures. If no satisfactory progress [by?] April 18, we envisage third note to Pushkin proposing Allied meeting to discuss road problem, and have in mind intergovernmental note in Moscow for following week if situation unchanged.

4. Continue feel that at this stage when FedRep trying resolve problem at Treuhandstelle level, it would be premature to send Allied military team to assess highway condition in East Zone. We suggesting to FedRep that they publicize actual cost of maintaining roads showing that old taxes more than adequate. Sending of Allied survey team now might very well direct attention cost rebuilding Elbe bridge with [which] GDR has surprisingly not mentioned but which approximately DM 7 million investment will mainly benefit FedRep–Berlin traffic.

5. While we agree that payment of present exorbitant toll odious, we favor pursuing negotiations for lowering toll along lines FedRep now employing. Meantime FedRep and Berlin should save toll charges by diverting some shipments to rail and water and will urge them to do so.

meeting with officials of the Federal Republic which showed that they would exert steady but recognizable economic pressure on the German Democratic Republic in the hope of getting the toll rescinded. Telegram 1775 from Moscow, April 10, noted that if the toll was the first step in a blockade of Berlin, then a note to the Soviet Government was in order to show the seriousness with which the Western powers viewed this action. (*Ibid.*, 962A.7162B/4–755 and 962A.7162B/4–1055)

³For text of the second note to Pushkin, delivered on April 15, see Department of State *Bulletin*, May 2, 1955, p. 736.

⁴For text, see *Foreign Relations*, 1949, vol. III, pp. 1062–1065.

6. Unless we are now prepared create atmosphere of crisis, and we recommend against such policy, we do not feel it now advisable start using stockpile or begin commercial airlift. Using stockpile, which would have to be agreed by Allies and Germans, would not bring any pressure to bear on GDR and would instead primarily alarm West Berliners. In our view this measure should be reserved for extreme emergency. If it becomes clear that Treuhandstelle negotiations and Allied approaches to Soviets are not succeeding, Allies must then consider obligation to supply Berlin, and we currently believe that most effective way of doing this would be Allied military trucks.

7. In regard to public relations, we feel it is desirable this stage to let FedRep and Berlin take lead. Allied overt public relations activities should be presently limited to treating Sov obligations to maintain access to Berlin.

8. In connection with Suhr's call on Conant today, we recognize both FedRep and Suhr are conscious of internal political implication of this problem.⁵ Several weeks ago, Mellies (SPD) predicted dire effects on Berlin would flow from ratification of Paris agreements.⁶ Suhr undoubtedly is under party pressure to make political capital of this and to use it against Adenauer's ratification policy.

9. As basic policy we recommend using Treuhandstelle negotiations as starting point for increasing pressures on GDR and that we work out with Br, Fr, and FedRep constantly growing pressures until we begin get results.⁷ Believe it essential that Russians and East German Communists become increasingly aware of steady pressures but that at same time these pressures be exerted quietly and in such manner as to leave door open for GDR and Sov retreat without loss of face. Believe timing is of the essence this problem, and that no action should be taken now which might raise additional obstacle to a satisfactory negotiated solution. While we concur in Dept view that new tolls should be abolished soonest, we consider it altogether possible that in view difficulty determining precise road maintenance costs, a negotiated solution might result in some increase of tolls over those which existed prior April 1. Accordingly do not believe our position should freeze in opposition any reasonable increase tolls. If

⁵In his meeting with Suhr at 3:30 p.m. on April 12, Conant outlined the proposals made in this telegram, while the Mayor stressed the need for prompt and firm measures to make the Soviets live up to previous agreements on Berlin. (Telegram 2985 from Bonn, April 12; *ibid.*, 962A.7162B/4-1255)

⁶For text of the Paris Agreements, signed at Paris, October 23, 1954, see *Foreign Relations*, 1952-1954, vol. v, pp. 1532 ff.

⁷On April 15, Parkman reported that a 4-hour meeting the previous day between East and West German interzonal trade representatives had been completely negative with the East German officials refusing to discuss the subject of tolls. (Telegram 652 from Berlin; Department of State, Central Files, 962A.7162B/4-1555)

these viewed correct, then believe entire matter should be played down, with objective arousing minimum anxiety US, German and international public opinion.

This message includes Berlin comments Deptel.

Conant

149. Telegram From the Office of the High Commissioner for Germany to the Department of State¹

Bonn, April 18, 1955—5 p.m.

3077. For Lyon from Conant. Have just returned four-day visit Berlin. Among others saw Amrehn, Hertz, Lemmer,² four leading bankers, American newspaper correspondents and discussed Autobahn fees several times with Parkman and Honnen. Political leaders are inclined be more nervous than industrial community. Present situation in Berlin psychologically still good and no cause for worry. Believe, however, that if situation remains in present status for much more than week, signs of worry would increase and would be fanned by newspapers which are beginning to be critical of Berlin govt and Allies.

As you are aware, fact of SPD govt Berlin and CDU in FedRep have given some groups Berlin and FedRep feeling that settlement road tax problem being hindered by party political considerations. While I do not subscribe to such views, I think they are real element in situation.

It would be my recommendation that if we receive no reply from Pushkin by Wed,³ Brit and Fr should be immediately consulted London and Paris with idea making démarche in Moscow jointly, preferably without immediate publicity, but with info given to Chanc and Suhr that such a step was made. Anticipating Moscow note we now beginning drafting with Fr and Brit. In view desirability stepped up note schedule, I now believe drafting should be done in Bonn rather than capitals.

In note to Moscow I believe we should stress Sov 1949 obligations to maintain normal access to Berlin but should repeat demands

¹Source: Department of State, Central Files, 762.0221/4-1855. Confidential; Priority. Repeated to Paris, London, Berlin, and Moscow.

²The Deputy Mayor of Berlin, Special Assistant to the Mayor for economic and financial questions, and Head of the CDU faction in the Berlin House of Representatives, respectively.

³April 20.

for lowering tolls without going into discussion of proper Ger negotiating channels.

If in its reply Moscow argues that our giving up occupation status FedRep provides justification their doing exactly same, I would think following line argumentation could be made privately and eventually publicly. Sovs cannot delegate to any Ger authority or group however constituted their international commitment in re to free access Berlin. Therefore, while we could not perhaps sanction their commitment in re to fees between, let us say, Hof and Leipzig, we would maintain they must themselves continue to control and be responsible for normal functioning traffic three main roads to Berlin and would propose to them quadripartite status of these roads and support of their upkeep.

Whether any of above lines of action recommend themselves to Dept, I should report that Brit Commandant Oliver, with whom I discussed these matters briefly, was essentially thinking along my lines. Did not venture any discussion these points with Gers. Several of Ger bankers suggested whole matter was matter of business trading and suggested we could buy off Russians in Moscow by some sort of minor economic concession. This I do not recommend, but I am reporting only to indicate attitudes of some Berlin industrialists.

I think there should be no talk publicly and very little privately of measures that would smack of trying to get around a blockade. There is little talk in Berlin of this being a blockade. They feel it is much more question of blackmail. Therefore plans for using military trucks and trains for commercial freight should not now be actively discussed between three occupying powers as leak of such ideas might have adverse effect on morale of Berlin.

In meantime we are putting pressure on FedRep to continue to strengthen counter measures on interzonal trade along lines of previous telegrams. But in addition to this, I believe matter of principle should be settled as 1951 protest, although it solved immed problem increased road tax, did leave ambiguous question of Sov responsibility insure normal access. Will have especially beneficial effect Berlin politically and psychologically if we can elicit Sov admission continued four power responsibility Berlin.

Since dictating above, I have seen Chanc and told him of my personal opinion as to proper procedure if Pushkin fails to reply or gives evasive reply. He would welcome prompt action bringing this matter to attention Moscow. He will have cabinet meeting in Berlin next Tues April 26. It would be highly important if it were clear that progress were being made in solution of problem of fees on Autobahn. Westrick in conversation this noon emphasized this point. Therefore I hope Wash will be prepared take up with London and

Paris not later than Wednesday *démarche* in Moscow Thurs or Fri this week if Pushkin has not replied by that time.

On mentioning to Chanc possibility of more vigorous action his govt on interzonal trade, he referred me to Westrick, whom I have just seen. Westrick is pessimistic about effectiveness their measures and is much disturbed about counter-measures from East affecting particularly delivery of brown coal brickets. He promises however to have at least slowing-down action on deliveries to take place at once. We are exploring further what seems to be disagreement on facts in regard to effectiveness countermeasures by FedRep on interzonal trade.⁴

Conant

⁴On April 20, the Department of State cabled Bonn its general agreement with the Allied approach to Moscow. (Telegram 2870 to Bonn; Department of State, Central Files, 762.0221/4–1855)

150. Telegram From the Office of the High Commissioner for Germany to the Department of State¹

Bonn, April 25, 1955—6 p.m.

3200. Paris pass CINCEUR as Bonn's 277. In course of conversation this morning,² asked Chancellor's views re future course of action on Autobahn toll problem with particular reference (a) Allied action and (b) feasibility of direct talks between East and West Ger transport ministries.

Chancellor said he was convinced Sovs were not prepared to risk another blockade of Berlin in face of determined and firm Allied reaction, and he therefore urged that we send strong note to Sovs without further delay. What was at issue, he said, was free access to Berlin, and whether such access was responsibility of Sovs in accordance with 1949 agreements, or was to pass to control of DDR. Re direct talks between ministries, Adenauer was adamantly against any broadening of discussions with East Ger regime saying that continued resistance of East Germans was largely dependent upon FedRep's policy of non-recognition of Pankow regime.

While Nuschke has now made it clear that Autobahn harassments are attempt achieve recognition of DDR, I believe we should face

¹Source: Department of State, Central Files, 762.0221/4–2555. Confidential. Repeated to Paris, London, Berlin, Moscow, and Heidelberg.

²See vol. v, pp. 147–151.

fact that primary issue is free access to Berlin, and should therefore be prepared to take whatever steps may be necessary, including military transport, to demonstrate our determination not to give in on this matter.

Conant

151. Telegram From the Office of the High Commissioner for Germany to the Department of State¹

Bonn, April 26, 1955—6 p.m.

3221. I am disturbed by indication in Deptel to Bonn 2927² that Dept may be disinclined send tripartite note to Moscow on GDR road tolls or at least defer delivery until "all other efforts on local level Germany unproductive."

I believe most important single factor in our solution this problem, or larger ones which may arise from it, will be degree of cooperation which we can achieve with our Allies and particularly with FedRep. Thus far FedRep has shown excellent cooperation and even initiative in taking IZT measures to exert economic pressure on Sov Zone although these measures involve some sacrifice for FedRep and although some quarters FedRep have serious doubts about their efficacy. At same time FedRep authorities have tended to see this problem as primarily Allied responsibility in terms free access to Berlin and have expected us to move vigorously and are pressing us for note to Moscow soonest. Chanc (ourtel 3200),³ Blankenhorn (ourtel 3148),⁴ and Westrick (ourtel 3110),⁵ have stated this view.

If we for our part fail to take whatever action we can to help, which at present time FedRep envisages as inter-governmental note to Moscow, there is strong reason to believe that FedRep will soon lose its taste for continuing hard line in resisting GDR moves and we might then find ourselves in situation which would be most difficult to retrieve.

Moreover, our fears that GDR harassment of Berlin may not be confined to road tolls have been strengthened by recent actions such

¹Source: Department of State, Central Files, 762.0221/4-2655. Confidential; Priority. Repeated to Berlin and Moscow.

²Not printed. (*Ibid.*, 762.0221/4-2555)

³*Supra.*

⁴Telegram 3148 reported on a meeting of the Deputy High Commissioners with Blankenhorn on April 21. (Department of State, Central Files, 962A.7162B/4-2155)

⁵Telegram 3110 reported on a meeting with Westrick on April 19. (*Ibid.*, 962A.7162B/4-2055)

as truck and scrap confiscations (Berlin's 674 to Dept)⁶ and we are thereby further convinced of need for Moscow approach as part of our efforts to check this trend.

Should Treuhandstelle meeting today prove unproductive, I am certain Chanc will expect us to raise this issue at Moscow level without delay, especially since time is rapidly approaching when IZT measures will reach maximum impact (ourtel 3188).⁷ I would therefore hope Dept could authorize us to inform British and French here that Washington favors despatch of note in ourtel 3125⁸ soonest on that assumption.

In addition, believe Dept should give accelerated consideration to trade measures to be taken by US and other countries as follow-up to delivery of note.

Conant

⁶ Not printed. (*Ibid.*, 762.0221/4-2555)

⁷Telegram 3188 reported on a meeting between Allied officials and representatives of the Federal Republic on April 23, at which the latter described the interzonal trade situation and noted that the impact of West German measures would peak in about 10 days. (*Ibid.*, 962A.7162B/4-2455)

⁸Telegram 3125 reported that the Deputy High Commissioners had met on April 20 and transmitted the draft of a note to Moscow demanding that the Soviet Union live up to previous agreements on Berlin. (*Ibid.*, 962A.7162B/4-2055)

152. Editorial Note

Following receipt of telegram 3221 (*supra*), the Department of State agreed to the dispatch of identic tripartite notes to the Soviet Government. Coordination was handled by the High Commissioners at Bonn, and the draft text was presented to Chancellor Adenauer for his approval. The note was then transmitted to Moscow for delivery on April 30.

Shortly before the note was to be delivered, the Soviet High Commissioner replied to the April 15 letter from the three Western High Commissioners. Pushkin stated that the question of tolls lay completely within the competence of the German Democratic Republic, but agreed to a meeting of the four High Commissioners if the Western powers still felt it desirable. Pushkin's reply forestalled delivery of the note in Moscow, and the United States, the United Kingdom, and France decided to continue protesting at the High Commissioner level. In similar replies, dated May 2, they stated that they could not accept this Soviet position and proposed May 7 for

the quadripartite meeting. After further discussion, the date for the meeting was set for May 20.

Documentation relating to the drafting of both Western notes, including their texts, is in Department of State, Central Files 762.0221 and 962A.7162B. For texts of Pushkin's note and the Western reply, see Department of State *Bulletin*, May 23, 1955, page 834. For a report on the meeting of the four High Commissioners on May 20, see Document 158.

153. Telegram From the Berlin Element, HICOG, to the Department of State¹

Berlin, May 1, 1955—5 p.m.

694. Bonn for Dowling. From Conant for Lyon. During Minister Economics Erhard's dinner last night for Secretary Weeks, heard of Pushkin's note² and talked briefly British High Commissioner on phone. Talked with Vice Chancellor Bluecher and Erhard. In view public opinion situation in FedRep and the fact that I am today in Berlin with Secretary of Commerce and will be tomorrow, I decided it was necessary to make some statement to the press to avoid getting entangled in complicated argument with press or German officials and businessmen we will be seeing in the next 24 hours. Dowling, British and French High Commissioners' representatives meeting today in Bonn have been told of my intention to issue brief statement at 4 p.m. today Berlin time. Gave the following to the press:

"Statement issued by the US High Commissioner for Germany, released to press at 4 p.m., May 1:

"In answer to a question from the press, the US High Commissioner made the following statement in regard to the note which was sent to him by the Soviet High Commissioner dated April 30th:

" 'I read the Soviet High Commissioner's note for the first time when I arrived in Berlin this morning. I have not had a chance to consult with my British and French colleagues. It seems clear to me, however, that the position taken by the Soviet High Commissioner is completely untenable. The question of tariffs on the roads leading from the Federal Republic of Germany to Berlin must be regarded as being within the competence of the Soviet Government. The responsibility for free access to Berlin agreed to in 1949 cannot be transferred.' "

¹Source: Department of State, Central Files, 762.0221/5-155. Secret; Niact. Repeated to Bonn.

²See the editorial note, *supra*.

Understand a proposed note to Pushkin not inconsistent with this statement is being prepared in Bonn and will be sent here for my comments.

Have discussed matter with Parkman and Honnen who are not in disagreement with point of view presented in my statement, but responsibility for issuing it is my own.

I am still of the opinion that to bring this matter to a satisfactory solution will require some representations Moscow although not necessarily in public. I believe we cannot expect the FedRep to continue to pay blackmail much longer. We must force Soviets to recognize their responsibility 1949 agreement for the access to Berlin. Our previous notes to Pushkin³ have attacked the broader issue, namely, normal traffic within the Soviet Zone. I believe we should now concentrate on the three roads to Berlin and not let Soviets evade their responsibility according to 1949 agreement. If at High Commissioner's level or in Moscow we can get this issue faced, seems to me agreement could be made by which a lump sum payment annually for use of these three roads would be agreed to by four powers concerned. Thus establishing correct principle, we could retreat from our earlier position of demanding reduction exorbitant tariff on other roads in East Zone. Do not believe it will be necessary to come to a showdown, but if it is, repeat my recommendation of employing military trucks.

In my conversations last evening with Bluecher and Erhard pointed out that if we forced this issue of Soviet responsibility for free access Berlin, we might have to contemplate drastic action and in that case would expect full cooperation from the FedRep in regard to countermeasures whatever harm it might do their trade. Erhard and Bluecher seemed to agree to this proposition. They were strongly of the opinion that we could not let position taken by Pushkin in his most recent note stand unchallenged.

I endorse views expressed in Berlin telegram to Bonn 751, repeated Department 689, April 30.⁴

Secretary Weeks and I leaving Berlin by train tomorrow night.

Parkman

³For texts of the first and second notes to Pushkin, see Department of State *Bulletin*, April 18, 1955, p. 648 and May 2, 1955, p. 736.

⁴Telegram 751 from Berlin to Bonn reported that the discussion of East and West German negotiations on the Autobahn tolls had become lost in the question of recognition of the German Democratic Republic. This had diverted attention away from German public opinion, from the question of Soviet responsibility, and from problems of tactics in handling the incident. (Department of State, Central Files, 762.0221/4-3055)

154. Editorial Note

On May 5, the Convention on Relations Between the Three Powers and the Federal Republic of Germany entered into force, and the Allied High Commission ceased to exist. In Berlin the Declaration on Berlin, signed on May 26, 1952, as amended in the fall of 1954, also came into effect to govern the new relationship between the three Western Powers and the city government. The texts of the convention and declaration are printed in *Foreign Relations, 1952-1954*, volume VII, Part 1, pages 112-128, and Part 2, pages 1246-1248, respectively

At the same time, the United States changed its representation to the Federal Republic from a High Commissioner to an Ambassador, and in Berlin, from Assistant High Commissioner to Chief of the Mission at Berlin.

155. Telegram From the Department of State to the Embassy in France¹

Washington, May 9, 1955—5:52 p.m.

Tosec 7. For Merchant² from Elbrick. We are proceeding Washington approach British and French re possible use force contemplated NSC 5404/1,³ which was deferred pending ratification Paris Agreements. Will use current Autobahn situation as introduction (re Secto 2, rptd Bonn 846, London 1110).⁴

Meanwhile, we hopeful dispatch instructions Bonn today re Autobahn situation which envisage Allied and German planning in event approaches Soviets unproductive. This would include use military facilities for which we are seeking Defense approval.

Hoover

¹Source: Department of State, Central Files, 962A.7162B/5-855. Secret. Drafted by Blumberg, cleared with Lyon, and approved by Elbrick. Repeated to Bonn and London.

²Merchant was in Paris for the meeting of the North Atlantic Council, May 9-11.

³See *Foreign Relations, 1952-1954*, vol. VII, Part 2, p. 1390.

⁴Secto 2 reported that Dulles had approved an approach to the British and French with regard to Berlin. (Department of State, Central Files, 962A.7162A/5-855)

156. Telegram From the Department of State to the Embassy in Germany¹

Washington, May 10, 1955—7:19 p.m.

3153. Paris pass Conant. Following Department's views on Allied position talks with Pushkin and general Berlin highway situation (Bonn's 3358 rptd Berlin 572 Moscow 111).²

Agree responsibility for access Berlin must be placed on Soviets. Should Pushkin attempt evade responsibility on grounds "GDR sovereignty," should point out that Soviets in announcement of March 25, 1954³ purporting give GDR sovereignty retained powers concerning obligations incumbent upon them and for questions coming from quadripartite decisions regarding Germany. Could tell Soviets we consider East Germans merely acting as agents Soviets in view Soviet obligations.

On question payments for upkeep roads, suggest Soviets be told Federal Republic willing bear reasonable and fairly assessed share such costs. In order arrive sound estimates, Allies desire send military engineer team to survey roads in question. If proposal rejected could then fall back on quadripartite team. Implication should be avoided Allies considering payment for any Allied traffic. This would be conceding something even Soviets not presently attempting press and might set unwholesome and dangerous precedent affecting all Allied surface access Berlin. Should Federal Republic require financial assistance, this could be worked out between Allies and Federal Republic and is of no concern to Soviets.

Agree payments should be continued until Allied-Federal Republic agreement on further steps reached. In this connection believe, as previously stated, full use other facilities, e.g., rail, barge, must be made. Department informed that for first nine months 1954, almost 700 train paths not used. If trend has continued, believe rail could take up substantial amount of slack by full use 13 paths daily.

Re Bonn's 3277,⁴ use of military trucks being reviewed here with Defense. Allies should begin planning now for action (including

¹Source: Department of State, Central Files, 962A.7162B/5-355. Secret; Priority. Drafted by Blumberg; cleared with Lyon, Stoessel, Elbrick, and the Department of Defense; and approved by Murphy. Repeated to Berlin, Heidelberg, Moscow, London, and Paris.

²Telegram 3358 offered a variety of proposals for the meeting with Pushkin or further negotiations in Moscow concerning the tolls. (*Ibid.*, 962A.7162B/5-355)

³Regarding this announcement, see telegram 1139, March 26, 1954, *Foreign Relations*, 1952-1954, vol. vii, Part 2, p. 1675.

⁴Telegram 3277 noted that the Western Powers must be prepared to use military vehicles to transport goods to Berlin if no satisfaction was obtained from the Soviets. (Department of State, Central Files, 762.0221/4-2955)

employing Allied trucks) to take in event talks with Soviets, Berlin or Moscow unproductive and Defense is authorizing USCINCEUR to undertake such planning with you at your request. On timing such planning, believe general discussions can begin immediately although questions relating possible use of force should not be proposed British and French until further notice.

Department further believes West German measures designed put pressure East Zone should continue apace with current Allied activity so that communists will have incentive to agree reasonable settlement. By time we may find it necessary resort to use military trucks or airlift, Federal Republic should have exhausted all counter-measures at its command.

We assume much of above will be dependent upon evaluation of meeting with Pushkin and whether prospects reasonable settlement without relatively drastic Allied measures seem good.

Hoover

157. Editorial Note

At 12:30 p.m. on May 17, Mayor Suhr met with President Eisenhower for about 5 minutes at the White House. No record of their conversation has been found in Department of State files or at the Eisenhower Library, but in speaking to reporters following the meeting, Suhr stated that he had thanked the President for United States aid to Germany. The Mayor also noted that the policy of Berlin was to look forward to the reunification of Germany. The President had replied that the United States also hoped for reunification. (*The New York Times*, May 18, 1955, page 8)

Suhr was visiting the United States May 16–20 to attend the Conference of Mayors at New York.

158. Telegram From the Department of State to the Mission at Berlin¹

Washington, May 17, 1955—5:59 p.m.

587. At Vienna meeting four Foreign Ministers evening May 14 Secretary raised question road tolls Berlin with Molotov, saying US viewed matter seriously and he hoped would be possible for Soviet Government to normalize situation.² Secretary also recalled 1949 Paris Agreement and hoped Soviet Government would facilitate reestablishment normal facilities between Berlin and Federal Republic. Meeting Ambassadors May 20 also mentioned. British and French supported Secretary.

In reply Molotov stated Soviet views were known to Secretary and he hoped meeting would take place.

Memorandum this conversation sent by pouch from Department.³

Dulles

¹Source: Department of State, Central Files, 762.0221/5–1755. Secret. Repeated to Bonn.

²Secretary Dulles was in Vienna for the signing of the Austrian State Treaty; for documentation on his meetings with Molotov and his British and French counterparts, see vol. v, pp. 1 ff.

³A memorandum of this conversation is in Department of State, Conference Files: Lot 60 D 627, CF 445.

159. Memorandum of a Conversation, Department of State, Washington, May 16, 1955¹

SUBJECT

Current Berlin Problems

PARTICIPANTS

The Honorable Dr. Otto Suhr, Governing Mayor of Berlin

Mr. Paul Hertz, Senator for Commerce, City of Berlin

The Deputy Under Secretary

Mrs. Eleanor L. Dulles

Mr. Richard Strauss

¹Source: Department of State, Central Files, 762A.00/5–1655. Unclassified. Drafted by Strauss on May 20.

Mayor Suhr called on Mr. Murphy on May 16 at 11:30 a.m. and presented the Deputy Under Secretary with a replica of the Freedom Bell in recognition of Mr. Murphy's interest in the City of Berlin.

After an exchange of amenities, Dr. Suhr turned to the question of the Congress Hall which is planned to be the U.S. contribution to the Berlin Building Exhibit of 1957. Dr. Suhr pointed out that it was most important for Berlin to have such a hall; for in a divided country professional, social and youth organizations and similar groups are especially important in reestablishing unity. He recalled that in his younger years, while studying political science, he wrote a thesis on the factors which brought about German unification in the late 19th century and came to the conclusion that it was congresses of professional people that contributed more than anything to Germany's unification. He asked Mr. Murphy to excuse the fact that he was "blowing the trumpet of unity" but he felt that as a Berliner this was his major concern, and that as to the Congress building, he hoped sincerely that it might be possible to have the Bundestag meet in it when holding a session in Berlin.

In response to a remark of Mr. Murphy's concerning Berlin's relative slowness in absorbing Nazi principles in the thirties, Dr. Suhr replied that in 1931 unemployed Nazis and Communists joined together in a major strike which paralyzed the City. He noted that it was remarkable that in spite of the large unemployment now in Berlin, there are no successful radical elements. He had feared that the Communists and the Deutsche Partei might win some seats in the 1954 elections, but noted with gratification that the voters rejected both parties.

In this connection, Dr. Suhr turned to the current structure of the Berlin City Government and said that he prefers to have a party in opposition because it strengthens the democratic process, especially since there are no major issues which divide the coalition and the opposition.

Mr. Murphy then asked Dr. Suhr about the Autobahn tolls. Dr. Suhr replied that he had always been of one opinion with Ambassador Conant and Chancellor Adenauer that traffic to and from the City had to continue at its present level, and as long as it was necessary, appropriate payments had to be made. He said this opinion was not always shared by Finance Minister Schaeffer. Dr. Suhr was especially forceful in expressing his approval of the reference to the Paris Agreement of 1949 in the latest note to Mr. Pushkin,² since it seemed to him vital that the partners to that agreement solve this problem among themselves. He indicated that in the meantime, Ger-

²For text of the note from Conant to Pushkin, May 2, see Department of State *Bulletin*, May 23, 1955, p. 834.

many was imposing a slow-down on steel deliveries. Dr. Suhr also ventured the assumption that the decision on the road tolls was made at Pankow and not in Moscow and that it was therefore relatively easy for Moscow to change the policy.

Dr. Suhr pointed out there continued to be other methods of needling the people of Berlin. For instance, during the last 2 weeks, it has become necessary for people leaving the Soviet Zone to have certificates issued by the local SED Control Office certifying that they will not work against the GDR regime. He also indicated that the Soviet Zone Border Police had orders to shoot to kill illegal border crossers. After pointing out these Communist techniques, Dr. Suhr hastened to assure Mr. Murphy that there is no nervousness in Berlin.

Mr. Hertz then turned to the problem of unemployment in Berlin pointing out that figures are now lower than at any time since the blockade, having reached 160,000 unemployed and that it may be expected that this figure will be reduced to 125,000 providing the present trend continues. He indicated that one of the reasons why it was necessary to maintain Autobahn traffic even at the excessive toll rate was to assure the downward trend in the unemployment rate.

Mr. Murphy asked the level of the present unemployment compensation and Dr. Hertz explained that unemployment compensation was at $\frac{2}{3}$ of the unemployed person's normal salary, but even at that level, the individual was likely to become a political liability if unemployed over any length of time. He also explained that about $\frac{1}{4}$ of the total unemployment compensation expenditures are going to white collar workers who are being maintained in Berlin in preparation for the future when Berlin will once more become Germany's administrative center. He reiterated, however, that it is impossible to maintain the present unemployment level, and that efforts must constantly be made to reduce that level as much as possible.

Dr. Suhr agreed with Dr. Hertz' statement and noted that anyone visiting Berlin now would recognize that there is no waste, that the monies that have been invested are well-invested and have brought about political stability.

Dr. Suhr then returned to the problem of reunification and expressed the hope that the President's statement made at the time of Ambassador Krekeler's presentation of his credentials would be given additional publicity as it had not been sufficiently publicized in Berlin.³

The Deputy Under Secretary then asked how the average Berliner views the methods of achieving reunification. Dr. Suhr replied

³For text of President Eisenhower's remarks on May 6 on the occasion of Ambassador Krekeler's presentation of credentials, see *ibid.*, May 16, 1955, p. 795.

that Berliners were generally realistic on the subject and did not expect a solution to come out of the forthcoming Four Power Conference,⁴ but did expect a step in the right direction. It should be clear, however, that Berliners will not favor a solution which cannot be agreed to by the United States. Any so-called "Schauckelpolitik"⁵ is out of the question. There seems to be a general feeling in Berlin, however, according to Dr. Suhr, that the situation is more fluid since the Austrian Treaty has been signed and that the recent speech by Marshall Bulganin at Warsaw was read with interest in Berlin.⁶ The Bulganin-Tito visit⁷ will also contribute to a feeling that the international situation is becoming more fluid. Dr. Suhr then pointed out that a visit of President Eisenhower to Berlin would really bolster the cause of German reunification.

Dr. Suhr proceeded to point out that what Berliners really oppose is the solution sometimes discussed, namely a coexistence of the two Germanys. While there may be a coexistence of the two world powers, there cannot be coexistence on German soil.

Mr. Murphy asked about the Eastern Territories, a question that was somewhat misunderstood both by Dr. Suhr and Mr. Hertz because in their reply they addressed themselves to trade relations with the satellites. Dr. Suhr pointed out that the Leipzig Fair has somewhat reduced the importance of the Berlin Industrial Fair and while he favored trade relations with the Eastern bloc if it helped reunification, he was opposed to it if it would detract from Berlin's position as a fair center. Dr. Hertz added that it had been hoped to turn the Berlin Fair into a real trade fair but that it had seriously felt the competition of the Leipzig Fair in 1954. He hoped this could be remedied, however, since both buyers and sellers had been disappointed at the Leipzig Fair because the Eastern bloc had very little to sell. Dr. Hertz hoped the United States would strengthen the Berlin Industries Fair by its participation in it as well as in the Berlin Building Exhibit.

Dr. Suhr ended with a personal invitation to Mr. Murphy to visit Berlin very soon.

⁴For documentation on the preparations for the Four-Power Conference, see vol. v, pp. 537 ff.

⁵The policy of playing the East off against the West and vice versa.

⁶For text of Bulganin's speech at the opening session of the Warsaw Conference, May 11-14, see *Documents* (R.I.I.A.) for 1955, pp. 182-193.

⁷Bulganin and Khrushchev were scheduled to visit Belgrade May 26-June 2.

160. Letter From the Ambassador in Germany (Conant) to the Secretary of State¹

Berlin, May 21, 1955.

DEAR FOSTER: I am venturing to trouble you with this personal letter about the situation in Berlin because our conversations with Pushkin yesterday were not only unsatisfactory, but from my point of view rather alarming.

You will have already received through telegraphic channels reports on the meeting.² What I should like to present in this letter in some detail are the probable consequences of the courses of action which seem to lie before you and The President. I should like to emphasize, furthermore, that a decision between these courses must be made within a few weeks at most, as otherwise by failure to act we shall find ourselves on a course which looks the easiest but the consequences of which for the long run may well be most serious.

Let me present to you what I think will be the consequences of our failure to challenge the Soviet position and obtain from them satisfaction in regard to free access to Berlin. The Federal Republic of Germany has taken some steps already towards an economic blockade of the Soviet Zone, but these have only been in the nature of preliminary measures. Those responsible for giving licenses for export from the Federal Republic to the Soviet Zone have retarded the issuing of licenses. They are now at a point where they will either have to resume giving the licenses at a normal rate because of the pressure from their industrialists or break their trade agreements and declare economic war against the Soviet Zone. Naturally they are very loathe to take this final drastic step, for they are quite certain that in such an economic war the Soviet Zone can inflict considerable damage on them although everyone admits they, in turn, can do serious damage to the Soviet Zone and thus indirectly to the Soviet Government itself.

If the present situation continues and the Federal Republic continues to subsidize the truckers using the autobahn, the economic life of Berlin may remain without damage for the immediate future. However, under these conditions, it is almost certain that the permits to export materials to the Soviet Zone will have to be issued in their normal number and the Soviets will clearly realize that they have won a victory on that front. To be sure, at some later time it would

¹Source: Department of State, Conference Files: Lot 63 D 123, CF 474. Secret.

²Conant sent a summary of the meeting with Pushkin in telegram 749 from Berlin, May 20. (*Ibid.*, Central Files, 962A.7162B/5–2055) Detailed accounts of the British, Soviet, and U.S. Ambassadors' statements at the meeting were sent as enclosures to despatch 2487 from Berlin, May 23. (*Ibid.*, 962A.7162B/5–2355) Another account by Conant is printed in *My Several Lives*, pp. 604–605.

be possible to institute an embargo and declare economic war, but it would be much harder to do so once the present stand has been abandoned. Furthermore, there is no assurance at all that if the Soviets believe they have won the present battle, they will not proceed to further harassments. This they could do by increasing the taxes still higher and by interfering with the barge traffic on the waterways, which traffic has already in the last few weeks been harassed by minor difficulties. Indeed, there is no end to the number of things that could be done to interfere with the transport of goods and people between the Federal Republic and West Germany. Each time when we protested such actions, we would presumably get the answer I received yesterday, namely, this was solely an affair of the German Democratic Republic and we should direct officials of the Federal Republic to get in touch with officials of the German Democratic Republic to settle these purely German matters.

The most serious statement which Pushkin made to us yesterday was that the German Democratic Republic was "master of the roads" in its territory. When I asked him what this meant and specifically raised the question whether that meant that the German authorities could increase taxes as much as they wished, regulate the type of vehicles using the roads and the hours at which the vehicles would operate, he replied these were artificial questions which he refused to answer. In short, he did not in any way modify his categorical statement that the German Democratic Republic was master of the roads to Berlin. I hardly need underline the consequences of our acceptance of this position.

It seems to me that a great deal is at stake in this issue. I am afraid that our French friends, and possibly even our British, may be only too inclined to agree with part of the Soviet thesis, namely that we might recognize the German Democratic Republic and the Federal Republic of Germany as being the competent authorities. That the consequences of this would be an endorsement of the division of Germany is obvious; furthermore, we should by handing over traffic control to the Germans negate all that we have said about our determination to sustain Berlin as a healthy economic outpost of freedom. For the life of Berlin depends on free access to Berlin.

What may be even more serious would be the effect on West Germany. I am afraid that if we cannot take a strong position on this matter of free access to Berlin, the political forces in the Federal Republic of Germany which have been oriented towards us will have their position undermined. I would venture to think that the Soviets are hoping to use the Austrian example not as an immediate pattern for the reunification of Germany, but after having strengthened their satellite government, that of the German Democratic Republic, they would then indicate by a merger of this government and some gov-

ernment in Bonn reunification could be assured. This is not something that is likely to happen within the next few months, but I think they are calculating in terms of years. Certainly there are politicians in West Germany who might be ready to go down a road looking to a merger of Pankow and Bonn without recognizing the validity of the Prague experience. From my point of view, this is perhaps the one way in which we might lose Germany. For unless the Germans in the Federal Republic are convinced that we are strong and ready to stand up against the Russians, it would only be natural if they should think there was more to be gained by being friendly to the Russians than to the United States. If I am at all right in this diagnosis, far more is involved at present than free access to Berlin, and far more than what is sometimes regarded as a mere matter of taxes on an autobahn.

I had a meeting this morning with General Cook³ and explained to him in some details what seemed to me the stakes which are here at issue. I outlined to him what I thought was the line of procedure which we, the United States, should take, though I recognize that many military considerations must be taken into account which I am not competent to pass judgment on. What I do feel strongly is that the consequences of the various alternatives we might embrace should be clearly recognized by the highest authorities in Washington. I have outlined above the consequences which would follow, in my opinion, from inaction or further acquiescence in the blackmail of the Soviet Union through their German agents, the German Democratic Republic. Let me try to be equally frank and clear about the consequences of what I am proposing as an alternative.

It must be admitted at the outset that if we challenge the Russians on this issue, war may be a consequence. It would certainly be far beyond my competence to weigh the probabilities of such an outcome or the consequences against the consequences I outlined above. I cannot help expressing the feeling, however, that the Russians would not in the last resort bring about a third world war if we were strong along the lines I shall now outline, but I do not want to dodge the final implications.

What I would propose would be the following. First, either at once or immediately following the British elections,⁴ the three Western Powers orally present their views to Moscow as to the seriousness of Pushkin's stand and the present situation; that they indicate that unless immediate action is taken to remedy the situation, all talk of a 4-power talk must be abandoned; and that instead of speaking about a climate of opinion which is relaxing, we shall be in a state of

³General Orval R. Cook, Deputy U.S. Commander, Europe.

⁴The British general election was scheduled for May 26.

tension which is most serious indeed. If the secret negotiations bring about no result, then in a very short time this stand should be taken in public and we should announce there would be no 4-power talks until the problem of free access to Berlin was settled.

Assuming that there is no successful outcome of the secret talks and that a public statement of our unwillingness to meet on a 4-power basis as long as the Berlin situation remains unclarified was ineffective, then I would advocate the following course: First, agreement by the Federal Republic of Germany that they would be prepared to institute the severest possible economic measures against the Soviet Zone and hold to them irrespective of whatever counter-measures the Soviet Zone might put into effect. At the same time, I would try to get the approval of the other NATO members to join in this economic blockade. At a date to be determined in advance, this action should be announced and at the same time the Federal Republic would stop subsidizing the trucking to and from Berlin. Simultaneously the United States, with the concurrence of the two Western Occupying Powers, would announce (a) that they were going to make a payment to the Soviet Union at the previous rate for the maintenance of the roads to and from Berlin and (b) that they were going to move civilian goods by U.S. vehicles,—in short, that we were going into the trucking business. If the Soviets reply that they would stop such vehicles by force, then either we would test the reality of that proclamation by sending trucks to the checking point with or without a military escort (on this point I am not prepared to be too specific) or announce that the Soviet Union had broken its 1949 agreement as to free access to Berlin a second time. This action would demonstrate to the entire world that what was involved here was free access to Berlin for civilian goods and not a mere haggling about fees (which at present seems to be the general impression in some parts of the world). I think if the Russians persisted in refusing to allow the Occupation Powers to keep Berlin's economic life healthy by means of a trucking service, then we should institute an airlift for this same purpose. This could be kept going long enough to ensure that this whole problem would be brought to focus in the United Nations and by other means. If the Russians should shoot down our planes or stop our military vehicles (which they now say they will not interfere with), then the possibilities of a general war would be just over the horizon. How long we could operate an airlift without bringing about a general war, I am not prepared to say. It seems to me, we would be back to 1948, but in a stronger position since a severe economic blockade of the Soviet Zone would be a weapon in our hand which in a few months would yield some results.

Of one thing I am quite sure, namely that the process of rearming West Germany would be speeded up to a degree by such a series of actions that it is hard for us now to imagine. I further venture the prophecy that if we proceed carefully along some such lines as I have indicated, we can hold not only the major parties in the Bundestag on our side, but probably get considerable support from the Social Democrats as well. What the position of our French and British allies would be is harder to estimate, but in view of the public position taken by the Foreign Ministers of those countries, it is hard to see how they can publicly renege on the principles for which we shall be taking expensive and drastic action.

I have not discussed any of these details with my British and French colleagues, nor with the Chancellor. I did have an opportunity of speaking briefly with Hallstein Thursday night. I said that if our conversations with Pushkin were unsuccessful, I hoped the Federal Republic would be willing to take drastic measures along economic lines, even though such measures would lead to reprisals that would hurt Western Germany. He agreed with me, and I think we can count on his support of such a program as I have in mind, and the Chancellor's. However, unless we are ready to go at least as far as I have indicated in challenging the Russian contention about the mastery of the roads to and from Berlin, we cannot expect the Federal Republic to declare economic war on the Soviet Zone. If anything effective is to be done, we must act together.

In conclusion, let me point out that we are by no means presenting the Soviets with a hard alternative. There are several ways in which they can get out of their present position without undue loss of face. One method which is least satisfactory from our point of view would be for them to direct their East German representative in the Treuhandstelle (an unofficial group for furthering East-West trade) to negotiate with the West German representative and agree on an annual or monthly payment of a fee to cover the costs of maintaining the roads to and from Berlin. A settlement of the problem of high fees came about in 1951 through the Treuhandstelle. If the reduction were to an amount comparable with that previously charged, then the immediate payment of blackmail would have ceased. But the basic issue of who controls the roads would not have been settled. Indeed, this was unfortunately left uncertain in 1951 when fees were instituted. Nevertheless, because of the inherent dangers of the whole situation, I would favor accepting a solution at the Treuhandstelle level provided we at some later 4-power meeting insisted on a restatement of the 1949 agreement, with the addition that any fees charged for the use of the autobahn should be reasonable as determined by negotiations between the four occupying powers.

Another way in which the Soviets could get out of their difficulty would be simply to concede our reading of the 1949 agreement to the effect that fees on the autobahn were by implication included. They might say that as a concession to relaxation of international tensions, they would be willing to have their experts sit down with our experts to decide what were the reasonable fees. We might even be willing to go so far as to agree that these two experts would be drawn on our nomination from the East German government and the West German government, respectively, but we would have to insist, I should think, on these experts reporting to the four Ambassadors. I should like to underline again what seems to me the impossibility of our agreeing to Pushkin's position of yesterday, namely that we ask the Federal Republic of Germany to name an official who would meet with an official of the German Democratic Republic to decide on the extent and nature of the fees to be collected on the autobahn.

Another possibility, to which I have referred in an earlier communication to the Department, is to concede the right of the German Democratic Republic to be master of the roads in the Soviet Zone *except* the three roads from the Federal Republic to West Berlin. (The 1949 agreement could be interpreted in this way.) The Russians in turn would concede 4-power responsibility for and control of road, rail and water transport to Berlin from the Federal Republic.

In short, if the Russians really want to settle this issue, it seems to me there are a number of openings in the field of negotiations. It seemed quite clear from Pushkin's behavior yesterday that he was under strict instructions *not to* reach an agreement. I suppose he was so instructed lest it be thought that any agreement reached in a meeting of the four Ambassadors would be the equivalent to a victory for our fundamental principle, namely the 4-power responsibility for access to Berlin, including the fees on the autobahn.

Very sincerely yours,

James B. Conant

161. **Memorandum on the Substance of Discussion at the Department of State-Joint Chiefs of Staff Meeting, Pentagon, Washington, May 20, 1955, 11:30 a.m.**¹

[Here follows a list of persons present.]

¹Source: Department of State, State-JCS Meetings: Lot 61 D 417, Meeting 125. Top Secret. A typewritten note on the source text reads: "State Draft. Not cleared with any of participants."

Berlin

Although the Western High Commissioners are meeting Pushkin, the Soviet High Commissioner, in Berlin today² to discuss the road toll situation, Mr. Murphy stated we wish to raise a question with respect to the NSC paper on Berlin.³ As provided in the NSC paper, the Department has taken the initiative and discussed with the British and French the desirability of coordinating plans in the event there should be another blockade of Berlin. In our discussions we have pointed out that in case of a blockade we contemplate as a first step the use of limited military force. The British have asked us for the meaning of "limited military force" and, although we have not yet heard from the French, they will doubtless raise the same question. In response to Admiral Duncan and General Ridgway, Mr. Murphy stated that the United Kingdom agreed in principle to the desirability of advance planning and agreed to consultation with us and the French on this subject. The British suggested that the discussions be postponed until after today's meeting in Berlin. In addition, the British Embassy representative stated it was unlikely that HMG would commit itself in advance to any given course of action. Admiral Radford said that in accordance with paragraph 9(f) of the NSC paper, USCINCEUR has completed unilateral plans in the event of a blockade which he can implement upon direction. In his opinion the concept of limited use of force meant the use of small bodies of U.S. troops to test Soviet intentions. This was the NSC intention.

Mr. Murphy inquired as to what specifically we could tell the British. General Ridgway said he believed that USCINCEUR's plans were available here. However, he was not clear on one important point which he felt should be clarified to the field commander, i.e., does limited use of force mean the use of firepower. Admiral Radford replied that the NSC paper was clear on this since it called for "immediate and forceful action". General Ridgway reiterated his belief that the instructions were not sufficiently precise whereas Admiral Radford said again that the field commander should infer from his instructions that he could use firepower. He also felt we could inform the British of our plans which involved limited military force. General Ridgway again said he felt we were evading our responsibility because the field commander would not know whether he should march up to the barricade, try to tear it down, or start shooting.

Major General Gerhart said that in the NSC Planning Board discussions of this point it had been intended that the West would undertake a small probing action to test Soviet intentions. This did not

²See *supra*.

³Reference is to NSC 5404/1; see *Foreign Relations, 1952-1954*, vol. VII, Part 2, p. 1390.

necessarily mean the use of firepower. However, if after this test of intentions we determined that the Soviets would not reopen access to Berlin then the second step (paragraph i) would come into play and force would be used. Admiral Radford said he thought this paragraph made the intention explicit and clear. Mr. Murphy then asked if the Joint Chiefs could give us a brief outline of the meaning of "limited use of force" which we could give to the British and to the French also if they raise this question.

General Ridgway stated that he would supply such an outline to Mr. Murphy.

[Here follows discussion of an airplane incident over China and the Neutral Nations Supervisory Commission in Korea.]

162. Telegram From the Department of State to the Embassy in Germany¹

Washington, May 21, 1955—1:54 p.m.

3268. Reference Berlin's 749 repeated Moscow 197 Bonn 809 Paris 97 London 75 USAREUR 122 CINCEUR 6.²

1. Department concurs in view that:

- a) Road toll meetings unsatisfactory.
- b) No belligerent public statements for present.
- c) Ambassador should discuss suggestions of Army trucks, etc., with General Cook. In this connection would appreciate comments CINCEUR's EC-9-2464 March 17.³

2. Department believes every effort should be made at this point to reroute all possible cargo from trucks to train and barge with fullest use thirteen train paths.

3. Department pleased to note Hallstein prepared support drastic economic measures against Soviet Zone, and trust his view will prevail.

4. Disagreement at meeting between Soviet High Commissioner and Ambassadors with respect to talks between East and West German officials does not appear insoluble. According to press com-

¹Source: Department of State, Central Files, 962A.7162B/5-2055. Secret. Drafted by Lyon, cleared with Beam, and approved by Murphy. Repeated to Heidelberg, Berlin, Moscow, Paris, and London.

²See footnote 2, Document 160.

³Not found in Department of State files.

munique⁴ Ambassadors proposed talks between experts and according reftel Pushkin indicated that matter was for Germans to discuss. Department has always believed that discussion by Germans at technical level might help solve problem and therefore believes Western Ambassadors should impress upon FedRep officials importance latter's expressing willingness meet with Soviet Zone authorities on technical level on understanding which now seems well established such meeting would not constitute recognition.

5. Department studying your suggestion re concerted oral presentation Moscow. Before making final decision, however, we will wish to be assured all means solving problem locally have been exhausted. Department does not exclude possibility of need for a further meeting with Pushkin as it sees little or no advantage in transfer of negotiations to a different locus at this time. Department does not favor direct linking of Berlin problem with Four-Power talks at this juncture.

Dulles

⁴For text of the tripartite communiqué issued by the Western Ambassadors following the meeting with Pushkin on May 20, see Department of State *Bulletin*, June 20, 1955, p. 997.

163. Letter From the Deputy Secretary of Defense (Anderson) to the Secretary of State¹

Washington, May 25, 1955.

DEAR MR. SECRETARY: In the course of a meeting with the Joint Chiefs of Staff on 20 May 1955,² representatives of the Department of State requested a definition of the term "limited military force" as employed in NSC 5404/1, U.S. Policy Toward Berlin. A preliminary view on this subject has already been furnished to you by the Department of the Army.

The Department of Defense considers that, for the purpose of carrying out the military provisions of paragraph 9 f of NSC 5404/1, commitment of the following forces would constitute an appropriate interpretation of the expression "limited military force": one reinforced motorized rifle platoon to accompany motor convoys from

¹Source: Department of State, Central File, 762.0221/5-2655. Top Secret. A brief memorandum of transmittal assigning action to the Office of German Affairs is not printed.

²See Document 161.

Berlin or from Berlin and Helmstedt, and one reinforced rifle platoon on each train. Forces on this order of magnitude would be sufficient to determine definitely Soviet intentions by drawing Soviet fire or by otherwise compelling the Soviets to choose between permitting or resisting with force the passage of the U.S. forces along the Autobahn.

If execution of the provisions of paragraph 9 f of NSC 5404/1 results in the Soviets resisting with force the attempt of the U.S. platoons to proceed along the Autobahn or the railroad, NSC 5404/1 provides that the platoons withdraw; that the United States initiate various measures to rally United States and allied opinion behind the U.S. position; institute certain alert measures in Europe; and an appropriate degree of mobilization in the Continental United States; and make clear to the USSR U.S. determination. Thereafter, allowing a period for Soviet reaction to these preparations, paragraph 9 i of NSC 5404/1 provides that the United States use limited military force again, this time to attempt to reopem access to Berlin, even at the risk of general war.

It is not possible militarily to state the order of magnitude appropriate for the military force which would be employed under the provisions of paragraph 9 i of NSC 5404/1. The conditions produced by the political, psychological, mobilization and alert measures which would have been taken following the use of the reinforced platoons cannot be predicted. Only after these conditions were evaluated in the light of circumstances then prevailing could a sound decision be reached as to the size and composition of forces to be used.

Execution of any plan calling for the use of military force to assist in removing restrictions of access to Berlin would be only on specific orders emanating from the highest level of the United States Government and must be explicit as to the latitude allowed the commander in opening fire.

R.B. Anderson³

³Printed from a copy that bears this typed signature.

164. Memorandum of a Conversation, Department of State,
Washington, June 14, 1955, 11:30 a.m.¹

PARTICIPANTS

The Secretary of State
Robert Murphy, Under Secretary
Ambassador James B. Conant
Livingston T. Merchant, EUR
Cecil B. Lyon, GER
2 interpreters

The Chancellor
Ambassador Heinz L. Krekeler
Dr. Georg Federer, German Embassy
Ambassador Herbert Blankenhorn
(NATO)

The conversation opened with an exchange of pleasantries after which the Secretary stated that he had added a sentence covering neutrality with respect to Germany in the proposed joint communiqué to be issued following the Chancellor's talk with the President.² The Chancellor indicated that he was very happy to include that sentence.

The Chancellor indicated that he would prefer not to discuss subjects in which he was interested until after the Secretary had raised matters of concern to him.

The Secretary said he thought that yesterday they had adequately covered the question of the Four Power meeting but that he believed the Chancellor might wish to raise certain questions in connection therewith with the President and might also wish to discuss with the President the subject of the Chancellor's invitation to visit the Soviet Union and the question of German unification. The Secretary then referred to his invitation to the Chancellor to lunch with him in New York and to discuss with him and the British and French Foreign Ministers these various matters. The Chancellor expressed his appreciation for the invitation.

Berlin Autobahn Situation. The Secretary said that in his view, in accordance with its commitment given to the Three Powers in 1949, the Soviet Union has an obligation to maintain the normal conduct of traffic to and from Berlin. The Secretary stated that he did not believe that that undertaking wholly excluded exploration by the Chancellor's Government with the authorities of East Germany as to what constituted normal charges that might be imposed on the Autobahn traffic. The Secretary said that if the tolls were arbitrary and designed to impair traffic and not to cover the cost of the upkeep of the Autobahn, then the question, he believed, fell within the sphere

¹Source: Department of State, Conference Files: Lot M-88, Box 170. Confidential. Drafted by Lyon. Chancellor Adenauer and Dulles also met on June 13; see vol. v, pp. 224–228.

²The conversation took place at 11:30 a.m. on June 14; see *ibid.*, pp. 230–231. For text of the communiqué issued by the Chancellor and the President, see Department of State *Bulletin*, June 27, 1955, pp. 1033–1034.

of the 1949 agreement between the Four Powers. The Secretary added that, subject to concurrence in New York of his British and French colleagues, whose governments are parties to the same agreement, he hoped to mention this matter at San Francisco to Mr. Molotov. He would say that he hoped that the question might be resolved before the Four Power meeting, which was ostensibly being held to minimize difficulties and this action in Berlin was creating difficulties.

The Chancellor stated that he did not know whether or not the Secretary was familiar with the Ordinance providing for these tolls which had been issued by the German Democratic Republic and which referred to all roads and highways in the GDR as well as military vehicles. Thus the only vehicles which remain to be taxed were West German and West Berlin vehicles plying between West Germany and Berlin, which in the Chancellor's view made the matter purely a political one. He added that in his view the Ordinance was not purely financial but had been issued to cause concern to residents of Western Germany buying in Berlin. It was clear, the Chancellor continued, that there was a certain amount of wear and tear on the highways and that the West Germans were prepared to discuss this question and pay justified charges. However, the Chancellor wanted to emphasize that he did not think the objective was financial but rather political and psychological—to scare off firms from buying in West Berlin. Therefore, the Chancellor would be very appreciative if the matter could be taken up with Mr. Molotov, if the British and French Foreign Ministers agreed, as falling within the sphere of the 1949 agreement.

The Secretary said that we would attempt to soften the situation up from the Soviet side but he hoped that the Chancellor would see to it that discussions were continued at the technical level also so that by working at these two levels the problem might be solved.

The Chancellor indicated that they had not been very successful in their attempts to initiate talks on a technical level but they would continue to try.³

[Here follows discussion of anti-cartel legislation, European integration, an air transport agreement, the Chancellor's invitation to visit Moscow, and refugees.]

³Experts from the Federal Republic and the German Democratic Republic met in Berlin on June 2 and 4. At the second meeting, the East Germans unilaterally announced a reduction in the tolls effective June 10 amounting to about 20 percent. (Telegrams 780 and 785 from Berlin, June 2 and 4; Department of State, Central Files, 962A.7162B/6-255 and 962A.7162B/6-455, respectively)

165. Telegram From the Delegation at the Tenth Anniversary Meeting of the United Nations to the Department of State¹

San Francisco, June 21, 1955—3 p.m.

Secto 7. Reference Secto 3, repeated Bonn 3510, Berlin 634.² At Secretary's dinner Macmillan by tripartite agreement raised Autobahn question with Molotov.³ Macmillan said that if friendly agreement could be reached at meeting (of Federal Republic and GDR officials) scheduled take place in few days, this would help create proper atmosphere for Geneva meeting. Molotov replied that he felt there had been some movement on that subject.

Comment. Believe it would be counterproductive give any publicity this exchange.

Dulles

¹Source: Department of State, Central Files, 962A.7162B/6–2155. Secret. Repeated to Berlin, Bonn, London, Moscow, and Paris.

²Secto 3 reported that the three Western Foreign Ministers would approach Molotov on June 20 to express their serious concern at the lack of progress in settling the Berlin Autobahn situation. (*Ibid.*, Conference Files: Lot 63 D 123, CF 479)

³A memorandum of this conversation, PMCG(SF) MC-4, is *ibid.*, CF 487; for a memorandum of other topics discussed, see vol. v, pp. 243–246.

166. Telegram From the Embassy in Germany to the Department of State¹

Bonn, July 5, 1955—6 p.m.

34. Refer Deptel 19 repeated Berlin 1.² From Deptel 19 July 2 it seems evident that Dept has misunderstood FedRep tactics in discussion of road tolls. Basically, idea in linking IZT and transport tolls is effort to bring economic pressures more directly to bear on solution of Autobahn tolls problem.

FedRep's decision to insist that any further transport talks be tied directly to IZT discussions followed GDR unilateral terminating of transport talks on June 4th with announcement of slight reduction in tolls. At that time FedRep's von Dorrer asked if further discussions were possible looking toward lump sum payment and fixing of

¹Source: Department of State, Central Files, 962A.7162B/7–555. Confidential. Repeated to Berlin.

²Telegram 19 stated that the Department of State did not understand the motives underlying West Germany's tactics in discussing the tolls, in particular why the Federal Republic insisted on joint discussions of trade and tolls. (*Ibid.*, 962A.7162B/7–255)

road maintenance figure which FedRep could find acceptable. He was told that slightly reduced June 10 toll rate was only solution which GDR could find acceptable. FedRep transport officials subsequently had no taste for approaching a slammed door and tactic was developed at FedRep cabinet level to approach GDR next through IZT channels and establish explicit relationship between IZT and further toll reduction. (See Embassy despatch 2741³ re this and related points.) This approach was made by Krautwig with apparent success as reported in Berlin's 806 to Dept.⁴ At the time FedRep decided above tactic, US, UK, and French Embassies were advised and concerned.

Fact that tactic has not yet brought about new transport talks does not seem to us to invalidate approach. FedRep did talk previously [with GDR and?] avoided step of having East-West transport officials talk. FedRep officials discussed toll problems in good faith, and were prepared to discuss further when GDR suddenly ended talks. We feel that FedRep is on good and potentially productive grounds in insisting that any further transport discussions take place jointly with IZT where they have real bargaining weapons in steel and coke.

Furthermore, our understanding is that FedRep position is sufficiently flexible to take advantage of any GDR desire to resume direct transport talks. Essential point of FedRep tactics is to refuse to resume IZT talks, which GDR is most anxious to utilize for resumption full-scale trade, until such time as latter indicates that progress can be made toward satisfactory solution of road tolls question. Statement in ref tel that "present tactics place FedRep in position refusing discuss road tolls when GDR has offered do so", is incorrect; it is GDR which is refusing to discuss road tolls.

FedRep has been informed of sense 3655 and 3701,⁵ and we believe they have been encouraged thereby to persist in what we regard as strongest possible exercise of economic pressures short of denun-

³Despatch 2741 reviewed the countermeasures taken by the Federal Republic in the dispute over tolls. (*Ibid.*, 462A.62B41/6-2755)

⁴Telegram 806 reported that a meeting between East and West German representatives had been set for June 30 or July 1 to discuss tolls and interzonal trade. The East Germans subsequently refused to meet at all for the joint discussions. (*Ibid.*, 962A.7162B/6-1555)

⁵Telegram 3655 noted that the meeting with Molotov on June 20 had been less negative than the one in Vienna on May 14, and that this set the stage for the Federal Republic to press forward with its discussions with the German Democratic Republic. (*Ibid.*, 962A.7262B/6-2155) Telegram 3701 asked for a report on the status of the East-West German talks. (*Ibid.*, 962A.7262B/6-2855)

ciation IZT trade agreement and total suspension shipments to and from East Zone.⁶

Conant

⁶On July 16, Parkman reported that further talks had been thwarted by East German demands for preconditions before meeting on the question of tolls. (Telegram 47 from Berlin; *ibid.*, 962A.7262B/7–1655) On July 28, he reported further that the Federal Republic had decided not to pursue the question further until Adenauer returned from his visit to Moscow in September. (Telegram 85 from Berlin; *ibid.*, 962A.7262B/7–2855)

167. Paper Prepared by the Operations Coordinating Board¹

Washington, July 31, 1955.

DETAILED DEVELOPMENT OF MAJOR ACTIONS RELATING TO BERLIN (NSC 5404/1)—“UNITED STATES POLICY ON BERLIN”²

(Policy Approved by the President—January 25, 1954)

(Period of Report: From December 1, 1954 through July 31, 1955)

Paragraph 8c: “Support all feasible measures, including limited economic aid, to bolster morale and economy of the city and reduce unemployment.”

ICA. Negotiations between the Embassy in Bonn and the Federal Republic with regard to the \$23.7 million appropriated for Berlin (FY 1955) under the Mutual Security Act of 1954 were completed in March 1955, with the result that DM 89 million was obligated to the General Capital Development Program (regular long-term investment loans, risk investment, and loan guarantees), and DM 50 million was assigned to the Joint Reconstruction Program (mostly from counter-part repayments). In addition, a \$200,000 technical exchange pro-

¹Source: Department of State, OCB Files: Lot 61 D 385, Germany. Top Secret. Attached to the source text was a covering memorandum, dated August 26, which stated that the paper had been prepared in connection with a progress report by the Operations Coordinating Board from reports submitted by the Departments of State and Defense, the CIA, USIA, and ICA. A copy of the progress report, dated September 14, which is less detailed than this paper, is *ibid.*, S/S–NSC Files: Lot 63 D 351, NSC 5404 Series.

²See *Foreign Relations, 1952–1954*, vol. vii, Part 2, p. 1390.

gram, to increase productivity and including projects looking to establishment of a business school in Berlin, was authorized. For its part, the Federal Republic agreed to undertake certain additional measures of support for Berlin. Thus, during FY 1955 there were available for allocation to projects or end-users about DM 340 million, consisting of about DM 202 million of the funds of previous years and about DM 139 million of new aid and post-Zablocki re-flows. During this period about DM 140 million will have been allocated to projects or end-users in conjunction with the long-term loan, risk investment, working capital loan, orders financing, and reconstruction programs.

By the end of June 1955 unemployment in West Berlin had declined to about 140,000 out of a working force of nearly 1 million. This figure can be compared with 194,000 unemployed at the end of June 1954. The index of industrial production was 92 (1936=100) by the end of June 1955, a level 16 points above June 1954.

It is estimated that only about 60-90,000 of those unemployed are, in fact, employable under present conditions and that approximately half of the employables are unskilled and older white collar workers. Since unemployment is still a problem in West Berlin, it is becoming increasingly evident that strenuous efforts will need to be made to attract entrepreneurs with associated management and technical personnel to West Berlin, which combined with relatively abundant supplies of capital can bring about desired increases in employment opportunities.

In order to maintain the current rate of economic recovery in Berlin, the Executive Branch requested \$21 million in new funds under Mutual Security funds for FY 1956. Of this total, \$15 million would be earmarked for private and public investment programs and reconstruction projects; \$5 million for East Zone projects; and \$1 million for technical exchange for Berlin-FedRep, and Austria.

Paragraph 8d: "Continue to provide funds for special projects designed to influence the people of the Soviet Zone and Sector, such as the food program in the summer of 1953."

1) Youth rallies, scholarships, and interzonal travel.

State: [less than 1 line of source text not declassified] State arranged with German agencies to apply small unutilized balances of the 1953 food and medical relief program for the support of youth rallies, scholarships, promotion of interzonal travel, etc. This was in accord with and supplementary to the \$3 million program of this nature approved in June 1954. While the U.S. contribution to the food-package program ended in January, with the exception of packets for the families of the politically persecuted, the remaining funds from the original \$15 million food program authorization are providing medical assist-

ance for needy East Zoners. (The OCB has also authorized alternative use of these funds for the June 1954 projects.) Procedural problems under the \$3 million program authorized June 1954 were fully worked out with the Kaiser Ministry³ in Bonn early in 1955, and a wide variety of action is now underway. Some phases of the program have moved faster than others, for example, funds for the youth and adult contact programs were completely exhausted at the outset of June, while return travel funds have moved somewhat slower than anticipated. The Executive Branch has not requested a sum of \$5 million for further assistance to projects during FY 1956 to continue youth and adult programs and return travel. It is anticipated that new programs for the support of church activities and sponsoring the procurement of publications for the East Zone will be established.

[3 paragraphs (6 lines of source text) not declassified]

2) West Berlin community reconstruction "Spring Plan" project.

State and ICA—Agreed to allocate DM 25 million to help the FedRep finance during the next two fiscal years the West Berlin Spring Plan, an extensive DM 75 million community reconstruction project to be located near the Soviet Sector border. The project will provide three thousand additional dwelling units and related facilities to meet the city's critical housing needs for both bombed-out and refugee families.

3) Berlin Conference Hall (participation in West Berlin Building Exhibition in 1957).

State—Developed the program for construction of a Conference Hall in connection with the International Building Exhibition in Berlin in 1957. This project was approved by the OCB on May 25, 1955, and the building when completed will stand as a permanent contribution to the life of Berlin.

ICA—After OCB agreed to the allocation of \$1 million from the Berlin aid appropriation for 1956, arrangements were made for the allocation by the FedRep of DM 9 million from counterpart repayments, thereby meeting the estimated \$3 million cost of the project.

Paragraph 8e: "Review the present stockpile program in the light of the likelihood that, in the event of a new blockade, the Allies would resort to an airlift only as a supplement to other more positive measures."

(See Paragraph "8i-(4)".)

³Ministry for Matters Concerning Germany As a Whole.

Paragraph 8f: "Continue to exploit the unrivaled propaganda advantages."

USIA. During the reporting period the falsity of the Soviet claims to a free election in their zone were pointed out. Before the West Berlin elections on December 5th, United States information media stressed the freedom of elections and the multiplicity of candidates in West Berlin as opposed to tactics followed in the East Zone. It was pointed out that the Communist Party was allowed freely to participate in the elections, that the Communist Party had all the privileges of the Western Parties, free to hold meetings, distribute pamphlets, etc., and that police protection was provided. The Communist vote was 2.7% of over a million ballots.

In order to overcome the depressing effects of the Albion Ross story in the *New York Times* on the morale of West Berliners, United States information media made available to the domestic and international press factual information on the economic recovery of West Berlin, thereby alleviating the bad effect of the story.

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

Paragraph 8h: "Seek to persuade the UK and France to adopt the U.S. policy on Berlin and seek to widen the areas of agreement with regard to future plans and emergency measures."

State. Discussions with the British and French to persuade them to agree with our Berlin policy were first postponed pending ratification of the EDC and again pending negotiation and ratification of the Paris Agreements. An approach was approved following the deposit of ratification of the Paris Agreements.

On May 11 and May 12, 1955 this question was discussed with representatives of the British and French Embassies respectively.⁴ The question of the current autobahn tolls was used as a point of departure. It was explained that it was possible that Soviet harassment of Berlin might continue with the eventual initiation of a second blockade and it appeared prudent that consideration now be given to what action the Allies would have to take in the event that all retaliatory measures and diplomatic recourses produce no results. It was explained that in such a situation we felt that we would have to indicate to the Soviets our determination to remain in Berlin even if this should require possible use of some military force to test Soviet intentions. Consequently the Department considered that advance planning is in order.

The Embassy representatives were asked to refer the matter to their governments and if the governments agreed in principle we

⁴No record of these meetings has been found in Department of State files.

would then suggest that planning be initiated among the three Ambassadors and the three military Commanders in West Germany and the Commandants in Berlin.

The French and British representatives inquired whether we had any specific plans for military action in mind to which we responded that we had no specific ideas but wanted agreement in principle to planning such action.

The French and British Governments agreed to discussions in Bonn. They also asked for more information as to what we had in mind in reference to possible limited use of force.

The U.S. Ambassador (Bonn) was instructed on May 27, 1955⁵ to initiate conversations with British and French Ambassadors, and that the three Allied Commanders in Germany and the Berlin Commandants should be included in the conversations when the Ambassadors deemed it appropriate. In preparation for such conversations the Embassy submitted to State for clearance a modified version of the "Statement of Policy" section of NSC 5404/1.⁶ The most important modification was the deletion of reference to possibility of unilateral U.S. action.

Defense. A definition of "limited military force,"⁷ as envisaged in pertinent sections of NSC 5404, was furnished by the Department of Defense and has been transmitted to the Embassy at Bonn for its use during the discussion. However, the paper is not to be given the British and French. Defense instructed USCINCEUR on May 26, 1955 to proceed with tripartite military planning in accordance with JCS directive, which precluded raising with the British and French proposals calling for use of limited military force in response to Soviet provocation short of armed attack.

Paragraph 8i: "Perfect plans and practicable preparatory measures for future contingencies."

"(1) Possible retaliatory measures and the means of quickly concerting action against specific local harassments."

(See paragraph 9 below.)

"(2) Conditions affecting security and necessary remedial measures."

Defense—Unilateral plans have been prepared in support of the military aspects of NSC 5404/1.

⁵Transmitted in telegram 3336 to Bonn, April 27. (Department of State, Central Files, 762.0221/5-2755)

⁶Not found in Department of State files.

⁷See Document 163.

“(3) German Federal Republic financial and other support for Berlin.”

ICA. The increased FedRep aid to Berlin reflected State and ICA negotiations with the FedRep through the Embassy. Net FedRep support to West Berlin has been given at the rate of about DM 1,200 million (\$300 million). In addition the FedRep has formally ratified an agreement which will reduce corporate and personal income taxes in West Berlin by about 20% below the levels prevailing in West Germany. During a visit to West Berlin in June 1955, the German Chancellor, Dr. Adenauer, reiterated his Government's position that it would continue to provide generous support to West Berlin to cover its requirements for continuing economic growth and development.

“(4) Condition of the stockpile and equipment held in reserve for emergencies.”

State—In connection with the most recent stockpile review, State and ICA concurred in the recommendation of the U.S. Embassy in Bonn that the Berlin Senat's proposal that certain raw material shopping lists be reduced by DM 13.4 million and that an increase in other sectors of the raw materials shopping lists amounting to about DM 6 million be approved. This action was requested to take into account changes in consumption patterns since establishment of the original targets and in recognition of the difficulties in storing and maintaining certain commodities. The stockpile was maintained at levels averaging seven to twelve months' supply for different categories. Funds held in liquid form in the stockpile account amount to approximately DM 53 million.

“(5) Plans for increased use of air transport in case of partial blockade.”

No developments.

“(6) Improvement of relations with the local authorities, in keeping with the new relationship to the Federal Government which the Allies will have under the Bonn Conventions subject to essential Allied security requirements.”

State—The Department of State approved the action on May 5, 1955 of the Allied Kommandatura in putting into effect, as an interim measure, the old declaration on Allied-Berlin relationship, drawn up in 1952,⁸ pending receipt of Berlin views on the new Allied-Berlin relationship called for by the Three Foreign Ministers in October 1954.⁹ Berlin authorities concurred on the understanding that

⁸See Document 154.

⁹For text of the Allied statement, dated October 23, 1954, see *Foreign Relations, 1952-1954*, vol. v, p. 1539.

this would in no way prejudice consultations for a revision of relationships.

Paragraph 9: "If the Soviets or East Germans impose, or threaten imminently to impose, a blockade, or increase harassment to the point of seriously impeding Western access to Berlin, the United States should consult with its Allies and be prepared to:

"a. Make a determined effort in Berlin to end the restrictions by vigorous protests from Allied Commanders to the Soviet Commander.

"b. Instruct the U.S. Ambassador in Moscow to join with the U.K. and France in presenting an agreed declaration stating their intention to use force if necessary and the risk to world peace occasioned by the Soviet action in Berlin. If the U.K. and France cannot agree to such a declaration, the U.S. should then consider making a unilateral declaration.

"c. Continue to hold the Soviet Union responsible for any Communist action against the Western position in Berlin whether the action is taken by the Soviets or by East Germans or other satellites.

"d. In the meantime, make use at an accelerated rate of the means of access remaining open, in order to provide an opportunity to gain support of our Allies and world opinion. . . ."¹⁰

[Here follows a detailed review of the Berlin Autobahn situation starting in April.]

¹⁰Ellipsis in the source text.

168. Telegram From the Department of State to the Embassy in Germany¹

Washington, October 24, 1955—7:23 p.m.

1170. 1. Department closely following reports from Bonn and Berlin regarding travel documentation (your 1254 and Berlin's 322,

¹Source: Department of State, Central Files, 962A.7162B/10-2155. Confidential. Drafted by Auchincloss, cleared with Reinstein, and approved by Barbour. Repeated to Berlin, London, Paris, and Moscow.

326 and 336)² and barge permits (your 1284 and previous).³ These incidents carry most serious implications. Taken together they indicate probable Soviet plan force three Powers into contact with GDR on various aspects travel and transport between Berlin and Federal Republic. It is likely we shall be faced with series of difficult decisions and it will be important approach them with consistent and carefully developed policy. Present message intended convey preliminary thinking and does not represent Department's final views or coordination with Defense.

2. We recall most recent comprehensive expression tripartite policy this field is High Commission report dated August 23, 1954 (HICOM/P(54)5 Revised Final)⁴ on problems arising from Soviet declaration on GDR sovereignty. While this paper may be helpful in some specific applications, it was prepared before Soviet agreements with Federal Republic and GDR⁵ and is out of date in many ways. It is no longer adequate guide and should either be extensively revised or superseded by new policy statement. We assume all aspects potential GDR pressures and retaliatory action under active study with British French Germans in accordance earlier instructions (Department's 826 and 896)⁶ and would appreciate word where this project stands.

3. Without attempting definitive formulation it occurs to us that certain points clearly belong among major considerations this general problem. For example, it will be essential maintain basic rights regarding free flow of air and surface traffic for both Allies and Germans between Berlin and Federal Republic. Also essential protect equally both civilian and military Allied personnel stationed Berlin.

²Telegrams 1254 and 336 reported on tripartite meetings on October 19 in Bonn and Berlin to discuss Allied travel into or through East Germany. (*Ibid.*, 862B.181/10-1955 and 862B.181/10-2055, respectively) Telegrams 322 and 326 reported summaries of conversations between British and Soviet officials concerning new travel documentation for Allied personnel entering or transiting the German Democratic Republic. (*Ibid.*, 762.0221/10-1855 and 862B.181/10-1855, respectively)

³Telegram 1284 reported recent developments in the documentation necessary for barge traffic in the German Democratic Republic. (*Ibid.*, 962A.7162B/10-2155)

⁴This 28-page report was divided into five sections: (1) Access to Berlin, (2) Passports and Visas Issued by the GDR, (3) Commercial Relations Between the Western Powers and the GDR, (4) Protection of Nationals and Interests in the GDR, and (5) Participation of the GDR in International Organizations. (*Ibid.*, 762.0221/8-2354)

⁵Regarding the agreements between the Federal Republic of Germany and the Soviet Union, made during Chancellor Adenauer's visit to Moscow in September 1955, see vol. v, pp. 573 ff. Regarding the treaty between the German Democratic Republic and the Soviet Union, signed at Moscow on September 20, 1955, see Document 218.

⁶Telegram 826 stated that treaty between the Soviet Union and the German Democratic Republic raised serious questions about future access to Berlin. (Department of State, Central Files, 661.62B/9-2155) Telegram 896 stated that Allied military and civilian representatives in West Germany should review the Berlin situation in light of the treaty and study measures that could be taken in the event of further interference with Allied access to Berlin. (*Ibid.*, 762A.0221/6-2355)

Assertion Allied rights must not be depreciated by protests made too frequently or without firm grounds. In raising any particular case with Soviets we must bear in mind corresponding situation our side in order avoid counter charge of inconsistent practice our part. In this connection we must give careful thought to relation this subject with status Soviet officials in Federal Republic after establishment diplomatic relations with Soviet Union.

4. Until common policy worked out and accepted by three Powers and Germans we shall have to make practical decisions as individual cases arise. In considering immediate problem travel documentation it appears to us most important distinction is whether documents are issued under Soviet authority or independently by East Germans. Substitution Soviet visas for Soviet military permits authorizing travel Allied civilian officials in GDR seems not necessarily incompatible with Soviet responsibilities under quadripartite agreements and it would be difficult make effective protest this ground alone as pointed out your 1254. We agree, however, that change in form of documentation likely to be first step in preparation give GDR authority issue visas for Allied civilian officials. While undesirable acquiesce in differentiation Soviet treatment Allied civilian and military personnel stationed in Berlin (Berlin's 336), do not believe we can refuse accept visas in place of propusks particularly in view past practice.

5. Regarding submission travel documents to inspection by East German police (such as incident Hof checkpoint reported 1254), we agree this undesirable, but possible maintain police acting as Soviet agents. Believe principal difficulty would arise, not from inspection alone, but from failure East Germans honor such documents. While HICOM report recommends Three Powers protest such inspection immediately, we are not convinced protest need be made such cases unless East Germans refuse recognize validity documents. In event such refusal, desirability following suggestion your 1254 to restrict Allied civilian travel to Berlin–Helmstedt Autobahn (where visas and propusks not required) would be more evident than it is now. Unable determine from information available here whether such restriction advisable at this stage.

6. Agree better ascertain Soviet intentions by test cases application for travel documents than by direct inquiry, but question whether issue should be pressed until tripartite position more fully defined. Assume you will keep us currently advised all developments and progress joint planning.

7. Your 1303⁷ received since preparation foregoing. Will comment last paragraph separately.

Hoover

⁷ Telegram 1303 noted that the Deputy Commandants had not addressed the question of whether Allied personnel should submit travel documents to East German officials in the absence of Soviet representatives at various checkpoints. (*Ibid.*, 862B.181/10-2255)

169. **Memorandum of Discussion at the 265th Meeting of the National Security Council, Washington, November 10, 1955¹**

[Here follow a paragraph listing the participants at the meeting and items 1 and 2. For item 2, "Significant Developments Affecting U.S. Security," see volume V, pages 747-749. The Vice President presided at the meeting.]

3. *U.S. Policy on Berlin* (NSC 5404/1; Progress Report, dated September 14, 1955, by OCB on NSC 5404/1²)

After Mr. Anderson had briefed the Council on the contents of the reference Progress Report, Admiral Radford asked to be heard on the subject.

Admiral Radford said it was his strong personal opinion, and he believed that the Joint Chiefs of Staff would probably agree with him, that Berlin was one area in the world where we can expect real trouble in the near future. Accordingly, Admiral Radford believed that the State Department should make every effort to find out the attitude of our allies, the British and the French, if the Soviets stirred up new difficulties in Berlin. They have been dragging their feet on this point and the Soviets probably know it and are taking advantage of their knowledge.

Mr. Allen Dulles expressed agreement with Admiral Radford's anxiety, and noted that tension was again rising in the Soviet Zone of Germany. Certainly further harassment and restriction were likely to be imposed on West Berlin.

Secretary Hoover said that although, as the Progress Report pointed out, Secretary Dulles had proposed to the British and French

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Prepared by Gleason on November 11.

²Regarding the Progress Report, see footnote 1, Document 167. Regarding NSC 5404/1, January 25, 1954, see *Foreign Relations, 1952-1954*, vol. vii, Part 2, p. 1390.

Governments that the Allied Military Commanders in Berlin should jointly plan what to do in the event of a new blockade, there had been no response as yet from these two Governments. On the other hand, Secretary Hoover did not feel that we could press these Governments for a response until after the conclusion of the Geneva Conference.

Mr. Allen Dulles suggested that in view of the urgency perhaps this issue could be discussed directly with the British and French Foreign Ministers at Geneva by Secretary Dulles. Secretary Hoover replied that he believed that this problem was on Secretary Dulles' Geneva agenda. He noted also that the problem had now been complicated by the restoration of sovereignty to the Federal Republic. Admiral Radford said that in that case the U.S. policy statement on Berlin³ had best be reviewed by the National Security Council. Secretary Hoover said that such an undertaking would be difficult until after the Geneva Conference terminated.

Secretary Humphrey then asked Admiral Radford if he actually feared another Berlin blockade. Admiral Radford replied in the affirmative, and reminded the Council of the President's firm views with respect to demonstrating to the Soviets that the United States would not tolerate the reimposition of a blockade of Berlin. Both Admiral Radford and Dr. Flemming also noted the President's view that if the Soviets started another blockade of Berlin the United States would proceed to full mobilization.

Secretary Wilson commented that this last feature was a rather tough policy.

The National Security Council:

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

b. Noted that the Acting Secretary of State would transmit to the Secretary of State at Geneva the view of the National Security Council as to the urgent desirability of discussing with the British and French Foreign Ministers the necessity of combined military planning for the maintenance of the allied position in Berlin.

Note: The action in b above subsequently transmitted to the Acting Secretary of State.

[Here follows item 4.]

S. Everett Gleason

³Reference is to NSC 5404/1.

170. Telegram From the Secretary of State to the Department of State¹

Geneva, November 12, 1955—8 p.m.

Dulte 71. For Acting Secretary. Reference Tedul 77.² I do not believe it would be productive for me to raise with Macmillan and Pinay matter combined military planning against possibility Berlin blockade. This matter requires staffing and Cabinet decision by their governments and I could not expect to get governmental approval from them here. I think it would be better to raise matter formally through our ambassadors in London and Paris. Accordingly I will not plan to discuss question here unless you feel strongly.

Dulles

¹Source: Department of State, Central Files, 762A.0221/11-1255. Top Secret. Secretary Dulles was in Geneva for the Conference of Foreign Ministers, October 27–November 16.

²In Tedul 77, Hoover described the discussion at the 265th meeting of the National Security Council (see *supra*). (Department of State, Central Files, 762A.0221/11-1055)

171. Letter From the Ambassador in Germany (Conant) to the Assistant Secretary of State for European Affairs (Merchant)¹

Bonn, December 5, 1955.

DEAR LIVIE: A week ago I started to write you a long letter about the situation in Germany in general and the problem of Berlin in particular but just at that moment I received the news of the detention of the two Congressmen in East Berlin² and for obvious reasons postponed my letter. I am afraid the events of the last week will not make my letter any briefer, but I do have the advantage now of reporting on an hour and a half conversation which I had with the Chancellor the day before yesterday (Saturday).

As you already know the Chancellor is considerably disturbed about various articles which have appeared in United States press about the German situation and by the attack on the Administra-

¹Source: Department of State, Central Files, 762.0221/12-555. Secret; Official-Informal.

²Regarding the detention of Representatives Ostertag and Poland in the Soviet sector of Berlin on November 27, see Documents 223 ff.

tion's German policy from various sources, particularly Harriman. We in the Embassy feel that some of the writers and commentators on Germany are badly informed about the true situation. Furthermore I couldn't help feeling from my brief conversations in Geneva³ that perhaps some members of the U.S. delegation too had arrived at tentative conclusions which I do not think are warranted. Let me attempt, if I can, to analyze the general situation as we see it here in the Embassy and then turn to the specific problem of Berlin.

If I read the critics correctly and understand the apprehensions of some members of the U.S. staff, the chief point of concern is that as soon as the Chancellor disappears from the political scene German policy will necessarily be radically altered. This alteration, so it is claimed, can only be in the direction of reconciliation with Moscow; sooner or later, it is said, the Germans will doublecross us by making a deal for reunification which will be at the expense of the Western position in general, and the U.S. position in particular. While admitting that our whole policy in giving the Federal Republic sovereignty and proceeding to encourage its rearmament within NATO is a calculated risk, I feel the pessimistic forecast of the doubting Thomases is based on two false assumptions: (1) that the emotional drive of the German population will within the foreseeable future prove to be a major political force and (2) that there is a basis for a "deal" between a government in Bonn and Moscow.

Before analyzing the situation further, let me make it plain that I am not basing my optimistic forecast of the future on any such premise as "the Germans have changed". If I live long enough to write anything about my experience here in the last three years, I shall devote a chapter to attacking such glib phrases as "the Germans have changed" or "the Germans haven't changed". Anyone who has been a college president in the United States for twenty years can not start from any other assumption than the premise that the vast majority of human beings are quite ready to doublecross their friends and partners if occasion arises! Therefore we can eliminate what I would call the sentimental argument from the discussion and get down to a prognosis of probabilities. When we do so, the following facts seem to emerge.

At present the demand for unification is to be found in those parts of Germany where the division causes real economic hardship. First and foremost is Berlin, of course, second Hamburg, and third a number of cities and towns along the border—for example, the textile area around Hof. Leaving geography aside, the urge for unification is to be found among those Germans who have relatives in the

³Conant visited Geneva on November 15 for consultations with the U.S. Delegation.

East or who have hopes of re obtaining properties they have lost. This latter group undoubtedly includes those who were expelled from the Eastern provinces; but at the same time the very existence of the pressures for reopening the question of the Eastern territories with all the political uncertainty that that involves is one of the reasons why many of the native West Germans are apprehensive about the whole reunification issue. It is noteworthy that all political parties have soft-pedalled all discussion of the Eastern boundaries with the exception of the BHE (which is disappearing). More than one German has spoken to me about the dynamite implicit in any public debate of this problem. Furthermore, the German industrialists must see that reunification would bring serious financial problems and taxes might well go up in order to provide for the necessary reconstructions. As far as the Ruhr group is concerned I have detected very little urgent desire for immediate reunification though, of course, they all insist that no one in Germany or in any other country can even suggest that the free world is satisfied with the present division. Quite rightly it seems to me they believe we should keep reunification to the forefront; for after all one can never tell what may develop in the international situation which will provide a favorable moment for pushing these claims more vigorously. Certainly the owners of property and managers of industry have no stomach for taking the risk of living in a unified Germany where any of the Pankow crowd are likely to have a voice. They are worried about the political and economic consequence of even a SPD/CDU coalition government.

Let me consider a little further what possible deals might be made assuming the worst about a German government in Bonn. A deal involving the Pankow crowd coming into the government seems to me out of the question for the reasons I have just given. A deal permitting either free elections or the sovereignty of Bonn to extend over the Soviet Zone would seem to me only conceivable at the price of the United States troops withdrawing from Germany and Bonn accepting enforced neutrality. The number of real neutralists who have advocated such a deal today is limited to the group of intellectuals and their followers, led by Heinemann. The leaders of the SPD at lunch the other day (Ollenhauer, Erler, Wehner) assured me that they would never agree to a unification on the basis of American troops going home. All they had ever advocated they maintained was an agreement between Russia and the United States in a security system which might involve the change of American troop disposal, but to leave Germany unprotected and with no European security system was far from their thoughts indeed. (I wish they would say this publicly and I also wish somebody would banish the words "security system" but that is another subject.)

As for the stability of the present government in Bonn, quite apart from the Chancellor's health, I think you should realize that his party holds an important card which has not yet been played. The Chancellor referred to this in our conversation on Saturday. It involves the electoral law which must be passed by the Bundestag before the 1957 election. If this law were to be one in which proportioned representation were eliminated and strictly majority voting the rule, his party together with the CSU might well obtain a two-thirds majority. The FDP would almost be eliminated (leaders of this party have expressed their anxiety on this score to me) and the SPD representation in the Bundestag would almost certainly be reduced. I am passing no judgment on the ethics of such a change in the electoral law but the fact is that in terms of the American system of elections, the Chancellor's parties (CDU and CSU) are much stronger than the present composition of the Bundestag indicates.

My relatively optimistic forecast for the foreseeable future here in Germany rests on two assumptions which I want to underline. The first is a continuation of full employment and the other is demonstration that the free world is strong enough to meet any challenge the Soviets may make. As to the first point I do not agree that a mere recession from the present boom would constitute a serious threat but only if the recession led to considerable unemployment. This I judge to be unlikely unless the whole economy of the free world should undergo a very severe depression. You will know better than I how to appraise this possibility.

It is the second assumption that I want to underline and discuss at some length in the balance of this letter. Undoubtedly, if the leaders of any of the major parties or leading people in industrial circles became convinced that the United States was going to pull out of Europe or was unable to protect our present forward positions, then a scramble for a personal reconciliation with Moscow might result. This is particularly true in the forward exposed areas along the border and above all in Berlin. Thus, I come to the conclusion that our position in respect to Berlin is a key to the problem of the future of the U.S. policy in Germany. To take an extreme case, if we were forced to leave Berlin, or in order to stay were forced to urge Bonn to negotiate with Pankow, then my optimism about the future is extremely limited for after all a Pankow government which was tolerated by the West and received a *de facto* recognition from Bonn would be in a very strong position to push its views on Western Germany. That the Soviet Zone is already being used as a forward bastion for disturbing the economic and political situation in the Federal Republic is quite obvious, but all these attempts can be met and defeated, I believe, on the one assumption that the United States, Great Britain and France and the Federal Republic remain

united and react powerfully to the challenges which are bound to come in connection with Berlin.

Let me try to be specific about what I think is needed in regard to Berlin and what I hope can be accomplished in the not too distant future. The approach outlined in the Instruction of August 23 (CA-1536)⁴ by the Department seems to us to require amendment in two regards. (You will recall it was impossible to proceed as instructed at the time because of the British and French position.) The amendments involve first, an elimination of the idea that the IZT countermeasures can be applied piecemeal. The second is the idea that the German countermeasures must be in effect before COCOM cooperation can be obtained. I think the experience of last spring with the autobahn shows the difficulties of trying to put pressure on the GDR without taking the case to the public. It also shows that the minor inconveniences caused by partial measures were not successful. According to our views here what is required is both a public demonstration that the Three Western Powers mean business in regard to free access to Berlin and secondly a public trade embargo in cooperation with the COCOM countries. What I hope is that in this new committee which is being set up to study the documentation of travel, etc., it will be possible for the United States, British, French and Federal Republic representations to agree on a series of operations which would go into effect if and when there were further serious difficulties in regard to access to Berlin. These plans would, according to our view, have to be discussed with the COCOM countries and the Three Western Powers would have to agree to go into the COCOM meeting prepared to support the plan. Furthermore, I would hope that a knowledge of these plans would leak to the Russians and a knowledge of their existence might prove to be the greatest deterrent to action by the Soviets. Or I might even go so far as to say that by oral statements the Ambassadors in Moscow should let the Russians know plainly that we are prepared for very strong measures if they tried to use access to Berlin as a mode of promoting recognition of the GDR, but I am not prepared to push this recommendation, until we are agreed on the plans.

As an illustration of what I have in mind let me set forth my own ideas as to what should be agreed on in advance in regard to the situation which would arise if an announcement were made that hereafter no more German trains would be cleared for Berlin, unless

⁴CA-1536 outlined the possible courses of action available to the Western Powers on the question of tolls and concluded that diplomatic protests were "much less likely to induce the Communists to change their blackmail tactics than demonstrating by countermeasures that it does not pay." (Department of State, Central Files, 962A.7162B/8-2355)

the Minister of Transport at Bonn would meet with the Minister of Transport of the GDR.

Let us suppose that this statement were made and followed up by actual stoppage of the trains by the Volkspolizei and let us further assume that this action did not affect the allied trains. I would advocate that the following steps be taken at once:

(a) Strong protest to Pushkin followed within days by protest to Moscow.

(b) An increase in the number of military trains and their use for transporting essential materials for the Berlin economy both ways. (I know the Army will raise their objections on the basis of established procedures, but that objection must be overcome.) I assume further that the Russians would then try to stop our trains and this would result in a series of dramatic episodes. What is needed at this point is headline stories for several days. At this point and only at this point do I believe the Federal Republic would be prepared to put on a public trade embargo assuming they would have the full cooperation of the COCOM countries.

If this were all done, the Soviet Zone would undoubtedly retaliate by cutting off the brown coal supply. Therefore we would be in the midst of a trade war and also a very tense situation in Berlin. It might be necessary to establish again an airlift, but with this airlift, our stockpile and the pressures put on the Soviet Union by the embargo, I should hope we would win out, though it might take time. The alternative let me remind you would be to tell the Bonn government it must deal at the ministerial level with the GDR. In my humble opinion the day we do that we might as well leave Berlin and not many months later we might as well retire from Europe too.

In order to understand the reluctance of the Germans to carry on a partial embargo against the Soviet Zone, you must understand that they are convinced that they are very dependent on the brown coal from the Zone. This was made clear by the Chancellor last Saturday. Though it is equally clear that they are prepared to take on this hardship when the Three Western Powers on their side are willing to show that they are in earnest about any interference with access to Berlin. The difficulty last spring in connection with the autobahn tolls was that the Three Western Powers were not willing even to make a public protest to Moscow, you may recall. Regardless of the merits of this position which I appreciate was determined by a number of special factors (e.g. British elections), the Germans interpret it as passing the responsibility to them. In short the Germans will be willing to do their part but they will insist that there be strong pressure put on Moscow by the Three Western Allies and in as public a way as possible. This seems to me not an unreasonable position for them to take.

I think I should report two or three further facts which will help you to appraise the situation here. In the first place, at the Cabinet meeting last Wednesday according to Professor Hallstein several members spoke pretty strongly about the need for vigorous allied protests in connection with the detention of the Congressmen and Dibrova's subsequent statement. Rather unpleasant allusions were made to the lack of firmness of the allies in connection with the autobahn. Secondly, Professor Hallstein, von Brentano and the Chancellor have each separately referred to the legend about General Clay's desire to break the Berlin blockade by force.⁵ There seems to be a fixed belief on the part of the leading Germans of all parties in Bonn and in Berlin that Clay wanted to send a convoy under armed escort through the blockade and was ordered not to do so by Washington. What is more important is the fact they are all convinced that if he had done this the Russians would never have opened fire and there never would have been an airlift. As far as my information goes this is a legend and I believe a dangerous one. But it is symptomatic of the German belief that the Three Western Powers must show their strength if we are to remain in Berlin. With this I agree.

For this very long letter, my apologies. With all good wishes,
Sincerely yours,

Jim

⁵Regarding Clay's views on the sending of an armed convoy to Berlin in 1948 to break the blockade, see *Foreign Relations*, 1948, vol. II, p. 958, or Jean E. Smith, ed., *The Papers of General Lucius D. Clay*, vol. II (Bloomington, 1974), pp. 735-738.

**172. Memorandum by the President's Special Assistant
(Rockefeller)¹**

Washington, undated.

I. This is a proposal to counter recent Soviet moves in East Berlin which dramatize the Soviet contention that Berlin is no longer subject to four-power control, and that postwar agreements relating to freedom of the city and to the rights of the Western Allies throughout the city are invalid. There are other possibilities, obviously. This one would require a willingness to face up to the real issue of principle in a bold, dramatic way; it would require coordina-

¹Source: Department of State, Central Files, 762.0221/12-955. Confidential. Attached to a brief memorandum from Rockefeller to Secretary Dulles, dated December 9.

tion with our allies in Berlin, which may be impossible of attainment.

II. It is suggested that the merits of the following plan be examined:

1. In the British sector of West Berlin, a few hundred yards from the Brandenburger Gate, which is at the Soviet Sector line, there is located an imposing Soviet war memorial erected in 1945, at the time the Soviets were in sole occupation of Berlin. It is manned by three or four armed Soviet guards, who are relieved at regular intervals. The British authorities in Berlin have permitted Soviet control of this monument since the end of the war.

2. At an early date, on the occasion of the changing of the guard, the Soviet jeep carrying the relief guards from East Berlin could be stopped at the Brandenburger Gate by West Berlin police. This would require ten or twelve heavily armed policemen, a so-called "Bereitschaftseinheit," i.e., a riot-squad. The Soviet officer in charge would be told that the bearing of arms by foreigners in West Berlin was illegal, unless the arms were registered with the police, or a general agreement had been entered into. This would presumably result in a check by the Soviet officer with his superiors. It is doubtful that the Soviets would be prepared to shoot their way into West Berlin.

3. The Soviet Commandant in Berlin would undoubtedly immediately protest to the British Commandant, who could express his full sympathy with this obvious violation of the rights of the Occupation authorities in the four-power city, and indicate that he would be prepared to take the matter up with his colleagues in the Kommandatura, and with the German authorities, giving the impression that he was in no hurry. He could also point out that several incidents of this nature had recently occurred in Berlin, alluding to the recent arrest of an American group in East Berlin, when German police insisted that the two-way radio in a US Army automobile was illegal under East German law.

4. Since the matter of the Soviet War Memorial in the British sector goes to the heart of Soviet prestige, it could be expected that the Soviet authorities would be under pressure to liquidate the incident as rapidly as possible. The Western powers would constantly indicate that they were prepared to settle it only on the basis of reaffirmation of the principle of four-power responsibility for all Berlin, and of the rights of *all* Occupation Authorities in *all* parts of the city.

5. There are obvious difficulties in the proposal. West Berlin authorities would have to be willing to engage in the demonstration. Our allies in Berlin would have to be convinced of the utility of making an issue of the matter in a dramatic way. The possibilities of reprisal against the Berlin population, such as new controls on circu-

lation throughout the city, slow-down on the autobahn, etc., must be weighed. The timing may be undesirable for any number of reasons. But it would appear to be useful to examine the practicability of matching recent Soviet moves by one in the same category.

173. **Letter From the Acting Assistant Secretary of State for European Affairs (Beam) to the President's Special Assistant (Rockefeller)**¹

Washington, December 19, 1955.

DEAR MR. ROCKEFELLER: On December 9 you sent the Secretary a memorandum² outlining a proposal for the arrest of Soviet soldiers by West Berlin police in order to counter recent Soviet moves in Berlin. We are grateful for your interest, and I am writing to give you one or two thoughts concerning your suggestion.

As you indicate, the location of the Soviet War Memorial in the British Sector of Berlin does afford the possibility for exerting some form of counter-pressure against the Soviets should an appropriate occasion arise. This possibility has in fact been considered in connection with our planning on counter-measures. However, it does not seem to us that the present situation in Berlin is such as to call for the kind of action you describe. The fact that it was the Soviet authorities who released the two American soldiers recently arrested by the East German police shows that the Soviets (to that extent and for the present, at least) are willing to act consistently with our view as to their continued occupation responsibilities in Berlin. We doubt whether this is the time to precipitate a possibly critical situation by taking action which would doubtless be regarded as provocative.

Sincerely yours,

Jacob D. Beam³

¹Source: Department of State, Central Files, 762.0221/12-955. Confidential. Drafted by Auchincloss on December 16.

²*Supra.*

³Printed from a copy that bears this typed signature.

174. Telegram From the Department of State to the Embassy in Germany¹

Washington, December 27, 1955—6:27 p.m.

1736. Refs: (A) Bonn's 2098 rptd Berlin 263. (B) Bonn's 2097 rptd Berlin 262 Moscow 111. (C) Bonn's 1774 rptd Berlin 213 Moscow 90, pouched Warsaw London Paris.² State-Defense message.

Following are State-Defense views on various problems re Berlin recognized travel discussed reftels:

1. Note with interest measures in process re vehicle license plates (ref A) and will await report outcome your discussions with USAR-EUR.

2. Recognize introduction uniform system travel orders for military and civilian personnel would present practical difficulties as indicated ref B but suggest Embassy consider in conjunction with appropriate military authorities advisability taking steps to standardize form all orders for Berlin travel as much as possible and to minimize any formal differences in appearance between military and civilian orders which may now exist. Believe would be advisable issue Berlin travel orders in name Ambassador for all personnel traveling on non-military orders and add phrase identifying traveler as official of US (or British French) Government on official business connected with occupation of Berlin. Pushkin was officially notified May 6 (Bonn's 3441 May 7)³ that Ambassadors succeeded, in matters of common concern, to authority and responsibility of High Commissioners as successors to Military Governors. Ambassadors therefore proper authority identify such personnel and issue such orders.

3. Agree that any Soviet attempt impose requirement that Soviet or GDR visas be obtained as authorization for Allied official travel to and from Berlin (para 1A ref C) would involve clear violation Allied

¹Source: Department of State, Central Files, 762.0221/12-2355. Secret; Priority. Drafted in the Office of German Affairs, cleared with the Department of Defense and Reinstein, and approved by Beam. Also sent to the U.S. Commander in Chief, Europe, and repeated to Paris, Berlin, Heidelberg, London, and Moscow.

²Telegram 2098 reported that license plates on U.S. military and civilian vehicles were being standardized. (*Ibid.*, 762.0221/12-2355) Telegram 2097 reported on a discussion of travel orders among the three Western Powers in which the United States suggested that it might be advisable to devise documentation for civilians traveling to Berlin that had a more military character. (*Ibid.*, 762.0221/12-2355) Telegram 1774 reported on meetings held in Berlin and Bonn on November 25 and 26. At these meetings the three Western Powers discussed possible reactions to Soviet and/or German Democratic Republic attempts to restrict military and civilian travel to Berlin. The Embassy in Bonn characterized the British position as "soft", while the French "seemed inclined to somewhat harder line." (*Ibid.*, 862B.181/11-3055)

³Telegram 3441 transmitted the text of a letter, dated May 6, informing Pushkin that Ambassador Conant had succeeded to the authority and responsibility of the U.S. High Commissioner for Germany. (*Ibid.*, 121.62A/5-755)

rights. Believe that rather than submit to such requirement, whether or not it limited to civilian personnel, three Allies should suspend recognized travel affected in favor of travel by air pending decision by governments as to further action to be taken in light all circumstances then existing.

4. In event Soviet personnel should be replaced at recognized checkpoints by Volkspolizei (para 1B ref C) believe that in absence actual interference with Berlin access Allied recognized travel by road or rail should not be given up merely to avoid Volkspolizei checking and stamping of Allied documentation on same basis as Soviet personnel now operate. At same time believe three Ambassadors should react promptly to development in question with message to Pushkin (subject Department's concurrence at time) to effect Allies will continue hold Soviets responsible for continued maintenance free access to Berlin on basis existing agreements and specifically that Soviets will be held responsible for any acts of individuals under Soviet control which in any way affect continued free access. It does not appear important whether Soviets actually accept or reject this theory so long as we enunciate it clearly.

5. Request USCINCEUR designate appropriate military representative to carry on with Embassy discussions envisaged under para 2 above.

Dulles

175. Telegram From the Department of State to the Embassy in Germany¹

Washington, January 19, 1956—2:01 p.m.

1964. Reference Bonn's 2022 December 17.² Request Bonn inform British we prepared proceed on basis statement their representative reported refel that British might agree engage in military planning exercises on basis our Berlin policy paper while reserving political decision on courses of action. Upon ascertaining whether British now prepared proceed on this basis report findings by cable with repeat to Paris.

¹Source: Department of State, Central Files, 762.0221/12-1755. Top Secret. Drafted in the Office of German Affairs and cleared by Eleanor Dulles, Reinstein, Merchant, and the Department of Defense. Also sent to Paris and repeated to Berlin, Heidelberg, and London.

²Telegram 2022 [2 pages of source text] was not declassified.

Providing British react favorably to US approach at Bonn, request Paris inform Foreign Office that US has accepted British suggestion outlined above and urge that French support this position so that military planning can be undertaken on tripartite basis. It should be explained to French that while situation relatively quiet in Berlin now it would not be safe to assume it will remain so. Western Powers have publicly committed themselves on repeated occasions to maintain their position in Berlin. They cannot allow themselves to be pushed out without most serious damage to entire international position vis-à-vis Soviet Union. There are no present indications that Soviets prepared resort severe or far-reaching measures affecting Western position Berlin either themselves or through GDR but possibility cannot be completely excluded. If emergency were to arise it would come about quickly. Therefore considered essential have plans covering various contingencies prepared in advance which could be turned to should occasion demand major political decision under pressure of emergency situation. Advance political commitment to specific courses of action not implied. Military planning of hypothetical nature envisaged similar that successfully pursued by Western Allies in variety other connections.

Defense concurs this message.

Dulles

176. Editorial Note

On February 1, during a State visit, Prime Minister Eden discussed Berlin with Secretary of State Dulles. For extensive documentation on Eden's visit to Washington, including a memorandum of their conversation, see volume XXVII.

At the conclusion of the visit, President Eisenhower and the Prime Minister issued a joint statement, which included the following expression of support for Berlin:

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

For full text of the joint statement, see Department of State *Bulletin*, February 13, 1956, pages 232–234.

177. Memorandum of a Conversation, Berlin, February 5, 1956,
11 p.m.¹

SUBJECT

Conversation during Under Secretary's Visit to Berlin²

PARTICIPANTS

Mr. Jacob Kaiser, Minister for All-German Affairs
The Under Secretary of State, Herbert Hoover, Jr.
Ambassador Conant
Mr. Sailer

Minister Kaiser said that he is deeply disturbed by the constant flow of refugees from the Soviet Zone. Mr. Kaiser would prefer to have active anti-communists stay in the Soviet Zone and maintain some sort of passive resistance to Pankow's regime. Mr. Kaiser claimed that Moscow and Pankow disagree on refugee problem; Moscow allegedly favors settling people from various nations under Soviet control in Soviet Zone of Germany to take the place of the Germans fleeing to the West, whereas Pankow would prefer to keep its German subjects. According to Mr. Kaiser, the Federal Government can keep anti-communists in the Soviet Zone if Bonn does everything in its power to keep alive the hope of reunification.

Minister Kaiser stated that Pankow tells peasants who received land from the estates of the former East German nobility, that in case of reunification on the terms of the Bonn Government, the big estates will be given back to the former owners and the peasants will lose their land. Minister Kaiser would like the Federal Government to state clearly that it does not intend to reestablish the old estates in the East.

Mr. Kaiser said that in 1945 American troops could have walked into Berlin without any loss of lives. If they had done so, many of the present problems could have been avoided.

Minister Kaiser stated that he was opposed to permitting the Soviets to send an ambassador to Bonn and that he had warned Chancellor Adenauer against such a move.

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199, Germany. Confidential. Drafted by William J. Sailer of the U.S. Information Agency on February 17. The source text indicates the conversation took place at Ambassador Conant's residence.

²Hoover visited Berlin to represent the United States at the tenth anniversary celebration of Radio in the American Sector (RIAS) and to dedicate the Herbert Hoover School in the Wedding District. For texts of his remarks on these two occasions, see Department of State *Bulletin*, February 13, 1956, pp. 242-246. Regarding his stay in Bonn before the trip to Berlin, see Documents 44 ff. A briefing book prepared for the visit is in Department of State, Conference Files: Lot 62 D 181, CF 649.

Under Secretary Hoover also had conversations with Neumann (SPD), Lemmer (CDU), and Acting Mayor Amrehn which turned mostly on the coalition crisis in Berlin. Neumann and Lemmer assured the Under Secretary that the current crisis will be settled and that West Berlin will have a stable government.

178. National Intelligence Estimate¹

NIE 11-3-56

Washington, February 28, 1956.

PROBABLE SHORT-TERM COMMUNIST CAPABILITIES AND INTENTIONS REGARDING BERLIN

The Problem

To estimate short-term Communist capabilities and intentions regarding Berlin.

Conclusions

1. Though recent Communist statements and actions affecting Berlin carry an implicit challenge to the Four Power status of the city, we believe that the USSR will not now attempt to force the Western Powers out of Berlin. The present Soviet objective is probably limited to bringing about recognition of the East German regime. (Paras. 5, 14-15)

2. In seeking to achieve this objective, the USSR can employ a wide range of actions designed to force West Germany and the Western Powers to deal with the East German regime. These actions could include East German infringements of Allied rights of occupation and access, obstruction of the movement of Allied and German persons and goods, and interference in the civil order of the Western sectors. (Paras. 6, 9-11, 18)

3. Since the Soviet leaders probably believe that severe pressure in Berlin would frustrate their present objectives both in Germany and in the world political contest generally, we believe that they will exercise care to prevent a major crisis. We believe the USSR may at-

¹Source: Department of State, INR-NIE Files. Secret. According to a note on the cover sheet, NIE 11-3-56 was submitted by the Director of Central Intelligence, and the Central Intelligence Agency and the Departments of State, the Army, the Navy, and the Air Force participated in its preparation.

tempt to transfer control functions over Allied civilian activities to East German authorities but will retain control over matters directly concerned with the military occupation status of Berlin and Allied military access thereto. (Paras. 13-14, 16, 19-20)

4. The danger of serious incidents in Berlin will remain, however, particularly if the Soviet leaders come to estimate that the present political and military risks of aggressive action in Berlin have been reduced by a serious deterioration in Western strength and determination.² (Para. 17)

Discussion

*I. Present Situation*³

5. Developments in Soviet-East German relations and recent incidents in Berlin raise the possibility of a renewed Communist effort to change the status quo in Berlin. In particular, by the Soviet-East German treaty of 20 September 1955, and its associated documents, the USSR has laid the groundwork for transferring to the East German regime authority over the Soviet sector of Berlin and over access to the city. The USSR is thus in a position to disavow both its obligations under the Four Power agreements and its responsibility for acts which the East German regime might take. Although the Soviet-East German agreements represent a Soviet effort to create a new legal situation, the actual situation in Berlin remains essentially unchanged, with rights of Allied occupation being observed and with access to Berlin being handled much as before.

6. However, progressive application of the provisions of the Soviet-East German agreements could be used by the USSR to bring pressure on the other occupying Powers and West Germany to deal directly with the East German regime. If in these circumstances the Western Powers refuse to deal with the East German regime, the difficulty of maintaining their position in Berlin could be aggravated.

6II. Communist Capabilities With Respect to Berlin

7. The Communists have extensive capabilities to bring pressure on the Western position in Berlin by employing a variety of military, economic, administrative, and subversive means.

²The Director of Intelligence, USAF, believes that paragraph 4 should read as follows:

The danger of serious incidents in Berlin will remain however. Extensive Soviet strengths will be retained in the area which could be used easily for harsh actions against the Western position in Berlin. The USSR might risk such harsh action at any time, particularly if there were any obvious serious deterioration of Western political and psychological strengths in Europe or a commitment of Western strengths elsewhere that Soviet leaders might hope to divert. [Footnote in the source text.]

³For detailed information on the present situation in Berlin see Appendix. [Footnote in the source text.]

8. Communist armed forces far outnumber those of the West in the Berlin area and the Communists could seize the Western sectors at any time. The three Western Powers have in Berlin only a token force of approximately 7,000 combat troops. The 16,000 man West Berlin police force is only lightly armed. As against this, the USSR has two regiments permanently stationed on the outskirts of Berlin, and major elements of three Soviet mechanized armies within a few hours' march of the city. In addition, there is an East German mechanized division in the immediate vicinity, as well as some 17,000 militarized security troops.

9. West Berlin is also economically vulnerable to Communist harassment. Located 110 miles inside East Germany and largely isolated from surrounding Communist territory, West Berlin depends for its economic survival upon regular movements of goods to and from West Germany.⁴ Virtually all of these goods are carried by road, rail, and water transport. Communist capabilities to harass or interdict these facilities range all the way from minor administrative harassment to imposing a total land blockade. As examples of intermediate steps to serve particular purposes, the Communists could block the shipment of certain West Berlin exports in order to reduce West German confidence in the ability of Berlin's industry to maintain deliveries, or could interfere in varying degrees with West Berlin's postal and telecommunications facilities.

10. The Communists could interfere with Western air movements to and from West Berlin by: (a) direct attack upon Western aircraft, and (b) measures short of such attack. In the latter instance a principal Communist effort would probably be directed toward jamming of Allied communications. Such jamming of Western radar and radio would, especially under night and adverse weather conditions, make corridor air traffic hazardous and impair Western ability to perform air lift operations in the Berlin area.

11. The Communists could also exploit the physical arrangements within the city to harass the Western Powers, to complicate the functioning of civil government in the Western sectors, and to confront the Western Powers with serious political problems. The East Germans could take advantage of the relatively free access to the Western sectors to incite mass demonstrations, to create public disorders, and to generate a feeling of insecurity through such actions as sabotage or kidnapping. As part of such a war of nerves or as a means of testing Western determination, the East Germans could infiltrate armed groups into the West Berlin area. The Communists could also interfere with the few utilities which still serve both parts

⁴West Berlin's stockpiles of food and fuel are now sufficient to sustain the city for about a year. [Footnote in the source text.]

of the city. By severing the two city-wide transport systems and by imposing tight controls along the border between East and West Berlin, the Communists could substantially reduce the number of East German refugees able to reach West Berlin, and increase the isolation of the Western sectors.

III. Soviet Objectives and Probable Courses of Action

12. The long-range Soviet objective is to achieve a Western withdrawal from Berlin. The Western presence in Berlin is clearly inconsistent with the consolidation of Communist control over East Germany and threatens the prestige and security of the East German regime. [6-1/2 lines of source text not declassified]

13. However, we believe that there are important limitations on the price the Soviet leaders would pay for control over all Berlin. They almost certainly do not now regard the elimination of the Western Powers from Berlin as warranting the risk of general war or of undermining their present pose of peaceful intent throughout the world.

14. Moreover, the USSR almost certainly recognizes that forceful measures against the Western position in Berlin would adversely affect the achievement of short-term Soviet objectives for Germany as a whole. Over the past year, the USSR has established diplomatic relations with West Germany and has attempted to place the German question within the framework of intra-German discussions. For the present, Soviet policy appears based on the premise of a divided Germany, and aims at achieving international recognition for the East German regime. The Soviet leaders appear to believe that this aim can be furthered by creating situations which would cause the West German government to deal directly with the East German regime.

15. We believe that current Communist moves in Berlin are intended to reinforce this general line of policy. Communist statements and actions in the Berlin area strongly indicate that the present Soviet intent is to induce the West German government to negotiate directly with East Germany on the ministerial level and thus to establish a form of de facto recognition.

16. In their efforts to use the Berlin situation as a means of gaining recognition for the East German regime, the Soviet leaders will probably be influenced by these considerations:

a. The Communists will probably wish to move slowly and cautiously, recognizing that a sudden or dramatic move would increase the risk of producing a potentially dangerous Western reaction and of undermining the current Soviet campaign to increase the contacts between East and West Germany.

b. The USSR will probably not wish to contravene openly the quadripartite agreements on Berlin. It will probably wish to keep

channels of communication with the Western Powers open if only to retain a legal basis for intervening in disputes which it would prefer that the East German regime not handle.

c. Although stringent restrictions against West Berlin would reduce the flow of refugees, [*1-1/2 lines of source text not declassified*] and create economic as well as political problems, it would also have its disadvantages for the Communists. Such a policy would obstruct East Germany's objective of increasing its contacts with West Germany. Moreover, the possibility of various Western countermeasures which would aggravate East German economic difficulties would exist, including denial of transportation routes through West Germany, a West German embargo on interzonal shipments, and perhaps even stiffened Western trade controls.

17. Although we believe that the above limitations will act as a brake on Communist actions in Berlin, the danger of serious incidents will remain, particularly if the Soviet leaders come to estimate that the present political and military risks of aggressive action in Berlin have been reduced by a serious deterioration in Western strength and determination.⁵

IV. Probable Specific Measures

18. As indicated in the preceding section, we believe that the USSR will not now attempt to force the Western Powers out of Berlin. However, West Berlin's isolated position places a very wide range of actions at the disposal of the Communists in seeking to reach the more limited objectives they now have, and it is likely that a variety of pressures will be generally maintained and from time to time increased. The nature and extent of Western responses to these pressures will in turn influence the further development of Communist activity vis-à-vis Berlin.

19. We believe that the USSR will attempt to transfer to East Germany more and more authority over West German and Allied civilian access to Berlin and over East Berlin itself. We believe that the Communists may attempt to distinguish between Allied military and Allied civilian activities, and to transfer control functions over the latter to East German authorities. They may, for example, refuse to permit Allied civilians to proceed to and from Berlin by road or rail solely on Allied movement orders and require them to possess East German authorization as well. If the USSR is successful in transferring to the East German regime control functions over Allied civilian activities, it might be encouraged to attempt more extensive infringements of Allied rights.

⁵A footnote in the source text at this point indicates that the Director of Intelligence, USAF, believed that paragraph 17 should have the same text as that quoted in footnote 2 above.

20. However, the USSR is unlikely to denounce the Four Power agreements concerning Berlin. In particular, we believe that the USSR will retain control over matters directly concerned with the military occupation status of Berlin and Allied military access thereto.

21. The strongest and most direct pressures will probably be brought to bear upon the West Germans and West Berliners. The Communists will probably continue to harass and delay West German truck traffic by a variety of impediments. Similar tactics will probably be applied to rail and barge communications between West Germany and Berlin. The people and authorities in West Berlin will probably also be subjected to various acts of intimidation and embarrassment. Such measures would be intended not only to undermine morale in West Berlin, but to bring pressure upon the West Germans to reach a settlement with the East German regime. The East Germans will probably also impose tighter restrictions on passage between the Eastern and Western sectors of Berlin in an attempt to reduce the flow of refugees, although this border will probably not be completely closed.

Appendix

PRESENT SITUATION IN BERLIN

I. Legal Aspects

Western Position. The Western Powers contend that all of Berlin is legally still under Four Power occupation and that the USSR is responsible for the maintenance of adequate communications between West Berlin and West Germany to meet both the needs of the population and the Allied garrisons in the city. They hold, further, that their right to be in Berlin and the right of unrestricted access for their forces are inseparable.

The Western position is based on a complex of wartime and postwar agreements. These include:

a. The agreements of the European Advisory Commission in the fall of 1944 establishing the occupation status of Berlin;

b. The letters which President Truman and Prime Minister Churchill exchanged with Marshal Stalin in June 1945 regarding the movement of American, British, and Soviet forces into their respective zones of occupation and sectors in Berlin with provision for access to Berlin by rail, road, and air for American and British forces;⁶

⁶For texts of the letters exchanged between Truman and Stalin, June 14 and 16, 1945, see *Foreign Relations*, 1945, vol. III, pp. 135-137.

c. The implementing agreements of the American, British, and Soviet military commands in June 1945, establishing three air corridors, one approach by rail, and one by road;

d. The agreements on Berlin access reached in the Allied Control Council formalizing the previous agreements; and

e. The Soviet-Western agreements of May and June 1949 whereby the blockade of Berlin was lifted by restoring the status quo as of 1 March 1948, and the USSR assumed responsibility for the "normal functioning and utilization of rail, water, and road transport" between West Berlin and West Germany.

The granting of sovereignty to West Germany has not altered the special status of West Berlin or the international legal situation with regard to access to Berlin. Matters pertaining to Berlin are a reserved power retained by the US, the UK, and France in the treaty granting West Germany sovereignty.

Soviet Position. The legal structure on which the Western position is based has been seriously challenged only once by the USSR. In July 1948 the Soviet government asserted that the Western Powers had forfeited their right to be in Berlin because they had violated the major Four Power agreements on Germany and thus voided the basic agreements on Berlin since these were an inseparable part of the over-all arrangements for Germany. After the lifting of the blockade and restoration of the status quo the issue remained dormant until 20 September 1955 when a treaty granting East Germany full sovereignty was concluded between the Soviet and East German governments.

An accompanying exchange of letters between East German Foreign Minister Bolz and Soviet Deputy Foreign Minister Zorin⁷ provided that:

a. East Germany should carry out protective and control duties along its borders on the demarcation line between East Germany and the Federal Republic, along the periphery of Greater Berlin, and within Berlin;

b. East Germany should exercise control functions over road, rail, and water communications between the Federal Republic and West Berlin, and should settle all related problems with the West German government whether they involved West German citizens or citizens of foreign states, with the exception of troops and matériel of the Western Powers; and

6c. Control over Allied military movement between West Berlin and the Federal Republic over the established air and land routes should be retained by the USSR "temporarily, until an appropriate agreement is concluded."

Although the Soviet-East German agreements represent a Soviet effort to create a new legal situation, since the transfer of responsi-

⁷ See Document 218.

bility to East Germany contravenes the obligation assumed by the USSR in June 1949 as well as several Allied Control Council agreements on Berlin access, the actual situation remains essentially much as it was before 20 September 1955. The East German authorities have in practice long exercised control over German traffic moving by rail, road, and water between West Berlin and West Germany. Moreover, in actual practice the Soviet authorities continue to control Allied civilian as well as military traffic.

The current Soviet position on the Four Power status of Berlin is not completely clear. The USSR vested East Germany with control functions "within Berlin" in the Bolz-Zorin exchange; Soviet representatives in Germany have recently asserted that East German law is applicable in East Berlin; and East German propaganda has accused the Western Powers of destroying the Four Power status of the city. Nevertheless, East Berlin has not been formally integrated into East Germany. In fact, the special status is still being observed.

II. Access

The principal vulnerability of West Berlin and Allied personnel in Berlin to Communist pressure stems from the fact that all goods and persons moving between West Berlin and West Germany must cross at least 110 miles of Communist-controlled territory. Moreover, all movement must take place on certain designated routes. At present, traffic is moving over all the designated routes without significant restrictions; postal, radio, and telecommunications as well are not being subjected to interference.

Road. There are four roads which are currently being used for highway traffic between West Berlin and West Germany: Berlin-Hamburg, Berlin-Helmstedt, Berlin-Gera-Wartha, and Berlin-Hof. In 1954 these roads carried 41 percent of the total freight tonnage moving into West Berlin and 56 percent of the outgoing tonnage.

The most important of these highways is the Berlin-Helmstedt Autobahn. This road not only carries the major part of the freight and vehicular traffic but is also the only highway Allied personnel can use without obtaining prior Soviet permission.

Allied use of the Autobahn derives from the decision of the American, British, and Soviet commands in June 1945 to make this road available to the American and British forces. The Soviet commitment to maintain West German road access to Berlin does not specify particular highway routes.

Rail. Transportation by rail between West Berlin and West Germany in 1954 accounted for 35 percent of the inbound and 19 percent of the outbound freight tonnage. All Allied freight and passenger trains as well as all inbound German freight trains and some German passenger trains use the Berlin-Helmstedt rail line. The use

of this line was established by the June 1945 agreement and subsequently in the Allied Control Council. Additional rail lines are available for outbound freight and German passenger traffic to and from West Berlin through direct agreement between the East and West German railroad authorities. The East German Reichsbahn owns the rail facilities in the Soviet Zone and Berlin, and all rolling stock transiting the Soviet zone is hauled by East German locomotives.

Waterways. Berlin is at the hub of an extensive canal and river network. Twenty-three percent of all inbound and 18 percent of all outbound freight tonnage was moved by barge in 1954.

In May 1951 the Soviet and British authorities agreed on control arrangements for interzonal barge traffic. This agreement was renewed annually until the end of 1954 when the Soviet authorities permitted it to lapse and referred the matter to the East Germans. Nevertheless, the validity of the barge permits issued on the basis of the May 1951 agreement continued to be recognized; in fact, the Soviet authorities continued to discharge their functions under the terms of the expired agreement. In October 1955 the Soviet authorities notified the British that thenceforth the East Germans would exercise control functions. The British in October 1955 transferred their control functions to the West German authorities. While applications for new barge permits pending at the time were returned, the validity of existent permits continues to remain unchallenged.

Air. All Allied planes use three corridors in flying into and out of West Berlin: Berlin-Hamburg, Berlin-Hannover, and Berlin-Frankfurt. These corridors were established by the American, British, and Soviet military commands in June 1945 and subsequently confirmed in the Allied Control Council. In addition a quadripartite Berlin Air Safety Center was established in West Berlin. Its principal function is to act as a channel for communicating Western flight plans to the Soviet authorities.

Air access to Berlin is of particular importance because it is the only means of transportation which can be used by persons who are politically endangered, such as East German refugees. Also, it enables the transport of goods out of West Berlin which the Communists will not allow to be shipped by surface transportation. Air movement is probably anchored more firmly in quadripartite decisions on Berlin access than the other forms of transport. It has in the past been subject to a minimum of Soviet interference.

III. Internal Situation

The West Berlin economy and population are not dependent to any large extent on the surrounding Communist-controlled territory. Within Berlin only the subway and the elevated system still operate

on a city-wide basis and with regard to other utilities only the disposal of West Berlin's sewage depends on East Berlin's cooperation.

Practically all movement by West Berliners into the adjacent Soviet zone is blocked. Intracity movement, however, is still relatively unobstructed although all crossing points on the sector boundary between East and West Berlin have from time to time been either partially or completely closed by the East German authorities.

[Here follow maps of Greater Berlin and the main communication routes between West Germany and Berlin.]

179. Report Prepared by the Operations Coordinating Board¹

Washington, May 17, 1956.

PROGRESS REPORT ON UNITED STATES POLICY TOWARD BERLIN (NSC 5404/1)²

(Policy Approved by the President January 25, 1954)

(Period Covered: September 15, 1955 through May 17, 1956)

A. Listing of Major Developments During the Period

1. *Soviet moves to lay the groundwork for further harassment of Berlin* were reflected in a series of agreements between the USSR and GDR on September 20 which, among other things, provided for the assumption of control by the GDR "at the outer ring of greater Berlin, within Berlin, and on the lines of communication between the German Federal Republic and West Berlin situated on GDR territory." These agreements further specified that in the control and guarding of these lines of communication the GDR would "insure with the appropriate authorities of the German Federal Republic the settlement of all matters connected with rail and road traffic and the passage of the shipping of the German Federal Republic and West Berlin, their citizens or inhabitants and foreign states and their citizens, except for the personnel and matériel of the garrisons of the United States, Great Britain and France in West Berlin;" as for move-

¹Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5404 Series. Top Secret. A cover sheet, a May 25 memorandum of transmittal from the Executive Officer of the Board, and a Financial Annex covering the period from September 15, 1955, through May 17, 1956, are not printed.

²See *Foreign Relations, 1952-1954*, vol. vii, Part 2, p. 1390.

ments of this personnel and matériel between the German Federal Republic and West Berlin, the agreements stipulated that control “will temporarily be exercised by the command of Soviet troops in Germany, pending the conclusion of an appropriate agreement.”

2. *A step toward implementation of these agreements* was taken in the form of an official announcement by the GDR Press Office on December 9 that as of December 1 the GDR frontier police had, in accordance with the agreements, taken over from the Soviets sole responsibility for the guarding and control of the GDR state frontiers and at the outer ring of Berlin. Similarly the Soviets in October announced the transfer to the GDR of their authority over the licensing of barges engaged in interzonal traffic.

3. *No serious harassment of Berlin occurred during the period*, however, despite the above developments along with a number of menacing gestures (which included a parade of armed workers in East Berlin in January and again in March) and a considerable amount of threatening talk in the Communist press. There were no significant new restrictions on or interferences with any form of travel between Berlin and the West, including barge traffic, nor conspicuous new pressures on the city itself. Despite allegations in the East German press that East Berlin had become a part of the GDR, the Soviets have as yet taken no action inconsistent with the occupation status of the city. (See paragraph 22–b.)

4. *The firm Allied intention to maintain the Western position in Berlin* was manifested in the September 28 declaration of the Three Foreign Ministers,³ which emphasized that the Soviet Union remained responsible for carrying out its obligations under Four-Power agreements on the subject of Germany and Berlin. It was followed by identical United States, United Kingdom and French notes to the USSR on October 3⁴ stating that the USSR remained bound by its obligations under Four-Power agreements in regard to Germany, including Berlin. There was a further declaration on the subject by the NATO Council on December 16.⁵ President Eisenhower and Prime Minister Eden reaffirmed the Berlin security guarantee on February 2.⁶ The Under Secretary of State made a similar statement in his Berlin address on February 5.⁷

5. *In protest against Communist violations of quadripartite agreements*, the United States, United Kingdom and France delivered a note to the

³See vol. v, pp. 596–601.

⁴For text of this note, see Department of State *Bulletin*, October 17, 1955, p. 616.

⁵For text of the communiqué of the North Atlantic Council meeting held at Paris, December 15–16, see *ibid.*, December 26, 1955, pp. 1047–1048.

⁶See Document 176.

⁷For text of Hoover's address, see Department of State *Bulletin*, February 13, 1956, pp. 242–246.

Soviets on December 1 against interference with Allied circulation within Berlin, and two others on February 10 and March 26⁸ against the arming of civilian groups, including youth, in East Berlin.

6. *Planning to counter possible harassment*, which had been under discussion for some time, was carried on by a quadripartite standing committee set up in Bonn in November.⁹

7. *Airlift planning* by the Three Western Allies was extended by the inclusion of representatives of the Federal Republic, who gave assurance of logistic and financial support to the project.

8. *U.S. proposals for tripartite planning for military action* in case of a threat to Berlin's security (Paragraphs 9 and 10 of NSC 5404/1) have led to British agreement to participate in planning on a hypothetical basis. The French have also now agreed in principle to such planning.

9. *U.S. direct economic aid* to Berlin continued, though at a reduced rate. In addition, other programs have been initiated which, though not exerting a direct impact on the economy, have reinforced confidence and been a factor in maintaining an increase in orders for Berlin products and in maintaining the volume of Berlin exports to the free world. Some of these programs include the erection of pre-fabricated houses for refugees, construction of the Hilton Hotel and a garment center, a community development plan in Kreuzberg, and the final development of the construction of and program for using the Berlin Conference Hall, and arrangements for the printing in Berlin of the magazine *America Illustrated* (in Russian language) for distribution within the USSR.

10. *Federal Republic support for Berlin* continued. During the German fiscal year ending March 31, 1955, the Federal Republic's net budgetary assistance to Berlin amounted to DM 1,200 million (\$285.7 million). In the German fiscal year ending March 31, 1956, the Bonn Government's assistance increased to approximately DM 1,400 million (\$335 million). If current proposals for Federal support to the Berlin budget are approved, the Federal contribution will increase in the coming year by 10 to 15 per cent.

11. *MDA/OSP and other OSP contracts* for approximately \$11.6 million were placed in West Berlin in the reporting period, which will not only aid Berlin's economy but also tend to establish a production base for certain items of equipment required by the German Army.

12. *Stocks for emergencies* were reviewed and minor additions made, and there is assurance of sufficient reserves for a period of six

⁸For text of the December 1 note, see *ibid.*, December 19, 1955, p. 1013. For text of the February 10 note, see *ibid.*, February 20, 1956, p. 293. The text of the March 26 note was transmitted in telegram 3368 from Bonn, March 20. (Department of State, Central Files, 762B.00/3-2056)

⁹Documentation on the quadripartite standing committee is *ibid.*, 762.0221. By May 16, 1956, the committee had met 12 times.

months to a year for most items. Unexpended balances of funds totalling Deutschemarks 58 million remain for later use. The freezing of the canals and the excessive cold have led to requests to use a portion of the one-year's supply of brown coal briquettes in Berlin. (Stocks may be temporarily reduced by approximately 12%.)

13. *Cultural-information programs* designed to show strong United States interest in Berlin's development and security and to present the United States viewpoint in world affairs included, in addition to the special programs mentioned in paragraph 9, normal public affairs operations such as RIAS broadcasts, film showings, special exhibits, discussion groups, circulation of publications, book presentations, and participation in fairs, conferences, etc. Visits by the Under Secretary of State, former High Commissioner McCloy,¹⁰ and the United States Ambassador to Berlin have contributed toward this end.

[Numbered paragraph 14 (6-1/2 lines of source text) not declassified]

*B. Summary Statement of Operating Progress in Relation to Major NSC Objectives*¹¹

15. *Basic policy is considered valid* and no revision is recommended at this time. Defense has ascertained that current plans cover hostile actions against Berlin from any quarter.

16. Work on the preparation by the Western Powers and the Federal Republic of *effective and coordinated countermeasures* against possible increased Communist harassment of Berlin made little progress during the period.

17. *Western statements of firmness* have probably deterred or delayed Soviet plans to harass Berlin. (See paragraphs 23 and 24.)

18. *Progress in maintaining the economic welfare* of West Berlin has been good. Confidence in the economy has improved as reflected by increasing demands for Berlin products by the West. Unemployment has been substantially below that of any corresponding month in the years since occupation. There has been a reduction of more than 50% over the past two years. Nevertheless, there are still large numbers of unemployed and refugees present in Berlin and whose depressed standard of living tend to weaken the overall good effect of improved West Berlin prosperity.

19. The generally improved economic situation of West Berlin and the absence of major Communist harassment appear to have *dulled somewhat the West Berliners' spirit of militancy and defiance* characteristic of their attitude during periods of real crisis.

¹⁰McCloy visited Berlin on October 24, 1955, with a personal message from President Eisenhower. For text of this message, see *The New York Times*, October 25, 1955, p. 4.

¹¹Latest NIE 11-3-56 is dated 2/25/56. [Footnote in the source text. NIE 11-3-56 is *supra*.]

20. *Progress on tripartite military planning* in the event of an emergency in Berlin has not been satisfactory. While agreement has been reached on a few of the policies outlined in Paragraph 9, the major portion remains to be discussed with the United Kingdom and France. More particularly the concepts of the "use of limited force", mobilization, and the declaration of intent to use force in the event of a blockade call for further negotiation and planning. The British and, with considerable reluctance, the French have agreed to engage in hypothetical planning.

21. *Airlift planning* progress has been excellent and for the first time includes Federal Republic participation and the latter's agreement to finance all non-flying costs related to a planned airlift by the U.S., U.K. and France designed to reach a volume of 4,000 tons a day within the first three months. On the U.S. side, U.S. EUCOM completed a U.S. airlift plan in November 1955 which would enable the U.S. in the event it has to act alone to deliver an average of 1,520 tons daily by two months after the operation is commenced.

C. Major Problems or Areas of Difficulty

22. Possible New Communist Harassment of Berlin.

a. *New Soviet Posture.* By their September 20 agreements with the GDR the Soviets have made available to themselves a new technique for harassing the Western position in Berlin. They can now be expected to follow the pattern of pushing the GDR increasingly into the foreground in matters affecting Berlin and the control over Western access thereto, with the objective of compelling the Western allies and the Federal Republic to deal with the GDR on an official basis. At the same time the Soviets will endeavor to disassociate themselves from responsibility for all developments affecting Berlin, with the probable exception of matters directly affecting the allied garrisons there. Indications are that the Communists will not attempt blockade or similar serious harassments and that their primary short run objective is to secure recognition of the GDR.

b. *Problem of Berlin Access.* Probably the most likely point of application of this new technique lies in the field of Western access to Berlin. Among the specific Soviet tactics which can be anticipated are the following:

(1) The continued replacement of Soviet troops with GDR personnel at border checkpoints and along access routes to Berlin (with the probable exception of the main Autobahn to Helmstedt).

(2) The grant to GDR instrumentalities of continually increasing ostensible authority over all matters, including travel documentation, relating to non-Allied road, rail and water traffic between Berlin and the West. Examples of the type of harassment within this framework of which the GDR is capable—and which is extremely difficult to deal with if repeated in varying forms—are their actions in imposing

heavy road tolls on motor traffic to Berlin, and their insistence on reviewing barge permits (to force de facto recognition) for Federal Republic owners transporting a sizeable volume of goods to Berlin; as to the latter, an incipient crisis is developing since no permits have been renewed since August 1955.

(3) A possible attempt to draw a distinction between allied military personnel and civilian officials in Berlin with regard to their rights and privileges in connection with travel between Berlin and the Federal Republic.

c. *Possible Move to Divide the City.* The danger of another type of Communist threat to Berlin is reflected in recent intelligence reports pointing to the possibility of action by the East Germans at an early date to close the inter-sector borders in Berlin and physically isolate the Western sectors from East Berlin. Such a development would not only have a definitely harmful effect on the morale of the West Berlin population but, more significantly, would greatly impair the value of West Berlin as a point of contact with the West for the population of the Soviet Zone. The existence of this threat calls for consideration of the measures to be taken in the event of such a development, as well as to whether any action could be taken to prevent it from coming about.

d. *Gradualism of Soviet Tactics.* In carrying forward any overall program of Berlin harassment through the medium of the GDR, the Soviets can be expected to move gradually and with considerable care, with a view to preventing any issue with the Western Powers from being presented in a clear-cut and easily challengeable form.

23. *Problem of Western Countermeasures.*

a. Communist efforts to weaken the Western position in Berlin and the new Soviet tactics which appear probable will call for increased vigilance, firmness and flexibility on the part of the Western Powers. Western capabilities for retaliating in kind against Communist economic pressures against Berlin leave much to be desired. Despite strong representations to the Germans on two occasions by the Secretary of State regarding the need for preparation of a coordinated countermeasures plan, German officials have not yet clarified their position as to measures of this type.¹² Among the factors they cite are the following:

(1) In any war of economic reprisals Berlin, because of its exposed position, would be hurt more than the Soviet Zone, particularly in view of the dependence of the economy of West Berlin, as well as that of West Germany, on the supply of brown coal briquettes from the East.

¹²Presumably reference is to Dulles' conversations with Brentano on September 28 and December 17, 1955; see vol. iv, pp. 330 and 369, respectively.

(2) A trade embargo to be effective would call for supporting action by other nations trading with East Germany, in view of the GDR's development of a broader trade pattern and greater recourse to more flexible alternative sources of supply.

b. It is probable, however, that the willingness of the West Germans to adopt strong countermeasures against Communist pressure on Berlin would increase proportionately with the extent of the emergency. Meanwhile the basis for coordinating the plans and actions of the Western allies and the Germans in the field of economic countermeasures has been established. Western efforts are continuing, while relying primarily on deterrent military power to defend the Western position in Berlin, to develop a common position on the nature of the economic sanctions which they are prepared to employ against the GDR.

24. *Internal Political Problems.* West Berlin attitudes reflect a trend toward increased complacency and indifference among some sectors of the West Berlin population toward the Communist threat; this trend could, if intensified to the point where it permeated further the public morale, confront the allies with serious problems in Berlin.

25. *Aid for Berlin.*

a. *Support of Berlin industry,* mainly through the investment program, rests on a precarious basis. Thus renewed harassment and a decline in confidence would raise problems for this government, as one of the occupying powers, since an insufficiency of funds would lead to a sharp increase in unemployment. Both economic and political stability might be threatened.

b. *Essential programs in the field of public investment and reconstruction* depend on a narrow margin of funds. Any serious political setback would raise questions as to U.S. responsibility for maintaining living standards and assisting in providing emergency employment for the more vulnerable segments of the population.

c. *The real significance of the U.S. position in Berlin,* now that new economic aid has been reduced to token amounts, is more difficult than before to demonstrate. Projects of a cultural, education and welfare nature appear to be needed to evidence our support in the face of the Soviets' increasing support of the GDR.

d. *Increasing difficulties in maintaining contacts* with East Germans call for greater skill in programs to overcome the barriers likely to be erected. Great ingenuity is required in carrying forward new projects in and around Berlin to encourage steadfastness in East Germany in spite of the wearing away of resistance strength.

26. *Military Planning.* The development of tripartite planning for coordinated military action in the event of a serious threat to Berlin's security will be a continuing problem, in view of French and, to a

lesser extent, British distaste for committing themselves to this type of action. [2-1/2 lines of source text not declassified]

180. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, November 22, 1956—11 p.m.

428. Reference our telegram niact Bonn 426, niact Dept 485, prity USAREUR 17, routine Moscow 135, Paris 23, London 20.² Allied political advisers saw Soviet Deputy Commandant Kotsiuba late this afternoon at Karlshorst. Previously agreed that while American chairman political adviser would lead off discussion, in view of different problems of each country, French and British would feel free to raise questions and make additional points. Kotsiuba, who noted he was Acting Commandant since General Chamov had just departed on winter leave, apologized for delay in arranging appointment. He gave as reason that he had to familiarize himself with problem, implying instructions had been issued from higher authority.

We opened with statement along lines of message telephoned to Kotsiuba yesterday (see referenced telegram), adding that we had come in hope of obtaining clarification of situation. This launched Kotsiuba into loud, repetitive and not always clear discourse, gist of which follows:

a. There was no question of challenging Allied communications to Berlin per se. Question was rather one of regulating procedures of control. Right to do this was given to Soviets by Allied Control Council document of 10 September 1945, supplemented by agreements of 18–21 May 1949.³

b. New measures are in force and are not subject to any admissions. They will also apply to Autobahn travel.

c. Reason for changes in control procedures at Marienborn is information received by Soviets that persons who have been traveling

¹Source: Department of State, Central Files, 762.0221/11–2256. Confidential; Niact. Repeated to London, Paris, Moscow, and Washington. The source text is the Department of State copy.

²In telegram 484 from Berlin Gufler reported that without any prior notice Soviet officials had begun on November 20 asking for individual travel orders and identity cards for passengers on military trains going to and from Berlin. (*Ibid.*, 762.0221/11–1756) Telegram 485 transmitted the text of a November 21 message to Kotsiuba asking for a meeting to discuss this change of procedure. (*Ibid.*, 762.0221/11–2156)

³For text of the September 10 document, see *Documents on Germany, 1944–1970*, pp. 42–44; regarding the agreements in 1949, see *Foreign Relations, 1949*, vol. III, pp. 776 ff.

on military trains or under military orders on Autobahn have no connection with military garrison in Berlin.

d. First steps taken by Soviets re new procedure show no misunderstanding on part of American and French whose train commanders have produced documents required; British, however, did not seem to wish to comply.

e. In order to verify fact that passengers have proper documents confirming information on manifests, Soviet inspectors will have to board train, just as on Autobahn they check individual travelers. (*Comment: Should be noted that this statement was hardly consistent with point he reiterated several times that French and American procedure on trains satisfactory, and if British would only do same they likewise would have no trouble.*)

f. Zorin-Bolz letters of September 20, 1955,⁴ had foreseen this procedure. He quoted second paragraph reading in effect the control of cargo and passengers between FedRep and Berlin pertaining to military forces of U.S., U.K. and French in Berlin, both by Autobahn and rail, will be carried out by Soviet officials.

g. Re Autobahn, he added that military convoys must also have proper documentation and that control would be exercised over passengers in cars. He alluded to ACA document dated 30 August 1945⁵ which he said showed that volume of transport on Autobahn would be insignificant, and that railway would be used for heavy traffic. He added that more than 50 per cent of all transportation was being moved over Autobahn. As far as passengers were concerned, travel orders issued by Allies were appropriate only for representatives of military forces. However, such documents were also being issued to persons having no right to them. Recent example cited of French woman civilian traveling on by automobile under French military orders who admitted permanent residence in Berlin and that she was traveling on tourist status for tourist reasons. In future, such people will not be passed.

French political adviser said that, while procedures which have been followed successfully in past by Allies were not put in writing, they were based on mutual understanding and agreement as to their propriety. Normal mode of conduct if Soviets desire to make procedural change would be to request Allied agreement thereto in orderly discussions, rather than to try to change on spot without warning. Therefore, he again asked that Soviet authorities in Marienborn be instructed to suspend new measures. He added that problems raised by Kotsiuba statement were numerous and very serious, and should not be presented to Allies as *fait accompli*.

To this Kotsiuba responded that procedures of control were entirely matter for Soviets who had right to change them as they wished. No mutual agreement to their change was necessary. Soviet Commander at Marienborn had simply been informed that such controls were to go into effect. Kotsiuba then irrelevantly queried why

⁴See Document 218.

⁵Not further identified.

French had issued travel orders for Autobahn to person who had nothing to do with military authority. Procedure which he had described was in effect and would be adhered to. This applied to Autobahn as well. He then attempted summarize procedures for Autobahn and railroad: (1) persons who are authorized to travel are those belonging to West Berlin military garrison; (2) commanders of trains and commanders of convoys as well as passengers in cars must present proper documents proving that all passengers belong to military garrison; (3) no question being raised by Soviets as to number of trains or as to limiting Autobahn traffic. They are merely concerned that connection of West with Berlin should be utilized properly and lawfully.

He continued that Soviets had nothing against documentation being presented by American and French train commanders. While exception had been made last two nights for British trains, he would have to ask British to adopt same procedure immediately. If they did this, all would be well.

Point then made by political advisers that, apart from documentation itself, two important issues raised by Kotsiuba to which Allies could not agree were boarding of trains by Soviets and Soviet claim to pass judgment as to whether documentation should have been issued to specific individuals by Allied authorities. Kotsiuba completely ignored question of boarding trains, but stressed again that Allied trains had to be used for transportation of military garrison or of U.S., British or French nationals who are dependents or members of military garrison. Military documentation should be issued only to these categories; others should proceed to Berlin on other documentation. To this, political advisers made point that if Western Allies issued travel orders, that in itself should conclusively establish that persons concerned were traveling in connection with military occupation. Here Kotsiuba again dragged out his case of French woman residing in Berlin, traveling under French military orders for tourist purposes.

British political adviser then raised special problem of British train. He said that British Commander in Helmstedt had no authority to agree to change in procedure in effect for many years. Soviet Commander in Marienborn had been informed to this effect. Yet procedures were changed without Soviets having raised question elsewhere. Practice followed by British had not caused Soviets to complain during period of 10 years. If Kotsiuba insisted that such a change be made, this could only be reported to British superiors for consideration. He therefore requested that orders be issued to the Soviet Commander at Marienborn to permit British train to pass at least for time being on basis of present documentation.

Kotsiuba responded that new orders were in effect and that they would be enforced. He could not rescind them for British. However, application of stricter procedures on Autobahn would be held up for period of two or three days.

Political advisers concluded discussion by saying they would have to reserve position on all points of principle raised, and would report Kotsiuba statements to their superiors.

Since meeting with Kotsiuba, British here have decided to provide individual travel orders for passengers on tonight's trains. Train commanders will not be authorized to present passports or other identity documents of travelers.

We have this evening received information from Berlin Command Provost Marshal that American teacher, employed by U.S. Army in FedRep, attempting travel to Berlin by automobile was today turned back at checkpoint by Soviets because she had passport and not AGO card.

Comment: Kotsiuba, who is never a model of clarity, was particularly vague today on a number of points. When he repeated himself, he frequently added a new twist. For example, each statement he made re who was entitled to military travel orders differed slightly from previous one. At one point he implied anyone with an AGO card was legitimate. He was firm, however, re Soviet intention to enforce new control procedures if somewhat imprecise in defining exactly what they were.

Informed 2200 Zebra French train cleared Marienborn in less than 10 minutes after being required to show travel orders all passengers. No Soviet comment.

Gulfer

181. Telegram From the Department of State to the Embassy in Germany¹

Washington, November 23, 1956—midnight.

1427. Reference Bonn's 1977.² Department suggests it will be inadvisable to send any communication to Soviets at Ambassadorial

¹Source: Department of State, Central Files, 762.0221/11-2456. Confidential; Priority. Drafted by Reinstein; cleared with Eleanor Dulles, Lisle, Hooper, Beam, Kearney, and the Department of Defense; and approved by Murphy. Repeated to Berlin, Heidelberg, London, Moscow, and Paris.

²Telegram 1977 reported on a tripartite meeting on November 24 at which the French proposed sending a letter of protest to Pushkin while the British and U.S. rep-

level unless interference with trains occurs or until official communication is received from Soviets.

Following are Department's views on basic position which should guide any communication with Soviet authorities concerning military trains or travel of official personnel on Autobahn.

1) Our rights regarding Berlin stem from the total defeat and unconditional surrender of Germany and are confirmed in agreements establishing zones and sectors of occupation. These rights include, as was recognized from outset (Truman–Stalin exchange of letters of June 14–18, 1945),³ right of free access to our sector of Berlin.

2) Our right is both to occupy and govern Berlin. We therefore have a right to station forces and personnel in Berlin to carry out governmental functions with all rights of access required for these purposes. We cannot accept any restriction which would limit these rights to garrison forces. U.S. Ambassador exercises functions of former Military Governor with respect to Berlin and has right to send personnel to Berlin for such functions as he may deem appropriate in connection with occupation which includes sending to Berlin dependents and personnel required to support forces in Berlin and to provide for their welfare.

3) The foregoing discussion is not all inclusive, since our right to govern includes concern for the maintenance of the civilian population in our sector.

4) We cannot accept any attempt by Soviets of right to determine what personnel are necessary to carry out our responsibilities in Berlin and therefore to determine whether particular individuals are eligible to travel to and from Berlin on occupation business. This is a matter for which we are solely responsible. At the same time we are prepared to document such personnel and show documentation at Soviet checkpoints.

5) We cannot accept Soviet demand for right to board trains or to inspect individual passengers on trains at checkpoints. No such right was exercised by Soviet authorities under quadripartite agreements prior to 1949 and we consider the New York Agreement of 1949⁴ precludes Soviets from introducing any such practice.

Defense concurs in this message.

Hoover

representatives preferred an oral approach to Kotsiuba. It was finally decided to protest orally to Kotsiuba with a written communication to follow. (*Ibid.*, 762.0221/11–2456)

³See *Foreign Relations*, 1945, vol. III, pp. 135 ff.

⁴For text of the agreement ending the Berlin blockade, see *ibid.*, 1949, vol. III, p. 751.

182. Report Prepared by the Operations Coordinating Board¹

Washington, December 5, 1956.

PROGRESS REPORT ON "UNITED STATES POLICY TOWARD BERLIN" (NSC 5404/1)²

(Policy Approved by the President, January 25, 1954)

(Period Covered: May 18, 1956 through December 5, 1956)

A. Summary of Operating Progress in Relation to Major NSC Objectives³

1. *OCB Recommendation Regarding Policy Review.* U.S. policy toward Berlin as set forth in NSC 5404/1 has been reviewed from the standpoint of operating considerations and in the light of operating experience to date and of anticipated future developments. No review of policy is recommended. No modifications are required in NSC 5404/1 as a result of approval of 5602/1.⁴

2. *Summary Evaluations.* The Western position in Berlin has been maintained and consolidated. Current Soviet policy has resulted until recently in a period of relative relief from Communist harassments (see Sec. C, para. 9). An evaluation of actions taken in the implementation of U.S. policy follows:

a. *Making Clear the Western Position.* We have continued to react vigorously to local Communist-inspired incidents and to make clear that the Western powers will maintain their position in Berlin.

b. *Bolstering the Morale and Economy.* Economic assistance from the United States and the Federal Republic has finally succeeded in raising industrial production in Berlin to the 1936 level (1936—100; West Germany, June 1956—210; Berlin, June 1956—100). Unemployment has been reduced below 100,000. Both these developments represent significant progress over the situation of two to three years ago. However, West Berlin continues to rely heavily on outside assistance to maintain itself. While the general improvement in economic conditions continues to provide sharp contrast to conditions in the surrounding Soviet Zone, general living standards and the level of employment lag behind those in Western Germany and the Berliner is acutely aware of his comparatively depressed economic condition. He realizes also his city's vulnerability to Communist pressure

¹Source: Department of State, OCB Files: Lot 62 D 430, Germany. Secret. Regarding the preparation of this report, see footnote 1, Document 84. An attached Financial Annex is not printed.

²See *Foreign Relations, 1952-1954*, vol. vii, Part 2, p. 1390.

³The latest NIE is 11-3-56, dated February 28, 1956. [Footnote in the source text. NIE 11-3-56 is Document 178.]

⁴For text of NSC 5602/1, "Basic National Security Policy," March 15, 1956, see vol. xix, pp. 242-268.

and the extent to which improvement of his lot depends on outside economic and political support.

c. *Continuing Special Soviet Zone Projects.* Berlin continues to be a focal point for special projects designed to influence the people of the Soviet Zone and Sector. (See East Germany Progress Report.)⁵

d. *Maintaining Access to Berlin.* Progress on tripartite military planning regarding action to be taken in the event of serious interference with access to Berlin has been negligible. The British and French have thus far agreed only that the Allied Embassies should instruct their respective Army Commanders to prepare a study on the "military implications" of the problem and to report back to the Embassies before planning is begun. The Military Commanders expect to complete their study and report to the Embassies in the near future.

e. *Maintaining Stockpile and Airlift Planning.* Quadripartite work on practical steps to carry out the previously agreed airlift plan has continued. The three Allied Embassies expressed their Government's concurrence in the plan in replies to the German notes of March 14⁶ which transmitted German acceptance of the plan. Quadripartite stockpile experts have supervised the replacement of coal and coke which were withdrawn from the stockpile during last winter.

f. *Planning Countermeasures to Harassments.* Progress toward planning for effective countermeasures against possible Communist harassment of Berlin has been hampered by the negative reaction of the German authorities toward the preliminary studies which have been planned to provide an assessment of East Germany's vulnerability.

3. *Progress in Meeting Program Schedules.* Obligation of the local currency proceeds of U.S. aid for such Berlin programs as reconstruction, the Berlin Convention Hall, medium and long-term loan programs, continued satisfactorily.

B. Major Operating Problems or Difficulties Facing the U.S.

4. *Vulnerability to Harassment Continues.* East German threats to assert its "sovereignty" over Berlin's exposed communication lines with the West in an attempt to force recognition of East Germany by the Federal Republic did not materialize in the form earlier feared. However, Berlin remains vulnerable to either sudden or gradual harassment of its lines of communication. There is some reason to believe that East Germany is being restrained from the steps it wishes to take by a Soviet desire to conciliate Western opinion and avoid incidents for which they would be blamed. Should the Soviets change this posture or decide that they can dissociate themselves from East German moves, it is probable that East Germany will use its powers over access to Berlin to seek to raise the level of its technical contacts with Federal Republic officials and thus obtain a measure of recognition by the Federal Republic.

⁵Document 231.

⁶Not found in Department of State files.

5. *Cooperation Lagging on Planning Countermeasures.* Despite the absence of harassment and the recession of threats thereof, the problem of planning for economic countermeasures in the event of measures interfering with Western access to Berlin remains, in principle, as important as ever. Unless the German attitude toward the preliminary statistical study changes, however, progress is unlikely.

6. *Need for Continued Aid for Berlin.* Despite Berlin's economic progress over its previous situation, the city continues to be hampered by its geographic and psychological disadvantages and must rely on outside assistance to maintain even its present level of activity. In order to attempt to continue the present rate of improvement, the Federal Republic will contribute to the city's budget deficit, and private and public investment will receive assistance from counterpart of U.S. aid yet unspent or to accrue from principal and interest payments on old loans. Although the need for aid for strictly economic purposes is diminished there is a continuing need for visible and current demonstrations of continuing U.S. concern for the problems of the city and for the welfare of its people. Therefore modest amounts of new dollar funds will be required to underwrite selected projects with maximum impact to underline the continuing nature of U.S. support of West Berlin.

7. *Planning Incomplete for Research Reactor.* The Berlin city government in July placed an order for an atomic research reactor with an American firm. A proposal for United States operation of a reactor in Berlin, with costs to be defrayed by the Germans, is in an advanced stage of consideration by the State Department and the Atomic Energy Commission.

C. Listing of Other Major Developments During the Period

8. *Internal Political Developments.* The three-month illness of governing Mayor Suhr threatened to create troublesome internal political problems. Deputy Mayor Amrehn, of the CDU (Christian Democratic Party), who was the acting executive head of the city government most of the summer, proved able and effective, but as he is a member of the minority party in the SPD-CDU (Social Democratic Party-Christian Democratic Party) coalition, his success was resented by the SPD. This divided responsibility has led to some confusion and uncertainty, and the question of selecting a successor to Suhr if his health does not improve will be a source of increasing pre-occupation for the Berliners.

9. *Traffic Between Berlin and the West.* Despite the concern which arose after the September 20, 1955 agreements between the USSR and East Germany, East Germany has not increased its interference with German transport and traffic to Berlin or Allied access to the city. Road tolls continued to be imposed by the East German regime,

but traffic of all types, including barge traffic, moved normally. On the other hand, during the past two weeks Allied military trains to and from Berlin have encountered administrative difficulties and delays occasioned by new Soviet procedures in checking the documents of travelers on the trains. However, no United States train has been prevented from completing its journey and in many cases there has been no interference with the regular train schedule. An Allied protest has been lodged with the Soviet military authorities against the interferences which have taken place. No clear pattern of Soviet intentions in this matter has as yet emerged.

10. *Personal Travel.* Within the city of Greater Berlin, the Communists have somewhat relaxed controls between the east and west sectors. There appears to be no imminent danger, as was feared earlier, of Communist action physically to seal off West Berlin from East Berlin.

11. *Berlin Congress Hall.* Good progress was made on the construction of the Berlin Congress Hall for the International Building Exposition in 1957. The foundation has been laid and the contracts for the superstructure have been let, and completion is scheduled for the autumn of 1957. Deputy Under Secretary Murphy represented the United States at the cornerstone laying ceremony on October 3 and delivered two addresses while in Berlin.

12. *Berlin Industrial Fair.* The U.S. participated successfully in the Berlin Industrial Fair with a major exhibit on "Space Unlimited". The U.S. exhibit was open to the public for an additional two weeks during October in response to many requests.

13. *Regulation of Military Use Goods.* The three Allies have simplified regulations applicable to the production of goods which are capable of being diverted to military as well as civilian uses. However, both German and Allied authorities recognize the undesirability of appearing to convert Berlin into an arsenal and production of items for military use will continue to be prohibited.

14. *Surplus Commodity Sales.* The U.S. reached agreement in May 1956 to program Deutschmarks 42 million (\$10 million) of proceeds from the sale of surplus agricultural commodities for the Berlin reconstruction program.

183. Telegram From the Department of State to the Embassy in Germany¹

Washington, December 11, 1956—1:07 p.m.

1607. At recent meeting in Department with General Hodes (CG USAREUR) latter expressed view recent Soviet interferences with Berlin military trains and convoys were reflection of Soviet nervousness over their own position East Germany. He surmised Soviet authorities in Germany had probably received orders in general terms from higher up to take special precautions for security of the area and that in course implementing these orders at working level new checking procedures of past several weeks for trains and convoys had resulted. He thought Soviets not prepared push matters to point of major incident. He also considered it possible Soviet interferences might have been designed initially to test extent to which tripartite solidarity in Germany still existed after Suez crisis.

Hoover

¹Source: Department of State, Central Files, 762.0221/12-1156. Confidential. Drafted by Creel and cleared with Reinstein. Repeated to Berlin, London, Moscow, and Paris.

184. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, January 12, 1957—1 p.m.

623. From the Ambassador. Last night at British Ambassador's farewell Berlin reception, Soviet Ambassador Pushkin concurred in my affirmation that British, French and American Ambassadors and the corresponding commanding generals had in 1953 and have now authority to determine who shall be carried on Western military trains.

This concurrence proceeded from conversation I sought with Pushkin after hearing encouraging report from Hoyer Millar (Berlin's following telegram).² Pushkin told me that existence of a train prob-

¹Source: Department of State, Central Files, 762.0221/1-1257. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²This telegram reported that Hoyer Millar had raised with Pushkin the question of Soviet controls on Allied transportation to Berlin, mentioning in particular the

Continued

lem caused by press penchant for sensationalism and asserted that violations train understandings by Western side had induced Soviets merely to correct laxity of recent years and to re-approach, although not reach, 1953 status. I replied that I remembered 1953, that train situation was then satisfactory and that if same situation were to prevail now, I should be content. It was at this point I emphasized Western Ambassadors and generals right to determine who shall be carried on military trains, an assertion in which Pushkin acquiesced.

Tenor Pushkin's remarks certainly indicates that civilian Soviet authorities do not wish challenge essential train rights at this time. Pushkin also revealed definite sensitivity to crisis publicity re Berlin, perhaps as prejudicial to Soviet soft tactics in Berlin, which I have reason to believe are still in effect. As Pushkin just returned from Moscow, his attitude probably reflects latest line.

Concluding conversation concerning our respective tenures in Germany brought forth incidental information Pushkin anticipates transfer within the year.

Gufler

threat made to confiscate passports. Pushkin had replied that the Soviets were merely trying to return to practices which had been in effect in 1952–1953, and had no intention of interfering with Allied access. (*Ibid.*, 762.0221/1–1257)

185. Telegram From the Department of State to the Embassy in Germany¹

Washington, January 30, 1957—1:20 p.m.

2075. Bonn's 2747; Berlin's 726.²

1. As indicated Deptel 1989³ State and Defense view is that pending further developments in field of Berlin access it would be preferable not adopt any new procedure re military convoys which

¹Source: Department of State, Central Files, 762.0221/1–1957. Confidential. Drafted by Creel and Lisle on January 29, cleared with the Department of Defense and Reinstein, and approved by Beam. Repeated to Berlin, London, Moscow, and Paris.

²Telegram 2747 from Bonn reported that the British refused to change convoy practices on the grounds that Western action might provoke the Soviets into a full review of the access question. (*Ibid.*, 762.0221/1–1957) Telegram 726 from Berlin reviewed the procedures in effect in 1952–1953. The Soviets were not permitted to search Allied trucks at that time, nor were they shown the identification cards of enlisted personnel in American convoys, but the British and French had shown the cards. (*Ibid.*, 762.0221/1–1657)

³Telegram 1989 replied to telegram 2747 and stated that a more complete statement of the U.S. views would be forthcoming. (*Ibid.*, 762.0221/1–1957)

would involve returning convoy to point of origin rather than submit to Soviet demand to see identification cards of enlisted personnel riding in convoy.

2. As general rule we believe that taking of measures vis-à-vis Soviets which could have effect of partial self-imposed blockade should be reserved for cases of significant interference by Soviets with Berlin access including, of course, any line of conduct their part which subjected Allied travel or shipment of supplies to such serious inconvenience that it would be tantamount to significant interference with right of access, or which imposed unacceptable conditions on exercise of such right.

3. In determining whether a particular Soviet measure constitutes significant interference with Berlin access, believe we should keep in mind possible Soviet motives in imposing measures in question. While motives for recent Soviet course of action not yet clear there seem at least these main possibilities: (a) Soviets may merely wish make their presence felt by ordering general tightening-up of security precautions in East Zone, with resulting unevenness in implementation these orders at lower levels; (b) Soviets may wish establish position they have right to determine who can travel or what we can take into Berlin; (c) more particularly, Soviets may be carefully laying basis for making case at future date that Berlin travel by non-military personnel except perhaps those attached to Berlin Commandant is not covered by Four-Power Agreements and must therefore be regulated and controlled by GDR.

4. Furthermore believe we must continually bear in mind certain basic aspects our own position, viz. (a) we must maintain principle that Ambassadors and Commanding Generals have right make final determination what individuals are authorized travel to and from Berlin, and what supplies are required, in connection with our occupation responsibilities there; (b) we have legal basis for maintaining that any restrictions imposed by Soviets on Berlin access which go beyond those existing on March 1, 1948 are violation of Four-Power Agreements; and (c) it is of great importance maintain to maximum possible extent tripartite solidarity and uniformity of practice in field of Berlin access. Further factor is that particular Soviet action and problem of counteraction if any to be taken by us should be viewed within context of general status over-all East-West relations existing at the time rather than on basis purely local considerations.

5. In determining extent to which we wish make issue of any Soviet demand or line of action in given case, particularly where partial self-blockade would be involved, we think we should be prepared apply test also whether under all the circumstances Soviet position is on its face sufficiently unwarranted or unreasonable to ensure us full support Western public opinion, especially in US and

in Germany, should serious consequences ensue from our refusal to go along with Soviet action. Type of case which would in our view meet this test would include Soviet insistence on boarding military train or attempting to remove passenger from train, or demand to inspect interiors of closed vehicles in military convoy or to line up train passenger inside train for inspection of documentation through train windows. On other hand we do not feel Soviet demand to see identification cards US enlisted personnel riding in military convoys meets requirements above test. This particularly true in view precedent we ourselves have already established in case recent US convoys and insistence British practice in past of showing identity cards upon request.

6. Above not intended of course to preclude reacting promptly by protest or query to Soviet departures from established practice which although not of character individually to interfere with our right of access might cumulatively result in significant erosion of our position.

7. Additional problem to be decided in each case where Soviets create difficulty re Berlin access is extent to which publicity should be given to matter. We recognize publicity can be of considerable value, if used wisely and selectively, as effective instrument for inducing Soviet retreat in particular instances. This especially true if it appears clearly that Soviets have been responsible for difficulty in question and that it cannot reasonably be attributed to some act or delinquency on our part. On other hand would be inadvisable to create crisis atmosphere in weak or wrong kind of case. Must always be remembered that developments which emphasize to public mind vulnerability of access to Berlin can adversely affect morale of city and, by discouraging customers in outside world from placing orders in Berlin, undermine our fundamental objective of maintaining and further developing Berlin's economic well-being. Moreover, current resumption cold war atmosphere makes threat of publicity less effective than at time Soviets sensitive to anything inconsistent with "peaceful co-existence."

8. We have considered advisability using recent Pushkin statement (Berlin's 712 sent Bonn 623)⁴ that Soviets seeking merely to return to 1953 (or 1952) status as basis for Ambassador sending communication to Pushkin. This could welcome Pushkin's statement that no intention to restrict in any way right of Allies to run military trains or interfere with Allied communications with Berlin; note that Pushkin reference to 1953 date not clear to us inasmuch as legally significant date is March 1, 1948, date used in 1949 agreement ending Berlin blockade (has Embassy or USAREUR any explanation Push-

⁴*Supra.*

kin's use of 1953 date?); point out that in view of his statement, however, practices of that time as well as March 1, 1948 have been examined; bring to his attention that showing of identity cards of enlisted personnel of military convoys, of passports for travelers on military trains, etc., had not been practiced at either time; and conclude that in view of this he would modify present Soviet divergences former practices accordingly. Such a communication if sent would presumably best avoid detailed legal discussion but would make clear for the record and for whatever effect it might have on Soviets our annoyance with arbitrary and meaningless harassments of recent months. Pushkin reaction to this letter might have some bearing on our view re measures to be taken in future. On other hand if letter sent to Pushkin he would inevitably feel under pressure to justify past interferences and to document his reference to "ten choice cases of abuse" with resultant hardening of Soviet position. Question whether this desirable at present time when volume of Soviet harassments has declined. However above points might be made orally to Pushkin by Ambassador should occasion for presenting them arise.

9. Request Embassy and USAREUR discuss and comment.

10. Defense concurs.

Dulles

186. Memorandum of Discussion at the 311th Meeting of the National Security Council, Washington, January 31, 1957¹

[Here follow a paragraph listing the participants at the meeting and items 1-4.]

Germany, East Germany and Berlin (NSC 160/1; Supplement to NSC 160/1; NSC 5404/1;² Progress Reports, dated December 5, 1956, by OCB on NSC 160/1, Supplement to NSC 160/1, and NSC 5404/1³)

In the course of briefing the Council on the contents of these three policies, Mr. Cutler pointed out that a problem of interpretation of paragraph 10 of the policy on Berlin (NSC 5404/1) had arisen in the OCB, and that it would be desirable for the Council to clarify

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on February 1.

²The Supplement to NSC 160/1 is printed as Document 230. For text of NSC 160/1, see *Foreign Relations, 1952-1954*, vol. vii, Part 1, pp. 510-520. Regarding NSC 5404/1, see *ibid.*, p. 1390.

³Documents 84, 231, and 182.

the interpretation of this paragraph. The matter concerned the effect of an East German attack on Berlin. Paragraph 10 spoke only of a Soviet attack on Berlin, and the paragraph indicated that if the USSR should attack Berlin the United States would have to act on the assumption that general war was imminent. Nothing specific was said as to whether the implications in paragraph 10 were also intended to apply to an East German attack on Berlin. Mr. Cutler pointed out that at least one member of the Planning Board had expressed the view that an East German attack on Berlin might not automatically necessitate assuming the imminence of general war, as was stated in paragraph 10 with regard to a Soviet attack. Mr. Cutler then requested Assistant Secretary of State Bowie to comment on this problem. (Mr. Bowie had taken Secretary Dulles' place when he left the meeting to keep his appointment with King Saud.)

Mr. Bowie stated that unhappily he had had no opportunity to talk with the Secretary of State about this problem and to ascertain his views about the implications of an East German attack on Berlin. However, he could say that lesser officials in the Department of State do not in general feel that it would be wise for the United States generally to equate a Soviet and an East German attack on Berlin, although this view did not deny that the United States might decide to equate these attacks.

After Assistant Secretary of Defense Gray had commented on the problem, the President stated that to him the matter seemed to come down to this: If the East Germans attacks with armed forces the armed forces of the United States anywhere in the world, the result would be war. However, if the East Germans attacked our forces the issue was not so clear. There certainly would be no automatic declaration of war, and we should be obliged to go to the Congress.

Mr. Bowie said that this was the State Department's interpretation of the problem, and Mr. Cutler said that he was satisfied that the problem of interpreting paragraph 10 had been cleared up and that our policy toward Berlin did not equate a Soviet and a satellite attack on Berlin.

The National Security Council:

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

b. Noted that the NSC Planning Board, following its review of Basic National Security Policy, will consider a review of policy on Germany, East Germany and Berlin, possibly within the context of a policy statement on Western Europe.

c. Agreed that, because an attack on Berlin by East German forces alone might not necessarily carry the same implications as an attack by Soviet forces, the United States (in addition to resisting the initial attack) would consider at that time whether or not to treat

such an attack in the manner stated in paragraph 10 of NSC 5404/1 with respect to an attack by Soviet forces.

Note: The action in c above as approved by the President, subsequently circulated to all holders of NSC 5404/1.

S. Everett Gleason

187. **Telegram From the Commander in Chief, United States Army, Europe (Hodes) to the Embassy in Germany¹**

Paris, February 4, 1957—4:30 p.m.

SX 1591. Refer State to Bonn 2075.²

1. The Soviet motives and objectives in imposing the present Berlin difficulties are not known to this headquarters. However, the Soviet pattern must be based on one of the two following premises and, in either of these cases, a compromise of the original allied position will be detrimental to our interest:

(A) The intention of eventually increasing their restrictive measures to the point at which they become unbearable and a blockade will result, or (B) on an opportunistic exploitation of any Allied weakness shown in resisting the restrictions.

2. While it is agreed that partial self-imposed blockade should not be instigated except for significant causes, and that it should be based on circumstances which will generate a sympathetic Western press reaction, it is believed that acquiescence in a series of Soviet imposed restrictions which may each in itself be a border-line case under these conditions will ultimately render the cumulative effect of restricting free access to Berlin. Past experience indicates the Soviets will push at all points, accepting their gains where lightly opposed, but withdrawing in the case of determined opposition.

3. In view of the above, the following principles are believed to be paramount in the case at hand: (A) It is solely a United States right to determine who shall travel between West Berlin and the United States Military Command and diplomatic agencies in the Federal Republic of Germany. (B) The 1945 and 1949 agreements are best interpreted by usage since their adoption. This usage does not confirm Soviet restrictions recently imposed. (C) To maintain a right, it must be exercised to remain in effect.

¹Source: Department of State, Central Files, 762.0221/2-457. Confidential. Repeated to Berlin and Washington. The source text is the Department of State copy.

²Document 185.

4. Soviet imposed restrictions since 1 November 1956 which were considered objectionable consist of: (A) Soviet inspection of identity cards or passports of passengers on United States Berlin passenger trains. (B) Soviet seizure of Russian translations of travel orders on any of the passengers they consider objectionable. (C) Soviet insistence that a "Certificate of Status" stamp entry be in the passports of personnel traveling on United States orders by either train or autobahn to and from Berlin. (D) Soviet failure to clear a United States military convoy unless Soviet inspection of truck interiors was permitted. This Soviet position was withdrawn after the fact the convoy had been turned back was publicized. (E) Soviet refusal to clear United States military vehicle convoys without inspections of identity cards of enlisted personnel. (F) Soviet failure to clear a special command diesel train for 3 February unless the terminology of the letter conveying the request was to read "request permission." (G) Soviet imposition of a thirty-minute stop in the Allied passenger train schedules at Marienborn in place of the former five-minute scheduled stop. (H) Soviet confiscation of temporary AGO card of United States train passenger. (I) Soviet failure to clear Embassy employees for autobahn travel to Berlin because of lack of "Certificate of Status" stamp and military orders. Soviets later withdrew from this position. (J) Failure to intercede in the case of detention and fining of two United States soldiers by the East German Volkspolizei for allegedly speeding on the Berlin–Helmstedt Autobahn.

5. In addition to the above, the following unacceptable Soviet statements or threats have been made: A. Soviet officers would occasionally enter Allied passenger trains at Marienborn to check travelers against nominal rolls. B. Non-entitled persons are being carried on Allied passenger trains. C. Interpretation of the 10 September 1945 Four-Power agreement³ and Zorin–Bolz letters of 20 September 1955⁴ to give the Soviets the unilateral right to introduce such control measures as they see fit over train and autobahn travel. D. Objectionable Allied train passengers passports will be subject to confiscation. E. Right of control over the traffic between Federal Republic of Germany and West Berlin of military personnel and freight of the garrisons of the United States, England and France quartered in West Berlin is exclusively within the competence of Soviet military authorities. F. Wording in letters requesting travel of special command diesel trains must be changed to include phrase "permission for passage."

6. The actions and threats described above are considered as cumulatively threatening free Allied access to Berlin. It is, therefore,

³For text of this agreement, see *Documents on Germany, 1944–1970*, pp. 42–44.

⁴See Document 218.

considered that both a straightening of the record and a course of positive action which accepts the possibility of partial self-imposed Berlin blockade must be undertaken if threat and further Soviet restrictions are not to be accepted.

7. It is, therefore, proposed that: A. The American Ambassador for Germany during his farewell call on Mr. Pushkin set the record straight on the above emphasizing that the appropriate United States authorities will determine who shall travel through our rightful corridors to Berlin; that no agreement exists which properly permits the Soviet authorities to supervise or control this traffic; that a Russian translated travel order issued by appropriate United States diplomatic or military authority is sufficient documentation for this travel. In the future this translation is the only individual documentation which will be shown for passengers traveling on United States trains. In the case of military convoys the Russian translations will indicate all officers by name and will specify only the number of enlisted personnel traveling in the convoy. The existing procedures will continue to be followed for several days to permit the Soviets only sufficient time to disseminate appropriate instructions to their subordinate authorities. B. A tripartite agreement to return to the Allied positions prior to the onset of the Soviet restrictions last November be reached if possible. C. In event a tripartite agreement to the above cannot be obtained, a coordinated United States unilateral action to accomplish our objectives be undertaken.

8. It is again pointed out that should the proposal in "C" above be adopted, much less risk would be involved in testing Soviet firmness and intention by initially trying to break their insistence on inspection of identity cards of enlisted personnel traveling in military convoys. If a favorable solution can be reached on this matter, it should be a short step from there to a favorable resolution of the train problem; on the other hand, should failure result at this step, the loss would be small since the convoys have little purpose except to determine freedom of access to the autobahn and the entire matter could be re-evaluated prior to continuing.

9. I, therefore, recommend execution of the plan proposed in SX 1375⁵ without delay.⁶

Hodes

⁵Not found in Department of State files.

⁶In a memorandum to Beam, dated February 12, Reinstein pointed out that Hodes was not in complete agreement with the viewpoint of the Departments of State or Defense as indicated in telegram 2075 (Document 185). He noted, however, that Hodes had been informed on February 13 to guide his actions on the considerations set out in that telegram. (Department of State, Central Files, 762.0221/2-1257)

188. Telegram From the Embassy in Germany to the Department of State¹

Bonn, February 5, 1957—4 p.m.

2975. I welcome guidance contained Deptel 2075² on Berlin access. Following are my comments on certain portions of that message and Berlin's 677.³

1. I had also given some consideration to desirability of sending communication to Pushkin on access matters and especially in regard to recent incident involving two Embassy staff members who were at first turned back from Autobahn on basis that their travel orders, issued by Embassy, were not valid. Have been inclined, however, to keep written communications at a minimum out of concern as Dept has suggested, that Soviets might thereby be stimulated to confirm in writing a firm clarification of their present position from which it might be the more difficult to withdraw. If by any chance this is a temporary phase of tightened security precautions which has been caused by events in satellites and which may eventually pass, feel it wiser in most cases to deal orally with Soviet authorities and try to avoid pressing them into taking rigid positions. I had therefore decided to take advantage of farewell calls in Berlin Feb 14 to see Pushkin and bring up again recent access difficulties. In addition to points made in paragraph eight of Deptel, will also endeavor to remove any doubt from Pushkin's mind about my status as successor to Military Governor and High Commissioner in Germany and my consequent authority to issue travel orders to Berlin. This approach was discussed with General Hodes yesterday.

2. While we have been willing to try to work out some acceptable form of passport stamp indicating traveler is entitled to entry into and exit from Berlin, have always had reservations as to how far this would really meet our problem. Basis of Soviet position appears to be, as nearly as we can understand inconsistent Soviet statements this subject, that only members of forces have right of access and consequently that only military authorities have right to issue orders. Forces stamp is only superficial evidence of status Soviets are looking for, and I doubt that we would solve this basic problem for long, if at all, by providing Embassy personnel with stamps similar in ap-

¹Source: Department of State, Central Files, 762.0221/2-557. Confidential. Repeated to Berlin, London, Moscow, and Paris.

²Document 185.

³Telegram 677 reviewed various aspects of travel to Berlin, stated that travelers going to the city under orders issued by the Embassy in Bonn would likely continue to experience difficulty, but assumed that eventually the Soviets would recognize the Ambassador's right to issue travel orders for Berlin. (Department of State, Central Files, 762.0221/2-157)

pearance and wording to forces stamp. Nevertheless, I am willing to try again to reach tripartite agreement on passport stamp but would suggest that this be delayed until after forthcoming discussion with Pushkin to see if any further clarification is made at that time.

In this connection and regarding Berlin's suggestion that British and French documentation may be more efficacious in averting difficulties, should be pointed out that British have imposed a kind of self-blockade since beginning of access difficulties and are not permitting any personnel who do not possess forces stamp to travel to Berlin either by military train or Autobahn (ourtel 2521)⁴ although this prevents all Embassy personnel from traveling. Believe it is this fact, in case of British at least, which has minimized difficulties for them rather than difference in documentation.

3. I have something of some misgivings about utility of amending Embassy's travel orders, since no change in formulation really affects basic principle of Ambassador's right to determine who may travel to and from Berlin. Fundamental point made by Soviets in recent refusal to acknowledge validity of Embassy's travel orders on Autobahn was that they were not issued by military authorities, and I suspect their later reference to signing official as "tourist" agent was merely diversionary device. There certainly appears no objection, however, to changing formula of signature on travel orders and we intend to modify it along lines of Berlin's suggestion. For time being, remain opposed to use of formula linking traveler to Berlin occupation, but this question can be reviewed again in light of discussion with Pushkin.

4. Department's attention is drawn to fact that three Embassies here have divergent policies at present for dealing with any attempt by Soviet authorities to confiscate passports from passengers on military trains. Continue believe we should turn back trains in such instance and, although believe possibility of confiscation is remote, consider it desirable to have uniform tripartite instruction on access procedures. If Dept has reexamined this matter (Deptel 1876),⁵ Appreciate instructions.⁶

Conant

⁴Telegram 2521 from Bonn reported that the three Western Allies had met on January 31 to work out the form for a stamp on travel orders issued by the Ambassadors for personnel going to Berlin. (*Ibid.*, 762.0221/12-3156)

⁵Telegram 1876 informed the Embassy in Bonn that the Department of State wanted to defer setting a definite policy in the eventuality that the Soviets confiscated the passports of travelers going to Berlin. (*Ibid.*, 762.0221/1-757).

⁶On February 8, Conant reported that Pushkin had been recalled to Moscow for about 10 days and would not be able to keep his appointment. (Telegram 798 from Berlin; *Ibid.*, 033.6162A/2-857)

189. Telegram From the Mission in Berlin to the Department of State¹*Berlin, March 15, 1957—8 p.m.*

915. From Trimble.

1. My call on Pushkin this morning at Soviet Embassy in East Berlin took place in reasonably friendly atmosphere.² Although definitely not a jovial type, he appeared relaxed and well-briefed on general line to follow. However, he was weak in certain details and on occasion resorted to vague and even contradictory language.

2. After initial exchange of pleasantries, I opened discussion by welcoming Pushkin's affirmation of January 11 to Conant that the Ambassador and our military commanders have authority to determine who shall be documented with travel orders.³ I recalled Conant's letter to Pushkin of May 5, 1955⁴ stating that when designated as Ambassador former had been entrusted by the President with authority exercised in capacity of High Commissioner as successor to Military Governor. There could therefore be no doubt of American Ambassador's right to determine whom he shall document for travel either by military train or Autobahn. I noted that, despite assurances given by Pushkin, there have recently been Soviet efforts to interfere with right of access of personnel with travel orders issued by Ambassador or military commanders. Since there accordingly appeared to have been some misunderstanding, I would be grateful if Pushkin could see to it that instructions were issued to avert such interference in the future.

3. I continued that, in conversation with Conant, Pushkin had referred to procedures of 1952–53 stating Soviets were merely reverting to practices of that period. We had made study and could not find any evidence that during 1952–53 any other practices were in effect than those being observed prior to Soviet changes of last November. Legally significant date is actually March 1, 1948, date cited in 1949 agreements. Conceivably possible source of misunderstanding was old form of Embassy travel orders. This form was now changed and samples of new form had been supplied to Soviet Deputy Commandant in Berlin. I concluded opening remarks by giving Pushkin

¹Source: Department of State, Central files, 762.0221/3–1557. Confidential; Priority. Repeated to Bonn, London, Moscow, Paris, and USAREUR.

²Following Pushkin's failure to meet Conant, the Embassy in Bonn tried to arrange a meeting between Trimble and Pushkin. On March 12, Trimble reported that the meeting had been set for March 14 and that the British and French had concurred in his approach. (*Ibid.*, 762.0221/3–1257)

³See Document 184.

⁴A copy of this letter was transmitted in telegram 3441 from Bonn, May 7. (Department of State, Central Files, 121.62A/5–755)

sample of new form and expressing hope this would end questioning of travel orders issued under authority of Ambassador.

4. In response Pushkin stated that he recalled letter received in May 1955 from Ambassador Conant after abolition of High Commission. He had not intention of questioning duties and functions of American Ambassador in Bonn. As far as he was concerned, he (Pushkin) had no responsibility for travel of persons to and from West Berlin. When Soviet High Commission was abolished all such matters were referred to military authorities. This procedure was agreed upon in Bolz-Zorin exchange of letters. If his memory was correct, he continued, he had written Ambassador Conant regarding this change of functions.⁵

5. Although strictly speaking, therefore, Berlin travel questions were within competence of Soviet military authorities, he was prepared to discuss subject and would inform Soviet military authorities regarding our conversation. Position of Soviets was that agreements should be respected and they expected friends from other countries to abide by same principle. If one did not violate agreements all would go well. Question was not by whom travel orders were issued, since right of Ambassador to issue orders not questioned, but to whom they were issued. In accordance with Soviet-American agreements, he continued, not every American national has right to travel to West Berlin. Only persons who belong to American administration in Germany had such right. This was quite clear and Soviet military authorities would cause no difficulty if principle were observed.

6. Regarding his conversation with Ambassador Conant on control of American trains, Pushkin claimed that reference to 1952 date was based on misunderstanding. He had merely explained to Dr. Conant and British Ambassador Hoyer Millar that new circumstances had arisen since then in connection with trains (presumably alleged Allied violations which had come to attention of Soviets). Ambassadors Conant and Hoyer Millar had seemed to think that the Soviets were instituting a new procedure. Actually they were merely carrying out Four Power agreements which gave to Soviets right to control travel to and from Berlin. Within framework of this right to control, they could give up all controls if they wished or strengthen them if necessary. Under all circumstances, assurance of normal movement of trains remained. Pushkin emphasized that, as he had told Conant, there was a form of control prior to 1952 carried out by Soviet military authorities. They had entered trains and checked passenger and freight documents. In 1952—though he was not certain of timing—

⁵Pushkin informed Conant on September 24, 1955, that the Soviet High Commission for Germany had been abolished. (Telegram 250 from Berlin, September 24, 1955; *ibid.*, 762.0221/9-2455)

Soviets had reduced their controls to a minimum, not as a result of negotiations with US but by unilateral action. He was not sure now what basis of this decision was; perhaps it was confidence that Americans were fulfilling their obligations conscientiously under agreements. He had been informed by Soviet military authorities that these obligations had been and were being violated by movement of improper persons on trains. This involved violation both of agreements with Soviets and also of Soviet agreement with GDR which could not be disregarded. Actually controls which military had reestablished were not so severe as those prior 1952. Although controls had aroused protest on part of Americans, there was really no basis for such objections. This was essentially what he had told Ambassador Conant and Hoyer Millar. Soviet authorities had no intention of violating any agreement. Soviet military authorities had explained situation to him in this way and he had no reason for doubting them.

7. In response I stated that I had come to Pushkin on the assumption that, as in the analogous case of our Ambassador in Bonn, he represented the highest Soviet authority in Soviet Zone. Pushkin interjected this was not quite the case; the Soviet system was somewhat different. Moreover, I continued, as he knew, we do not recognize the German authorities in the Soviet Zone (his only reaction to this was a wry expression). US also respects agreements; I could not accept his contention that we violated them. However, Ambassadors and military commanders have right to determine to whom travel orders are to be issued. We recognize Soviet Government can control train traffic in Soviet Zone but this does not include determination of who should receive travel orders. I welcomed Pushkin's statement that there was no desire on part of Soviet authorities to interfere with normal movement of trains.

8. I denied that physical checking of passengers was ever carried out in past by Soviet officials; at most, train commanders gave train manifests to Soviet officer. Pushkin interjected that "that" is what he meant by control (presumably he was referring to presentation manifest). He then corrected himself by adding that it was difficult for him to state precisely what form "other controls" and assumed in past but they had been carried out. I commented that we had checked the records and could find no evidence of this.

9. Moreover, I added, we could not agree that there had been violations on our part in view of the undoubted authority of the military commanders and the Ambassador to determine who should receive travel orders. I would hope that in raising subject with appropriate military authorities Pushkin would do all he could to avoid future interferences of kind we have suffered in last few months.

10. Pushkin then conceded that we were quite correct in claiming that American authorities have right to determine who gets travel orders but with one qualification. Only those persons who belong to "American administration in Germany" were entitled to them. This was consistent with agreements, and was purpose of entire train, Autobahn and plane connection of Berlin to Western Germany provided at end of war.

11. To this I responded that right of Ambassador and military commanders to document travelers included right to document anyone they considered necessary and important for our occupation of Berlin. Pushkin replied that this concept did not correspond to agreements or their "spirit." I stated that was our interpretation of them, and that, as he knew, our right to be in Berlin derived from conquest. He did not challenge latter remark and merely repeated that we should interpret agreements in accordance with their spirit. He recommended their study and said this would convince us. I said we had studied them and had come to the conclusions already stated. After some 40 minutes, I broke off discussion at this point by welcoming chance to make call and exchange views and by expressing hope he would give attention to our views and thus avert future difficulties.

12. In our opinion most significant features of foregoing discussion were: (a) Pushkin's statement, repeated on several occasions, that Soviets considered legitimate travelers to Berlin to be those connected with American administration in Germany. At no point did he take extreme position, which we had thought he might, that only those associated with Berlin garrison fell within this category. (b) He made no attempt to challenge right of the Ambassador or military commanders to issue travel orders. (c) He made no reference to any specific compilation of alleged abuses in use of military trains and Autobahn, perhaps because this would have been inconsistent with his denial of direct competence to deal with subject of Berlin travel. (d) He affirmed that Soviets have no intention of interfering with movement of military trains.

13. Hillenbrand, who accompanied me, shares my impression, as does Gufler, that Soviets do not wish to precipitate crisis at this time over Berlin access. They seem convinced they have a point but are apparently not sure how hard and how far they wish to press it. We believe that discussion with Pushkin has served useful purpose and

laid groundwork for possible later airing of subject by Ambassador Bruce in light of factual situation at that time.⁶

⁶On March 25, Gufler reported that the French had had a similar conversation with Kotsiuba concerning French travelers to Berlin. The meeting was friendly, and, after reviewing several cases of Soviet denials, the French had proceeded along lines similar to those of Trimble. Kotsiuba's replies were similar to Pushkin's, but the French had the definite feeling that the Soviets were rethinking their position perhaps as a result of the Trimble-Pushkin meeting. (Telegram 940 from Berlin, March 25; *ibid.*, 762,0221/3-2557)

190. Paper Prepared by the Operations Coordinating Board¹

Washington, April 18, 1957.

OUTLINE PLAN OF OPERATIONS WITH RESPECT TO BERLIN

I. Introduction

A. References:

(1) U.S. Policy Toward Berlin (NSC 5404/1),² Approved by the President January 25, 1954.

(2) National Intelligence Estimate, NIE 11-3-56, dated 28 February, 1956, entitled "Probable Short-Term Communist Capabilities and Intentions Regarding Berlin".³

B. Special Operating Guidance:

1. Berlin is legally an area under quadripartite military occupation by U.S., British, French and USSR troops. The U.S. maintains a broad range of responsibilities for the city, including the maintenance of West Berlin's status as a part of the "free world" and the security of the West Berlin populace and the allied garrisons and dependents therein.

2. The U.S. (along with the U.K. and France) has declared:

" . . .⁴ the security and welfare of Berlin and the maintenance of the position of the three powers there are regarded by the three

¹Source: Department of State, OCB Files: Lot 61 D 385, Germany. Top Secret. Copies were sent to Bruce and Gufler on May 15. A memorandum of transmittal and a brief summary of the background and substance of the paper are not printed.

²See *Foreign Relations, 1952-1954*, vol. VII, Part 2, p. 1390.

³Document 178.

⁴Ellipsis in the source text.

powers as essential elements of the peace of the free world in the present international situation. Accordingly, they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They, therefore, reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves". (Annex to NSC 5404/1, page 14)

3. Berlin remains as it has been since 1945 a critical area where the U.S. and Soviets are in direct contact and in which a determined maintenance of U.S. power and prestige is necessary. Although Berlin's position makes it vulnerable to Communist pressures both direct and subtle, it also provides the Western world with opportunities, non-existent elsewhere in the Soviet bloc, to maintain direct contacts with the captive population of a satellite state and to bolster popular resistance to Communist measures. The dual position of Berlin has been illustrated during recent months by the fact that Soviet-GDR harassment of Allied travel through the GDR to and from Berlin has taken place concurrently with our continued full and effective exploitation of the Western position in the city.

4. U.S. policy toward Berlin is inextricably related to policy toward the Federal Republic and toward East Germany. There is no ultimate solution to the complex problems posed by Berlin's geographic position and special status other than reunification of Germany in freedom, with Berlin restored to its historic role of capital. Consequently, U.S. programs for Berlin must serve both the interim objective of maintaining the security and welfare of the City so long as Germany remains divided and the ultimate objective of achieving German reunification. The condition and morale of Berliners in the Western Sectors and the accessibility of the City, and all that it can offer, to refugees and visitors from East Germany have a direct bearing on progress toward achievement of these aims.

C. U.S. Commitments for Funds, Goods and Services:

1. Each year there is joint programming with the Federal Republic of the Mutual Security funds provided by Congress. Under this long-standing arrangement commitments of U.S. funds for FY 1957 to the extent of \$3.5 million have been made to the comprehensive reconstruction program of the Berlin Government, which provides for low cost social and commercial housing and other public works. Supplemented by German funds the total program is equivalent to approximately \$40 million. In addition, \$2 million have been committed to the construction of a student housing project for the Free University of Berlin, according to plans now far advanced.

2. Further commitments for FY 1957 have been made to the extent of \$5.5 million for projects involving assistance to the popula-

tion of the Soviet Zone. (See also the Outline Plan for East Germany.)⁵

3. A technical assistance program primarily technical exchange for FY 1957 in the amount of \$125,000 has been discussed with the Germans. This program is in the final stages of review in Washington.

II. Actions Agreed Upon

Individual action items when extracted from this Plan may be downgraded to the appropriate security classification.

NSC Citations

Para. 8-a: "Continue to make clear, as appropriate, to the USSR that the Western powers will maintain their position in Berlin and that Soviet measures challenging that position will be forcefully and promptly resisted and will have the gravest consequences."

OCB Courses of Action

1. Encourage visits to Berlin of high level U.S. and Allied officials with opportunity for restating Allied commitment to defend Berlin against attack from any quarter.

Assigned to: State

Supporting: USIA

Target date: Continuing

2. Maintain U.S. troops in Berlin in state of combat readiness, equipped with demonstratively effective weapons appropriate to their mission. Avoid measures affecting troops, dependents and the American community which might be interpreted by the local population as an indication of a weakening of the significance of the United States position in Berlin.

Assigned to: Defense

Target date: Continuing

⁵Document 232.

3. Disseminate to the USSR and throughout the Soviet bloc statements by Western leaders and reports of actions by the U.S. and its Allies which serve as evidence of the determination of the Allied powers to remain in Berlin and to safeguard the status of Berlin until Germany is reunified.

Assigned to: USIA

Target date: Continuing

Para. 8-b: "Vigorously react to any local or minor Soviet harassments by lodging prompt Allied protests and undertaking any feasible reprisals."

4. Cooperate and consult with British, French, Federal Republic and Berlin governments with a view to maintaining best possible posture to react promptly and in most appropriate manner to harassments of Berlin or of access to the City from the West.

Assigned to: State, Defense

Target date: Continuing

5. Continue to impress upon the Soviets that the Ambassadors and Commanding Generals have the right to determine the personnel and supplies required to be moved to Berlin in connection with our occupation responsibilities.

Assigned to: State, Defense

Target date: Continuing

6. Maintain that any restrictions imposed by the Soviets on Berlin access which go beyond those existing on March 1, 1948 are a violation of Four-Power Agreements.

Assigned to: State, Defense

Target date: Continuing

7. Maintain current measures for guidance of Allied officials traveling to Berlin as to how to react in event they should encounter difficulties from Soviet or GDR officials along their route.

Assigned to: State, Defense

Target date: Continuing

8. Review and bring up to date, in cooperation with British, French, and German governments, plans for implementation of countermeasures designed to meet a variety of Communist harassment to access to Berlin.

Assigned to: State, Defense

Target date: Continuing

Para. 8-c: "Support all feasible measures, including limited economic aid, to bolster the morale and economy of the city and reduce unemployment."

9. Despite improved economic conditions in West Berlin, assist in the implementation by the use of \$5.5 million from FY 1957 Mutual Security funds of current programs for general reconstruction, including low cost housing (\$3.5 million), and student housing (\$2 million).

Assigned to: State, ICA

Target date: June 30, 1957

10. Keep informed of trends among Berlin youth to be able to assess their opportunities, morale, and their willingness to remain in Berlin as a reflection of their confidence in the future strength of the City. Direct attention to the desirability of improving conditions for students and increasing facilities of Berlin educational institutions. Support

where possible efforts to stimulate the development of research.

Assigned to: State, ICA, USIA

Target date: Continuing.

11. Develop and support legislative measures in West Berlin which would enable the conduct of peaceful atomic research in West Berlin and facilitate the adaptation to Berlin for such purposes of the Agreement for Cooperation with the Federal Republic. Encourage West Berlin in the development of appropriate nuclear research and training program.

Assigned to: State, AEC, Defense

Supporting: USIA, ICA

Target date: Continuing

12. Follow closely the role of Berlin as the primary initial place of reception for East German refugees and cooperate where appropriate in the measures to assure the "open door" policy and the maintenance of morale of refugees.

Assigned to: State, USIA

Supporting: ICA

Target date: Continuing

13. Encourage U.S. official MAP/OSP and other procurement and private investment in Berlin.

Assigned to: Defense, State, ICA

Supporting: Commerce

Target date: Continuing

14. Foster interest of U.S. participants in official and private international organizations

to encourage the holding of conferences and increased tourism in Berlin. In view of West Berlin's proximity to the extensive Soviet efforts to develop cultural centers in East Berlin, pay particular attention to the possibilities of exploiting West Berlin exhibits and fairs to create maximum impact on Eastern residents.

Assigned to: State, USIA

Supporting: Commerce

Target date: Continuing

15. Continue to publicize, through radio broadcasts, press articles, pamphlets, films and exhibits, the extent, nature and effect of U.S. economic assistance to Berlin.

Assigned to: USIA

Target date: Continuing

Para. 8-d: "Continue to provide funds for special projects designed to influence the people of the Soviet Zone and Sector, such as the food program in the summer of 1953."

16. See also Outline Plan for East Germany (OCB Courses of Action 8, 9 and 19).

a. Develop programs to facilitate and encourage visits of East Germans to Berlin, and to impart understanding of superiorities of free world system;

b. Utilize such U.S. programs to the best advantage in support of programs of West German public and private organizations and seek to employ leverage gained from past U.S. financial support to induce new German projects which specifically support U.S. aims; and

c. Support measures to increase hospitality to Eastern visitors to Berlin, and encourage dis-

creet publicity regarding the facilities available.

Assigned to: State, ICA

Supporting: USIA

Target date: Continuing

17. Lend encouragement to German plans to centralize and improve existing German facilities for meeting the needs of Eastern residents (legal advice, currency exchange, library and film facilities, etc.). If desirable and feasible, provide such financial contributions within agreed overall program levels (\$5.5 million for FY 1957) as may be necessary.

Assigned to: State, ICA, USIA

Target date: Continuing

Para. 8-e: "Review the present stockpile program in the light of the likelihood that, in the event of a new blockade, the Allies would resort to an airlift only as a supplement to other more positive measures."

18. Continue active study of adequacy of Berlin stockpile to meet emergency requirements. Special attention should be paid to changing patterns of Berlin consumption.

Assigned to: State, ICA, Defense

Target date: Continuing

19. Continue on an ad hoc basis to consider German requests for changes in the composition of the stockpile, with a full awareness of both the strategic and morale factors in maintaining the stockpile at approximately present levels.

Assigned to: State, ICA, Defense

Target date: Continuing

Para. 8-f: "Continue to exploit the unrivaled propaganda advantages."

20. In cooperation with the Federal Republic of Germany continue to lend support as necessary in order to maintain operation of the news sign at Potsdamer Platz.

Assigned to: USIA

Target date: Continuing

21. Continue to make informational materials, e.g., *Der Monat* (anti-Communist intellectual monthly published in West Berlin), available to persons from East Berlin and the Soviet Zone.

Assigned to: USIA

Target date: Continuing

22. Participate in the 1957 Berlin International Building exposition with an exhibit on the U.S. building trade, exhibits on the "U.S. City of Tomorrow", and other appropriate exhibits at the Amerika Haus and Congress Hall.

Assigned to: USIA

Target date: September, 1957

23. Continue to keep the facts of any unrest in the Communist orbit, e.g., Hungarian revolt, before the peoples of East and West Berlin and the Soviet Zone.

Assigned to: USIA

Target date: Continuing

[Numbered paragraph 8-g (2 lines of source text) not declassified]

[Numbered paragraph 24 and 2 subparagraphs (9-1/2 lines of source text) not declassified]

Para. 8-h: "Seek to persuade the UK and France to adopt the U.S. policy on Berlin and seek to widen the areas of agreement with regard to future plans and emergency measures."

Para. 8-i: "Perfect plans and practicable preparatory measures for future contingencies. Some of this can be done unilaterally, some requires the cooperation of our Allies or the German authorities or both. Keep under review:

"(1) Possible retaliatory measures and the means of quickly concerting action against specific local harassments.

"(2) Conditions affecting security and necessary remedial measures.

"(3) German Federal Republic financial and other support for Berlin.

"(4) Condition of the stockpile and equipment held in reserve for emergencies.

25. Continue efforts to secure British and French participation in tripartite planning (as follow-up to completed tripartite military study on feasibility of using limited force to regain access to Berlin) with regard to specific measures which could be taken to use limited force in connection with possible future obstruction of access to Berlin.

Assigned to: State, Defense

Target date: Continuing.

26. (See Courses of Action 4 and 8 above)

27. (See Courses of Action 2, 4, 24 and 25 above)

28. Explore steps to induce the Federal Republic to render more assistance to Berlin in light of reduced amount of direct new U.S. aid for Berlin and increased capacity of West Germany to supply such aid.

Assigned to: State, ICA

Target date: December 31, 1957

29. (See Courses of Action 18 and 19 above)

“(5) Plans for increased use of air transport in case of partial blockade.

“(6) Improvement of relations with the local authorities, in keeping with the new relationship to the Federal Government which the Allies will have under the Bonn Conventions subject to essential Allied security requirements.”

Para. 9: “If the Soviets or East Germans impose, or threaten imminently to impose, a blockade, or increase harassment to the point of seriously impeding Western access to Berlin, the United States should consult with its Allies and be prepared to:

“a. Make a determined effort in Berlin to end the restrictions by vigorous protests from Allied Commanders to the Soviet Commander.

“b. Instruct the U.S. Ambassador in Moscow to join with the U.K. and France in presenting an agreed declaration stating their intention to use force if necessary and the risk to world peace occasioned by the Soviet action in Berlin. If the U.K. and France cannot agree to such a declaration, the U.S. should then consider making unilateral declaration.

30. (Self-explanatory)

Assigned to: Defense

Target date: Continuing

31. Continue measures to impress upon all Americans in Berlin the unique character of their mission; urge friendly relations with local population and participation in local activities, charities, cultural and sports events.

Assigned to: All agencies

Target date: Continuing

32. (Self-explanatory).

Assigned to: Defense

Assigned to: State

"c. Continue to hold the Soviet Union responsible for any Communist action against the Western position in Berlin whether the action is taken by the Soviets or by East Germans or other satellites.

Assigned to: State

"d. In the meantime, make use at an accelerated rate of the means of access remaining open, in order to provide an opportunity to gain support of our Allies and world opinion.

Assigned to: State, Defense

"e. Initiate appropriate mobilization measures with the dual purpose of convincing the Soviets of the seriousness of the situation and of getting the United States and its Allies in a 'ready' state in the event resort to general war is required.

Assigned to: All agencies

"f. In agreement with the other occupying powers, use limited military force to the extent necessary to determine Soviet intentions and to demonstrate the Allied refusal voluntarily to relinquish their right to access to Berlin. If Soviet reaction to this course indicates their intent forcibly to deny Allied access to Berlin, the United States should consider implementing the course of action set forth in para. 9-i below.

Assigned to: Defense, State

"g. Seek to solify the free world behind the U.S. position, including appropriate action in the United Nations and in NATO.

Assigned to: State, USIA

"h. Start evacuation of U.S. dependents at an appropriate time.

Assigned to: State, Defense

"i. In the light of all the circumstances, including the general security situation, use limited military force to attempt to reopen access to Berlin. In doing so, recognize that Berlin is not militarily defensible and that if determined Soviet armed opposition should develop when U.S. units attempt to force their way into or out of Berlin, no additional forces would be committed, but resort would have to be made to general war. Prior to the use of force on a scale which might lead to general war, however, measures as enumerated in subparagraphs 9-a through -g above should be taken to make clear to the USSR the nature of our determination."

Para. 10: "If the USSR should attack Berlin with its own forces, the United States will have to act on the assumption that general war is imminent. In addition to resisting the initial attack and to placing itself in the best possible position for immediate global war, the United States should, if circumstances permit, address an ultimatum to the Soviet Government before full implementation of emergency war plans.*"

Assigned to: State, Defense

33. (Self-explanatory).
Assigned to: All agencies

“*The President, on February 4, 1957, approved NSC Action No. 1664-c, in which the Council agreed that, because an attack on Berlin by East German forces alone might not necessarily carry the same implications as an attack by Soviet forces, the United States (in addition to resisting the initial attack) would consider at that time whether or not to treat such an attack in the manner stated in paragraph 10 of NSC 5404/1 with respect to an attack by Soviet forces.”

[3 paragraphs (5 lines of source text) not declassified]

191. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, April 20, 1957—7 p.m.

907. Subject: Berlin access. Reference Berlin telegram sent Bonn 903 repeated Department 1021 USAREUR 143.²

1. Accompanied by McKiernan³ I met Kotsiuba today as scheduled.

2. After usual amenities, during which Kotsiuba indicated he had returned from Moscow only this morning, Kotsiuba made long prepared statement. He said that recent “confusion, misunderstanding, and difficulties” regarding Allied travel to Berlin had arisen as result of faulty procedure for documenting travelers. Kotsiuba complained travel orders are issued by number of different US headquarters (he cited seven), that contents of orders differ, that not all travel orders are complete (some, he said, are not “properly stamped”), that orders are signed by many different persons, that orders do not contain necessary data to establish that traveler is authorized to proceed to Berlin, and that orders have been issued to “tourist”, including busi-

¹Source: Department of State, Central Files, 862B.181/4-2057. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²This telegram transmitted the text of a short note from Kotsiuba asking Hillenbrand to meet him on April 20 to discuss the travel of American citizens to Berlin. (*Ibid.*, 862B.181/4-1857)

³Thomas D. McKiernan, political officer at the Mission in Berlin.

nessmen and persons having no official business in Berlin. Recent change in Embassy travel order form, Kotsiuba concluded, indicated need for "uniform" travel orders.

3. Kotsiuba proposed, to "eliminate misunderstanding":

a. That travel orders should be issued only in the name of

- (1) Ambassador as successor to High Commissioner,
- (2) US Army Headquarters in West Germany, or
- (3) US Commandant, Berlin;

b. That only two persons be authorized to sign travel orders for each of these issuing authorities and that samples of their signatures and stamps be furnished to Kotsiuba for forwarding to Soviet check-points;

c. That travel orders should contain the following information:

- (1) indication of issuing authority,
- (2) name, rank, nature of duties, and number of ID card or passport of traveler,
- (3) purpose of travel (i.e., permanent change of station, temporary duty, or leave,
- (4) period of validity of travel orders,
- (5) type of transportation, i.e., motor vehicle or military train,
- (6) signature of person issuing orders;

d. That travel orders should be in German as well as Russian.

4. Kotsiuba asked that samples of travel orders along above lines be sent to him 28 or 29 April and said that after 1 May only travelers with such orders will be allowed to pass.

5. Kotsiuba then defined types of persons who, in Soviet view, were authorized to travel to Berlin. These, he said, included:

- a. Staff of US Commandant in Berlin,
- b. Military personnel of Berlin garrison,
- c. Families of above.

6. These persons, said Kotsiuba, should produce at Soviet check-points in addition to travel orders as described above, some form of documentation establishing traveler is employed by US Commandant, is member of Berlin garrison, or is member of family of one of these two. Documentation, said Kotsiuba, could take form of (1) special passport stamp "such as British use" (he may have been referring to status of forces certificate stamp in passports) or "special certificate".

7. With respect to travelers from West Germany to Berlin, Kotsiuba stated only persons who came to Berlin on duty are legitimate travelers. These, he said, should carry, in addition to travel orders, documentation establishing they are coming to Berlin on permanent change of station or temporary duty.

8. Above procedures, said Kotsiuba, would apply to both Autobahn and train, and, if they were followed, no trouble should result.

9. After Kotsiuba finished describing Soviet requirements mentioned above, I reminded him that I represented only US and asked whether he planned to speak to British and French. He did not seem to have anticipated this question, but replied he would have similar meeting with French and British political advisers as soon as possible.

10. Referring to conversations of Ambassador Conant and Chargé Trimble with Soviet Ambassador Pushkin and our own earlier conversation, I reminded Kotsiuba that US had already made its position clear; that there had been no difficulties prior to November 1956, when Soviets introduced new procedures; and that Ambassador and military commanders have right to determine who should be documented to travel to Berlin. I informed Kotsiuba I would, however, bring his comments to attention of my British and French colleagues and of the Embassy. While making it clear I could give no commitments regarding any of his suggestions, I pointed out it would in any case be technically impossible to take decision on these matters by May 1.

11. Although Kotsiuba had just returned from Moscow, I am not certain whether he spoke with full authority or whether he was primarily repeating line concocted locally by his staff. Certain arguments and turns of phrase seemed reminiscent of those previously heard from Kotsiuba or his assistant Shilob. It seems likely, however, that Soviets have decided time has come to make effort to end present situation of mutual protest on trains of presence certain passengers and occasional refusal of clearance on Autobahn to certain travelers followed by Allied protest. While in some respects their present proposals mark retreat from previous position, they presumably fall considerably short of what we could accept and represent attempt to eliminate large miscellaneous category of travelers to Berlin particularly alleged tourists and other persons with no obvious official reasons for travel to Berlin. We have impression that Soviets feel that they are under pressure from GDR officials and wish to throw them some concessions in way of control over certain travelers to Berlin previously processed by Soviet control officers.

12. At meeting later today of political advisers, British and French were informed of foregoing. They indicated that they had within last hour received call from Soviets requesting meeting with Kotsiuba on Monday.

Hillenbrand

192. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, April 22, 1957—2 p.m.

908. Subject: Berlin access. Reference Berlin telegram sent Bonn 907 Dept 1025 USAREUR 144 20 April.² After French and British political advisers have had their meetings with Kotsiuba today and tomorrow and we have been able to compare notes, hope to be able to make some tripartite recommendations regarding latest formulation of Soviet position. Meanwhile following are some preliminary observations in addition to those contained in reference telegram:

1. Kotsiuba's manner was pleasant and conciliatory, and he put on good initial act to show Soviets motivated mainly by desire to eliminate needless misunderstandings at checkpoints and confusions about Allied documentation procedures. However, content of his statement was dogmatically phrased, and there was always undercurrent of implication that "misunderstandings" could be eliminated only on terms he was proposing. As he proceeded with his long opening statement it seemed to become clearer that these were scarcely proposals intended for negotiation but Soviet conditions to be met by May 1. Under instructions in paragraph 5 Embtel sent Dept 3726 rptd USAREUR 485 Berlin 454,³ I did not consider myself to be in position to draw him out on specific points so as to verify whether or not this impression correct.

2. What Soviets appear to be attempting is to achieve their current objectives regarding Allied travel to Berlin by obtaining acceptance of documentation procedures which in effect embody those objectives. While that objective seems considerably mitigated in some respects from extreme statement of Soviet position last November and has taken account of protests by Allies (for example in broadening categories of "permissible" travelers and accepting issuance of travel orders by Ambassador), they appear to go far beyond what we are prepared to accept in way of narrowing down issuance of travel orders. Primary target of Soviets appears to be large miscellaneous category of travelers whom they label as "tourists" and "businessmen". They seem to have in mind largely travelers originating in

¹Source: Department of State, Central Files, 862B.181/4-2257. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²*Supra.*

³This telegram transmitted a nine-point tripartite paper on access. Paragraph 5 stated that if the Soviets tried to specify the categories of travelers whom they considered legitimate, the Western powers should make clear that it was their Ambassadors and military commanders who would determine who would be documented for travel to Berlin. (Department of State, Central Files, 762.0221/3-2957)

West and proceeding to Berlin, since practically all persons stationed in Berlin now given travel orders would seem to fall within "permissible" categories.

3. Although Soviet motive for individual rather than collective approach to three political advisers might be hope of bringing Allied unity, seems more probable they requested meeting with US first because they may feel, from such statistical analysis as they may have made, that movement of leave travelers to Berlin is primarily an American interest. Moreover, diversity of authorities issuing travel orders is limited to United States.

4. Only reason which occurs to us for Soviet demand that new travel orders contain German as well as Russian translation is that this connected with some gesture towards GDR, perhaps desire to be able to show that Soviets are narrowly interpreting categories of travelers they will continue to process apart from GDR controls at check points.

5. If in rather unlikely event it should develop that Soviets really wish to negotiate rather than dictate terms under which to end present unsatisfactory situation at border check points, essential issue posed is whether (a) some accommodations in form can be envisaged (e.g., restriction of travel order issuing authorities) without concession of any essential principle to enable Allies to make counterproposals or (b) Soviet statement must be rejected in total as intolerable effort, by proposing basic changes in documentation procedures, to achieve objectives they have failed to obtain by less clear-cut actions in past six months.

Hillenbrand

193. Telegram From the Embassy in Germany to the Department of State¹

Bonn, April 23, 1957—7 p.m.

4102. Reference: Berlin's 907 and 908.² Following are preliminary comments on situation posed by Kotsiuba démarche.

While a few of Kotsiuba's demands could probably be met (e.g., greater uniformity of travel orders), question arises whether Three Powers would wish comply with even these demands under pressure of what is tantamount to Soviet ultimatum, at least as regards effec-

¹Source: Department of State, Central Files, 762.0221/4-2357. Confidential; Niact. Repeated to Berlin, London, Moscow, Paris, and USAREUR.

²Document 191 and *supra*.

tive date. More difficult problem is extent, if any, to which we would be prepared to meet other demands, such as those concerning only two signatories each for agencies issuing travel orders, “nature of duties” of traveller, purpose of travel, etc., some of which obviously infringe basic position that it is right of three Ambassadors and military commanders, and not of Soviets, to determine who shall be authorized for travel to Berlin. We would presumably be prepared, in order to keep military trains running and Autobahn open for travel, to continue some limitations on categories of personnel authorized to travel; but presumably we would not be prepared to let Soviets know we were imposing such limitations nor to agree to all their demands regarding documentation and data to be contained therein.

Given ultimatum date of May 1, early action by Three Powers obviously necessary. On assumption Kotsiuba makes *démarche* to British and French similar to that made to Hillenbrand, several possibilities occur to us:

1. Three political advisers Berlin might inform Kotsiuba in writing that position of Three Powers already made clear, i.e., that Ambassadors and military commanders have right to determine who shall be authorized for travel to Berlin; that this procedure worked satisfactorily until Soviets instituted new procedures last November; and that we cannot accept Soviet attempts to impose restrictions on our right of access to Berlin which was established by Quadripartite Agreement and reaffirmed by New York and Paris Agreements 1949.

2. Similar communication might be sent instead from three Ambassadors to Pushkin with reference, in British and US letters, to Hoyer Millar’s and Trimble’s talks with Pushkin in January and March, respectively.³

3. Either of above communications might include additional statement to effect that we would be willing to study possibility of clarifying and making more uniform our travel orders and other travel documentation, but that for obvious technical reasons this cannot be done by May 1 and would, in fact, require at least several months.

4. Three political advisers Berlin might see Kotsiuba together this week and communicate orally substance of 1 through 3 above.

Alternative 4 has perhaps several advantages in that it seems preferable at this stage to keep discussion on oral basis and not evoke written statement of Soviet demands; also because further talk with Kotsiuba might afford (a) indication whether, as suggested paragraph 5 Berlin’s 908, there any flexibility in Soviet position and (b) some clarification of their motive in specifying May 1 as cut-off date.

Regarding this date and Kotsiuba’s “proposal” that German as well as Russian translations of travel orders be presented, we agree

³See Documents 184 and 189.

suggestion contained paragraph 4 Berlin's 908, but also believe there good possibility that Soviets intend in near future to turn over control of checkpoints on Autobahn and rail routes to East Germans, and that revised procedures they demanding by May 1 is preparatory to such move.

We hope discuss situation with British and French here tomorrow if they have by then reports of their Berlin representatives' talks with Kotsiuba.⁴ Would therefore appreciate comments soonest on four possibilities suggested above.⁵

Bruce

⁴On April 23, Gufler reported that Kotsiuba had repeated almost verbatim the statement he had made to Hillenbrand on April 20. The three Western political advisers then agreed on the following three recommendations in formulating the Allied position: 1) an entirely negative reply should be avoided if possible; 2) it would be undesirable to become involved in a discussion of the categories of travelers; and 3) perhaps a new tripartite stamp could be used as an Allied counterproposal to test whether the Soviets were interested in a reasonable settlement or wanted complete acceptance of their demands. (Telegram 1028 from Berlin; Department of State, Central Files, 862B.181/4-2357)

⁵Telegram 4102 was received in Washington at 2:22 p.m. on April 23. Five hours later, the Department of State replied that course 4 seemed to be the best alternative, but would comment further after receipt of the report on the British and French talks with Kotsiuba. (Telegram 2999 to Bonn; *ibid.*, 762.0221/4-2357)

194. Telegram From the Commander in Chief, United States Army, Europe (Hodes) to the Embassy in Germany¹

Paris, April 23, 1957—7:50 p.m.

SX 2936. Reference Berlin to Bonn 907.²

1. The position of the Soviets with reference to access to Berlin, if correctly represented by Kotsiuba in reference message, calls for a strong stand by the three Western military commanders and Ambassadors. While USAREUR positions have been set forth in numerous messages to Bonn the last 5 months, it appears appropriate to restate them with specific reference to points introduced Kotsiuba discussion.

2. While some of Kotsiuba's points are merely refinements of restrictions which we have had to bear since November 1956 the un-

¹Source: Department of State, Central Files, 762.0221/2-2357. Confidential; Priority. Repeated to Berlin and Washington. The source text is the Department of State copy.

²Document 191.

derlying concept appears to be that the Soviet military will permit only those whom they consider to be pure members of the occupation of West Berlin to travel under Soviet supervision and documentation. This would mean that members of forces and their dependents stationed in Berlin, and those officials (military for sure and diplomatic perhaps) who actually have bona fide business connected with the occupation will be passed by the Soviet military. All others will travel, or not travel, as determined by the GDR. By inference today and actuality tomorrow, the Soviets will determine appropriateness of any official visit to Berlin.

3. This appears as the second step toward the strangling of West Berlin. The first step was successfully taken last November.

4. The basic underlying premise Kotsiuba introduces is totally unacceptable to USAREUR even though some details of the proposed changes in procedure are not objectionable.

5. Specific proposals suggested by Kotsiuba which are not objectionable are these:

(a) Uniform format for Russian translation of travel order.

(b) Limiting authority to issue travel orders to American Embassy, USAREUR and USCOB.

(c) The list of specific data desired in Russian translations as enumerated in paragraph 3c, reference message, is already being provided except "nature of duties" and "purpose of travel". USAREUR does not propose to permit the Soviets to monitor the nature of duty for which personnel present to Berlin.³

(d) The submission in advance of Russian translation format to Kotsiuba. USAREUR does not object to coordinating this format since these translations are solely for Soviet consumption. It is, however, inappropriate to submit them for Soviet approval. The time restriction of 1 May is unreasonable.⁴

6. The following points made by Kotsiuba are objectionable:

(a) Only two persons authorized to sign orders for each authority. This restriction cuts across established US military practice of the Commander in Chief delegating authority. While this is objectionable, we can live with this restriction. It is possible to amend our procedures to assure that Russian translation of orders do not carry a variety of headings and signatures.

(b) German translation of travel orders. Only US forces and Soviet military are concerned. No German, West or East, has occasion to read these orders.⁵

³Next to this paragraph in the source text is the handwritten notation: "State agrees *not* to provide this."

⁴Next to this paragraph in the source text is the handwritten notation: "State agrees for info only."

⁵Next to this paragraph in the source text is the handwritten notation: "State agrees this *out*."

(c) Documentation outlined in paragraph 6, reference message: Except for persons traveling and individuals on the Autobahn, USAREUR has always objected to showing Soviets anything except Russian translation of travel orders. For lack of fully coordinated US, French, and British stand on this matter, we have been forced to accept a compromise. However, we are still protesting this action by the Soviets as violation of the Allied access to Berlin guaranteed by the Soviet Government in the New York Agreement. Return to the strongest position and not retreat to a new concession is urgently recommended.⁶

(d) Soviet audacity in proposing that they determine type of personnel to travel to and necessity for their business in West Berlin is a most serious threat to the fundamental right of access.⁷

7. The strongest possible position is urgently recommended.

⁶Next to this paragraph in the source text is the handwritten notation: "State agrees this out."

⁷Next to this paragraph in the source text is the handwritten notation: "State agrees."

195. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, April 29, 1957—7 p.m.

933. From Bruce. Reference: (A) Berlin telegram sent Bonn 926, repeated Department 1048, USAREUR 149.² (B) Bonn telegram sent Department 4196, repeated Berlin 490, USAREUR 573.³

I called today on Soviet Ambassador Pushkin.

After somewhat lengthy preliminary exchange of courteous conversation and ingurgitation of Armenian brandy I said I felt I would have to talk frankly about difficulties caused by Soviet personnel at checkpoint Helmstedt regarding travel orders to Berlin, citing particularly the case of Mr. and Mrs. Robert Evans, who have been held

¹Source: Department of State, Central Files, 862B.181/4-2957. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²This telegram reported that despite a protest in the name of Ambassador Bruce, the Soviets refused to permit Foreign Service officer Robert Evans and his wife to travel by Autobahn to his new duty station in Berlin. (*Ibid.*, 862B.181/4-2957)

³This telegram reported that, in view of the Evans case, it was likely that the Soviets would refuse to accept Embassy travel orders for military train passengers as well as Autobahn travelers beginning on May 1, and that Kotsiuba's insistence on approving the new travel orders was intolerable. (*Ibid.*, 862B.181/4-2957)

up for several days. I requested my interpreter to read in Russian following prepared statement:

"I represent the U.S. Government here not only as Ambassador, but with the authority and responsibility in Berlin of the High Commissioner as successor to the US Military Governor in Germany.

"There can be no doubt of my right to determine whom I shall document for travel either by military train or Autobahn. The present situation is most unsatisfactory.

"As far as I am concerned you are the highest Soviet authority in these affairs. I am calling this to your attention in the expectation and hope that you will issue appropriate orders to bring to an end these unnecessary, vexatious and irritating petty incidents.

"At a time when your government pronounces itself in favor of relaxing international tensions some of its representatives seem to be engaging in tactics calculated for the annoyance and delay of legitimate travel."

Pushkin replied along following lines:

His position in this matter was different from mine as in addition to his duties as Chief of Embassy his concern was with all-German problems only. Soviet Government had delegated matters of checkpoints and travel to its military authorities in Germany. He was, however, familiar with question, had been in close contact with Soviet military authorities during recent developments and wished to assure me that Soviet military authorities did not wish to provoke incidents or cause difficulties. Reason for their action was lack of proper order and agreed procedure in such matters and their recent proposals were aimed at establishing this needed order. If only three sources issue travel orders for American personnel in Germany, namely the U.S. Commander in Berlin, the U.S. Commander in Chief in Germany, and the U.S. Ambassador in Bonn, and if it is agreed only certain designated persons are allowed to sign these travel orders, and an agreed stamp is used, that would serve to eliminate possible incidents rather than to cause them.

I commented that powers of the U.S. Ambassador, in his position as successor to the military government and to the High Commissioner, were according to his statement different from those of the Soviet Ambassador. I could not concern myself with internal Soviet procedure and had no intention whatever of discussing such problems with Soviet Commandant. Mr. Pushkin replied he did not think it was as complicated as that, adding that after all he belonged to the same government as his military authorities and therefore could very well act as an intermediary. He quoted the categories of American nationals who, in his opinion, could be issued orders for travel to Berlin, naming occupation personnel in Berlin and persons sent to Berlin on official duty travel, such as personnel of the Embassy in Bonn, U.S. military personnel in West Germany and others

who are sent to Berlin on official business as the only acceptable categories. He stated emphatically that no existing agreements provided for leave travel to Berlin and that when such travel occurs it should be processed through entirely different channels. He stated in his opinion it was improper for U.S. Embassy to delegate its travel issuing authority to an American tourist office. At this point Mr. Gufler said it might be a difficulty of translation, since the Soviets chose to translate "travel and transportation office" as tourist office.

I cited the case of Mr. Evans as an example of a person belonging to one of the categories mentioned by Mr. Pushkin. I stated that if I issued travel orders the Soviet personnel at the checkpoint had no business stopping the holder and that this endless quibbling seemed to me ridiculous. Also I termed the time limit for the introduction of new travel orders set by Col. Kotsiuba as entirely unworkable. Mr. Pushkin stated that his understanding was that the time limit was merely a proposal of Col. Kotsiuba's and was not in the nature of an ultimatum.

In conclusion I added that I was not prepared to enter into a debate on details but wished him to understand exactly how we felt on the principles involved.

Pushkin was unfailingly polite throughout interview.

An hour after my return to office following message received by telephone from Colonel Kotsiuba for Hillenbrand:

"Instructions have been issued to allow the married couple Evans to pass.

"I am calling your attention again to the causes which lead to the above-mentioned incident, the repetition of which may lead to similar difficulties."

I am instructing Evans to proceed by car tonight or tomorrow morning.

Pushkin paying return call on me tomorrow morning at 1100.⁴

Gufler

⁴Pushkin called on April 30 as scheduled, but Bruce reported that the conversation was confined to pleasantries. (*Ibid.*, 862B.181/4-3057)

196. Telegram From the Embassy in Germany to the Department of State¹

Bonn, May 7, 1957—7 p.m.

4314. Paris pass Ambassador Bruce. Reference: Berlin's 938 April 30.² Definitive tripartite discussion here of Berlin access problem has been impossible because of NATO meetings and Selwyn Lloyd visit.³ At working level, however, three Embassies have agreed that in light of US difficulties in connection with Freshman⁴ and Evans cases, both papers quoted in Embassy telegram 4153 April 26⁵ should be revised. Alternative courses of action have been considered and following paper representing preliminary tripartite suggestions has been prepared:

“Three political advisers Berlin should seek meeting with Kotsiuba and follow one of courses set out below:

I. (a) They should present Kotsiuba with rough copies of travel orders and stamps, and of new passport stamps.

(b) They should tell him these are to be introduced as soon as necessary administrative arrangements have been made, and that he will be informed later of date of introduction.

(c) If he says he will give Soviet comments later, he should be told that the samples were being given him for his information and not for his approval. If necessary, he should be told that it is for the issuing agencies to decide to whom travel orders should be issued, and that new documentation clearly shows that travelers have authority of these issuing agencies.

(d) If Kotsiuba insists that documentation must have Soviet approval before being introduced, political advisers should state that they can only report his attitude to their governments, since it is in direct contravention of basic right, repeatedly reaffirmed by himself as well as by Pushkin, of Ambassadors and military commanders to determine authorization for travel to Berlin.

¹Source: Department of State, Central Files, 762.0221/5-757. Secret; Priority. Repeated to Berlin, London, Moscow, and Paris.

²Telegram 938 reported that the political advisers had agreed on an interim note to be sent to Kotsiuba saying that the question of travel to Berlin was still under consideration, and that for the present it would be best to keep using the old forms to facilitate travel to Berlin. (*Ibid.*, 862B.181/4-3057)

³British Foreign Secretary Selwyn Lloyd was in Bonn May 2 and 3 for the North Atlantic Council meeting.

⁴Arnold Freshman, a member of the Berlin economic staff, was detained for 5 hours by Soviet officials and only cleared for passage to Berlin following a direct protest to Kotsiuba.

⁵Not printed. The first paper contained three proposals for a meeting between the Western political advisers and Kotsiuba; the second advanced six recommendations concerning travel orders and personnel going to Berlin. (Department of State, Central Files, 762.0221/4-2657)

II. Without giving Kotsiuba samples of the new documentation, political advisers should inform him that:

(a) They agree it would be useful to revise travel order forms and stamps thereon in order to achieve greater uniformity.

(b) Issuing agencies and persons authorized to sign can be limited along lines he suggested but, in case of British military authorities in Federal Republic there may be some difficulty because Army, Navy and Air Force Commands are separate. (*Comment:* If it is possible to resolve this difficulty prior to meeting with Kotsiuba, reference to it could be deleted.)

(c) New stamps will be introduced for insertion into passports of those traveling on orders issued by Ambassadors indicating that bearers are authorized by Ambassador to proceed to Berlin 'in connection with occupation of Berlin', thus fulfilling Kotsiuba's request regarding 'purpose of travel' and 'nature of duties' or 'occupation' of traveler.

(d) They see no point in having German as well as Russian translation of travel orders, which are designed solely for Soviet authorities and not for Germans.

(e) New travel order forms and stamps on above lines are being worked out and samples will be given Kotsiuba for his information before they are brought into use.

(f) If Kotsiuba indicates that he will have to see new documentation before giving definitive reply or 'approval', political advisers should repeat that samples of the new forms and stamps will be shown him for his information before they are put into use, but that they will not be submitted for his approval. If Kotsiuba insists that documentation must have Soviet approval, political advisers should make a statement as in I (d) above.

(g) If Kotsiuba replies that forms and stamps along lines indicated are inadequate to meet Soviet requirements political advisers should make statement as in I (d) above.

III. Political advisers should give Kotsiuba sample of new passport stamp only, saying that new travel orders are being worked out and that he will be given samples as soon as necessary arrangements have been made but that meanwhile introduction of new passport stamp should obviate difficulties experienced at Soviet checkpoints by travelers authorized by Ambassadors. Reaction to any comments by Kotsiuba should be as in I and II above.

Comment: Object of course I is to avoid risk that new documentation would be rejected by Soviets on grounds that they had not cleared it, while at same time avoiding giving impression that we are seeking Soviet approval. It would also avoid labor and expense of actually producing new documentation which Soviets might reject when it was put into use. Objection to course I is that it would take at least several weeks to work out new travel order forms to show Kotsiuba, and might, however much we argue to contrary, be interpreted as submitting new documentation for Soviet approval.

Object of course II is to attempt to clarify points of principle before undertaking work of producing new documentation which Soviets might reject when it is introduced. It also has advantage that it could be carried out at once. Risks are that it might make Soviets harden their attitude and would not necessarily prevent them from refusing to accept documentation eventually produced on grounds that they had not given their prior approval.

Course III has advantage that it could be carried out without delay as form of new passport stamp has already been tripartitely agreed. Object would be to overcome present difficulties whereby travelers are rejected by Soviets because they have no status stamp and allow US to continue using old travel order forms until satisfactory new ones have been worked out. (This argument may not apply on US side as Soviets have raised objections to their current form as issued by the Embassy.) Disadvantage of course III is that it is two-stage operation and, if Soviets make difficulties over clearing passport stamp, we would then have additional difficulties in second stage in clearing both passport stamps and new travel order forms."

Of courses suggested therein, British Embassy prefers I but would apparently also settle for II. We have some preference for II but believe I also acceptable. French presently inclined favor III although British, who suggested it, do not like it nor do we because in view our own difficulties not only over lack of passport stamp but also over our current travel order forms, we do not believe it would solve our present problems even on temporary basis.

Would appreciate comments soonest.⁶

Trimble

⁶On May 9, Gufler cabled his general agreement with the proposals advanced in this telegram, but stressed that the Soviets were unlikely to wait indefinitely for a Western response. He advised that if tripartite agreement could not be reached on course I, then consideration might be given to combining courses II and III to the extent of giving Kotsiuba a sample of the new passport stamp. (Telegram 1085 from Berlin; *ibid.*, 762.0221/5-957)

197. Telegram From the Embassy in Germany to the
Department of State¹

Bonn, May 7, 1957—7 p.m.

4315. Paris for Ambassador Bruce. Immediately preceding telegram² deals only with tactics to be followed in immediate future and does not broach basic problem with which we may soon be faced, namely, whether we are prepared to insist, whatever the outcome, on maintaining the principles underlying our right of access to Berlin or whether in last analysis, if Soviets continue to press their current demands, we would be prepared to yield to them in order to keep open limited access to Berlin.

Soviet position as expounded by Kotsiuba and Pushkin seems clear. Although they recognize right of Ambassadors, military commanders and Commandants to authorize travel to Berlin, they have stated that only certain categories of persons should be authorized and that, of these, some should be authorized for duty travel only. Kotsiuba has furthermore demanded that new documentation be introduced specifying, inter alia, traveler's status and purpose of his travel. Pushkin, in less precise terms, indicated same requirements. This, plus fact that Kotsiuba's original *démarche* to three political advisers³ was made on heels his return from Moscow, strengthens our belief that his demands were based on specific instructions from Moscow. Instructions were perhaps motivated by GDR insistence that Bolz-Zorin letters of September 1955⁴ finally be implemented rather than by Soviet desire to create difficulties over Berlin access as such.

Whatever the motivation, first question is what if any flexibility is there apt to be in Soviet position, i.e., is there possibility they may be satisfied with documentation we are now prepared to provide? In our view, chances are at best slight that they will be, but answer should emerge more clearly from political advisers' next round with Kotsiuba. If he rejects documentation as inadequate or indicates he must study it before approving it, next move could be stiff letters from three Ambassadors to Pushkin, followed if necessary by tripartite *démarche* at Moscow.

Before taking matter to Moscow, however, and perhaps even before approaching Pushkin, it would seem advisable to determine ourselves and then to seek tripartite agreement on how far we are

¹Source: Department of State, Central Files, 762.0221/5-757. Confidential; Priority; Limit Distribution. Also sent to Paris and repeated to Berlin and Moscow.

²*Supra*.

³See Document 191.

⁴See Document 218.

prepared to go in maintaining our basic position. British, for example, have indicated that in end they would impose severe limitations on their travel to Berlin if it was necessary in order to keep travel open for personnel stationed in Berlin. Thus they seem not too strongly opposed to including in travel orders statement regarding traveler's occupation and purpose of travel, and giving German as well as Russian translation of orders. French tend to stronger position, perhaps because in any case they have only minimum of travellers, with little or no leave travel involved.

Our situation is somewhat more difficult in view of amount of US travel, particularly by military train. It is our understanding that trains carry about four thousand passengers a month, with weekend travel sometimes as high as four hundred per night. While we have no breakdown of this, it seems probable that large proportion is leave travel, with at least some of it undertaken not by regular military or civilian personnel but by members of "voluntary agencies" such as Brethren Service Committee, American Friends of Russian Freedom, Foster Parents' Plan for War Children, etc., who are still entitled to use military trains. Obviously a good deal of this travel could be eliminated including, if necessary, leave travel for personnel not stationed in Berlin, but this is question for determination by Washington in light various factors involved.

Question remains, however, of position to be taken vis-à-vis Soviets. It seems to us there two broad alternatives: (1) to maintain, by *démarche* at Moscow, if necessary, that it is we and not Soviets who have right to determine authorization for travel to Berlin, including purpose for which travel authorized, and that we are not prepared to go further in question of new documentation than uniform travel order forms, passport stamps, etc., which should be adequate assurance that we are appropriately supervising travel (this would not prelude our eliminating some of present travel, as suggested in foregoing paragraph, but we would not inform Soviets we were so doing nor would we agree to include "purpose of travel" in travel orders); or (2) to try at Kotsiuba level to win out on basis principles set forth in (1) but be prepared, if Soviets remain adamant, to yield to their documentation requirements.

Alternative (1), if *démarche* at Moscow were unavailing, could lead to open showdown with trains being turned back and attendant publicity. In this event, it seems probable we would have full support of public opinion since issue would not merely be one of type of documentation and legitimacy of leave travel, but more basic one of whether it is Soviets or Three Powers who determine latter's rights. It is also not impossible that if strong tripartite position were maintained up to Moscow level, if necessary, Soviets would yield

sufficiently in their demands to enable us to arrive at some tolerable *modus vivendi*.

Alternative (2) would involve inevitable loss of prestige but loss might be somewhat less if we had not taken issue to Moscow. Possible danger inherent this alternative is that Soviets would be encouraged by our yielding on these demands to make new ones in near future.

As stated earlier in this message, we believe it important determine this basic question on our own side and, if possible, tripartitely before proceeding beyond contemplated next step with Kotsiuba. Would therefore appreciate views soonest so that we may discuss with British and French.

Trimble

198. **Telegram From the Department of State to the Embassy in Germany¹**

Washington, May 8, 1957—6:03 p.m.

3160. Paris pass Ambassador Bruce. Bonn's 4314 rptd Berlin 505 Paris 836 USAREUR 595 pouched Moscow, London.² In absence contrary views USBER, which possibly in best position evaluate tactical merits of various suggested approaches by Berlin political advisers to Kotsiuba and latter's probable reactions, Department has following suggestions re alternative courses of action outlined reftel:

1. We agree with Embassy re disadvantages course III and would favor eliminating it from consideration.

2. Only substantial difference between courses I and II appears that in former we would present to Kotsiuba at time initial approach "rough" copies of tripartitely agreed travel orders and new passport stamps whereas in latter we would merely describe these orally in general terms. Possible disadvantage latter course is likelihood that Kotsiuba, in absence any specific document on which he could focus, would be unwilling take any position which would be meaningful and that he would merely state he could not comment until he had seen actual documents. This would leave us just where we were before approach made. Furthermore, while we agree we should avoid any indication we are submitting documents for Soviet approval

¹Source: Department of State, Central Files, 762.0221/5-857. Secret; Priority. Drafted by Creel, cleared by Eleanor Dulles and the Department of Defense, and approved by Lisle. Repeated to Berlin, London, Moscow, and Paris.

²Document 196.

rather than purely for information, it is at least conceivable, bearing in mind difficulties Soviets have had in past with certain aspects our Russian translations of travel orders, that Kotsiuba might make some suggestions of technical character re form or wording of documents not affecting substantive issues involved which could actually be helpful.

3. Department therefore sees some advantage course I, which could be combined with certain specific aspects enumerated under course II such as II-a, II-b (depending on resolution British problem) and II-d.

4. Believe approach to Kotsiuba on above basis should be made soon as possible. Hope it will not take "at least several weeks" to work out in rough form new travel orders to show Kotsiuba, despite problems involved in tripartite coordination Bonn and Berlin as well as with military headquarters.

Dulles

199. Telegram From the Embassy in Germany to the Department of State¹

Bonn, May 15, 1957—8 p.m.

4439. Reference Department telegram 3160 May 8 and Berlin's 962 May 9.² Tripartite discussions on course to follow with Kotsiuba were suspended by British pending consultation with their political adviser Berlin who was due here this week. He strongly advocated course along lines III.³ and Embassy support them. French meanwhile had accepted Department's proposal for I combined with parts of II and British today finally yielded. Following is redrafted paper now tripartitely agreed:

Begin text:

1. Political advisers should see Kotsiuba, together if possible, and tell him that:

(a) They consider documentation now in use is still valid and conforms with long-established practice. However, since there seems to have been confusion on part of Soviet control personnel because

¹Source: Department of State, Central Files, 762.0221/5-1557. Confidential; Priority. Repeated to Berlin, London, Paris, and Moscow.

²Telegram 3160 is printed *supra*. Regarding telegram 962, repeated to the Department of State as 1085, see footnote 6, Document 196.

³The courses referred to in this paragraph are those outlined in telegram 4314, Document 196.

of differing forms of travel orders and stamps, it has been agreed that an attempt could be made to achieve greater uniformity; also that issuing agencies and persons authorized to sign could be limited long lines he suggested.

(b) Rough copies of new forms and stamps have been brought for his information including new stamp to be inserted in passports of those travelling on orders issued by Ambassadors.

(c) These new forms and stamps will be introduced as soon as necessary administrative arrangements have been made and he will be informed later of date of introduction. He will also be given finished samples of them, and of the signatures, before they are actually introduced so that he may instruct his checkpoint personnel accordingly. Meanwhile present documentation will continue to be used and Soviets are expected to continue honoring it.

2. As circumstances may require or as political advisers consider desirable, they may tell Kotsiuba (a) they see no point in having German as well as Russian translation of travel orders, which are designed solely for Soviet authorities and not for Germans; and (b) new forms and stamps afford adequate indication of "purpose of travel" and "nature of duties" of traveller.

3. If Kotsiuba says that he will give Russian comments later on new documentation he should be told that samples were being given him for his information and not for his approval. If necessary, he should be told that it is for issuing agencies to decide what travel orders should be issued; also that new documentation clearly shows that travellers have authority of these issuing agencies.

4. If Kotsiuba insists that documentation must have Soviet approval before being introduced, political advisers should state they can only report his attitude to their governments, since it is in direct contravention of basic right, repeatedly reaffirmed by himself as well as by Pushkin, of Ambassadors and military commanders to determine authorization for travel to Berlin. *End text.*

Since this conforms with instructions contained reftel, assume Department agrees.

Before approach can be made to Kotsiuba rough copies of revised forms, etc., must be prepared. Tripartitely agreed position on this being cabled separately.⁴

Bruce

⁴The five-point position paper on the travel orders was transmitted in telegram 4454 from Bonn, May 16. (Department of State, Central Files, 762.0221/5-1657)

200. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, June 1, 1957—5 p.m.

1043. Subject: Berlin access.

1. Today's lengthy session of political advisers with Kotsiuba produced few surprises and confirmed our previous impression that primary objective of Soviets is to eliminate leave travel by Allied personnel stationed in Western Germany and documented with USAREUR orders for travel to Berlin. Atmosphere of meeting was amiable, but there was clear underlying appreciation that, despite superficial appearance of meeting of minds on many points, essential issue remained unsolved.

2. As chairman political advisers for June, French political adviser Bressier made statement substantially along line of instructions contained Embtel to Berlin 517,² clearly making implication that sample forms to be given Kotsiuba were for his information and not clearance. After receiving samples, Kotsiuba, who throughout was his usual rambling, seldom crystal clear self, replied that he was pleased to note that Western powers had understood that essential objective was to achieve certain uniformities in documentation, lack of which has caused various difficulties since last November. He indicated that, in principle, he agreed with proposals made by Allies, to extent that they seemed to him to derive from proposals which he had previously made. Only problems which remained concerned certain details.

3. After rather cursory examination, Kotsiuba stated that form of travel order presented to him seemed adequate to enable satisfactory checking at control points. However, he believed that orders should likewise contain German translation for reasons which he said he had explained during previous meeting with political advisers (actually he had given no reasons).³ He then expatiated that certain Allied travelers had tendency to leave main Berlin–Helmstedt Autobahn inadvertently, and that these persons inevitably ended up by coming into custody of East German police, who, in order to enable them to recover their bearings and to find way out of GDR, would require German version of travel orders in order to establish their identity as legitimate Allied official travelers. He cited in this connection recent case of American non-com who started off on Autobahn for Helm-

¹Source: Department of State, Central Files, 762.0221/6–157. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²Printed as telegram 4439, *supra*.

³For a report on the last meeting with Kotsiuba, see Document 191.

stedt but ended up at Hof checkpoint en route to Munich. While he was eventually cleared by GDR officials, Kotsiuba pointed out, such clearance could have been more expeditious if they could have immediately established from his travel orders that he was American non-com officer rather than having to enlist services of interpreter to translate orders into German. Kotsiuba gave no other reason for requiring German version of travel orders, but stressed that all he was interested in was welfare of Allied travelers who might thus stray from regular route. Therefore, he requested that Allies study question further to determine whether they could not also provide German translation of travel orders along with three languages already provided on sample forms presented to him.

4. Kotsiuba next asked what purposes of having all three issuing authorities on same travel order form was. When Bressier explained that intention was to cross out inappropriate authorities, leaving designation of issuing authority whose signature and seal actually appeared on travel order in question, Kotsiuba said that, while he could not object in principle to form as it was, he thought it would be desirable if separate form could be used for each issuing authority. Otherwise danger would arise that wrong authority would be crossed out or it would be forgotten to cross out any of issuing authorities; this could only lead to misunderstandings and confusion.

5. It was pointed out to Kotsiuba that it would be simpler to print one form rather than three kinds of forms for each of three Allies, but that his comments would be reported as made.

6. In response to query by Kotsiuba as to whether intention of Allies was to have no more than two persons sign on behalf of Commandant, Ambassador or Commander in Chief, he was told that his understanding was correct.

7. At this point Kotsiuba went off on long digression re Allied personnel stationed in Berlin. He requested that, in addition to sample copies of travel orders which had been given to him, he also be supplied with samples or photostatic reproductions of military identification cards used by military personnel and of passport stamps used by civilians or members of families of military attached to Berlin military government. Kotsiuba also indicated he would like not only sample of Commandant's stamp but also some indication of page in passports on which it would normally be placed. He then said wished to make personal suggestion which, he recognized, might be administratively expensive and not feasible, but which he wished to make anyway. If Allies could put in Russian language stamp on separate sheet of paper to be attached to back page of passport containing number of ID document, full name of individual traveler, and statement whether such traveler was member of military garrison, of civilian employee of military government or member of family or

servants thereof, this would greatly expedite processing at checkpoint by Soviet control officers. However, he did not insist upon this, but merely offered it as suggestion to expedite clearance procedures.

8. Kotsiuba then went on to say that, as far as travelers documented by Ambassadors or Commanders in Chief in Western Germany were concerned, travel orders could be issued only to persons traveling to Berlin on official duty or coming to Berlin to be stationed here. Therefore, their temporary duty orders should be attached directly to travel orders. Glancing at sample of Embassy stamp, he said that he thought such stamp would satisfy this requirement. However, he added, he could not at all agree with absence of Russian translation of stamp which would lead to great difficulties, and he would therefore have strongly to request that Russian translation of this stamp likewise be provided. Without break, he then went on to summarize his understanding of procedures which would come into effect on new documentation. This would involve first inspection of travel orders by Soviet control officer at checkpoint. This officer would then look at number of ID document indicated on travel order. He would then check this with ID card or passport of traveler to establish if name and number corresponded. If these documents were in order, Soviet control officer would then turn to third document which would be stamped to indicate whether traveler was moving on basis of duty orders or on transfer.

9. When it appeared that Kotsiuba thought that stamp, sample of which presented to him, was intended to be put on separate sheet of paper, it was made clear to him that intention was that this stamp would be placed in passport itself. Kotsiuba then said this would not be convenient for travelers since, if such stamp was to be placed in their passport every time they made trip to Berlin, passports would rapidly be exhausted. He was told that purpose of having expiry date was to enable issuance of stamp for a specific period of time to cover any number of trips to Berlin by traveler which might be required during period of time in question.

10. After receiving translation into Russian of stamp, Kotsiuba reversed himself and stated that it now appeared to him that stamp was not very well worded at all and he was therefore forced to propose that format be changed to permit stamp to show whether traveler was proceeding to Berlin on official business or on appointment to Berlin. Political advisers pointed out that, apart from his remarks on wording of stamp which they were not prepared to discuss but could only report to their principals, they wished to call his attention to fact that stamp in question was intended only to cover travelers documented by Ambassador and not those documented by Commanders in Chief in Western Germany. It was stressed that, apart from Commandants' stamp in passports of persons stationed in

Berlin, Allied passports might also contain stamp showing that traveler was member of Allied forces stationed in Western Germany entitled to travel to Berlin, as well as stamp, sample of which had just been given to him.

12 [*sic*]. On this point Kotsiuba commented that, as far as travelers originating in Berlin were concerned, position was quite clear. However, Commander in Chief in Western Germany could only issue orders to army personnel if they were coming to Berlin either on temporary duty or on permanent change of station, and such personnel would also have to have a similar separate piece of paper or stamp showing that this was the case. Finally, he stated that he hoped that before any new documentation was introduced, final versions of the forms would be sent to him so [garble—that he?] could study them, and if acceptable in principle, appropriately instruct checkpoint control officers.

13. At this point, prior to breaking off discussion, we stated we wished to bring to his attention threats made by Soviet control officers to our train commanders on last two nights re absence of Soviet translation of USAREUR seal on travel orders. We said we thought it highly inappropriate, while general discussion of changes in documentation was proceeding, for Soviets to make new and unreasonable demands re travelers on military train, and we requested that Kotsiuba take measures to have control officers instructed to cease making such demands. He stated that he was not familiar with cases in question, but he was sure that they had involved misunderstanding and he would make appropriate inquiries.

Comment: While political advisers adhered closely to limits set by instructions received, they were obviously unable to restrain Kotsiuba from commenting freely on various aspects of problem. No commitments were made and he is fully aware that, at most, political advisers will report his views to their principals. While he did not object to new travel order forms as such, it is quite possible that, upon further and more close scrutiny, he may also find them objectionable in that they do not contribute to that control over certain categories of Allied travelers at which Soviets are obviously aiming. Kotsiuba indicated his understanding that there would be no immediate changes in present documenting procedures and did not in any way give impression that during interim period these would be questioned. However, it seems clear we are far from having found any basis for *modus vivendi* and that today's conversation merely marked another round in series of difficulties which began last November. However, for what it is worth, it may be noted that Russian manner in general was conciliatory and any implied threats were always delicately veiled.

201. Telegram From the Department of State to the Embassy in Germany¹

Washington, June 8, 1957—1:39 p.m.

3491. Berlin's 1178 sent Bonn 1043 USAREUR 171 pouched London, Paris, Moscow.²

1. Political Advisers' June 1 meeting with Kotsiuba has made clearer than ever a) that current Soviet objective is to deny use of Autobahn and military trains for purpose leave travel to and from Berlin by Allied personnel not stationed Berlin, and b) that solution of various problems relating to form of orders, stamps, etc. will turn on our decision how to deal with this principal issue.

2. In reaching decision whether we should continue to insist on maintaining type of travel in question we feel following considerations should be taken into account:

a) Distinction exists between our basic interests in Allied access to Berlin and those marginal interests which are without significant effect on our basic position. Fundamental function of Berlin access is to enable Western Allies to discharge their responsibilities in connection with occupation of Berlin. This includes supply of Allied personnel stationed in Berlin, leave travel to West for such personnel, and travel to Berlin of Allied officials to perform duties in connection with administration and occupation of Berlin and maintenance of City's welfare.

b) We must continue insist that Ambassadors and Commanders alone have right to decide whose travel to Berlin is necessary. However we would not be on particularly firm ground in insisting that travel to Berlin of large number of leave personnel from West is based on determination by Ambassadors or Commanders that such travel is essential to carry on Allied occupation functions in Berlin.

c) General references in original four-power agreements on Berlin access to "free access by air, road and rail from Frankfort and Bremen for US forces" do not in context (previous clause refers to "garrison of Berlin") provide unassailable legal basis for travel to Berlin for purposes personal pleasure. Value of 1949 New York agreement in providing for restoration situation existing prior March 1, 1948 considered limited in view our understanding that in period 1945-1948 leave travel to Berlin as such was discouraged (because of limited facilities in Berlin) and that published military regulations, probably available to Soviets, forbade such travel except in special circumstances. Presumably therefore prior to March 1, 1948 there was little or no Allied leave travel from West to Berlin authorized as such (request Embassy verify this point). In any controversy we would of course seek to make effective use of the Paris June 20, 1949

¹Source: Department of State, Central Files, 762.0221/6-857. Confidential; Priority. Drafted by Lisle and Creel on June 7; cleared with Reinstein, Beam, Eleanor Dulles, and the Department of Defense; and approved by Murphy. Repeated to Berlin, London, Moscow, and Paris.

²*Supra.*

communiqué³ particularly references to "normal" access. However, whether we can argue effectively that this agreement imposes on the Soviets specific legal obligation (particularly in view of references to German authorities) requiring them to pass leave personnel on same basis as duty personnel is not clear.

d) Current difficulties with Soviets have now been going on for over 7 months during which Soviet attack has increasingly centered on documentation failing to establish travel to Berlin is for official purpose. While we probably could live with present situation more or less indefinitely, despite annoyance and inconvenience caused in individual cases, Soviets are likely try to bring matter to a head in not distant future. While difficult to foresee exact means they might use to do so, one possible line would be for Soviets to notify us that unless by certain specified date Allied documentation is changed to meet Soviet requirements Allied travelers will not be permitted to proceed past Soviet checkpoints. Upon arrival specified date, assuming no action has been taken by us to meet Soviet demand, Soviet course might be to challenge arbitrarily one or more travelers on military train as traveling for unacceptable purpose. They would then confront us with alternative of either removing such personnel from train or returning to point of origin. While on first such occasion, and possibly a few times thereafter, we would probably choose latter alternative, we could not long continue this course of action of imposing rail blockade on ourselves solely on behalf of interests of leave personnel.

e) There appears no likelihood that our protests at local level against Soviet action, which would presumably be based on express instruction from Moscow, would be any more effective than in recent instance of protest against Soviet action in checking individual identification US military convoy personnel. Any tripartite démarche in Moscow, which would be difficult to make without becoming publicly known, would engage Soviet prestige in manner unlikely produce favorable result unless Three Powers were in position exert effective political or psychological pressure or take further measures in case of rebuff. Previous examinations of feasibility exerting pressure by retaliatory measures have led to conclusion that under existing circumstances results unlikely be productive. Moreover Soviets are aware that public opinion in US and other Western countries, including Federal Republic, unlikely to support strong measures involving risk of serious crisis in situation where Soviets were not interfering with movement of personnel to and from Berlin on legitimate occupation business and where Soviets would be in position to present issue as involving nothing more than inexpensive leave and recreational travel.

f) Certain disadvantages would of course be involved in eliminating or drastically restricting leave travel to Berlin by Autobahn or military train. Since only alternative means of travel would be by more expensive commercial air (travel via other land routes involving acceptance GDR visas is of course out of question for official personnel) there would be many fewer leave travelers to Berlin. Cheap leave travel to Berlin has contributed to morale of forces, and ex-

³For text, see *Foreign Relations*, 1949, vol. III, p. 1062.

penditures of leave personnel in Berlin have helped Berlin economy. These factors are however subsidiary to importance maintaining fundamental aspects our Berlin access position.

3. We note from Bonn's 4713 sent Berlin 551 rptd USAREUR 671⁴ that both British and French are prepared "for present" to hold out against Soviet position that personnel stationed outside Berlin be authorized for duty travel only. We believe we should follow same course. In light considerations advanced above however, question arises whether we should not be prepared, if at some future point in negotiations with Soviets such action appears necessary, to take steps (but without indicating to Kotsiuba we are doing so) to protect our basic interest in Berlin access by internal measures to restrict Berlin leave travel via Autobahn or military train by those persons not stationed there. Should we do so we would avoid involving our prestige on issue where strong public support would probably be lacking and on which it highly doubtful we would win out in any event. In addition we could thus prevent issue from developing in manner which might compromise vis-à-vis Soviets their recognition, at least thus far, of right of Ambassadors and Commanders to determine what travel necessary in connection with occupation of Berlin. Such decision would not prevent limited issuance temporary duty orders (without per diem) to leave personnel in cases issuing authorities believed important. It would on other hand require barring advertising by American Express of package tours to Berlin from West for military personnel using military trains. It would be preferable, if such decision were made, to implement it, so far as possible, gradually and without dramatic impact.

4. If this decision were made, we would then be in position if necessary to develop some phrase for travel orders under heading "purpose of trip" such as "official government business". Obviously no specific designation of duties or occupation of traveler should be given since detail under this heading would open door to challenge by Soviets in individual cases and arguments over definition and interpretation which could jeopardize position of each person traveling to and from Berlin.

5. Re mechanical problems of form and language of travel orders, stamps, etc. raised by Kotsiuba, we believe these can best be worked out by various interested headquarters in Germany. On language point, however, we would see no real objection in principle to having both travel orders and stamps prepared in all four languages—English, French, Russian and German—if this considered practicable and proves necessary. As concerns use of German for travel orders, however, it might be preferable have this set out as

⁴Not printed. (Department of State, Central Files, 762.0221/6-657)

fourth language on uniform version travel order for use by nationals all three Western Powers (allowing for necessary variations from uniformity for different flags each national element, designation of issuing authority, signatures, etc.) rather than preparing separate complete document in German.

6. Request comments Embassy. Views Berlin and USAREUR should be sought.⁵

7. Defense concurs in this request.

Dulles

⁵On June 13 and 15, the Mission in Berlin and the Embassy in Bonn replied that they were in general agreement with the substance of this telegram. They further agreed that official travel must have complete freedom, but stated that leave travel would probably have to be sacrificed if the Soviets became adamant about it. (Telegram 1070 from Berlin to Bonn, repeated to the Department of State as 4853; and telegram 4852 from Bonn; both *ibid.*, 762.0221/6-1557)

202. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, July 8, 1957—6 p.m.

18. Bonn please also pass for information priority USAREUR 4. Reference: Bonn telegram to Department 8, repeated Berlin 1; Department telegram to Bonn 22, repeated Berlin 7.² British and French have now likewise received approval of redrafted tripartite paper, and British chairman political adviser will arrange appointment with Kotsiuba.

At American Commandant's July 4 reception, Kotsiuba went out of his way to reiterate point to American political adviser that he would be leaving for Moscow middle of month for period of six to eight weeks and that he hoped meeting could be arranged before his departure to "settle" travel problems he had been discussing with Allied political advisers. He said that there were, after all, only a few minor points to be resolved, and gave definite impression that he wanted to have something in his pocket on this subject when he arrived in Moscow. Although Kotsiuba has been overflowing with

¹Source: Department of State, Central Files, 762.0221/7-857. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²Telegram 8 from Bonn transmitted the text of a lengthy tripartite paper which discussed the tactics to be used in the next meeting with Kotsiuba. Telegram 22 to Bonn approved the text of the paper. (Both *ibid.*, 762.0221/7-157)

conviviality on recent social occasions in West Berlin, it is, of course, impossible to say whether this, plus his statements belittling points at issue, means he will actually be more conciliatory in effort to reach *modus vivendi* on Berlin access. Our general impression is that strength of his position in Soviet hierarchy Berlin area is partly based upon ability to maintain picture of himself as Soviet official who is able to deal with Allies, and it is not inconceivable that having "settlement" of current travel problems when he goes to Moscow at this period of change in leadership may assume some importance for him personally.

American Director Spandau reports that Kotsiuba went through essentially same act on Saturday during lunch at prison. This morning American political adviser received telephone message from Kotsiuba requesting that latter be informed when and where meeting could be arranged to "complete discussion of travel procedure at checkpoints Nowawes and Marienborn."

Gufler

203. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, July 11, 1957—8 p.m.

32. Subject: Berlin access.

1. Allied political advisers met with Kotsiuba this afternoon. Despite apparent anxiety of Kotsiuba to resolve issues prior to his departure for Moscow (which has been postponed until end of next week), basic problem of leave travel remained unsolved during lengthy and repetitious discussion. This is preliminary report which will be supplemented by fuller tripartitely-agreed account after further discussion with British and French tomorrow.²

2. Apart from reiterating much of what he said during June 1 meeting, Kotsiuba made following new points: (a) Soviets consider travel order as merely document establishing right of person to be processed by Soviet control officers at checkpoints and not as adequate authority in itself to validate right of individuals to travel to Berlin. Soviets apparently are thinking in terms of their own practice which involves separate documentation for mode of travel and right

¹Source: Department of State, Central Files, 762.0221/7-1157. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²Transmitted in despatch 37 from Berlin, July 15. (*Ibid.*, 762.0221/7-1557)

to travel. (b) Except for persons connected with occupation of Berlin, Soviets would be willing to have Kommandirovka appear on reverse side of travel order if this would simplify procedure from Allied point of view.

3. After detailed presentation by British chairman political adviser Ledwidge along lines of revised tripartite paper in Embtel 08 to Dept,³ Kotsiuba noted that not all questions raised by Soviets during June 1 meeting had been answered. He then launched into explanation which, for first time, clearly made point in para 2(a) above. Travel order merely answered question regarding kind of transportation being used and, in case of car, proved that bearer was owner thereof. Therefore he could not agree that travel order should be labeled Kommandirovka and requested that heading remain as in sample documents given to him during June 1 meeting.

4. As far as personnel stationed in Berlin were concerned he could understand how Commandants' stamp (preferably translated into Russian) would apply to civilian personnel. But he queried how Soviets could be expected to know that military personnel, bearing military ID documents, were actually members of Berlin garrison. This was why at June 1 meeting he had laid emphasis on having separate piece of paper identifying bearer as member of occupying forces in Berlin. In response to statement by British political adviser that travel orders signed by Commandant should be adequate proof that person is stationed in Berlin, Kotsiuba indicated this would not be satisfactory for military personnel. He added that small stamp on ID documents of military personnel would suffice indicating they were stationed with forces in Berlin.

5. Sample Ambassadors' stamp which had been given him seemed generally satisfactory except that it should be issued only for specific trip and labeled Kommandirovka.

6. After point had been made that Allies felt that stamp in passport was evidence of continuing right to come to Berlin issued under authority of Ambassador, which had been recognized by Pushkin, to send official personnel to Berlin as and when he wished, Kotsiuba said that such permanent stamp should be issued only to members of occupation in Berlin. Ambassador should authorize personnel only for single trip, even though period for such single trip not limited in duration.

7. As to travel orders issued by Allied Commanders in Chief Western Germany, he stressed again that military personnel stationed in Western Germany would legitimately come to Berlin for only two purposes: (a) on transfer to Berlin as member of Berlin garrison, (b)

³See footnote 2, *supra*.

on duty travel to carry out specific assignments. No limits, however, would be set on numbers or ranks of personnel so assigned.

8. Kotsiuba then proposed that, in interests of simplification, he could agree that reverse side of travel orders contain Ambassadors' stamp. He later said this would also apply to Kommandirovka to be issued by Commanders in Chief Western Germany. However, stamps issued by Commandants, since they were of permanent nature, should appear in passports.

9. It was made clear to Kotsiuba that political advisers could only report his additional proposals to their superiors. In meantime they assumed no new procedures would be introduced, and that present forms would continue in use. Kotsiuba said that he hoped entire matter could be settled before end of next week when he left for Moscow. Political advisers said they would communicate with his office as soon as instructions received.

Gufler

204. Report Prepared by the Operations Coordinating Board¹

Washington, July 17, 1957.

PROGRESS REPORT ON UNITED STATES POLICY TOWARD BERLIN (NSC 5404/1)²

(Policy Approved by the President January 25, 1954)

(Period covered: December 5, 1956 through July 17, 1957)

A. Summary of Operating Progress in Relation to Major NSC Objectives³

1. *OCB Recommendation Regarding Policy Review.* See paragraph A1 of Progress Report on Federal Republic of Germany.⁴

2. *Summary Evaluations.* The Western position in Berlin has been maintained without basic change. Although the Soviets have continued to make difficulties for certain categories of Allied personnel

¹Source: Department of State, OCB Files: Lot 62 D 430, Germany. Secret. Regarding the composition of this report, see footnote 1, Document 127. An attached Financial Annex is not printed.

²See *Foreign Relations, 1952–1954*, vol. vii, Part 2, p. 1390.

³The latest NIE for Berlin is NIE 11–3–56, dated 2/28/56. [Footnote in the source text. NIE 11–3–56 is printed as Document 178.]

⁴Document 127.

travelling to Berlin with regard to their travel documentation, there has as yet been no significant interference with Allied access to Berlin. An evaluation of actions taken in the implementation of U.S. policy follows:

a. *Making clear the Western position.* We have continued to impress upon the Soviets our alertness to developments in Berlin by reacting vigorously to Communist-inspired incidents and activities which contain any implication of a threat to the status of the City or the Allied position there.

The departure of Ambassador Conant⁵ provided an opportunity for reiterating publicly the U.S. determination to maintain its position in Berlin and to regard an attack against Berlin from any quarter as an attack against ourselves.

b. *Bolstering the economy and morale.* While the rate of the progress of the economy recently has not been as great as in previous years, the Berlin economy is now, in general, about 10% above the 1936 level. However, it still lags considerably behind West Germany. A continuing upward trend in West Berlin's economic activity remains an important element in maintaining the morale of the city and serving as an attraction for the citizens of East Berlin and the Soviet Zone.

c. *Continuing Special Soviet Zone projects.* West Berlin continues to serve as a powerful magnet attracting the population of the Soviet Zone, and thus serves as a focal point for special projects financed by the U.S. and the Federal Republic to influence these persons. (See East Germany Progress Report.)⁶

d. *Military planning regarding Berlin access.* Some limited progress has been made in the field of tripartite military planning regarding action to be taken in the event of serious interference by the Soviets with access to Berlin. During the period the three Allied Commanders-in-Chief in Germany completed and submitted to the three Ambassadors a study regarding the feasibility of using limited force in the event of such interference for the purposes of (a) determining Soviet intentions and (b) attempting to reopen access to Berlin. This study concluded in essence that the use of limited force would be feasible for the purposes indicated above in the case of serious Soviet interference with Allied access to Berlin by the road and air routes, but not in the case of such interference with access by the rail or water routes. The State and Defense Departments instructed our Embassy in Bonn to seek British and French concurrence in a further request to the three military commanders to initiate tripartite planning with regard to the specific military measures which could be taken in those areas where the use of limited force had been determined to be feasible.

e. *Maintaining stockpile and airlift planning.* Regular meetings of the quadripartite Berlin stockpile committee were held in Bonn. The mild winter in Berlin plus a step-up in deliveries of brown coal from East Germany have kept withdrawals of coal and coke from the stockpile at extremely low levels.

⁵Conant left Bonn on February 19, 1957.

⁶Document 235.

The Allied airlift planning groups have also met to prepare up-to-date details of military planning for an airlift. Full-scale planning sessions with German participation await completion of this military planning.

f. *Planning countermeasures to Communist harassments.* Progress in planning effective Western countermeasures against possible Communist harassment of Berlin continues to be blocked by the failure of the West Germans to produce trade statistics regarding the pattern of West German exports to the GDR without which no meaningful assessment of East German vulnerabilities can be made.

3. *Progress in Carrying Out Commitments for Funds, Goods or Services or Other Programs.* Agreement has been reached on the programming of FY 1957 mutual security aid for Berlin in the amount of \$6 million. Of this sum, \$5.5 million is being provided in the form of surplus agricultural commodities, the sale of which will generate local currency for financing the projects involved. The FY 1957 program includes a student housing project for the Free University, aid to the city's Reconstruction Program and a small technical exchange program. This U.S. aid, while very modest in comparison to economic assistance granted by [to?] the Federal Republic, has an important political effect in maintaining Berlin morale and in furnishing tangible evidence of the U.S. determination to maintain its position in Berlin. The Federal Republic will contribute about \$240 million in grants and loans to the city in the coming year to meet the city's budget deficit and further the development of low-cost housing.

B. Major Operating Problems or Difficulties Facing the United States

4. *Difficulties Regarding Allied Access to Berlin.* Since November, 1956 the Soviets have been creating difficulties for Allied travel to Berlin by military train and Autobahn by their action in questioning the documentation carried by certain categories of Allied travelers. While these difficulties have resulted in no significant interference with Allied travel to Berlin, they continued throughout the period despite a number of Allied protests. On April 20 the Soviets presented, at the Berlin Commandant level, a list of specific requirements regarding the documentation to be carried by Allied travelers to Berlin,⁷ indicating that unless these requirements were met travelers without such documentation would not be permitted to pass Soviet checkpoints. The position taken by the Soviets raises the basic issue of whether they have the right under Four-Power Agreements to question the determination by the Western Powers as to what categories of Allied personnel are entitled to travel to Berlin by military train or Autobahn. In his first call on Mr. Pushkin, the Soviet "Ambassador to the GDR", on April 29 Ambassador Bruce raised the matter and

⁷See Document 191.

restated the Allied position fully and firmly.⁸ The entire problem is still under discussion between Allied and Soviet officials in Germany.

5. *Vulnerability to Harassment Continues.* Despite these recent Soviet attempts to exercise control over certain aspects of Allied road and rail traffic to Berlin, West German access to Berlin has continued to be remarkably free of interference. The great bulk of Allied traffic has also continued to flow unimpeded. Although no clear pattern could be discerned in the recent Soviet measures, the difficulties have served to point up the continuing vulnerability of both Allied and German traffic to Soviet and East German harassment. The threat of Soviet exploitation of this vulnerability to compel the Western Powers to grant some measure of recognition to the GDR remains as great as ever.

C. *Listing of Other Major Developments During the Period*

6. *Internal Political Developments.* Governing Mayor Suhr continued in poor health during the period under review. With Suhr alternately working full-time and taking rest cures, leadership was uncertain and minor issues claimed a disproportionately large amount of the attention of local political leaders. West Berlin politicians of all parties have continued to press for the removal of Allied objections to the direct election of Berlin's Bundestag representatives and to their being given voting rights in the Bundestag. The Berlin CDU (Christian Democratic Party) was not successful, however, in overcoming the opposition of Chancellor Adenauer to these steps, and it has not been necessary for the Allies to take a fresh position on the matter.

7. *U.S. Legislation Makes Research Reactor Possible.* The President on April 12 signed legislation which makes it possible for the United States to enter into an atomic energy agreement with the Federal Government for a nuclear reactor for Berlin, and an agreement was initialed on June 19.⁹ The city has already ordered a reactor in the U.S. and it is scheduled for delivery in the autumn.

8. *Intra-City Travel.* Although most German travel within the city continues to move with little difficulty across the East-West sector border, the East Berlin police have recently introduced punitive measures against some West Berlin merchants who have engaged in selling goods at their establishments to East German residents for Eastmarks and who later visit East Berlin. Controls on West Berliners visiting cemeteries in outlying districts in the Soviet Zone have also been tightened.

⁸See Document 195.

⁹For a summary of this agreement, which was signed at Washington on July 28 and entered into force on August 1, see Department of State *Bulletin*, July 27, 1957, p. 149.

9. *International Building Exposition.* The mild winter made it possible to accelerate construction on the buildings which will be the main attraction of the International Building Exposition which will open this summer. The U.S. exhibit, a Conference Hall, is nearing completion and plans for the opening ceremony on September 19 are well advanced. The formal dedication of the building will provide an appropriate opportunity for re-emphasizing the U.S. interest in Berlin's future.

10. *German Traffic Between Berlin and the West.* German traffic to and from Berlin has flowed with virtually unprecedented freedom from Communist harassment. No confiscations and fines were reported on the highways, and barge and train traffic has proceeded without interruption.

205. **Telegram From the Department of State to the Embassy in Germany¹**

Washington, July 19, 1957—7:20 p.m.

182. Deptel 142 to Bonn rptd Berlin 29 USAREUR.² Following are Department's views on current phase Berlin access problem for reference in preparing for subsequent discussions between Berlin Political Advisers and Kotsiuba.

1. Reviewing key problem leave travel to Berlin in light of considerations contained Deptel 3491 to Bonn rptd Berlin 552³ and of circumstances obtaining this phase discussions with Soviets, Department does not believe any action should be taken at this time to restrict leave travel beyond measures described USAREUR's SX 4217,⁴ which it is hoped may prove useful in correcting aspect of situation which may have promoted Soviets' attempt impose tighter controls last November.

2. Department continues believe problems of form and language of travel documentation can best be worked out in interested head-

¹Source: Department of State, Central Files, 762.0221/7-1957. Confidential. Drafted by Creel and McKiernan; approved by Jones; and cleared with Lisle, Eleanor Dulles, the Department of Defense, and Murphy. Repeated to Berlin, London, Moscow, and Paris.

²Telegram 142 indicated that Kotsiuba must not be given the impression that the Western Allies would countenance a reduction in the volume of travel to Berlin, and stated that a fuller expression on subsequent discussions with the Soviets would be forthcoming. (*Ibid.*, 762.0221/7-1657)

³Document 201.

⁴Not found in Department of State files.

quarters in Germany and would be prepared approve any changes of form which (a) would not further complicate or delay documentation procedures or clearances at checkpoints and (b) could not be exploited by Soviets as pretext for more harassment or construed by Soviets as commitment by us to restrict scope or reduce present volume Allied travel to Berlin. On other hand we perceive no real point our engaging in discussion with Kotsiuba over meaning or interpretation of Russian word "Komandirovka" (Bonn's 181 rptd Berlin 20).⁵ Factor of primary importance to us is interpretation we put on English word ("instruction") which would be used on heading of stamp to be placed on back of travel orders, and on this basis Soviets should be free to use any Russian word they wish as its equivalent.

3. To prevent any misunderstanding on part of Soviets, therefore, Department believes idea should be clearly conveyed to Kotsiuba that in our view "instruction" stamp (what Soviets refer to as "Komandirovka") authorizing travel "in connection with occupation of Berlin" adds nothing essential to travel orders now in use, that all current travel to Berlin is authorized "in connection with occupation of Berlin", and that documentation changes accepted cannot be taken as representing any commitment our part to restrict or reduce present travel. Soviets should be left no valid basis for subsequently charging us with bad faith or subterfuge.

4. While we do not believe it would be appropriate to force showdown with Soviets on access question at this time, we consider it would be useful, in next discussions with Kotsiuba, to explore present Soviet intentions and attempt estimate pressure Soviets currently intend apply. This might be done by setting forth our position in restrained but firm language and attempting bring discussions to conclusion while at same time leaving door open for consideration further suggestions to eliminate practical difficulties at checkpoints if Soviets prove unwilling settle for changes of form to which Allies have agreed to date. We infer from superficially amicable tone conversations with Kotsiuba, lack new Soviet threats, milder form in which Kotsiuba set new deadline, and absence reports of recent incidents involving Allied access that Soviets may not at moment be prepared force issue on travel to Berlin. Possibility Soviets might be content with Allied "concessions" on form of travel documentation and that discussions might be terminated without significant reduction present volume leave travel to Berlin is one which, even if slim, Department believes should be explored this juncture.

⁵In telegram 181, the Embassy in Bonn stated that it shared the Mission in Berlin's reservations about the use of the word "Komandirovka." (Department of State, Central Files, 762.0221/7-1757)

5. Department therefore recommends Embassy propose to British and French that Political Advisers in next meeting with Kotsiuba (presumably after Kotsiuba's return from Moscow) recapitulate documentation changes which Allies prepared accept and that Chairman, speaking for all, make oral statement and leave with Kotsiuba memorandum along following lines:

In discussing Berlin travel questions with Colonel Kotsiuba, Political Advisers have been concerned solely with question of revising documentation procedures in order facilitate processing of Allied travelers at Soviet checkpoints. Soviet suggestions have been received and studied and certain counter-suggestions have been made, and it is believed that new procedures under consideration will definitely assist in accomplishing that very practical objective. Political Advisers wish emphasize, however, that any suggestions regarding documentation procedure which they may have made or any changes to which they may agree must not be construed as representing departure from long-standing position with respect to right of access to Berlin of which Allies have reminded Soviets on several occasions in past. Should Soviets consider that travel instruction stamp on reverse of travel orders certifying bearer has right to travel to Berlin in connection with occupation of Berlin would contribute to easier and more rapid clearance of Allied travelers, Allies are prepared follow such procedure. If proper Russian translation for "instruction" or "ordre de route" in this sense is "Komandirovka", Allies have no objection use of that word. However Political Advisers wish reiterate that in view their governments possession of a properly completed travel order should be adequate without additional documentation to establish both that bearer has right proceed to Berlin and that specific voyage described is authorized. Allied Ambassadors, Commanders-in-Chief, and Commandants in Berlin are not at this time authorizing any travel to Berlin which they do not believe essential or desirable in connection with occupation of Berlin, and they have no intention of doing so in future. However they must insist that determination of what travel is to take place in connection with occupation is right which is theirs alone. Allied authorities will continue take full responsibility for all persons traveling to Berlin on basis Allied travel documentation, and they expect Soviet control officers to clear without question or delay any traveler properly documented. Political Advisers would be pleased at any time discuss with Colonel Kotsiuba any practical problems which may arise in connection clearance Allied travelers. They feel discussions to date have been useful in clarifying situation and trust Colonel Kotsiuba shares their view that, with proper show of good will on either side, there should be no need for further difficulties.

6. For your background information Department considers that phrase "in connection with occupation of Berlin", which we have for long time thought might appropriately be added to Berlin travel orders (see Deptel 1736 to Bonn Dec 27, 1955 rptd Berlin 324 USAR-EUR Paris 2396 pouched London; Deptel 1869 to Bonn Jan 11, 1956

rptd Berlin 340 USAREUR Paris 2530 pouched London)⁶ should be interpreted to cover all travel to Berlin by Allied military and civilian personnel, including dependents, personnel on leave, etc., whose presence in Berlin is considered by Ambassadors and Commanders as contributing to welfare, morale and normal needs of our occupation personnel in Berlin.

7. In summary Department in outlining above approach guided by two main principles: (a) desirability demonstrating to Soviets measure of flexibility in our approach to documentation problem, while carefully avoiding any compromise or concession on our basic rights, in hope this will make possible solution problem palatable to Soviets and arrival at modus vivendi re system for processing military train and Autobahn travelers, and (b) necessity for making our basic position this problem sufficiently clear to Soviets so that there can be no valid basis for subsequent charge by them of bad faith or subterfuge our part.

8. Defense concurs above.

9. FYI. Should situation ultimately develop to point where it becomes clear continuation leave travel from West Germany to Berlin on present scale would jeopardize more essential duty and leave travel of Berlin occupation forces themselves and duty travel from West Germany to Berlin, Department would be prepared reconsider possibility restricting leave travel to Berlin. Department relies on Embassy and Mission to inform it when and if they consider such critical situation actually reached.

Dulles

⁶Telegram 1736 is printed as Document 174; telegram 1869 is not printed. (Department of State, Central Files, 762.0221/1-656)

206. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, September 21, 1957—noon.

293. Subject: Berlin access.

1. Four-hour meeting of political advisers with Kotsiuba late today² covered number of subjects, in view of urgency we are re-

¹Source: Department of State, Central Files, 762.0221/9-2157. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²Kotsiuba returned from leave at the beginning of September and immediately informed the Western political advisers of his desire to meet with them. The meeting was held on September 20.

porting tonight on freight car situation, and will follow tomorrow with telegram on documentation of passengers and other subjects discussed.³

2. While earlier today Ambassador Bruce agreed that meeting with Kotsiuba might be cancelled, as recommended by USAREUR, he did not feel that we would refuse to participate if British or French showed strong desire to hold meeting. At discussion later this morning of political advisers, British and French both made it quite clear that they considered cancellation of meeting highly inadvisable, especially at last minute and urged strongly that it be held as scheduled. As a matter of fact, British had wished to use occasion specifically to raise question of freight cars with Kotsiuba. In light of instructions from Ambassador re necessity of British and French concurrence to cancellation of meeting, American political adviser agreed go ahead with meeting. Moreover, subsequent message was received from Kotsiuba himself stating that he would not reply to protest from Colonel Connor (see para 5 USBER tel 290 to Bonn rptd Dept 318),⁴ but would explain entire situation during meeting with political advisers which he was shortly to have.

3. Kotsiuba was in extremely assured mood and gave impression of talking with complete confidence re his authority to discuss all aspects Berlin access problem. At beginning of meeting, he indicated that, after finishing with documentation question, he would like to discuss matter of freight cars privately with American political adviser. In response to this, he was told that since British and French also had interest in subject, and indeed since French had had refrigerator car removed from their train previous night, they likewise wished participate in discussion.

4. Kotsiuba began by saying he did not wish today to question right of Americans to attach freight cars to military passenger trains. He said that quadripartite agreements provided for definite number of military passenger trains and military freight trains. He noted that number of freight trains authorized was not being fully used by US, but that instead incorrect practice was being followed of attaching freight cars to military passenger trains. He reiterated he did not

³Telegram 294, *infra*.

⁴Telegram 318 reported on rail access to Berlin, noting that freight and mail cars were being threatened with detachment from Allied trains. Paragraph 5 reported that Colonel Connor had protested the detachment of a mail car which was subsequently moved to Helmstedt. (Department of State, Central Files, 762.0221/9-2057)

wish to argue about this practice per se, but added that, if necessary, he would raise question at future meeting of political advisers. He then announced that trains would tonight be permitted to pass freely with freight cars attached, but he could not agree in future with system of documentation presently being used for such attached freight cars. He said that on regular military freight trains documents were provided stating that cargo carried was war material or material needed by army. However, as far as freight cars attached to military trains were concerned, documentation seemed to be German which had led Sovs to believe that cargo was being carried in interests of certain German firms. He then stated he wished warn Allies that, if in future such attached freight cars did not have same documentation as cars on regular freight trains they would not be permitted to cross border. Present system, he added, would only remain in operation until 1500 hours Sept 21. Kotsiuba then for third time made point that for present he was not objecting in principle to idea of attaching freight cars to military trains but merely to inadequate documentation.

5. While wishing to avoid any substantive discussion of question, American political adviser felt he could not leave matter simply hanging at this point. He stated position outlined Embtel 146 to Berlin, rptd Dept 937,⁵ and added that Sovs seemed to be laboring under number of misconceptions. In any event, deadline set seemed completely unreasonable. To this Kotsiuba responded that, as generous gesture, he would fix deadline at 2400 hours Sept 21. After further protest on part Allied political advisers re unreasonableness of setting deadline, Kotsiuba set time limit of 2400 hours Sept 22, and then finally 2400 hours Sept 23. It was pointed out to Kotsiuba that, as communicated to Shilov in his absence (see USBER tel 213 to Bonn),⁶ present practices re freight cars had been in effect for more than ten years. This, it was stressed, gave Allies certain indubitable rights as to present usages.

6. British political adviser asked question re baggage cars to which Sov officers at Marienborn had objected although they were always attached British trains. Kotsiuba replied that Sovs did not oppose attaching baggage cars to passenger trains, as this was normal procedure.

⁵Telegram 146 from Bonn to Berlin instructed that the Western Allies should make a strong representation to the Soviet military authorities about a message from the Reichsbahn forbidding attachment of freight cars to passenger trains. (*Ibid.*, 762.0221/9-1957)

⁶Not printed. (*Ibid.*, 762.0221/8-2857)

He then once again came back to point which he obviously considered significant that military freight trains could not carry goods for German firms. Here discussion of freight cars concluded.⁷

Gufler

⁷On September 23, the Embassy in Bonn reported that it had sent a message to Kotsiuba noting that the documentation on the freight cars attached to passenger trains was the same as that for freight trains, and that it was made available to Soviet officials at checkpoints. The message concluded that Kotsiuba should issue appropriate instructions to allow trains to pass unheeded. (Telegram 974 from Bonn; *ibid.*, 762.0221/9-2357) A followup report on September 24 noted that the British and French had sent similar messages and that the trains to and from Berlin that night had been routinely passed by Soviet officials. (Telegram 331; *ibid.*, 762.0221/9-2457)

207. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, September 21, 1957—2 p.m.

294. Ref: Berlin to Bonn 293 repeated Department 322.² Subject: Berlin access.

1. First subject discussed during meeting late yesterday of political advisers with Kotsiuba was documentation of Allied travelers. French chairman political adviser began by reading agreed statement text of which contained Embtel to Berlin 96 rptd Dept 691,³ after which sample forms and stamps handed Kotsiuba. Latter expressed his thanks for statement but said he could not agree with everything in it. If he had understood intent of statement, however, question under discussion with him for a number of months now seemed ripe for settlement. As he had stated before, his aim in raising question was to find new and simple procedure to facilitate clearance of Allied nationals on Autobahn and railroad and to avoid incidents in future of kind which had been common prior to last meeting with him of political advisers July 11.⁴ Kotsiuba added that he could not agree with any implication that substantial changes in control system were involved or that Soviets were infringing on Allied rights of movement between Berlin and West Germany. It was now high time, he

¹Source: Department of State, Central Files, 762.0221/9-2157. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²*Supra.*

³Not printed. (Department of State, Central Files, 762.0221/9-2157) This statement was virtually the same as that transmitted in telegram 182, Document 205.

⁴See Document 203.

went on, to bring order into question of control at checkpoints. He considered it superfluous on part of political advisers to emphasize that Ambassadors, Commanders in Chief and Commandants would determine necessity of travel by their nationals, since this question was not raised and this right was not questioned. However, documentation procedures must be settled quickly.

2. After rather cursory examination of sample documents, Kotsiuba said he had no particular remarks to make or objections to raise in principle but that he would like to obtain clarification of certain points. He noted that he had previously understood that officials under whose authority travel orders being issued would not themselves need to sign documents but could delegate this function in each case to two other persons. Political advisers replied that sample signatures which would be provided would be of officials whose signature would actually appear on documents. Kotsiuba then added that travelers would of course also supply identity cards or passports to show they were actually persons covered by travel documents.

3. French political adviser raised point re possibility in certain cases of Commandants also issuing travel orders with Komandirovka stamp on rear. After explanation, Kotsiuba agreed no objection to this practice.

4. Kotsiuba requested that five samples of each of final forms of documentation be given to him when they were ready for distribution to control officers, and later supplemented this with request that sample signatures appear on single copy of each type of movement order.

5. Kotsiuba made somewhat enigmatic statement, after once again glancing at form of stamp to appear on rear of travel order, that he did not accept any responsibility for political implications of these documents which had been prepared by Allies. In response to subsequent query as to what he meant by this, he stated that his remark concealed no ulterior motives and simply meant that while the proposed documents seemed satisfactory in principle they would have been somewhat differently drafted if he had prepared them. For example, he would not have used the expression "in connection with occupation of Berlin" (this was presumably reference to alleged restoration of sovereignty to GDR of which East Berlin capital).

6. Kotsiuba urged that new documents be introduced as quickly as possible and suggested October 5 as date. He was informed that no commitment could be made as to any specific date when Allies might be ready to use new forms in view of difficulties of coordination and reproduction of forms. After stating that new forms did not have to be introduced simultaneously by all three countries, he gave up effort to obtain commitment re specific date for their introduction.

7. In response to statement by British political adviser that he assumed under new system it would no longer be necessary to bother with stamps in passports, Kotsiuba said this was correct.

8. Political advisers will meet on Monday to agree on tripartite minute of meeting and on recommendations for action now to be taken.⁵

Gufler

⁵The agreed tripartite minute was transmitted in telegram 332 from Berlin, September 24. (Department of State, Central Files, 762.0221/9–2457)

208. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, October 25, 1957—6 p.m.

462. Reference Berlin telegram 452 to Bonn repeated Department 489.²

1. Action has been taken to insure that shipments over which American agencies might exercise influence will not be made by train.

2. We are informed that, during conversation this morning, Federal Republic representative plenipotentiary in Berlin Vockel told representative of interested German organization that shipments of political materials to West Germany should not be made by plane. Vockel referred to *Tagesspiegel* article this morning which described current difficulties being experienced with parcel post trains and indicated that packages containing items being questioned would no longer be sent by mail train but, on advice of postal and customs authorities by air instead.

3. Vockel is reported to have argued that Allied rights re air communications with Berlin are guaranteed by agreement with the Soviets, and that there is danger that the Soviets or GDR might use such shipments as a starting point to whittle away such rights. In this connection he cited October 10 article in East German publica-

¹Source: Department of State, Central Files, 762.0221/10–2557. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

²This telegram transmitted the text of a note from the Acting Soviet Commandant reporting that seven mail trains had been detected transporting propaganda materials of various West Berlin firms, and demanding that this use of interzonal trains be stopped. (*Ibid.*, 762.0221/10–2457)

tion *Deutsche Aussenpolitik* (ourtel 350 to Bonn).³ He is then quoted as saying that, in view of recent hasty American curtailment of similar shipments on military trains in reaction to protest from East, he feared Americans would likewise retreat should pressure be exerted re air shipments.

4. At noon today Vockel called meeting in his office of all German political organizations operating in West Berlin. Due to short notice not all represented. He repeated essentially same statement as he had made earlier. In response to query he said he had nothing further to add, and was leaving for Bonn tonight for several days.

5. Seems clear from Vockel statements, as well as from other indications locally, that Germans have in their minds connected our termination of HICOG 12 shipments with specific assumed Soviet pressures. These, they think, began with detachment US mail car at Marienborn on September 19 to which extensive publicity given (ourtel 290 to Bonn).⁴ Bundespost Minister Lemmer has been quoted by several people as asking "How can we expect Bundespost to take risks if United States unwilling to do so?" Bundespost has reportedly been advising shippers to send cargo of type being questioned by "Schnellpost dringend" (urgent fast mail), which would automatically result in its being put on the Bundespost car attached to American military trains, allegedly with intent to shift burden of responsibility for carrying on to US.

6. Head of German Foreign Office representative Berlin has asked us for copy of Soviet protest re postal shipments existence of which he learned from Senat official (governing mayor informed in general of protest but not given copy by British chairman liaison officer). We told him that text had been forwarded to Embassies Bonn which would undoubtedly appropriately inform Federal Republic. If Embassy intends passing copy to Federal Republic may wish take opportunity to correct misconceptions being spread by Vockel and perhaps shared by other German officials.⁵

7. Opinion here is that enforcement of ban on air shipments would be serious blow at operations of organizations concerned.

Hillenbrand

³Not printed. (*Ibid.*, 762.0221/10-757)

⁴See footnote 4, Document 206.

⁵On October 28, the Embassy in Bonn reported that it would, at the regular quadripartite meeting on October 30, attack the ideas presented by Vockel and Lemmer. (Telegram 1338 from Bonn; Department of State, Central Files, 762.0221/10-2857) This position was concurred in by the Department of State on the following day. (Telegram 1173 to Bonn; *ibid.*, 762.0221/10-2857) At the quadripartite meeting with the West Germans, all three Allied Powers stressed that they had no intention of giving up their access rights to Berlin either on the surface or through the air. (Telegram 1396 from Bonn, October 31; *ibid.*, 762.0221/10-3157)

209. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, October 26, 1957—3 a.m.

466. Governing Mayor Brandt tonight called Allied Deputy Commandants and liaison officers urgently to Rathaus for meeting which began at 2330 hours. Also present were Deputy Mayor, members of Senat, Berlin Police Chief, prominent Berlin Party leaders and chief representative of Federal Republic in Berlin, Vockel.

Brandt stated that reports received from German intelligence sources indicated that at dawn October 26 East Berlin would be sealed off from West Berlin for period of two weeks. While these reports not definite they were considered sufficiently serious to warrant his calling meeting and having such preparations taken as were practicable. Immediate problem would be presented by some 35,000 border crossers who normally come from East to West Berlin to work. He had thought of going on radio to warn them, despite lateness of hour, but on balance felt this undesirable at present stage. Vockel added that Deutsche Nachrichtendienst (Gehlen Organization) had been receiving reports for some eight days about intended sector border closure but today had felt information sufficiently confirmed to warrant alarm.

Brandt continued that reports did not indicate that any stoppage of communications between West Berlin and Federal Republic intended. He also said that unconfirmed reports of vague nature received reference possible incursions into West Berlin of armed *Kampfgruppen* (fighting groups) but did not believe these need be considered at present.

Brandt stated that if East Zone authorities took action of kind indicated it would be of greatest importance psychologically that Allies react immediately and strongly. He felt that action should be by Commandants to which publicity could immediately be given. He proposed that same group meet again at 0830 hrs October 26 if sector boundary closure enforced. First indication would presumably be failure to resume operation of S-Bahn trains from East Berlin into West Berlin on early runs beginning about 0400 hrs. He would remain in his office all night to receive reports.

Meeting ended after some discussion of transportation problems which would result from closure during which Senator for Transport expressed view that West Berlin had sufficient reserve capacity in

¹Source: Department of State, Central Files, 762.0221/10-2657. Confidential; Priority. Repeated to London, Moscow, Paris, and Washington. The source text is the Department of State copy.

buses and U-Bahn cars to meet emergency which stoppage of S-Bahn trains might bring about.

Thereafter we agreed with British and French that it highly desirable that three Commandants make vigorous oral protest in person as soon as possible tomorrow at Karlshorst. Also agreed we would alert Embassies and governments re situation.

Have discussed with General Hamlett who agrees that prompt action by Commandants necessary if closure carried out and is prepared to join his two colleagues in making protest at Karlshorst.

[1 paragraph (3 lines of source text) not declassified]²

Hillenbrand

²At 10 a.m. on October 26, Hillenbrand reported that the situation at the border crossings remained unchanged and the meeting at Brandt's office had been cancelled. Hillenbrand noted that this incident was symptomatic of the tension among Berlin officials and their expectation of continuing and perhaps increased difficulties with the East Zone. (Telegram 505 from Berlin; *ibid.*, 762.0221/10-2657)

At the beginning of November, however, East Berlin authorities did introduce controls over movement between their sector of Berlin and West Berlin, but Hillenbrand speculated that these controls were aimed at the people of the Soviet Zone and not at West Berliners. (Telegram 542 to Bonn, November 7, repeated to Washington as telegram 1475 from Bonn, November 8; *ibid.*, 762.0221/11-857)

210. Memorandum on the Substance of Discussion at the Department of State-Joint Chiefs of Staff Meeting, Pentagon, Washington, November 1, 1957, 11:30 a.m.¹

[Here follow a list of persons present and discussion of items 1-4.]

5. Berlin

General Taylor inquired whether in light of current reports from Berlin the Department's feeling about the situation there had changed in any respect. He pointed out that the Russians and the East Germans have a continuing capability seriously to embarrass us in our access to Berlin.

Mr. Murphy replied that we had noted no basic change. The Department has not been aware of any indications that the USSR was prepared to create a new crisis in Berlin. Although there was an increased aggressiveness on the part of East Germans, the general

¹Source: Department of State, State-JCS Meetings: Lot 61 D 417, Meeting 142. Top Secret. Typewritten notations on the source text indicate that it was drafted by Anschuetz, but was not cleared with any of the participants.

policy regarding Berlin is well established and the maintenance of a Western position in Berlin represents a sine qua non of that policy. Technically and legally we insist upon Soviet responsibility there.

General Taylor noted that the U.S. Army has had problems with its convoys involving the East Germans as well as the Russians and pointed out that the loss of a Western position in Berlin to the East Germans would be extremely serious.

Mr. Murphy suggested that the Department submit a paper reflecting our current views on the situation in Berlin for the information of the Chiefs, following which further discussion of this matter might be in order.

[Here follows discussion of the remaining items.]

211. Paper Prepared in the Department of State¹

Washington, November 7, 1957.

CURRENT BERLIN STATUS AND ACCESS PROBLEMS

The present study was prepared in compliance with a request made by the Joint Chiefs of Staff to Mr. Murphy on November 1, 1957² and with the President's statement, after reading CIA report OCI No. 5535/57 of November 1, 1957,³ that he wishes to be sure that the State and Defense Departments have plans ready to deal with the situation in Berlin.

During the past few weeks there has been some concern about measures taken by the Soviets and the "German Democratic Republic" (GDR) and rumors or threats of further measures, which might have an adverse effect on Berlin's status and communications. Four problem areas are involved:

1. A possibility of measures to incorporate the Soviet Sector (East Berlin) into the Soviet Zone under the GDR regime.
2. Interference with circulation between West and East Berlin.
3. Interference with German traffic between Berlin and the Federal Republic.

¹Source: Department of State, OCB Files: Lot 61 D 385, Germany. Secret; Limited Distribution. The source text is Annex A to a 10-page study prepared by the Departments of State and Defense and the Central Intelligence Agency, dated December 13, entitled "Possible Soviet Refusal To Cooperate in the Berlin Air Safety Center." The study was attached to a memorandum of transmittal from the Operations Coordinating Board, dated December 13.

²See *supra*.

³This two-page paper reviewed the Berlin traffic situation. (CIA Files)

4. Interference with Allied access to Berlin by road, rail, and air.

There follow below, for each of these problem areas, summaries of (a) the action taken by the Soviets or GDR, (b) the counter-action taken by the Allies, (c) rumors or threats of additional Soviet or GDR action, (d) estimates of further developments which might be expected, and (e) Allied planning to meet problems which might arise. It should be emphasized that this paper deals only with Berlin problems which are active at this time or may be active in the near future. As far as estimates of Soviet intentions are concerned, it deals only with the present and the immediate future.

1. Incorporation of Soviet Sector into Soviet Zone

a. Action taken by Soviets and/or GDR:

No action has been taken by the Soviets or the GDR recently to complete the incorporation of the Soviet Sector (East Berlin) into the Soviet Zone (GDR) and to "seal off" West Berlin from East Berlin (as distinguished from intensification of controls). It should be recalled, however, that the de facto incorporation of the Soviet Sector into the Soviet Zone has been virtually completed since the split in the city in 1948 and that, for all practical purposes, all that remains of the unity of the city is substantial freedom of circulation between the West and the East. Although the Communists have over a period of years applied psychological pressures and sporadic controls on the Sector borders to reduce circulation between East and West Berlin, large numbers of persons continue to cross the Sector borders regularly.

b. Action taken by Allies:

In the absence of recent measures to incorporate East Berlin into the GDR there has been no reason for any Allied counter-action.

c. Rumored or threatened Soviet and/or GDR action:

Some intelligence reports have referred to GDR intentions to "seal off" West Berlin, but the measures which they describe indicate intentions only to intensify existing police and customs controls on the Sector borders (See 2 below), to dissuade Soviet Zone and Sector residents from entering West Berlin, and to route through traffic from the Soviet Zone to East Berlin around rather than through West Berlin.

d. Prognosis:

While there are indications that the Communists are increasing their capability of controlling circulation within Berlin, this does not necessarily mean that they intend to carry control measures to the point of completely "sealing off" West Berlin. In reply to a query by a Western journalist, a spokesman of the Soviet Embassy in East Berlin last week characterized as "pure speculation" recent reports

that the Soviets contemplate changing the Four-Power status of Berlin in order to bolster GDR sovereignty.

e. *Allied planning:*

The Allies have had ready for some years plans for the reorganization of transportation, public utilities, and other essential services in the event of a final and complete split of the city so that the residents of West Berlin, including the Allies, would not be greatly hampered by the denial of facilities in East Berlin. The Allies would vigorously protest the sealing of the inter-Sector border and one could expect the Communist actions to be strongly denounced in the German and world press.

2. *Freedom of Circulation within Berlin*

a. *Action taken by Soviets and/or GDR:*

In connection with the East German currency reform of October 13, 1957, the East Berlin authorities interrupted travel between East and West Berlin and between Berlin and Western Germany for the better part of one day and subsequently intensified police and customs controls on the Sector borders in order to prevent the "smuggling" of currency. These controls have been only partially successful. While the controls are still severe, they are less stringent than when first imposed. The GDR has also reportedly forbidden GDR government employees living West of Berlin to take S-Bahn trains through West Berlin. (The S-Bahn is an East German operated rapid transit railway which serves not only Berlin but also the surrounding Soviet Zone area.) As far as West Berlin use is concerned, both S-Bahn and U-Bahn (city subway) service are operating as usual, but there have been intensified spot-checks in the East Berlin S-Bahn stations closest to the Sector border.

b. *Action taken by the Allies:*

The Allied Commandants in Berlin have protested to the Soviet Commandant against the interference with free circulation between West and East Berlin and between Berlin and Western Germany.

c. *Rumored or threatened Soviet and/or GDR action:*

Intelligence reports have been received indicating that the East German authorities will discontinue through trains from the Soviet Zone via West Berlin to East Berlin, routing them around West Berlin instead. Reports have also been received indicating that arrangements are being made to interrupt S-Bahn service at the Sector borders in order to facilitate the further control of passengers from East to West Berlin, a measure which could affect S-Bahn service in West Berlin. The East Berlin authorities and press have also threatened punitive action against some of the 38,500 East Berlin and GDR residents who work in West Berlin.

d. *Prognosis:*

The measures mentioned in the foregoing paragraph have been threatened or rumored in the past without the East Germans carrying them out. Arrangements for the total control of S-Bahn traffic, for example, were made and then abandoned a couple years ago. In view of the technical as well as political problems involved in a complete check of all passengers, it is doubtful that the East Berlin authorities will actually attempt a total control. On the other hand, the re-routing of S-Bahn through trains to by-pass West Berlin is more likely. Action may be taken against certain East Berliners employed in West Berlin, but a sweeping action against all border-crossers is less likely. The severity of controls on the East Berlin side of the Sector border is likely to fluctuate as heretofore. At times, for example while the GDR is still carrying out its currency reissue, during the Christmas season, or when large fairs and exhibits are held in West Berlin, these controls will be quite intense. At other times they will slacken off. The physical problem of controlling the Sector border is such that the East Germans will have to continue to rely on spot checks coupled with threats and other psychological pressures.

e. *Allied planning:*

There are no specific Allied plans for dealing with restriction of freedom of circulation within the city as distinct from the plans mentioned above for dealing with the "sealing off" of West Berlin from the Federal Republic or East Berlin, but increased restriction of circulation within the city will be met by Allied protests at appropriate levels.

3. *German Interzonal Traffic Between Berlin and the Federal Republic*

a. *Action taken by the Soviets and/or GDR:*

In connection with the East German currency reform, the GDR temporarily interrupted German travel between Berlin and the Federal Republic on October 13, 1957. The GDR began October 17, 1957, and is still continuing to detach a number of parcel post cars from the German interzonal trains from Berlin to the Federal Republic and to search their contents. They have seized a number of parcels, mostly containing balloons or propaganda materials. These materials, which were shipped by German and anti-Communist Russian organizations [*1 line of source text not declassified*] were apparently being sought specifically by the Soviets. The Soviet Commandant in Berlin protested to the Allied Commandants against "illegal" shipments on the interzonal trains. For two weeks after October 13 there was also stringent control and some delay of German truck travel from Berlin to the Federal Republic.

b. *Action by the Allies:*

The interruption of German travel on October 13 was promptly protested by the Berlin Commandant. Shipments of propaganda ma-

terials by interzonal trains have been discontinued. The Allied Commandants countered the Soviet protest by protesting in turn against the interference with interzonal postal shipments but adding that they will investigate the Soviet complaint and take any appropriate action.

c. Rumored or threatened Soviet and/or GDR action:

There have been no rumors or threats of further Soviet or GDR action against German interzonal road and rail traffic. The volume of interzonal traffic, especially of travel, has been exceptionally high and, except for the instances cited above, it has been for some time relatively free of harassment. The GDR authorities have hinted in the course of current interzonal trade negotiations that some documentation requirements for Berlin exports might be relaxed.

d. Prognosis:

The GDR will no doubt continue to search parcel post shipments until they are satisfied that the items to which they object are no longer being sent. However there is no evidence that any other new or unusual interference with interzonal traffic is imminent.

e. Allied planning:

Any further interference with German interzonal traffic between Berlin and the Federal Republic will be met by Allied protests at appropriate levels. A stockpile of food, fuel, and raw materials has been built up capable of supporting the city at somewhat near present levels for a period of about six months. Tripartite plans, which have been coordinated with the German Federal Government, also exist for the operation of an airlift if necessary. A tripartite study has been made in Germany to determine the feasibility of using limited force to test Soviet intentions or to attempt to reopen access to Berlin, [4 lines of source text not declassified]. Basic American policy guidance exists to meet a situation which would arise if the impeding of Berlin's communications with the West should become tantamount to a blockade.

Allied planning for the imposition of economic countermeasures involves the cooperation of the Federal Republic, for example in the field of interzonal trade. It is unlikely that the cooperation necessary for working out effective plans can be obtained in advance except in circumstances impressing the Federal Republic as being of serious character.

4. Allied Access to Berlin

a. Action taken by the Soviets and/or GDR:

(1) Surface access:

About a year ago, the Soviets complained that "unentitled" persons were using the Allied military trains between Berlin and the Federal Republic and travelling over the Berlin–Helmstedt Autobahn

under Allied orders and insisted that all travellers have "proper documentation". Some time later they also requested more detailed documentation for baggage and freight cars on military passenger trains. The Soviets have also insisted that not only the officers but also the enlisted personnel of American truck convoys show their identity cards at the Autobahn checkpoints. (The British and French had always done so.) During the past year, the Soviets have frequently resorted to minor harassments and to threats (which usually turn out to be bluff) to back up their contentions and demands.

(2) *Air access:*

The Soviets recently attempted to obtain Allied flight safety clearance for an East German plane to fly in the Soviet Zone portion of one of the Berlin air corridors. East German publications have also printed articles regarding "air sovereignty", claiming that existing arrangements for Allied aircraft flying to Berlin are temporary and exceptional, and that the Western Powers have violated these arrangements by using the corridors for normal civil as well as military flights.

b. *Action taken by the Allies:*

(1) *Surface access:*

Under protest, the Allies have shown to Soviet control officers the travel orders and identity documents of passengers on military trains. The Allies have also entered into a series of discussions with the Soviets regarding the documentation of Allied travelers. It is hoped the new procedures will be put into effect shortly and will be found satisfactory by both the Allies and the Soviets. Although the advertising of military leave tours to Berlin has been discontinued, there has been no significant change in the nature or volume of Allied travel. In order to put ourselves in the best legal and moral position for meeting effectively any Soviet challenge, we have ceased carrying on military trains non-official shipments of printed matter (known as "HICOG-12" shipments) and refugee baggage. The American military authorities have protested to the Soviet military authorities against the latter's demand that the identity cards of enlisted personnel be shown, although in practice they have sometimes shown the cards under protest and sometimes turned the convoy back to avoid doing so.

(2) *Air access:*

The American controller in the Berlin Air Safety Center (BASC) refused to accept the flight plan submitted by the Soviet controller for an East German flight in the corridor. Tripartite interim instructions have been given to the Allied controllers to refuse to accept such plans in the future. A study of certain legal questions raised about the use of the corridors has been begun, and definitive instructions will be issued when this study is completed.

c. *Rumored or threatened Soviet and/or GDR action:*

(1) *Surface access:*

It is possible that the Soviets may insist on the removal of German mail cars from the Allied (American) military trains.

(2) *Air access:*

In connection with the submission of a flight plan for an East German flight, the Soviet BASC controller stated that he would in the future notify BASC of proposed East German flights in the corridors and would not accept plans for Allied planes wishing to fly at the same time and altitude. Some time ago, the Soviet controller also made a jocular remark which might indicate a Soviet intention to make a distinction between normal civil aircraft and those serving the needs of the Berlin garrisons.

d. *Prognosis:*

There is little indication that the Soviets intend any serious interference with Allied access per se at the present time. Their willingness to engage in discussions regarding Allied documentation suggests that they do not intend entirely to repudiate their obligations under Four-Power agreements on access. The Allied right of access, the Soviets argue, applies only to persons who are members of the Berlin garrisons (or members of the households of such persons), to persons travelling to or from Berlin on official duty and to the freight shipments consigned to or from the Berlin garrisons. By implication their position is that the clearance of all other travelers and shipments is a matter for the GDR. It appears from the Allied-Soviet documentation talks, however, that the Soviets are probably willing, as a face-saving device, to accept a documentary formula which will permit all Allied official personnel now travelling to Berlin (including those on leave) to continue to do so. While it is quite possible we may have to face continuous annoyance and minor harassment of the type experienced in the last year, there is at present no conclusive evidence that there will be any significant change in the existing surface and air access situation.

e. *Allied planning:*

(1) *Surface access:*

Any interference with Allied access to Berlin will be met by Allied protests at appropriate levels. A stockpile of food, fuel, and raw materials has been built up capable of supporting the city at somewhat near present levels for a period of about six months. Tripartite plans, which have been coordinated with the German Federal Government, also exist for the operation of an airlift if necessary. A tripartite study has been made in Germany to determine the feasibility of using limited force to test Soviet intentions or to attempt to reopen access to Berlin, [4 lines of source text not declassified]. Basic American policy guidance exists to meet a situation which would arise if the impeding of Berlin's communications with the West should become tantamount to a blockade.

The Allied Embassies at Bonn have agreed on detailed procedures for coping with the situation which would arise if the Soviets should allow the GDR to exercise control over Allied travel documentation or to impose customs currency controls or highway tolls on Allied travellers.

(2) *Air access:*

The Allied Embassies at Bonn have begun to plan for the contingency of an attempt by the Soviets to evade their responsibilities in BASC. A report on air access problems will shortly be submitted to the OCB⁴ and an instruction to the Embassy at Bonn furnishing guidance for planning purposes has been drafted and will be sent when OCB approval has been obtained.

Conclusions Regarding Soviet Intentions

A review of the situation described suggests that, while the Soviets have not abandoned their ultimate objective of undermining the Allied position in Berlin and eventually absorbing free Berlin into the GDR, they are concentrating on building up the GDR and appear for the moment to be resigned to tolerating most aspects of the Berlin status quo. The Soviets are no doubt deterred from taking drastic action against Berlin by their realization of the Allies' (and especially the United States') determination to maintain the status of the city and free access to it, by their awareness of preparations (for example the stockpiles) to meet increased harassment of the city, by their experience of the Berlin blockade and airlift, and by a realization of the impression they would make on German and world opinion. Violations of Berlin's status and harassment of Berlin access will be regular features of Berlin's life as long as the Communists retain control of East Germany, and they may be expected at times to create critical situations. The situation described above is not yet, however, one with which the Allies and the German authorities cannot cope on the basis of existing procedures. The problems which are actual or appear imminent may be said to involve the annoyances which are part of the price of maintaining Berlin as an "outpost of democracy" in the Soviet Zone rather than a prelude to a Communist attempt to swallow up Berlin.

Conclusions Regarding Allied Planning

There have been no developments in the Berlin situation which raise any question as to the correctness or adequacy of basic United States policy regarding Berlin. Appropriate plans exist or are being developed to meet all present or imminent problems. The possibilities of planning in detail for all contingencies are limited. There is an infinite variety of forms in which problems may arise reflecting the inherent complexity of our position in Berlin. The extent to which general policies can be implemented is conditioned by the tripartite nature of our position in Berlin. [1-1/2 lines of source text not declassified] As far as more serious problems which might ultimately develop are concerned, present planning or that now under way seems to be as adequate as it can be made at this stage. The implementation of

⁴Presumably the paper referred to in footnote 1 above.

plans to meet a grave situation would necessarily involve decisions which could only be taken at the highest level in the light of all the circumstances obtaining at the time.

212. Memorandum of a Conversation Between the Under Secretary of State (Herter) and Senator Paul Hertz of Berlin, Department of State, Washington, November 18, 1957¹

SUBJECT

Economic and Political Situation of Berlin

Secretary Herter greeted Senator Hertz cordially recalling their former conversation in Boston.²

Senator Hertz then stated that he wished to speak mainly about the economic condition of Berlin, but that he had a word on the political situation as well. He stated that their new mayor, Willy Brandt, was a moderate Socialist and represented a position in the SPD which was little removed from that of the majority party. He said that in view of this and the future that lay ahead of Brandt as a political figure, it might be useful for him to visit this country. He stated that a knowledge in America of his position on foreign policy and his stand in the Socialist Party might be reassuring to America in view of the fact that they must recognize that the Socialist Party might grow in importance in the coming years.

Senator Hertz then went on to state that the economic condition of Berlin was approaching normal; that unemployment was reduced almost as much as could be hoped in the light of the extraordinary situation of Berlin; and that confidence had grown to a point where private money was flowing into industry and counterpart could be used for marginal needs.

Senator Hertz stated, however, that it was of great importance that the Berliners and others recognize that the United States was continuing to support Berlin. He said that this was not always obvious to everyone; that such projects as the Library, the Ford Building at the Free University, the Garment Center, and the Congress Hall were all examples of American cooperation and support which could be recognized by everyone. In this connection, he stated that he had

¹Source: Department of State, Central Files, 862A.00/11–1857. Drafted by Eleanor Dulles.

²The conversation has not been further identified.

been asked whether the Berliners felt it was appropriate for the American Flag to fly outside the Congress Hall. He stated that he thought this was a welcome evidence to the Berliners of American support and that they would be reluctant to see any change in this situation.

Secretary Herter said, "Then you consider American aid symbolic of important political realities?" Senator Hertz agreed that this was the main and important function which was essential to continuing the present favorable trend in Berlin and to maintaining the spirit of the Berliners.

213. National Security Council Report¹

Supplement I to NSC 5727²

Washington, December 13, 1957.

STATEMENT OF POLICY ON U.S. POLICY ON BERLIN

General Considerations

1. Under existing treaties and U.S. policies, an attack on Berlin would involve the United States in war with the USSR. The Soviet rulers probably would not use Soviet forces to drive the Western powers from Berlin unless they had decided on war for reasons other than their desire to control the city.

2. Short of direct military attack, the USSR has the capability of making the Western position in Berlin untenable by restricting Western access to the city.

3. The United States, the U.K. and France demonstrated their determination to stay in Berlin when the USSR blockaded the city in 1948. Although the military posture of the Allies was too weak at that time to permit the forceful assertion of the Allies' right of surface entry into Berlin, counter measures were taken by the Allies, especially the Berlin airlift, which caused the Soviet Union to lift the blockade. In view of the past and of outstanding commitments, the Allies could not afford to permit themselves to be driven from Berlin.

4. Since the end of the blockade in 1949, there have been several developments which affect Western capabilities in Berlin.

¹Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5727 Series. Top Secret.

²Document 136.

- a. The military readiness of the Allies in Europe has improved.
- b. The Kremlin leaders have been put on notice that the United States is determined to remain in Berlin and will use the necessary measures to protect the Western right of access. (See Annex)³
- c. The Soviet Foreign Minister in 1949 joined in a “quadripartite gentlemen’s agreement” which was a “moral and political undertaking” not to reimpose restrictions on access to Berlin. Reimposition of a blockade would violate the Soviet Government’s acceptance of this agreement, which was embodied in the *modus vivendi* for Germany of June 20, 1949.⁴
- d. Since 1949 the Soviets have taken various measures which would reduce the effect of the counter-blockade measures used by the Allies in 1949.
- e. A stockpile has been accumulated in Berlin to lessen the vulnerability of the city to a blockade. Emphasis has been placed on commodities difficult to airlift, those of great bulk such as grain and coal and selected industrial materials. The present plan for the completion of the uncompleted portion of the stockpile presupposes that the stockpile will be supplemented by an airlift during a blockade.
- f. Soviet capabilities of interference with an airlift, particularly in the field of electro-magnetic warfare, have considerably improved since 1949, but now, as then, the possibility of imposing a total blockade depends upon the readiness to force down Allied planes in agreed corridors, with all the implications of such acts. In addition, an airlift would involve high costs in military readiness. A full-scale airlift with the stockpile could sustain Berlin for a considerable period of time; but nonetheless it is doubtful that the institution of an airlift would cause the Soviets to discontinue a blockade which might be imposed now.

5. Therefore the reimposition by the USSR of a blockade or severe harassing measures would be a deliberate challenge to the Western powers’ position in Berlin. Moreover, the prestige of the United States as the leader of the free world is deeply committed in Berlin. If the Soviets initiate harassing measures to restrict access to Berlin, it will be of crucial importance to demonstrate at once the firm intent of the United States not to tolerate such action. If Soviet harassment nonetheless continues to threaten Western access to Berlin, the security interests of the United States and its Allies will require them to take immediate and forceful action to counter the Soviet challenge, even though such countermeasures might lead to general war.

6. At this time, the U.K. and France will not be willing to go to war or to support actions likely to lead to war until they are satisfied:

³Not printed.

⁴For text, see *Foreign Relations*, 1949, vol. III, p. 1062.

- a. That the Soviet blockade has been imposed for the purpose of forcing the Allies to abandon Berlin; and
- b. That the Soviet Union cannot be forced to lift the blockade by measures short of those which might lead to general war.

7. In taking actions to maintain the Allied position in Berlin and to avoid war, or to show the actual nature of the Soviet purpose, the following factors should be taken into account.

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

Major Policy Guidance

8. In the existing situation, and unless the USSR further restricts access to Berlin, the United States should:

- a. Continue to make clear, as appropriate, to the USSR that the Western powers will maintain their position in Berlin and that Soviet measures challenging that position will be forcefully and promptly resisted and will have the gravest consequences.
 - b. Vigorously react to any local or minor Soviet harassments by lodging prompt Allied protests and undertaking any feasible reprisals.
 - c. Support all feasible measures, including limited economic aid, to bolster the morale and economy of the city and reduce unemployment.
 - d. Continue to provide funds for special projects designed to influence the people of the Soviet Zone and Sector, such as the food program in the summer of 1953.
 - e. Review the present stockpile program in the light of the likelihood that, in the event of a new blockade, the Allies would resort to an airlift only as a supplement to other more positive measures.
 - f. Continue to exploit the unrivaled propaganda advantages.
- [Subparagraph g (1 line of source text) not declassified]*

h. Seek to persuade the U.K. and France to adopt the U.S. policy on Berlin and seek to widen the areas of agreement with regard to future plans and emergency measures.

i. Perfect plans and practicable preparatory measures for future contingencies. Some of this can be done unilaterally, some requires the cooperation of our Allies or the German authorities or both. Keep under review:

(1) Possible retaliatory measures and the means of quickly concerting action against specific local harassments.

(2) Conditions affecting security and necessary remedial measures.

(3) German Federal Republic financial and other support for Berlin.

(4) Condition of the stockpile and equipment held in reserve for emergencies.

(5) Plans for increased use of air transport in case of partial blockade.

(6) Improvement of relations with the local authorities, in keeping with the new relationship to the Federal Government which the Allies have under the Bonn Conventions subject to essential Allied security requirements.

9. If the Soviets or East Germans impose, or threaten imminently to impose, a blockade, or increase harassment to the point of seriously impeding Western access to Berlin, the United States should consult with its Allies and be prepared to:

a. Make a determined effort in Berlin to end the restrictions by vigorous protests from Allied Commanders to the Soviet Commander.

b. Instruct the U.S. Ambassador in Moscow to join with the U.K. and France in presenting an agreed declaration stating their intention to use force if necessary and the risk to world peace occasioned by the Soviet action in Berlin. If the U.K. and France cannot agree to such a declaration, the U.S. should then consider making a unilateral declaration.

c. Continue to hold the Soviet Union responsible for any Communist action against the Western position in Berlin whether the action is taken by the Soviets or by East Germans or other satellites.

d. In the meantime, make use at an accelerated rate of the means of access remaining open, in order to provide an opportunity to gain support of our Allies and world opinion.

e. Initiate appropriate mobilization measures with the dual purpose of convincing the Soviets of the seriousness of the situation and of getting the United States and its Allies in a "ready" state in the event resort to general war is required.

f. In agreement with the other occupying powers, use limited military force to the extent necessary to determine Soviet intentions and to demonstrate the Allied refusal voluntarily to relinquish their right to access to Berlin. If Soviet reaction to this course indicates their intent forcibly to deny Allied access to Berlin, the United States should consider implementing the course of action set forth in para. 9-i below.

g. Seek to solidify the free world behind the U.S. position, including appropriate action in the United Nations and in NATO.

h. Start evacuation of U.S. dependents at an appropriate time.

i. In the light of all the circumstances, including the general security situation, use limited military force to attempt to reopen access to Berlin. In doing so, recognize that Berlin is not militarily defensible and that if determined Soviet armed opposition should develop when U.S. units attempt to force their way into or out of Berlin, no additional forces would be committed, but resort would have to be made to general war. Prior to the use of force on a scale which might lead to general war, however, measures as enumerated in subparagraph 9-a through -g above should be taken to make clear to the USSR the nature of our determination.

10. If the USSR should attack Berlin with its own forces, the United States will have to act on the assumption that general war is imminent. In addition to resisting the initial attack and to placing itself in the best possible position for immediate global war, the United States should, if circumstances permit, address an ultimatum to the Soviet Government before full implementation of emergency war plans.⁵

11. Because an attack on Berlin by East German forces alone might not necessarily carry the same implications as an attack by Soviet forces, the United States (in addition to resisting the initial attack) should consider at that time whether or not to treat such an attack in the manner stated in paragraph 10 with respect to an attack by Soviet forces.⁵

⁵See NSC Action No. 1664-c. [Footnote in the source text. NSC Action No. 1664-c is in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95.]

214. Telegram From the Department of State to the Embassy in Germany¹

Washington, December 20, 1957—7:50 p.m.

1675. Bonn's 1923.² Department recognizes that persuasive arguments can be made both for and against initial turning back of trains

¹Source: Department of State, Central Files, 762.0221/12-1757. Confidential. Drafted by McKiernan; cleared with, among others, Reinstein, Lisle, Eleanor Dulles, Creel, and the Department of Defense; and approved by Murphy. Repeated to Berlin and Heidelberg.

²In telegram 1923, Bruce rehearsed the arguments pro and con for turning back trains going to Berlin rather than deal with officials of the German Democratic Republic

before accepting controls by East German rather than Soviet personnel and that judgments may differ on possible Soviet reaction to initial turn back and which course is stronger or would in end result least damage our position and prestige. After weighing all factors conclusion was reached, as recorded in HICOM/P(54)5 (Revised Final),³ which is basis present policy on this issue and has approval three Allied Governments, as well as in State–Defense message contained Deptel 1736 December 27, 1955,⁴ that trains should not be turned back. Department unaware any new developments or arguments which would warrant change of decision already taken.

However we recognize prudence constantly reviewing policy to ascertain whether still valid. Therefore if Embassy and USAREUR feel policy this matter should be reviewed, Ambassador might raise matter with his British and French colleagues in Bonn. We consider Bonn is in any case most suitable locus such discussions and would not wish raise matter with British and French Embassies here unless discussions initiated Bonn and matter referred Governments again for decision. If discussed tripartitely believe would also be useful obtain Federal Government views.

Is assumption correct Embassy recommendation would also include study advisability initial turnback by Autobahn travelers to avoid East German controls?

Defense concurs.

Herter

lic, and wondered if it was the time to review policy on this question. (*Ibid.*, 762.0221/12–1757)

³This 28-page report, dated August 23, 1954, was divided into five sections: 1) Access to Berlin, 2) Passports and Visas Issued by the GDR, 3) Commercial Relations between the Western Powers and the GDR, 4) Protection of Nationals and Interests in the GDR, and 5) Participation of the GDR in International Organizations. (*Ibid.*, 762.0221/8–2354)

⁴Document 174.

215. Telegram From the Embassy in Germany to the Department of State¹

Bonn, December 22, 1957—1 p.m.

1965. For Murphy and Reinstein from Bruce. Re Department telegram 1675.² No use, as stated previous Embassy telegrams, raising these points again at this time with British and French Embassies here, who are committed already by instructions from their governments.

I was under impression all Berlin access questions were now under high level review Washington and there might be opportunity for departures from previously established positions. If such departure involved fundamental change from previous tripartite understandings, it seemed to me that consultation directly with French and British Governments via Washington would result in speedier conclusions being reached. Of course, simultaneously we could argue with Ambassadors here.

There has been a visible tightening up regarding Berlin access, for six months or longer, by Soviets and GDR. It now appears probable (see Deptel 1672³ amongst others) that GDR will shortly assert pretensions in this connection that could prove very troublesome. The Soviets are probing again. More might become involved than recognizing authority of GDR officials at check points, for steps could be taken by Soviets and GDR prejudicial to freedom of whole passage, Allied and otherwise, from one sector and zone to another.

One can only surmise what might happen. I would guess the Soviets would probe first at one point and then at another. Where they meet firm resistance they might abandon an attempt and try elsewhere. Where they succeed initially, it would be logical to suppose they would develop their advantage. Furthermore, we have in almost every case of harassment during past year had some form of advance warning of threat from Soviet officials. Our people in Berlin would be able to respond much more forcefully and perhaps thereby create deterrent to prospective Soviet action if Mission had been instructed that our policy was to turn trains back.

It is on such reasoning that I base view of the advisability of turning military trains back, rather than capitulating to the first demand (if it is ever made) but to admit, even under protest, the right of GDR officials to determine our military rail operations.

¹Source: Department of State, Central Files, 762.0221/12-2257. Confidential; Priority. Repeated to Berlin and Heidelberg.

²*Supra.*

³Not printed. (Department of State, Central Files, 661.62B/12-1757)

I am thoroughly aware that this question is one of speculative judgment. It could be, as stated in Deptel 1675, there are no "new developments or arguments which would warrant change of decision already taken", but I think this statement is vulnerable.

My suggestion is that previous decisions should be periodically reviewed in matters as important as this one, even in the absence of new developments. In this case, I believe there have been some recent changes in the situation. Every evidence, and even positive steps already taken in Berlin, points to (a) hardening of control over civilian passage between East and West Sectors and East and West Zones; (b) an increasing insistence on the part of GDR that Soviets turn over machinery of controls, and a tendency on part of Soviets, even if they may be sometimes reluctant, to accede to such demands.

Again one can only conjecture whether Soviets would ever relinquish their own supervision over Allied military train and aircraft movements. There are many reasons, stemming mostly from quadripartite agreements and customs, as well as from distrust of fidelity of some GDR officials, which might cause them to retain their domination in these respects. Also, the NATO communiqué⁴ offering prospect of Foreign Ministers meeting may influence Soviets against any intermediate aggressive activities. But we must be prudently prepared for action to the contrary.

Another new factor is the augmented fear in Berlin of what new directions might be given by the Soviets and GDR to their previous policies there. This has been apparent in public speeches and private conversations, and was reflected, for example, at the NATO meeting by the Chancellor's desire for a reaffirmation of American support for the city.

Gaston Coblenz of *Herald Tribune* European edition has severely, though I think unjustly, criticized the weak reaction of the Allies to Soviet and GDR moves in Berlin. Mayor Brandt, as you know, only a few weeks ago was in a state of greatest alarm over the situation. The search of mail cars on the ordinary trains alarmed the public. The condemnation of currency holdings did not allay anxieties.

Nothing is easier than to obtain views of Federal Republic or Berlin officials on this situation. Their expressions flow unsolicited. Three nights ago at my house, Ministers Lemmer (All-German Affairs) and Lindrath (Federal Economic Properties), and the State Secretary for All-German Affairs Thedieck, whom we had hoped to interrogate on other subjects, talked until midnight about the problems

⁴For text of the NATO communiqué, December 19, see Department of State *Bulletin*, January 6, 1958, pp. 12–15. This communiqué reaffirmed the October 23, 1954, declaration "which had in view the establishment on a firm basis of the security and freedom of Berlin."

that might arise if the Soviets transferred responsibilities in the Berlin area to the GDR. Thedieck was in favor of military trains going through by force, but entirely uncertain as to how that could be accomplished. Another sponsored a temporary airlift while the Soviet Government was being approached. But all felt, and Lemmer is a Berliner, the loss of face consequent upon immediate yielding to GDR demands would, in its public repercussions, be far greater than what would ensue if military trains were turned back, even though we eventually acceded to Soviet pressure.

Nor should we forget the value to the GDR of Federal Republic trade. If promptly mobilized, in support of a United States turnback policy, the threat by Federal Republic of a diminution of such trade could be formidable.

I am fully conscious of the difficulty of persuading, in case the United States Government should sponsor a turnback, the British and French Governments to this point of view. The British, always pragmatic, prefer, certainly in this instance, the easy solution. What intermittently motivates French policy in the German context, I do not profess to know.

I realize the necessity of a coordinated Allied approach to Berlin problems, and do not advocate a unilateral stand destructive of unity. But if we felt strongly about this, would it not be worthwhile to appeal to our associates to review their positions? Certainly, they would regard overtures to them to reconsider as urgent this hypothetical thesis a Cassandra cry. Despite this, our unique standing in Federal Republic imposes an obligation upon us to assert leadership. If a mistake in collective judgment is committed, it is not the British and French who will be held responsible—the onus will largely fall on United States.

I trust questions to which I have made reference will never arise. This is quite possible. But I do want to take the liberty of repeating that, divided as opinion internal and external is on this subject, I feel we should reexamine what we had previously decided. If we adhere to current attitudes, and a crisis occurs, we will be afterwards declared to have been pusillanimous in having softly accepted the perhaps inevitable brutality without having at least first brandished our big stick even in a futile manner. It is the first step that counts.

Bruce

215. Telegram From the Department of State to the Embassy in Germany¹

Washington, December 27, 1957—7:31 p.m.

1709. Bonn's 1965 rptd Berlin 389 USAREUR 361.² Although Berlin access problems are being closely followed in Washington all existing contingency planning on this subject is not now under review here. NSC papers on Germany are under review and will shortly be taken up by NSC. It is proposed that present NSC paper on Berlin,³ which establishes our general position on access problems, not be altered. We have been studying certain problems, particularly in field of air access, on which there is no established policy. You will shortly receive instructions on planning for eventuality Soviets withdraw from BASC or attempt to substitute East German personnel for Soviet personnel in BASC. We have now received papers on problem of GDR flights in air corridors and will consider on priority basis. We have not considered it necessary up to now to review established policies in existing contingency plans. If you feel general review is desirable, would appreciate your comments on aspects to which you believe consideration should be given.

Dept has impression from reports received from Bonn and Berlin that principal objective of measures recently taken in East Zone is to consolidate Soviet position by improving standing of regime and establishing greater control over population. (Berlin's 559, 608 and 654 to Bonn, rptd Department 601, 658 and 707)⁴ There seems little evidence to suggest likelihood of major interference with movement of German traffic between Berlin and Federal Republic. However, efforts by GDR to secure greater recognition as "sovereign state" could well impinge on Allied movements and lead to collision involving us.

We are keenly aware of nervousness which has existed in Berlin in recent months and doubts which have been expressed regarding firmness of our intention to defend Berlin. It appears to us that these doubts stem from mistaken view that American attitudes toward USSR have been affected by Soviet missile capabilities and that US would hesitate to react to attack on Berlin or for that matter FedRep itself, because of German idea that US is for first time within reach of direct Soviet attack. We hope these misapprehensions have been

¹Source: Department of State, Central Files, 762.0221/12-2257. Secret; Priority. Drafted by Reinstein; cleared with Lisle, Creel, and Eleanor Dulles; and approved by Elbrick. Repeated to Berlin and USAREUR.

²*Supra.*

³Document 213.

⁴These telegrams reported various measures taken in the Soviet Zone to control the flow of refugees and further communize East Germany. (Department of State, Central Files, 762.0221/11-1657, 661.62B/11-3057, and 762B.00/12-1257, respectively)

removed by President's statement in Paris⁵ and by NATO communiqué.⁶ We have also noted allegations of weak Allied attitude toward various Berlin problems although we are not clear at what this criticism is directed.

Action to be taken in event of substitution of GDR for Soviet personnel at check points on recognized train and Autobahn routes was worked out by High Commission in 1954 following announcement by Soviets that they would regard GDR as sovereign. This planning, which was approved by Governments in August 1954, has been under review by three Embassies in Bonn (which have been in frequent touch with Three Governments) since Soviet-GDR agreements of 1955 and Bolz-Zorin letters.⁷ As we understand it, this review is virtually complete. While it has resulted in alteration of details as to some points, it does not change basic approach adopted in 1954 report.

Agreed tripartite policy is that, if Soviets substitute GDR personnel for their personnel at check points, we will insist on exercise of our rights under quadripartite agreements in accordance with existing practices. We would at same time make clear to Soviet Government that we continue to hold it responsible for implementation of Four Power agreements and for our free access to Berlin. This basic position is in line with Foreign Ministers Declaration of September 1955 and notes sent by Three Governments to Soviet Government in October 1955.⁸ We would in effect treat GDR personnel as agents of Soviet authorities. We would show them same documents which we now show Soviets as evidence that we are exercising our rights. We would not allow GDR personnel to control our movements, in sense of going behind our documents and making decisions as to what personnel could travel on trains or autobahn or what goods could be carried, just as we would not permit Soviets to make these decisions. There is therefore no question of recognizing "authority" of GDR officials at check points.

Basic theory behind this position is that, if there is to be interference with our right of access to Berlin, we would act as far as possible to force on Soviets or GDR responsibility for actual physical interference with our movements in preference to stopping movements ourselves ("self-imposed blockade"). Various factors have entered

⁵For text of President Eisenhower's statement at the North Atlantic Council meeting, December 16, see Department of State *Bulletin*, January 6, 1958, pp. 6-8. In his statement, the President said that the rights of the Western Powers in Berlin must be maintained.

⁶See footnote 4, *supra*.

⁷See Document 218.

⁸For text of the statement issued on September 28, see Department of State *Bulletin*, October 10, 1955, pp. 559-560. For text of the U.S. note, dated October 3, see *ibid.*, October 17, 1955, p. 616.

into establishment of this position and perhaps reasoning on part of all who have been involved in process is not identical. It does however represent carefully considered and agreed tripartite position which has been followed consistently in our planning and in our communications with Soviets. As you are aware, there are other possible situations where we would favor turning trains back rather than submit to Soviet demand. These would include, for example, Soviet demands which would allow them rather than us to determine who could travel on trains. In such cases we would not be prepared to acquiesce after an initial protest.

Specific issue which you have put up to us, as we understand it, is whether in event GDR personnel are substituted for Soviet personnel at check points, we should for some limited period refuse to deal with GDR personnel and turn trains back in hope of causing Soviets to reverse their position. (Same issue would of course arise on Auto-bahn.) If this action were not effective, we would after 72 hours or possibly somewhat more, acquiesce in situation. Whether action would be effective in making Soviets back down could not be known unless it were tried. We have some doubts as to whether it would be effective if substitution of personnel resulted from announced Soviet-GDR agreement or had otherwise become publicly known with effect of committing Soviet prestige. Question at issue is whether we should risk loss of standing which would be involved in ultimate acquiescence if our initial stand were not successful in bringing about change in Soviet position. We think we would be better off if we insisted on exercise of our rights, even though this involved dealing with GDR personnel at check points as Soviet agents, than if we publicly took position we would not do so and abandoned it in short time.

Believe it would be desirable however to obtain considered view of German government on this subject. Request you concert with British and French on approach to Foreign Minister to solicit his and Chancellor's views at earliest feasible date.

Dulles

GERMAN DEMOCRATIC REPUBLIC

U.S. POLICY TOWARD THE GERMAN DEMOCRATIC REPUBLIC¹

217. Paper Prepared by the Operations Coordinating Board²

Washington, undated.

SUGGESTIONS FOR UNITED STATES ACTION IN THE EVENT OF RECURRENCE OF MASS UPRISINGS IN THE SOVIET ZONE OF GERMANY

Problem

Assuming that dissatisfaction over current shortcomings and difficulties in East Germany should once again lead to riots similar to those of June 17, 1953, what action should be taken by US agencies concerned? Planning is called for under Paragraph 15, General Considerations NSC 174.³

Facts Bearing on Problem

1. In recent reports from the American Embassy Bonn and Berlin, it is indicated that an uprising similar to that of June 17 is not likely to take place at this time.

2. General economic conditions in the Soviet Zone are in some respects worse than two years ago. Food shortages exist mostly in rationed items such as butter, meat, flour and sugar. Some others including potatoes continue in normal supply. Supply of industrial items is slightly better than in spring of 1953.

3. Other factors contributing to scattered unrest in the GDR include work norm increases in selected factories, higher than normal discharge of workers from plants attempting to get on a profitable basis and increased pressure on young men to "volunteer" for KVP duty.

4. Paragraph 13, General Considerations, NSC 174, is interpreted as excluding any action of Allied troops in West Berlin or elsewhere in Germany in support of East German uprisings. It is considered

¹Continued from *Foreign Relations, 1952-1954*, vol. vii, Part 2, pp. 1544 ff.

²Source: Department of State, OCB Files: Lot 62 D 430, Germany. Secret.

³Entitled "U.S. Policy Toward the Soviet Satellites in Eastern Europe," December 11, 1953; *Foreign Relations, 1952-954*, vol. viii, pp. 110-127.

that Allied troops should conduct normal activities insofar as practicable. Necessary security measures should be left to the discretion of the Commandants.

Discussion

Despite the considered opinion of Berlin observers that the probability is slight that there will soon be another occurrence of mass revolt in the Soviet Zone, it is believed useful for planning purposes to consider what action the United States should initiate in the event of a mass uprising at some future date. Events in Austria and the Federal Republic of Germany coupled with continued dissatisfaction over internal economic and political conditions might eventually lead to such an uprising in East Germany.

It is contrary to US policy for US troops or officials abroad to instigate such an uprising or to seek to aid and abet it through participation therein. In brief, this rules out incitement to open revolt involving dangerous personal risk and restricts psychological warfare activities to the maintenance of the resistance potential of the East German population. The purpose of this paper is to suggest supplementary courses of action of a positive nature for consideration and development within the OCB Working Group.

Suggested Courses of Action

1. Action might be planned now here and in the field to dramatize the concern of the Western Powers over the plight of the East Germans and free world recognition of the fact that this plight can be fully ameliorated and East German hardships finally set aside only through the reunification of Germany. For instance a meeting at a high level with the Soviets should be requested and the request publicized. To be effective, the meeting should be called immediately following a general uprising in the Soviet Zone. This should not be a mere propaganda gesture based on the supposition that the Soviets would reject the proposal but should be prepared as fully as practicable in advance so that delay at the time of the outbreak could be kept at a minimum, and should be designed to bring about German settlement on terms acceptable to the West. If the Soviets should refuse to come to such a conference, it could increase East German resistance and might force the Soviets to make greater internal concessions and at the same time would demonstrate to West Germans and the rest of the world the emptiness of Soviet propaganda concerning German reunification. If they did come to such a conference it should be difficult for them to maintain the position that the twice-discredited East German regime should play a prominent part in preparing a German settlement.

It had originally been thought that such a meeting could be held at Heads of Government level but in view of the recent decision to hold a Heads of Government meeting for broader purposes we believe that were an uprising to take place in Eastern Germany prior to the now planned Four-Power meeting, it would be inappropriate to suggest a meeting at the summit in this connection. A possible meeting of Foreign Ministers was also considered as an alternative to a meeting at the Summit. Whichever approach is made it would require advance approval of the French, British and West German Governments. It would also require preparation of a common Western position concerning a German settlement. Such a position is currently only in the preliminary process of formulation preparatory to the forthcoming talks with the Soviets some time after mid-July. The effectiveness of such a proposal later this year would in part depend on the outcome of the next conference. It would also depend on coincidence of circumstances otherwise favoring such a conference which cannot now be predicted. It is therefore recommended that this proposal be held in abeyance for the time being and reviewed in the light of the results of the forthcoming conference with the Soviets and conditions then existing in the Soviet Zone.

In the event that mass revolt should meanwhile occur in East Germany, it is recommended that a meeting of the British, the French and the US Ambassadors and the Soviet High Commissioner be called immediately. Furthermore, agreement might be reached on a statement to be issued by the Heads of Government immediately after the outbreak of such a revolt pointing to reunification of Germany in freedom as the only basic and lasting solution to this recurring problem. A brief résumé of positive Western effort to achieve reunification over the past ten years and of Soviet intransigence in the matter should be included. Soviet actions which are in direct contradiction to their professed support of German unity such as current Berlin road tolls and past restrictions on East-West freedom of movement and contact should also be highlighted in such a statement. A meeting to dramatize Western concern over the plight of the East German population might in such a situation then be held at the Ambassadors level to utilize one or more of the approaches outlined under the following section.

2. Another approach to the problem of a positive US reaction to an East German uprising would be to propose ways and means of removing the lesser causes of discontent without implying that such measures could ever be a substitute for reunification and freedom. For example if it is common knowledge at the time of a mass demonstration that certain food items are in seriously short supply the US might unilaterally direct a campaign toward suggesting technical and organizational improvements in the agricultural system of the

Soviet Zone. Under this we might insist on greater freedom and benefits for the farmers, adoption of machinery and modern processes which would improve both production and distribution of agricultural products and greater emphasis on the needs of the consumer as compared to heavy industry. Appropriate US agencies might explore now the possibility of making some limited offer at the time of the uprising of technical assistance with the proviso that repressive quotas and other coercive methods by which Soviet Zone authorities extract produce from the farmers be dropped. The US might also insist that special food rations for the privileged officials of party and government also be abandoned in the interest of equal distribution for all. Propaganda and other maneuvers in this field will be most effective if they offer realizable alternatives as challenges to the existing regime.

3. Following an uprising, a similar campaign might be directed against work norm increases by suggesting in some detail the advantages of creating worker incentive through higher wages and better working conditions. The line should be that pressure on workers was misplaced and should instead be brought to bear on the management of the plant to adopt efficient production techniques and machinery. It could be pointed out that in addition to doing away with inhumane demands upon the individual worker this combination of factors would lead to better quality production at a higher rate. Again emphasis should be placed on the advisability of satisfying consumer demand in preference to forced concentration on heavy industry. The financial and technical organization of a typical Western consumer goods factory might be outlined as a sample of what Soviet Zone authorities could do for the workers and for the consumers if they so desire. Plans should be drawn up now for technical assistance, if considered desirable and on condition that Soviets agree to reduce working hours, raise pay and expand production of consumer goods.

4. To remove any doubt that either of the above programs signified recognition of the GDR or abandonment of reunification, it should be repeatedly explained that improvement of the lot of the common man is a universal concern and that reunification would be made easier if the living standard in East Germany could be brought up to a level commensurate with that of the Federal Republic. All communications, which in most instances would be publicized, would be directed to the Soviets for referral to appropriate authority rather than to GDR officials.

5. Radio RIAS in Berlin should broadcast complete coverage of any riots and/or other disturbances taking place in Berlin and the Soviet Occupied Zone on a hard news basis. In addition to the hard news, emphasis should be given to official statements of the United States Government and its Allies including such statements as may

be made by the Federal Republic of Germany and appropriate Berlin officials. Statements from non-official German sources may be used, if the Director of RIAS deems it appropriate. In the absence of such official statements, RIAS should issue statements expressing recognition of the courageous action of the East German people; at the same time, RIAS should caution the East German population not to place themselves in unnecessary jeopardy. West Berliners should be urged by RIAS not to infiltrate the East Sector or the Soviet Zone. The USIA Public Affairs Officer in Berlin and the Director of Radio RIAS are authorized to use their own judgment, within general policy limitations, as the situation demands.

6. USIA will exploit the situation in all areas through press, radio and other media available to them. Special emphasis is to be given to India and the other neutralist and communist nations. The VOA will supplement the above in its broadcasts to East and West Germany.

7. In the event advice is requested by the Federal Republic or German groups or if it is ascertained that the Germans are planning steps which might exceed the above outline, US officials in the field should use their discretion whether moderation should be urged.

Recommendations

It is recommended that the courses of action and necessary planning as outlined above be approved by the OCB and immediately thereafter referred to our Embassy in Bonn for joint consideration and detailed recommendations of the British, French and American Ambassadors and the German Federal Government.⁴

⁴At its May 25 meeting, the Operations Coordinating Board approved this paper and referred it to the Embassy in Bonn for further consideration. (Preliminary Notes of the OCB meeting, May 25; Department of State, OCB Files: Lot 61 D 385)

218. Editorial Note

On September 17, a German Democratic Republic delegation, headed by Otto Grotewohl, Walter Ulbricht, and Lothar Bolz, arrived in Moscow for a State visit. On September 20, the German Democratic Republic and the Soviet Union signed a treaty restoring sovereignty to the former. At the same time Deputy Foreign Minister Zorin and Foreign Minister Bolz exchanged letters clarifying the control functions in the Soviet Zone of occupation. For texts of these documents, see *Otnosheniia*, pages 649–652. Reports from the Embassy

in Moscow about the visit are in Department of State, Central File 661.62B.

In reaction to these events, the United States consulted with the British, French, and West Germans concerning possible responses. One step was consultations in New York by the Foreign Ministers of the United States, the United Kingdom, France, and the Federal Republic which resulted in a statement on September 28 reiterating the responsibility which the Soviet Union had in Germany and repeating that only the Federal Republic of Germany constituted a freely-elected government capable of speaking for the German people. A second step was the drafting at Bonn of identic tripartite notes reaffirming these same principles. The notes were delivered to the Soviet Foreign Ministry on October 3.

Documentation relating to the drafting of these two documents is *ibid.*, 661.62B. For text of the statement of September 28, see Department of State *Bulletin*, October 10, 1955, pp. 559–560. For text of the U.S. note as delivered, see *ibid.*, October 17, 1955, page 616.

**219. Memorandum of a Conversation, Department of State,
Washington, September 30, 1955, 12:05 p.m.¹**

SUBJECT

Conversations with Foreign Minister Brentano

PARTICIPANTS

Foreign Minister von Brentano
State Secretary Hallstein
Ambassador Krekeler
Mr. von Kessel
Mr. Limbourg
Mr. von Lilienfeld
Mr. Weber (interpreter)

The Secretary of State
Mr. Gray, Assistant Secretary of Defense
Admiral Davis, Department of Defense
EUR—Mr. Merchant
C—Mr. MacArthur
S/P—Mr. Bowie
GER—Mr. Reinstein
GER—Mr. Kidd
Mrs. Lejins (interpreter)

¹Source: Department of State, Central Files, 033.62A11/9–3055. Secret. Drafted by Kidd on October 3. Brentano visited Washington following his meetings in New York with the three Western Foreign Ministers to discuss arrangements for the upcoming Foreign Ministers meeting at Geneva.

[Here follows discussion of European security.]

Brentano said that he would like to mention a second question of some concern to the Germans, namely, their fear that the transfer of quadripartite rights and obligations from the Soviets to the Pankow regime, which appeared to be the effect of the recent Soviet-GDR agreement,² would cause difficulties with regard to Berlin. This would not necessarily amount to a reimposition of the blockade, but all the world knew how easy it was to impose harassments and impede traffic to Berlin. Brentano was most grateful for the declaration made in New York on Wednesday and a note which he understood would be delivered to Moscow. He hoped the United States would follow this situation very carefully, especially with regard to any possible violations of the 1949 agreements of the Foreign Ministers.³ There was much concern in Berlin, which could develop in a way that would be politically harmful. He had spoken with Governing Mayor Suhr just before leaving Germany, and he would be grateful if he might report to Suhr that the Secretary was following this situation carefully. Suhr was apprehensive of a crisis in Berlin.

The Secretary said that we shared the concern expressed by Brentano, particularly with regard to the ostensibly greater authority given to the Soviet Zone regime. That group (the GDR) was in a position to turn on and off economic pressures on Berlin in a way that could be very disturbing and that could shake the confidence of business people in their ability to do business on a reliable basis with Berlin. It had occurred to us that the Federal Republic could organize itself more effectively to exert economic countermeasures. The Federal Republic had the greater part of the trade with the GDR, and perhaps with resourcefulness and better organization of procedures for taking countermeasures, steps might be taken which could tend to deter the GDR from further acts regarding Berlin. The United States would be willing to cooperate with and back up the Federal Republic, but it seemed to us that the primary responsibility lay with the Federal Republic, because it was the most immediately concerned and had the most economic relationships with the GDR.

Brentano said that this was self-understood, and that the Federal Republic would certainly have recourse to certain economic countermeasures if or when something was started by the East Zone regime. On the other hand, it had to be recognized that when difficulties were created, this was usually upon instructions from Moscow rather

²See the editorial note, *supra*.

³Presumably a reference to the communiqué, dated June 20, 1949, printed in *Foreign Relations, 1949*, vol. III, p. 1062.

than anything representing the will of Pankow. Therefore, he was not quite sure whether the Federal Republic's countermeasures would be decisive and sufficient.

The Secretary said that it seemed to him to be useful not only to take countermeasures, but to make plans in advance for countermeasures, so that the very existence of these plans might operate as a deterrent. The point was not to have to take countermeasures but to possess plans which constituted a threat. He agreed that if instructions were received from Moscow, perhaps nothing would deter the GDR. On the other hand, one could never know for certain to what extent these harassments represented basic Soviet policy, or to what extent they represented merely a test probe to see how we would react. One could not be certain that countermeasures would have an effect, nor certain that they would not have an effect.

[Here follows discussion of European regional affairs; for extracts, see volume IV, pages 330–331.]

220. Telegram From the Embassy in Germany to the Department of State¹

Bonn, October 12, 1955—6 p.m.

1170. Reference Department telegram 999.² Following is text "Summary and Conclusions" section of Embassy draft analysis September 20 DDR-USSR documents, with which EAD in general agreement and which submitted as interim reply reference telegram pending discussion entire paper with EAD and British and French Embassies.

Begin verbatim text.

The Soviet-DDR Treaty of September 20, 1955, and accompanying documents in many respects follow the pattern of the Paris Treaties and incorporate an effort to "legalize" in the treaty form exercise of sovereignty by the DDR. They also formalize and in some respects refine the Soviet proclamation of DDR sovereignty in March 1954.³

¹Source: Department of State, Central Files, 661.62B/10-1255. Secret. Repeated to Paris, Moscow, London, and Berlin.

²Telegram 999 requested an analysis of the Soviet-GDR agreements of September 20. (*Ibid.*, 661.62B/10-755)

³For text of this proclamation, dated March 25, 1954, see *Otnosheniia*, pp. 377–378.

The facade of DDR sovereignty and in fact the whole Soviet position on Germany are basically unchanged but are now presented in ways which are or could be negotiable against the Paris Treaties.

The Soviet Union has clearly not relinquished control over the ultimate solution of the German problem, but the documents provide a framework for further complicating and shifting bases of discussion of the problem. The framework is strong enough to support both efforts to transfer discussion to an East German-West German forum, as well as efforts to bring the DDR into any four-power discussions of it. The documents do not reflect Soviet intention to facilitate solution of the German problem but rather an intention to crystallize the status quo while keeping alive sources of discord between East and West Germans, among West Germans, and between the latter and the Western Allies, using clever appeals to German national sentiment in support of these efforts.

The documents appear to confirm that the Soviets have no immediate interest in German reunification; and the pretense of accepting the principle of free elections as the basis therefor is omitted. While the lure of German-to-German negotiations is held out as a road to reunification, it is evident that the results of any such negotiation must be satisfactory to the Soviet Union, and it is apparent from accompanying propaganda that in the Communist view this is most likely to transpire if the West German negotiators are "peace-loving democrats" not now represented in the Federal Government.

The documents and accompanying propaganda also include provision for entrenching and securing the Communist position in the Soviet Zone and its government.

An effort appears to be made to preserve unimpaired Soviet commitments to the US, UK and France regarding Berlin and Germany as a whole, although as regards access to Berlin, the formulation in the Bolz-Zorin letters⁴ suggests that Allied rights may be considered as limited to their forces actually stationed in Berlin. It seems unlikely, however, that the Soviets will in the near future consider it advantageous to restrict existing official Allied access to Berlin, lest in doing so they weaken their ability to rebut Allied intervention in behalf of other matters, including non-Allied access, which the Soviets wish to throw into the German-to-German forum.

In total context, the manner in which access to Berlin is dealt with in the documents suggests this matter is considered by the Soviets to be ancillary to achievement of other major objectives. It appears the exercise of control over, and harassments of, non-Allied access to Berlin may in the future be designed to supplement Communist efforts to force German-to-German negotiations as well as to

⁴See Document 218.

force cessation of West German and West Berlin activities which the Communists consider threaten the security of the Soviet Zone. Since, however, any or all of these Soviet objectives can also be advanced by other means than harassment of access to Berlin, and since the latter would be patently inconsistent with professed dedication to the “spirit of Geneva”, it seems likely that large-scale harassment will be resorted to, if at all, only when progress toward Soviet objectives in a larger framework has been arrested and/or the “spirit of Geneva” ended.

Gradually increasing exercise by the DDR of control over surface access will, however, entail for the Federal Republic and the three Western Powers the alternatives of accepting the situation or reacting in ways which could place on the West the onus for interference with “normal” communication with Berlin.

A key factor in Soviet calculations and in application of the whole range of matters covered in the documents will be the attitude and conduct of the Government of the Federal Republic. This is the subject of a separate analysis.⁵

End verbatim text.

Conant

⁵Not further identified.

221. Telegram From the Mission in Berlin to the Embassy in France¹

Berlin, October 22, 1955—noon.

31. For Secretary Dulles.² From Conant in Berlin. Yesterday in Bonn I discussed with Brentano on a personal basis latest Soviet note³ and have sounded opinion here today in Berlin. Based on Brentano’s report on Berlin and my own observations, it is clear that the situation is calm here now, but unless a strong answer to this

¹Source: Department of State, Central Files, 661.62A/10–2255. Secret. Repeated to Bonn, London, and Washington. The source text is the Department of State copy.

²Secretary Dulles was in Paris for consultation with the British and French before proceeding to Geneva for the Four-Power Foreign Ministers meeting.

³This October 18 note affirmed German Democratic Republic jurisdiction over its territory pursuant to the September treaty, but that Soviet forces would “temporarily” monitor traffic of the Western garrisons to and from Berlin. For text, see Department of State *Bulletin*, November 7, 1955, pp. 734–735. A translation was transmitted from Moscow in telegram 918, October 18. (Department of State, Central Files, 661.62B/10–1855)

note is forthcoming, there would be uneasiness in Berlin. Indeed the Berlin climate of opinion will be greatly influenced by the strength of the Western Powers' answer to this note.

I venture to recommend that in this answer, which I assume will be made before the Geneva Conference, the inconsistency will be pointed out between the two sentences "Parties proceeded from premise that German Democratic Republic exercises its jurisdiction on territory under its sovereignty, which, of course, also applies to communications on that territory", and the sentence "It is self-understood that, in concluding above-mentioned treaty Governments Soviet Union and German Democratic Republic took into consideration obligations which both have under existing international agreements relating to Germany as whole." I further recommend that there be a clear warning to the effect that the three Western Powers will hold the Soviet Union responsible for any interference with normal traffic to Berlin and a categorical rejection of the limitations contained in the Soviet statement regarding control over "movement between German FedRep and West Berlin of military personnel and freight of garrisons of USA, Great Britain, and France quartered in West Berlin." As we have previously stated in our notes, Allied rights of access have not and cannot be limited to military personnel and freight of West Berlin garrisons and it seems of importance that this be strongly repeated at this time. In addition, I would recommend that the Government of the West German Federal Republic be committed to making definite plans in conjunction with other interested governments for a complete embargo on shipment to the Soviet Zone in case of any interference with traffic to Berlin. Furthermore, that arrangements be made so that these plans after formulation would become known unofficially to Soviet and GDR officials. I have reason to believe that Brentano personally would not be adverse to this general line of procedure.⁴

Gufler

⁴Following further quadripartite discussions at Bonn, and with the text personally approved by Secretary Dulles, identic notes were delivered to the Soviet Ministry of Foreign Affairs on October 27 reiterating that the Soviet-GDR agreements could not release the Soviet Government from its four-power obligations and in particular its responsibility for ensuring normal communications with Berlin. For text of this note, see Department of State *Bulletin*, November 27, 1955, p. 734. A copy is also in Department of State, Central Files, 661.62B/10-2755.

222. Memorandum of a Conversation Between Frederick J. Leishman of the British Embassy and the Assistant Secretary of State for European Affairs' Special Assistant (Reinstein), Department of State, Washington, October 29, 1955¹

SUBJECT

Relations Between the Federal Republic and the GDR

Mr. Leishman said that he had recently seen a letter from the British Ambassador in Bonn (apparently addressed to the Foreign Office) raising the question as to whether the Federal Republic is likely to be too rigid in its approach to the question of dealings with the GDR and whether we should take some attitude on this subject. He asked Mr. Reinstein whether he had any views on this matter.

Mr. Reinstein said that the question did not make entirely clear how it was envisaged that the problem would arise. He felt that it was a difficult one on which to generalize. He remarked that as a general proposition, the Federal Republic had not solicited our views on the subject of relations with the GDR.

Mr. Reinstein said that, speaking personally, it seemed to him that the question fell more or less into two different fields. One was the subject of contacts in the political field or contacts which had essentially a political motivation. This would include contacts concerning reunification or contacts in fields such as culture, either directly or through all-German organizations. In the past, the West Germans had been very much opposed to contacts of this character, although their attitude might conceivably change. It was contacts of such a character which the Soviet government had for a long time been seeking to promote, and any development of contacts along these lines clearly fitted into the general Soviet political objectives of promoting the two-Germany thesis and the illusion that German reunification could be achieved by direct negotiations between the Federal Republic and the German Democratic Republic. It did not appear to him that it would be in our interest for such contacts to develop, which could only result in promoting policies aimed at detaching Germany from the West. If the West Germans were rigid in excluding contacts of such a character, this appeared to our advantage.

The other general area in which the problem arose is the one in which there are now contacts between the Federal Government and the GDR. This is essentially in the field of interzonal trade, transport and communications. In this field, the matter is partly one in which

¹Source: Department of State, Central Files, 762.00/10-2955. Secret. Drafted by Reinstein.

the basic responsibility is Germany and partly one (insofar as it relates to Berlin) in which the basic responsibility is that of the Three Powers. Here again, he felt that it was difficult to generalize. However, in the case of Berlin, there are distinct dangers. If these contacts took a form which could be construed as recognition of the position of the GDR, the Allied position with respect to Four-Power agreements which had been reasserted in the note which we just sent the Soviets would be undermined.

In general, Mr. Reinstein said that he felt that the problem was one in which it was necessary to examine the position in relation to specific situations. He said that a too rigid to difficulty. For example, there had been some feeling in the Department that the Germans had been somewhat too rigid in their handling of the question of relations with the GDR in the case of the road toll situation.² The Department had thought that the West Germans might have been a little bit more forthcoming. However, he pointed out that the particular manner in which the problem presents itself is of some importance. In the road toll case, the discussions had finally broken down when the East Germans had demanded that the West German representative present a letter evidencing his authority over the signature of West German Minister of Transport. This was not the only issue involved in the breakdown. However, the case illustrated the manner in which the problem presents itself. The West Germans apparently feel very strongly that any meeting between Ministers would be politically out of question. The question then arises as to what degree of contact between Ministers of the Federal Republic and the GDR can be envisaged without giving rise to a political problem. This can only be determined in the particular case.

Mr. Reinstein said he thought that, if the problem were to be looked at in a general way, we should direct our attention to the East in the first instance. It was not the Federal Republic which was creating problems in this field. They were being created deliberately by the GDR for political purposes, and we could expect this would be the position in the future.

²Regarding the problem of road tolls, see Documents 141 ff.

223. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, November 28, 1955—1 p.m.

389. Congressman and Mrs. Ostertag, New York, and Congressman Boland, Massachusetts, presently visiting Berlin were making routine visit East Sector 27 November using US Army car with radio telephone. Upon leaving Soviet Garden of Remembrance approximately noon, party was stopped by Vopo who demanded car key. US Army escort officer refused, Vopo then drew and cocked pistol and officer complied. Vopo stated action taken because it contrary East German law for foreign power have and operate radio in vehicle.

Escort officer asked for Soviet officer and Soviet appeared after two hour wait, escorting party to Soviet Headquarters Karlshorst. Berlin Command Provost Marshal (who had been sent to locate party) arrived Soviet Headquarters at about same time and took up matter with Kotsiuba, Soviet Deputy Commandant.

Kotsiuba stated to Provost Marshal that party had violated laws GDR by using radio in vehicle in GDR territory. Provost Marshal stated neither he nor Kotsiuba had been present and could not settle issue between them. He asked for release of party and suggested matter be settled between US and Soviet Commandants. Kotsiuba complied, after taking names party, and no certificate of release was requested. Release effected approximately 1545 hours.

US Army here cabled full story USAREUR Heidelberg evening 27 November. Present intention US Commander Berlin release press statement mid-morning 28 November and protest personally to Soviet Commandant soon as possible. Congressman Boland has left Berlin but Congressman Ostertag is giving a press interview late this morning.

Gufler

¹Source: Department of State, Central Files, 762.0221/11–2855. Confidential; Priority. Repeated to Washington. The source text is the Department of State copy.

224. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, November 29, 1955—8 p.m.

400. Heidelberg for USAREUR. General Dasher called on General Dibrova, Soviet Commandant, this afternoon at 1600 hours to protest regarding incident involving Congressman and Mrs. Ostertag and Congressman Boland in Soviet sector 27 November. Besides United States and Soviet Commandants and United States interpreters, only other participant in meeting was Colonel Kotsiuba, Soviet Deputy Commandant. Meeting lasted approximately 1½ hours and Soviet Commandant's demeanor was courteous and affable at all times.

General Dasher opened by reading from text of note which, we understand, has already been transmitted to Department by Embassy Bonn.² Although General Dibrova stated that he rejected protest General Dasher nevertheless handed note to him and it was not returned.

Dibrova stated that Vopos had monitored staff car's radio prior to incident and had established that frequent transmissions in German and English had been made. He stated that transcripts of transmissions had been accomplished. When General Dasher asked for transcripts Dibrova stated that it would take a few days. General Dasher denied that transmissions had taken place as alleged by Vopos.

Dibrova then charged that occupants of vehicle had been hostile. General Dasher also denied this.

Dibrova stated that a law of GDR required registration of radio transmitters. This law, he said, applied to vehicle in question. (He added, however, that it was unlikely that we would run into trouble in future if transmitters were not actually used in Soviet sector.)

General Dasher stated that he looked to Soviet Commandant for authority in such matters and not to GDR. Dibrova replied that East Berlin was capital of GDR, that it was part of GDR, and that GDR was sovereign authority in that area; Soviet Commandant's function in such occurrences was limited to liaison between GDR and other affected parties.

Text of note has been released to press here in coordination with Embassy press officers. General Dasher proceeded immediately upon return to headquarters to hold brief press conference.

¹Source: Department of State, Central Files, 762.0221/11-2955. Confidential; Niact. Repeated to Moscow, Heidelberg, and Washington. The source text is the Department of State copy.

²The text of the note was transmitted in telegram 1747 from Bonn, November 28. (*Ibid.*, 762.0221/11-2855) It is printed in Department of State *Bulletin*, December 19, 1955, pp. 1012-1013.

Fuller report will be transmitted after General Dasher and United States interpreter have written up report of interview.³

Obviously, categorical statement that East Berlin was a part of GDR most significant development from meeting. Mission's further observations on this point will be transmitted after opportunity for fuller development here.

Gufler

³This report was transmitted in telegram 468 from Berlin, November 30. (Department of State, Central Files, 762.0221/11-3055)

225. Telegram From the Department of State to the Embassy in Germany¹

Washington, November 30, 1955—7:04 p.m.

1504. Re Bonn's 212 to Berlin, repeated Department 1766 Moscow 897.² Department has not yet received full report of General Dasher's conversation with Dibrova. However, on basis of information available, we have serious doubt as to desirability addressing question regarding status of East Sector to Dibrova and requesting Soviet Government's views. Appears to us this most likely to result in affirmation of position that East Zone status has been changed, and that, once this position formally taken by Soviet Government, further measures in direction of incorporation Soviet Sector into Soviet Zone may follow. It is not in Western interest to have any change made in existing factual situation re Soviet Sector which would prejudice its present role in providing main point of contact between East Zone population and Western world. Obviously if Soviets consider it in their interest to do so, they will change it. However we see no point in forcing them into public position which would commit them to follow that course.

In view of heavy publicity which has been given to Dibrova statement to General Dasher, we must of course make clear that our position re GDR and continued validity of Four-Power Agreements on status Berlin as previously stated remains unchanged. However,

¹Source: Department of State, Central Files, 762.0221/11-3055. Secret; Niact. Drafted by Reinstein, cleared by Beam and Merchant, and approved by Murphy. Repeated to Berlin and Moscow.

²This telegram transmitted the text of a draft letter to Pushkin protesting both the detention of the Congressmen and Dibrova's interpretation of the rights of the German Democratic Republic. (*Ibid.*, 762.0221/11-3055)

primary emphasis in further communication Soviets should in Department's view be placed on wholly unwarranted treatment of American nationals involved in original incident. It appears to us that this should be opening and principal theme of any communication to Pushkin. Letter to him could refer to alleged violation of GDR regulations and reject this explanation. It could refer to fact that our position regarding GDR and Four-Power Agreements has been made clear to Soviet Government and conclude by stating that we will continue to hold Soviet authorities responsible for treatment of American nationals in Soviet Sector of Berlin. It appears to Department that this line would satisfy needs for strong statement on incident without engaging in legalistic argument with Soviet authorities which could lead to no useful result and without in effect asking for confirmation from Soviet Government of statement which is unacceptable to us.

Immediately following telegram sets out text of communication from Ambassador Conant to Pushkin along lines Department has in mind.³

In view of publicity this matter has received, letter should be made public promptly.

Dulles

³Telegram 1505 to Bonn, November 30. (*Ibid.*, 762.0221/11-3055) For text of the note as finally delivered on December 1, see Department of State *Bulletin*, December 19, 1955, p. 1013. Ambassador Conant's December 2 statement on the incident is printed *ibid.*, pp. 1013-1014.

226. Telegram From the Delegation at the North Atlantic Council Ministerial Meeting to the Department of State¹

Paris, December 17, 1955—9 p.m.

Secto 23. Following is summary Secretary's conversation with Brentano and Hallstein December 17.

Brentano said that he was most grateful for inclusion of reference to German reunification in NATO Communiqué.² As result of Geneva, question had now dropped to second rank. He wondered whether Secretary envisaged making fresh approach to Soviets. Secretary said did not think it would be useful to do so for next few

¹Source: Department of State, Conference Files: Lot 60 D 627. Secret. Drafted by Brentstein. Repeated to London, Bonn, and Moscow.

²For text, see Department of State *Bulletin*, December 26, 1955, pp. 1047-1048.

months at least, in view of strong Soviet position at Geneva. Perhaps question should be reviewed in spring of next year.

Brentano said Zorin would arrive in Bonn Monday or Tuesday. He was convinced that Zorin would begin discussion of reunification at early date. He assured Secretary we would be kept informed. In response to question by Secretary, Brentano said he thought Zorin might perhaps make new proposals. Hallstein thought Soviets would take initiative, but perhaps not so immediately. He thought Zorin would begin by exploration of situation, perhaps then make economic offers, and eventually raise reunification question. Secretary said he supposed Soviets would try to convey impression that there would be advantages to Germany in entering negotiations with USSR, but thought that Soviet position on maintenance of division of Germany was quite firm at this time. Brentano agreed, but pointed out that some sections of German opinion would probably eventually exert pressures on government at least to listen to Soviet proposals. Secretary commented that if it became known in East Germany that Soviets were preparing to sell out GDR, East German regime might demand assurances which might tend to off-set such pressures.

Brentano expressed concern over Berlin. He thought Soviets would use pressure on city as means of obtaining recognition of GDR. He thought GDR would place increasing obstacles on traffic and transport to Berlin. He suggested Soviets would attempt to influence German opinion by taking position that if Berlin were to be maintained, Federal Republic would have to deal with Pankow, but this would be impossible to do. He welcomed inclusion in NATO Communiqué of statement regarding joint consultation on Berlin problem and remarked that it might be necessary to think in near future of joint reaction by three powers and Federal Republic.

Secretary said he understood some study was being made of economic relations between East Zone and Federal Republic and perhaps other Western states. He thought this very important line to follow. Federal Republic was strong while East Zone was weak and there should be areas in which Federal Republic could exert counter-measures against Eastern regime. Emphasized value of being prepared to take such measures and to letting this be known as deterrent. Said would probably require cooperation from other Western European countries. Hallstein said Federal Republic dependent to some degree on East Zone, particularly as regards brown coal. Question of counter-measures had been studied in connection with Autobahn toll problem. Economists had reported that Soviet Zone brown coal could not be replaced. He said that steel exports to Soviet Zone so small they cannot be used as means of pressure, and that stopping trade with East Zone would do more harm to Federal Republic than East Zone. He therefore emphasized need for concerted action. Secretary

emphasized importance of study of possibility economic counter-measures. He said that if East Germans thought that Federal Republic depended on them, they would be encouraged take greater and greater liberties and suggested that Federal Republic should seek to find ways of becoming independent.

Hallstein said GDR campaign for obtaining recognition, which has been going on for several years, is now reaching climax after Soviet-GDR agreement. While resistance heretofore had been successful, weak points were emerging. He noted that in vote on GDR admission to UNESCO, India, Egypt and Yugoslavia had voted with USSR and Czechoslovakia for GDR admission. He also mentioned granting of consular functions to East German trade mission by Egypt. He said that Federal Republic had threatened to break relations and appeared optimistic regarding Egyptian situation. He said that Federal Republic would be adamant in refusing to have relations with any government which recognized GDR, remarking there was no room for compromise on this issue. He said that in this field too Germans would need advice and welcomed consultation in committee recently established in Bonn. Secretary agreed that only by taking strong and clear position on this matter could recognition of GDR be prevented. He pointed out that Federal Republic is stronger than GDR and that if other countries have to choose between two, they will choose Federal Republic.

[Here follows discussion of support costs.]

Dulles

227. Editorial Note

On May 29, the Soviet Foreign Ministry transmitted a note to the U.S. Embassy protesting the building of a tunnel from the U.S. Sector in Berlin into the Soviet Zone of Germany for the purpose of tapping into major Soviet communication lines. This followed the discovery of the tunnel on April 22 and protests by the Soviet Commandant in Berlin and the Commander of the Soviet occupation forces in Germany. The United States did not reply to these protests and took the position that it had not authorized the construction of the tunnel. For a detailed account of the construction of the tunnel and its use, see David C. Martin, *Wilderness of Mirrors* (New York, 1980), pages 75-89. Documentation on the discovery of the tunnel and the Soviet protests is in Department of State, Central File 762.0221.

228. Report Prepared by the Operations Coordinating Board¹

Washington, May 17, 1956.

**PROGRESS REPORT ON UNITED STATES POLICY RELATING
TO EAST GERMANY (NSC 174)²**

(Policy Approved by the President December 23, 1953)

(Period Covered: June 17, 1955 through May 17, 1956)

A. Listing of Major Developments During the Period

1. USSR-GDR Actions

a. *Moscow Agreements between USSR and GDR* were announced September 20, 1955,³ declaring the GDR to be "sovereign" and granting it police and protective powers of control over East German borders and lines of communication to Berlin except with respect to the Western garrisons in Berlin.

b. *USSR effort to stabilize partition of Germany and prevent German unification except on terms promoting Communist control of all Germany* was evidenced by ostentatious Soviet meetings with GDR representatives after the Geneva Summit and Foreign Ministers' meetings and on the heels of the Adenauer visit to Moscow and by Soviet insistence at the Geneva meeting of Foreign Ministers and subsequently that unification could be achieved only by an agreement between the Federal Republic and the GDR which would preserve the "social gains" of the GDR.

c. *Gradual shift to tougher GDR internal policy* was evidenced by (1) shift back to emphasis on heavy industry, (2) scattered increase of work norms, (3) development of corps of armed civilians equipped to quell labor disturbances in East Germany, (4) new emphasis on the communist youth consecration program and vigorous attacks on church policies and activities, and (5) accelerated flow of refugees, particularly younger people, from East Germany.

d. *Formal establishment of GDR "People's Army" and Defense Ministry* was announced January 18, 1956. Approximately 100,000 former Garrisoned People's Police (KVP) already organized and equipped along military lines (7 divisions) are available to become the ground elements of the GDR armed forces. On January 28, 1956, the formal

¹Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 174 Series. Top Secret. A cover sheet, a May 25 memorandum of transmittal, and a financial annex are not printed.

²For text, see *Foreign Relations, 1952-1954*, vol. VIII, pp. 110-127.

³See Document 218.

integration of these forces into the Warsaw military bloc was announced by the Political Consultative Committee of the Warsaw Pact. Despite continuing recruitment difficulties, the GDR announced there would be no military conscription "at present".

e. *The GDR economy* continued to lag behind that of the Federal Republic, with food shortages, continued rationing of consumer goods, and shortfalls in planned industrial production.

f. *External policy* concentrated on efforts to expand trade and increase influence and stature of GDR outside the Soviet bloc. (1) Trade agreements were concluded with Egypt, Lebanon, Syria, India and Burma. (2) Trade missions were established in Cairo and New Delhi, and Khartoum is considering the exchange of trade missions with the GDR, but in no instance have the non-communist partners in such deals agreed to establish regular consular or diplomatic relations. (3) Commercial agents without diplomatic status were exchanged with Uruguay. (4) The GDR has attempted without success to gain recognition as a participant in various UN sub-organizations and international economic and technical conferences such as ECE, ICAO, ILO, the International Sugar Council, and the World Meteorology Organization. (5) Through the USSR-GDR Agreements of September 20, 1955, the Soviet Government has set the stage for pressures against Berlin designed to force the Federal Republic to deal with, and hence increase the prestige of the GDR regime.

2. *Actions Taken Under NSC Policy*

a. *Toward German reunification.* (1) The Three Western Powers, working closely with the Federal Government, presented a strong Western position on German reunification at the Geneva Meetings of Heads of Government and Foreign Ministers. (2) Subsequent to the Geneva Conference the Western Powers have repeatedly announced their continued support for German reunification in freedom through (a) the NATO Council Meeting in Paris last December, (b) the President's Christmas message, (c) the President's letter to Bulganin of January 28, 1956, (d) the communiqué of February 2, 1956 following US-UK conversations in Washington.⁴

b. *Against recognition of the GDR.* (1) On October 3, 1955, the U.S., U.K. and France sent notes to the USSR⁵ putting the Soviet Government on formal notice that they did not recognize the USSR-GDR Agreements of September 20, 1955, as affecting in any way the obligations and responsibilities set forth in existing Four Power Agreements relating to Germany and Berlin. (2) With equal frequency the

⁴For text of President Eisenhower's Christmas message, December 18, 1955, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1955*, pp. 860-861; for his letter to Bulganin, see *ibid.*, 1956, pp. 208-212; for text of the joint communiqué, February 1, see *ibid.*, pp. 214-218.

⁵See Document 218.

Western Powers have made it clear, as in the New York tripartite declaration of September 28, 1955,⁶ and in the Berlin speech of Under Secretary Hoover on February 5, 1956,⁷ that they do not recognize the GDR regime as a government nor the Soviet Zone area as a separate state. (3) The U.S., together with the Federal Republic and other Western Powers, has sought the cooperation of all nations outside the Soviet Bloc in resisting GDR efforts to establish official ties with their governments, and to gain status through official representation on international organizations or at international conferences. (See Detailed Development of Major Actions for NSC 160/1).⁸

c. *Soviet Zone Projects.* The United States is presently supporting special programs designed to maintain contact with the people of East Germany and to encourage resistance to the Communist regime. These projects are designed to maintain a sense of identification with the West and through the provision of cultural, educational, welfare and travel opportunities, to manifest our concern for their hardships. These programs are of a grey nature and our support for them is rendered to the West German Government which administers the programs through West German and West Berlin private organizations.

(1) *Welfare Programs:* (a) Food and clothing packages for political prisoners and their families in the East Zone. (b) Medical treatment for visiting East Zone residents in West Berlin and the Federal Republic. (c) Provision of medicines through church channels into the East Zone.

(2) *Contacts and Western Ties:* (a) Provision of return travel costs for individual visitors from the East Zone. (b) Support for East Zone participation in professional and other conventions in the Federal Republic and West Berlin.

(3) *Support for East Zone Youth:* (a) East Zone youth visits to organized programs in the Federal Republic and Berlin. (b) East Zone youth visits to West Berlin. (c) Scholarship aid for East Zone students in West Berlin and West Germany.

(4) *Support for Church Activities in the East Zone:* (a) Institutional supplies for church youth and welfare organizations in East Zone. (b) Paper for church publications in the East Zone.

(5) *Educational:* West German books (for visitors, for church libraries in the East Zone, or for package mailings).

(6) *Support for the Participation of East Zone residents in Catholic and Protestant lay conventions to be held in West Germany in August 1956.*

d. *RIAS'* tenth anniversary was made the occasion for a visit to Berlin and an address broadcast to the Soviet Zone by Under Secretary Hoover. RIAS has directed much of its broadcasting during the period against the USSR position at Geneva, against exploitation of

⁶See Document 218.

⁷See footnote 2, Document 177.

⁸For text of NSC 160/1, see *Foreign Relations, 1952–1954*, vol. vii, Part 1, pp. 510–520.

youth and against the GDR armed forces. It has (1) stressed NATO solidarity and increased free world strength, (2) given assistance in locating friends and relatives of returned prisoners of war, and (3) featured discussions and conferences with visiting East Germans.

e. During his visit to Bonn,⁹ prior to his RIAS speech, Under Secretary Hoover offered to Foreign Minister von Brentano *United States assistance in increasing food rations presently available to various victims of Communist oppression who have fled to the West or have otherwise been subject to harassment by the Communists. The offer was accepted by the West German Government, and a program calling for distribution of 2,700 tons of surplus commodities through private agencies to some 100,000 persons has now been developed. The value of supplies to be distributed approximates \$2,100,000, including freight costs.*

B. Summary Statement of Operating Progress in Relation to Major NSC Objectives¹⁰

3. *Validity of the Basic Policy.* The NSC is reviewing NSC 174 for which the Working Group on Germany has been assigned coordinating responsibility (June 1955) as it applies to East Germany. It is recommended that the NSC supplement NSC 160/1 with an appropriate new section pertaining to U.S. policy toward East Germany; this would package U.S. policy toward both East and West Germany in a single paper. (N.B. See paragraph 7 of the Progress Report on NSC 160/1).¹¹

4. *Political Objectives*

a. *Place the Soviets in East Germany on the defensive by measures in support of reunification.* Some progress was made toward this objective. Although no agreement was reached by the Four Powers at the Geneva Conferences on practical steps toward achievement of German reunification, the pressure of world opinion was brought to bear on the Soviet position in Germany with renewed force. By advancing a reasonable proposal combining German reunification through free elections with a plan for European security, the Western Powers deprived the Soviet Union of the argument that a reunified Germany would endanger the peace. The Soviet Delegation retreated to the position of openly rejecting free elections because they would operate against the "achievements" of the East German regime. Subsequent soundings of German opinion indicate that a majority of Germans throughout the country were convinced by this Conference that only Soviet intransigence stands in the way of German reunifi-

⁹Regarding Hoover's visit to Bonn, see Documents 44-47.

¹⁰Latest NIE-12-56, dated 1/10/56 supersedes NIE-12-54, dated 1/19/54. [Footnote in the source text. For text of NIE 12-56, see vol. xxv, pp. 115-118; NIE 12-54 is not printed. (Department of State, INR-NIE Files)]

¹¹Document 53.

cation. Germans fully supported Western rejection of the proposals that were put forward by the Soviet Delegation for formation of an all-German Council through merger of the West German Parliament and the East German Volkskammer. They also supported the rejection of the Soviet proposal that the East German regime participate in the Conference.

b. *Exploit Western position in Federal Republic and Berlin to undermine Soviet power in East Germany.* (For details see Progress Report on NSC 5404/1¹² and 160/1). Actions have been effective in blocking Soviet-GDR gains.

(1) Relative improvement in political, economic, military and international standing of Federal Republic served to increase contrast between it and East Germany to the detriment of the Soviet position.

(2) Despite elaborate Soviet efforts to improve the facade of East German sovereignty and increase GDR prestige in the world, the USSR was prevented from creating a position of parity with the Federal Republic for its East German satellite. The GDR failed to gain access to world councils. In general Western efforts to prevent GDR achievement of international standing were successful. It has not been recognized by any nation outside the Soviet bloc.

(3) Among the vast majority of Germans, including all non-communist political parties in the Federal Republic, the GDR has gained no respect or acceptance. It is still recognized as having no German roots.

(4) Evidences of continued strong Western support for Berlin and our determination to remain there served to reassure East German people of our continued confidence in eventual satisfactory settlement of the German problem. By maintaining the city as a show window of Western accomplishments and as an island of resistance to consolidation of communist control in East Germany, we have been able to hamper Soviet exploitation of East Germany.

(5) Berlin has been the base for most programs designed to maintain contact with East Germans by means of radio (RIAS), visits and various forms of aid. These have played a positive role in preserving anti-communist attitudes and basic resistance to the GDR regime. However, the factor of incessant, all-pervading communist propaganda and relative isolation from free world realities is having some discernible effect, particularly on younger elements of the population. The fact that this effect has not been universal is evident in the continuous stream of refugees of all age groups from East Germany which in recent months has been twice as great as during the same period a year ago.

(6) As to plans for exploitation of future mass uprisings, a series of tentative proposals for action to exploit any future mass uprising in East Germany in ways advantageous to U.S. policy were reviewed and commented upon by our missions in Bonn and Berlin.¹³ Field comments and later developments have led to the conclusion that

¹²Document 179.

¹³Document 217.

certain of these plans are impracticable. This problem is scheduled for early review by the OCB Working Group.

5. *Economic Objectives.* Actions have been effective in varying degrees. Although the standard of living continues depressed and compares unfavorably with that of the Federal Republic, the GDR has made some progress with its program of basic industrial development and socialization.

a. Economic progress in the Federal Republic and West Berlin and the knowledge thereof in the Soviet Zone have made it impossible for the GDR regime to convince Germans that the communist system has achieved a better life for the population in East Germany.

b. The exit of some skilled workers and technicians from the GDR, as a result of (1) the attractions of West Berlin and West German conditions and (2) recruitment by private industries, has caused the GDR some trouble in the development of its economy.

c. The Special Committee (SCOM) was established on September 9, 1955 within the structure of the Consultative Group in Paris. This created a forum within which the strategic aspects of the Federal Republic's interzonal trade might be discussed while maintaining the West German concept that this was internal trade, and established procedures for the international supervision of German interzonal trade.

d. The planning and application of "countermeasures" against the GDR raises the question essentially of an embargo or restriction on shipments to the Soviet Zone outside the list of strategic items. It is therefore discussed in the progress report on NSC 5404/1 as a means of keeping open communications and transportation between West Berlin and the Federal Republic.

6. *Military Objectives.* Foster disaffection in East German armed forces and diminish their reliability. Progress has been fair.

a. *Defection.* During the reporting period KVP (now Peoples Army) members continued to defect at a steady though low rate. Draft-age youth have been more numerous among the refugees as the result of more vigorous recruiting for military service in the GDR.

b. *Popular support and morale.* There is no evidence of any real popular support for GDR military forces. So-called popular demand for an Army was entirely artificial and propagandistic. It remains to be seen whether the new uniforms patterned after those of the Wehrmacht and possible expansion of existing forces will elicit support hitherto lacking or raise morale from its present low state.

c. *Manpower.* Increasingly severe labor shortages in certain sectors of the East Zone economy, particularly in agriculture, will act as a deterrent to any major expansion of forces. Conscription and severe

border restrictions would probably be required for such an expansion as these limits would allow (estimated variously from 100,000 to 200,000).

d. *Para-military.* During the reporting period the emergence of some 12,000 armed civilians (Kampfgruppen), originally organized as factory guards to prevent labor uprisings, as a force with offensive potentiality, became evident. They could be used to create incidents along the zonal border and in West Berlin or like the GST (organized youth "sport" groups) form a reserve of partially trained military manpower.

C. Major Problems or Areas of Difficulty

7. *Erosion of Resistance to Communist Regime.* As long as Germany remains divided, it must be recognized that there are various factors at work in East Germany which operate cumulatively to weaken the resistance of the population to the alien regime which has been imposed on them. These factors include the wholesale communist indoctrination of youth, the weakening under unrelenting police-state pressures of resistance groups now in existence, and the continuing flight to the West of anti-regime refugees.

8. *New Soviet Line of Action.* Soviet-GDR actions outlined under Section A indicate a major effort to reenforce the status quo in Germany, and to increase the acceptance of the GDR among Western powers and uncommitted nations. We must anticipate continuing efforts to increase the prestige and recognition of the GDR and to equate this with the security and welfare of Europe. Berlin (see Progress Report on NSC 5404/1) is an obstruction to completion of such a development and at the same time a vulnerable Western position likely to be exploited by the Soviet Government in furthering its program. Artificial though it is, the Soviet declaration of GDR "sovereignty" constitutes a tactical device which the USSR seems prepared to use in a variety of ways over a long period with the purpose of seeking to divide the Western powers among themselves and from the Federal Republic on the German issue and eventually to cause the Western Powers to withdraw from a disaffected and more neutral and nationalist Germany. The Soviets, having purposely killed German hopes for reunification in the near future, appear to be content with a slow pace calculated to erode rather than frontally attack the Western position in Germany. They have openly stated that recognition of the GDR by Western nations "is only a matter of time." This new phase into which we have entered in competition for influence in Germany is less likely to be characterized by drastic actions such as a full blockade than by harassments similar to the road toll. Emerging from this background are the following major problems and difficulties.

9. *Reunification.* The last inner reserves of the East German people would not long hold out if the USSR should be able to convince them that the Western Powers were no longer seriously pressing for a solution to the division of Germany. A basic hope that reunification will somehow eventually be accomplished continues to be the main psychological barrier to full acceptance of the GDR regime by a majority of East Germans. Against the sharply negative Soviet position on reunification, it is essential that Western support, and to the extent possible, the support of non-NATO Powers outside the Soviet bloc, be made evident on a continuing basis. Failure to keep world opinion attuned to the injustices of a divided Germany would in time assist the Soviet Union in its persistent efforts to sever all meaningful sympathetic connections between their East German subjects and the world outside the Soviet bloc.

10. *Contact with East Germans.* This is a continuing problem in relation to the stimulation of resistance to communism, hope for eventual liberation and confidence in the West. Further means of contact with the East German people as distinguished from the GDR regime are being explored in order more effectively to counteract the cumulative effect of communist propaganda distortion of Western views and developments. Imagination and flexible application of projects and public affairs programs are required in a period when quick adjustment to a variety of possible changes in GDR restrictions on the access of the East German population to Berlin and West Germany may be necessary.

11. *Making the Soviet Zone a liability to the USSR.* Given the remoteness of present prospects for German reunification, the problem of making the Soviet Zone a liability rather than an asset to the Soviet bloc becomes increasingly significant. The United States Mission, Berlin, has recently recommended the development of a program designed to cause defection to the West of key GDR technicians in industry, science, administration and the professions. Shortages of such skills are already sufficiently great in many fields to make the loss through defection of a few thousand key people a severely damaging blow to the GDR economy. Such a program should be carefully devised in cooperation with the Federal Republic of Germany where appropriate arrangements to attract and place such defectors would have to be made. It would have to be executed in such a way as to minimize the risk of inspiring mass exodus or serious reduction of potential resistance leadership. It is proposed to initiate a review by Embassy Bonn of the possibilities of setting such a plan in motion.

12. *Prevent recognition of the GDR.* We shall have the continuing problem of convincing uncommitted nations of the desirability of denying recognition to the GDR in spite of the fact that this might conflict with commercial interests. On the broader scale, we must be

prepared to fight an already discernible tendency on the part of some elements in West European countries to favor concluding security agreements with the USSR based on a divided rather than a unified Germany.

229. Memorandum of Discussion at the 296th Meeting of the National Security Council, Washington, September 6, 1956¹

[Here follow a paragraph listing the participants at the meeting and items 1 and 2. For item 2, "U.S. Policy Toward Latin America," see volume VI, pages 101-113.]

3. *U.S. Policy Toward East Germany* (NSC 160/1; NSC 174; NSC 5608/1; NSC Actions Nos. 1530-b and 1575-c; Memos for NSC from Executive Secretary, same subject, dated August 7 and September 5, 1956)²

Mr. Jackson said that in view of the shortness of time and of the apparently non-controversial character of the proposed policy statement on East Germany, he would omit the usual summary statement as to the contents of this policy. He confined himself, therefore, to explaining to the National Security Council that, as in the case of the policy with respect to the Soviet satellites (NSC 5608/1), the paragraph on East German policy dealing with the attitude of the United States toward spontaneous manifestations of opposition to the Communist regime and in general to active resistance to the Communist regime, would not appear in the policy statement which received normal distribution, but would be placed in a special limited distribution annex. Mr. Jackson reminded the Council of the reasons why, in its earlier action on the satellites paper, it had been deemed prudent to handle this sensitive matter in this fashion. The same considerations applied in the case of East Germany. (A copy of Mr. Jackson's briefing note is filed in the minutes of the meeting.)³

Secretary Dulles then explained that he had just received this morning from Ambassador Conant a suggestion for an additional

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on September 7.

²For texts of NSC 160/1 and 174, see *Foreign Relations, 1952-1954*, vol. vii, Part 1, pp. 510-520, and vol. viii, pp. 110-128, respectively. For text of NSC 5608/1, see vol. xxv, pp. 216-221. The other documents are not printed. (Department of State, S/S-NSC Files: Lot 63 D 351)

³The minutes of all National Security Council meetings are in the National Archives and Records Administration, RG 273, Records of the National Security Council, Official Meeting Minutes File.

first sentence in paragraph 18 of the statement of policy on East Germany.⁴ He read Ambassador Conant's proposal, which was accepted by the President and the Council.

Secretary Dulles then said that he was somewhat worried about the content of paragraph 14 of the proposed statement of policy toward East Germany. The paragraph read as follows:

"Encourage the East German people in passive resistance to their Soviet-dominated regime when this will contribute to minimizing East German contributions to Soviet power or to increasing pressures for reunification. Foster disaffection in the East German armed forces."

Secretary Dulles pointed out that if strikes or violence should occur within East Germany, the Communists might claim that we had incited such strikes or violence. The President inquired whether a strike was to be considered passive resistance. He said he was particularly concerned that we not endorse a policy of encouraging the East German population to run risks and incur reprisals when we are not actually in a position to help them. This paragraph should be handled with great care, and the President said he would prefer to rewrite it to say that we should encourage passive resistance of a sort which would not involve reprisals against the East German population.

Mr. Jackson made several efforts to indicate that paragraph 14 was concerned only with passive resistance, and that the attitude of the United States toward resistance which involved the possibility of violence was being handled in this paper, as in the satellite paper, by being confined to an annex with special limited distribution.

Mr. Jackson's explanations apparently did not reassure Secretary Dulles, who still expressed the fear that if the contents of paragraph 14 should ever become public the Communists would be in a position to say that U.S. policy had actually encouraged such uprisings as had lately occurred in Posnan.

After further discussion, it appeared to be the consensus of the Council that paragraph 14 should likewise be placed in the special limited distribution annex to the statement of policy on East Germany.

The National Security Council:

a. Discussed the draft statement of policy on the subject, prepared by the NSC Planning Board pursuant to NSC Action No. 1575-c and transmitted by the reference memorandum of August 7;

⁴For text of the statement of policy as approved by the Council, see *infra*. No earlier draft has been found in Department of State files.

in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of September 5.

b. Adopted the statement of policy transmitted by the reference memorandum of August 7, subject to the following amendments:

(1) *Page 5, paragraph 14*: Delete; and renumber subsequent paragraphs accordingly.

(2) *Page 5, paragraph 18*: Insert the following as the first sentence of the paragraph: "Utilize both public affairs and diplomatic channels to focus world opinion on the injustices of a forcibly divided Germany and the oppressive actions taken by the East German regime against the population."

c. Agreed that paragraph 14 of the draft statement of policy transmitted by the reference memorandum of August 7, and paragraph 1 of the "Supplementary Statement of Policy" circulated as the Appendix to NSC 5608/1 editorially revised to apply to East Germany, should be given a special limited distribution as an Annex to NSC 160/1.

Note: The statement of policy on the subject, as amended and adopted in b above, subsequently approved by the President and circulated as a Supplement to NSC 160/1 for implementation by all appropriate Executive departments and agencies of the U.S. Government, and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

The Supplementary Statement of Policy adopted in c above and approved by the President, subsequently circulated by special limited distribution as an Annex to NSC 160/1.

S. Everett Gleason

230. National Security Council Report¹Supplement to NSC 160/1²

Washington, September 12, 1956.

STATEMENT OF POLICY ON U.S. POLICY TOWARD EAST
GERMANY

General Considerations

1. Soviet control over East Germany has added to the power disequilibrium in Europe and thus to the threat to the security of the United States. Moreover, the continued division of Germany creates a serious element of instability in Europe which must be eliminated before a reliable and enduring basis for European security can be established.

2. At the present time all evidence points to the conclusion that the Soviet Union has no intention of abandoning its position in East Germany, or of seriously negotiating on the subject of German reunification. It continues to maintain substantial military forces in the area, while representing minor withdrawals as a significant reduction.

3. East Germany poses special and difficult problems of control for the USSR. While the East German regime has made limited progress in furthering its program, the East Germans are unlikely to accept of their own free will the Communist system which has been imposed upon them. A basic hope that reunification will somehow eventually be accomplished continues to be the main psychological support for the majority of East Germans in their disaffection with the Communist regime. The fact that the main body of the German nation in the Federal Republic has made remarkable advances in political freedom and economic well-being, together with the role played by West Berlin in providing a means of contact with the Free World, also serves to keep alive in East Germany the hope for an ultimate escape from Soviet domination. The situation in East Germany provides a showcase example of Soviet colonialism and furnishes opportunities for the West to exploit strong popular anti-Communist sentiments. Recently there have been numerous indications of unrest and uncertainty in the lower echelons of the East German Socialist Unity Party as a result of the repudiation of Stalin.

4. However, as long as Germany remains divided, various factors at work in East Germany will operate to weaken the resistance of the

¹Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 160 Series. Top Secret. Discussed by the National Security Council on September 6 (see *supra*) and approved by the President on September 12.

²For text of NSC 160/1, see *Foreign Relations, 1952-1954*, vol. vii, Part 1, pp. 510-520.

population to the regime. These factors include the wholesale Communist indoctrination of youth, the weakening under unrelenting police-state pressure of resistance groups now in existence, and the continuing flight to the West of anti-regime refugees.

5. It is in the national security interests of the United States to oppose Soviet control of East Germany and to seek the elimination of that control by means of the reunification of Germany in freedom. However, the United States is not prepared to resort to war to eliminate Soviet domination of East Germany, nor does attainment of this goal through internal revolutionary means appear likely so long as substantial Soviet forces are deployed in the area. Thus a basic change in Soviet policy toward Germany will be required before a German unification compatible with U.S. security interests can be attained. Until this change occurs, the possibilities for U.S. action vis-à-vis East Germany will remain limited.

6. The process by which a change in Soviet policy toward Germany may occur may be a very complicated one since it is closely related to many other elements in the total relationship between the Soviet Union and the West. However, in respect to Germany one essential line of action is the continued focusing of world opinion on the injustice of a Germany forcibly divided by the imposition of a Soviet-dominated puppet regime. Another essential line of action is the attempt to make more difficult Soviet control in East Germany, and to encourage the development of forces there tending to strengthen the resistance to the Communist regime. Moreover, there may be developments, such as the riots of 1953, which offer opportunities for exploitation. Such pressures upon the Soviet Union may lead it ultimately to accept the reunification of Germany in freedom as one of the prerequisites for the relaxation of international tension and as indispensable to the creation of stable and permanent European security.

7. It is essential to this end that the NATO countries and, to the extent possible, non-NATO countries, demonstrate their support for reunification on a continuing basis. The United States will have to contend against the possible interest of certain uncommitted nations in trade connections with East Germany and combat the tendency of some Western European elements to favor political arrangements with the USSR based on a divided Germany.

8. The maintenance by the free world of contact with East Germans is an important element in the stimulation of their resistance to Communism, confidence in the West, and hope for a reunified democratic and independent Germany. Imaginative and flexible programs will be required, permitting quick adjustment to possible changes in Communist restrictions on the access of the East German population to Berlin and West Germany.

Objectives

9. *Basic:* The reunification in freedom of a Germany enjoying a representative government based upon the consent of the governed and participating fully in the free world community.

10. *Interim:*

a. To place the Soviets on the defensive by measures in support of reunification.

b. To undermine Soviet control over East Germany through exploiting the Western position in the Federal Republic and Berlin.

c. To diminish the reliability of the East German armed forces.

d. To minimize East German contribution to Soviet power and encourage changes in the present East German-Soviet relationship which would weaken Soviet control.

e. To conserve and strengthen the assets within East Germany which may contribute to U.S. interests in peace or war and to the ultimate freedom of East Germany.

Courses of Action

11. Use appropriate means short of military force to oppose, and to contribute to the eventual elimination of, Soviet domination over East Germany and to promote the reunification of Germany in freedom, including, when appropriate, concert with NATO or other friendly powers, resort to UN procedures, and diplomatic negotiations.

12. Seek to increase popular and bureaucratic pressures against the present regime through the exploitation of discontent with political and economic conditions in East Germany.

13. Continue basic opposition to the Soviet-Communist system and continue to state its evils.

14. Encourage democratic, anti-Communist elements in East Germany. Stress the healthy aspects of a common German heritage and cooperate with other forces—such as religious, cultural, social—which are natural allies in the struggle against Soviet imperialism and seek to maintain the morale and will to resist Communist domination.

15. Stimulate and exploit conflicts within the Communist regime in East Germany and between it and other Communist regimes, as appropriate to the achievement of our policy objectives.

16. Exploit the developing organizations of Western unity (NATO, WEU, OEEC, CSC, etc.) as a force working for a free European community including a reunified Germany.

17. Utilize both public affairs and diplomatic channels to focus world opinion on the injustices of a forcibly divided Germany and the oppressive actions taken by the East German regime against the population. Emphasize that the people of East Germany have been

deprived of their right to self-determination by the violation of international agreements by the Soviet Government, particularly the agreement of the Heads of Government at Geneva regarding the reunification of Germany by means of free elections.

18. Maintain contact with the people of East Germany and encourage resistance to the Communist regime by specific projects (administered by the West German Government through West German and private organizations supported by the United States to the extent necessary and appropriate) designed to (a) maintain a sense of identification with the West and (b) manifest our concern for the hardships of East Germans. This should include the provision of cultural, educational, welfare, and travel opportunities. However, an organized official program for the exchange of persons between the United States and East Germany would be inconsistent with our policy of the nonrecognition of the East German regime.

19. Reassure the East German people of our continued confidence in the eventual reunification of Germany in freedom by evidence of continued strong Western support for Berlin and our determination to remain in Berlin. Hamper Soviet exploitation of East Germany by maintaining Berlin as an example of Western accomplishments and as an island of resistance to consolidation of Communist control in East Germany, and by prompt and clear response to any Communist harassment of the city.

20. Oppose the recognition of the East German regime by other countries, seek to limit its influence, and support the Federal Republic in preventing the admission of representatives of the East German regime to international organizations or meetings.

Annex

SUPPLEMENTARY STATEMENT OF POLICY BY THE NATIONAL SECURITY COUNCIL ON U.S. POLICY TOWARD EAST GERMANY

1. Encourage the East German people in passive resistance to their Soviet-dominated regime when this will contribute to minimizing East German contributions to Soviet power or to increasing pressures for reunification. Foster disaffection in the East German armed forces.

2. Avoid incitements to violence or to action when the probable reprisals or other results would yield a net loss in terms of U.S. objectives. In general, however, do not discourage, by public utterances or otherwise, spontaneous manifestations of discontent and opposition to the Communist regime, despite risks to individuals, when

their net results will exert pressures for release from Soviet domination. [4-1/2 lines of source text not declassified]

231. Report by the Operations Coordinating Board¹

Washington, December 5, 1956.

PROGRESS REPORT ON UNITED STATES POLICY TOWARD EAST GERMANY (Supplement to NSC 160/1)²

(Policy Approved by the President September 12, 1956)

(Period Covered: May 18, 1956 through December 5, 1956)

(Including Actions Under NSC 174³ from May 18, 1956 to September 12, 1956)

A. Summary of Operating Progress in Relation to Major NSC Objectives⁴

1. *OCB Recommendation Regarding Policy Review.* U.S. policy toward East Germany as set forth in the Supplement to NSC 160/1 has been reviewed from the standpoint of operating considerations and in light of operating experience to date and of anticipated future developments. No review of policy is recommended.

2. *Summary Evaluation.* The intransigence of the Soviet Union has prevented significant progress in the achievement of the basic objective of the reunification in freedom of Germany. However, progress has been made on interim objectives and major courses of action as follows:

a. *Placing the Soviets on the defensive by measures in support of reunification.* The United States Government together with the British and French Governments has supported a West German initiative on German reunification. (The Federal German Government in a memorandum delivered to the Soviet Government on September 7, 1956,⁵ after set-

¹Source: Department of State, OCB Files: Lot 62 D 430, Germany. Top Secret. Regarding the preparation of this report, see footnote 1, Document 84. A financial annex is not printed.

²*Supra.*

³For text, see *Foreign Relations, 1952-1954*, vol. VIII, pp. 110-128.

⁴Latest NIE on East Germany is contained in NIE 12-56, dtd. 1/10/56. [Footnote in the source text. For text of NIE 12-56, see vol. XXV, pp. 115-118.]

⁵For text, see Department of State *Bulletin*, September 24, 1956, pp. 485-493. Copies were transmitted to the three Western Powers on September 2.

ting forth its position on reunification along the lines advanced by the Western Powers at Geneva, suggested an exchange of views to facilitate progress on reunification.) The purpose of this *démarche* is to highlight the Soviet Union's refusal to discuss Western proposals for reunification and European security.

The Secretary of State in June 1956 agreed with German Chancellor Adenauer⁶ that renewed efforts should be made to keep the subject of German reunification in the forefront of world opinion and to stimulate pressures designed to influence the Soviet Government to modify its present negative and intransigent position toward the German problem. Subsequently, United States Missions abroad were instructed to promote support for German reunification through a more intensive use of normal diplomatic and other contacts.

b. *Undermining Soviet control over East Germany through exploiting the Western position in the Federal Republic and Berlin.* Although the Soviets have relaxed some part of their overt control and have permitted certain East European satellites the assumption of some attributes of national independence, the Kremlin has not relaxed its grip on the German Democratic Republic. The Soviet representatives in East Berlin continue to rule the country through their German agents with the backing of the 400,000-man occupation army. Against this overwhelming armed might the East German populace is disinclined to oppose the regime openly. Steadily improving conditions in West Germany and West Berlin continue to give contrast to the differences between East and West Germany. RIAS (Radio Station in the American Sector Berlin) broadcasts and other U.S. programs for keeping in touch with the East German population have served to point out these contrasts. The continued flow of refugees from East Germany indicates the attractive force of the West to elements in the East German population. Berlin has been maintained as a show window of Western accomplishments and the city has continued as the base for most programs designed to maintain contact with the East Germans by means of radio (RIAS), visits and various forms of aid. (See paragraphs 2–e and 2–f–(3) below.)

c. *Diminishing the reliability of the East German armed forces.* RIAS and other U.S. programs constantly reminded members of the East German armed and paramilitary forces that these forces are mere instruments of the Kremlin designed to further the maintenance of Soviet control over East Germany. Continued disaffection in the East German military establishment is reflected by the continued and steady defection to the West (over 200 a month) of members and former members of the East German armed forces. The East German defense establishment has not overcome its inherent weaknesses of

⁶Regarding Adenauer's visit to Washington, June 9–14, see Documents 54 ff.

poor morale and low political reliability. These forces, totalling 118,000 men, cannot be counted on either to engage in military action in behalf of the Kremlin or to maintain internal order without substantial direct Soviet control. Reliable armed forces which would be large enough to maintain internal order alone can probably not be formed in the foreseeable future. The Soviet experience with the Hungarian army, which prior to the Budapest uprising was regarded as sufficiently dependable to maintain internal order, probably has compelled the Kremlin to approach the problem of reliability of the East German armed forces with even greater caution than heretofore.

d. *Minimizing the East German contribution to Soviet power.* East Germany's economy continues to be of great value to the Soviet Union. The economic advantages accruing to the Soviet Union include the normal gains from trade as well as discriminatory pricing to the advantage of the USSR. In addition, the Soviet Union receives payment for its alleged investment in its former corporations in East Germany, support for its troops, and probably subsidies to the jointly-owned uranium mining company. (East Germany supplies the USSR an estimated 45 percent of uranium available to the Soviet atomic energy program.) In order to emphasize this exploitation, RIAS and other United States programs have been designed to nourish the spirit of East German resistance to Communism and to hamper Soviet exploitation of East Germany by maximum publication, both in East Germany and in the free world, of the facts of such exploitation. RIAS and other East-West contact programs have exploited the Stalin denigration campaign and publicized developments in Hungary, thereby adding to the confusion and uncertainty in the lower echelons of the Socialist Unity Party. The possibilities of weakening East Germany through a limited program of defection of scientists and technicians are currently under study.

e. *Conserving and strengthening the assets within East Germany which may contribute to U.S. interests.* The East German public has become noticeably disillusioned because of the failure of the West and the United Nations to act in support of the Hungarians against the Soviet Union's ruthless suppression of the revolt in Hungary. In addition, resentment and bitterness against the USSR is mounting and, according to some observers, is evident to an even greater extent than after the riots of June 17, 1953. Against this background of disillusionment the East Germans remain an essentially pro-Western people who are basically anti-Communist and who will continue to oppose, at least passively, the Soviet-supported dictatorship in their country. U.S. programs and broadcasts designed to keep in touch with the East German population have made an important contribution in maintaining the moral and psychological assets of the West in East Germany.

f. *Additional actions.* Additional actions taken by the United States Government in fulfillment of these objectives and in line with specific courses of action are:

(1) *In connection with German reunification.* A public affairs program has been undertaken to focus world opinion on the dangers and injustices of a forcibly divided Germany;

(2) *Against recognition of East Germany.* The United States Government successfully continued its efforts to prevent the East German regime from improving its international standing in international organizations.

(3) *Soviet Zone projects.* The United States has continued its support of special programs designed to maintain Western contact with the people of the Soviet Zone and to keep alive resistance to the Communist regime. There is evidence of the general effectiveness of this type of program as a whole. For example, the participation of nearly 50,000 Soviet Zone residents at Catholic and Protestant lay conventions was made possible under this program. These meetings provided one of the most effective means of reaching and fortifying anti-Communists in East Germany. Support continues for church activities in the East Zone, for welfare programs which supply food, clothing and medicines, for visits of youth to the Federal Republic, and sending of books. The Embassy at Bonn is studying the impact of the individual Soviet Zone projects making up the overall program.

3. *Progress in Meeting Program Schedules.* The local currency proceeds of dollar aid to West Germany needed for support of the special East German programs were obligated and spent as scheduled.

B. Major Operating Problems or Difficulties Facing the United States

4. *The Division of Germany.* The division of Germany continues to operate cumulatively to weaken the resistance of the East German population to the alien regime imposed upon it. The USSR is pursuing its efforts to build up the regime at home and abroad. We are still faced with the difficulty of maintaining the basic hope of the East German population that reunification will somehow eventually be accomplished—a hope which remains as the main psychological barrier to acceptance of the East German regime by a majority of East Germans. The maintenance of contacts with the East German population is an important element in surmounting this difficulty.

5. *Recognition of East Germany.* Prevention of the recognition of the East German regime by “uncommitted” countries is a continuing problem. An example of one of the numerous recent trends in this direction is the conclusion of a cultural agreement between the East German regime and Syrian Government, and the opening of a GDR commercial office in Damascus.

C. Listing of Other Major Developments During the Period

6. *Impact of Developments in Hungary and Poland.* The uneasiness and confusion created within the ranks of the GDR regime by the de-Stalinization program in other areas of the Communist bloc were heavily aggravated by the far-reaching developments in Hungary and Poland. These gave rise to considerable unrest on the part of the East German population, particularly among the students, and to demands on the regime for improvements in working and living conditions. The presence of massive numbers of Soviet troops, the memory of the experiences of June 17, 1953, and heavily increased security measures taken by the GDR regime, however, combined to deter any open revolt in East Germany.

7. *Soviet Economic Assistance to GDR Regime.* In a move calculated to contribute to the strength and viability of the GDR regime, the Soviet Government on July 17 announced arrangements for increased economic assistance to East Germany, in a total amount of 7.5 billion rubles (at official exchange rate \$1.88 billion) over a 4-year period. Of this amount, however, about four-fifths is to be in the form of reduced financial support for Soviet troops. A three-way agreement was concluded among the Soviet Union, Yugoslavia and the GDR for the construction of an aluminum plant in Yugoslavia which will be financed by credits extended by the Soviet Union and East Germany and which will upon its completion supply some of its products to East Germany.

8. *Military Situation in East Germany.* With considerable propaganda fanfare the Soviet Government announced its intention of withdrawing some 53,000 Soviet troops from East Germany, and certain limited withdrawals appear actually to have been made. These reductions have principally involved Soviet ground-attack air units with obsolescent planes and equipment, however, and overall Soviet military capabilities in East Germany do not appear diminished appreciably, if at all. A large-scale reorganization of the East German military forces is reportedly underway involving increased mechanization and modernization along Soviet lines. Despite announced plans to reduce the authorized strength of GDR forces, the present strength of these forces is estimated at around 100,000.

232. Paper Prepared by the Operations Coordinating Board¹

Washington, April 18, 1957.

OUTLINE PLAN OF OPERATIONS WITH RESPECT TO EAST
GERMANY

I. Introduction

A. References:

(1) U.S. Policy toward East Germany (Supplement to NSC 160/1) approved by the President September 12, 1956;²

(2) National Intelligence Estimate (NIE 12–56), dated 10 January 1956, entitled “Probable Developments in the European Satellites Through 1960”.³

B. Special Operating Guidance

1. *General.* The general considerations set forth in reference A (1) above continue to hold true in the present situation in East Germany. The caution in reference A (2) against incitements to violence or other action which would yield a net loss in terms of U.S. objectives is particularly applicable to the present situation in East Germany. A mass revolt along Hungarian lines is not anticipated, and U.S. policy in Germany would not be served by encouraging a similar East German revolt because harsh Soviet military measures to repress it would be certain to follow. In addition, the situation could develop in such a way as to threaten involvement of the U.S. in a general war with the Soviet Union.

2. *Basic Objectives.* The United States seeks as a basic objective the eventual reunification of Germany in freedom. The refusal of the Soviet Government to enter into serious negotiation of this problem at the Geneva Meeting of Foreign Ministers in 1955 and the openly negative position which it has taken on the question since that time offer little prospect for progress toward reunification in the immediate future.

3. *Interim Objectives.* In the present situation the United States should seek to place the Soviets on the defensive with respect to reunification. Efforts should consist essentially of actions designed to

¹Source: Department of State, OCB Files: Lot 61 D 385, Germany. Top Secret. Attached to the source text were a cover sheet, a memorandum which noted that paper had been revised and approved by the OCB at its meeting on April 10, and a one-page paper entitled “Purpose and Use of the Outline Plan of Operations (Complete Text).”

²Document 230.

³For text, see vol. xxv, pp. 115–118.

focus world opinion on the injustices of the continued division of Germany. The United States should also continue to bring the pressure of public opinion and diplomatic action to bear with a view to convincing the Soviets that German reunification in freedom is in the Soviet interest as well as the general European interest. In pursuing these aims it will be necessary as in the past to work in close harmony with the governments of the U.K., France and the Federal Republic of Germany. It is in the general interest to be as aggressive and flexible in the promotion of German reunification as the maintenance and development of vital Western security requirements in Europe will permit.

In seeking to undermine Soviet control over East Germany, to diminish the reliability of the East Germany armed forces and to minimize the East German contribution to Soviet power, the United States must be guided by the following considerations: the East German regime continues to be essentially a tool for Soviet domination of the area and is generally regarded as such by the whole German people; there is no significant popular demand in favor of Titoist evolution in East Germany nor is there any potentially effective national Communist leadership; and because of the strong and continuing German demand for reunification and the equally strong rejection of the East German regime, the U.S. could not, without risk of alienating all of Germany, adopt a course of encouraging national Communism in East Germany as a first step toward disengaging Soviet control. For these reasons the United States must continue to treat East Germany differently from other East European satellite areas and to resist all attempts of the Soviet government and the East German regime to gain international recognition for the regime outside the Soviet Bloc.

To conserve and strengthen those assets in East Germany which may contribute to U.S. interests, the United States should continue its encouragement of democratic elements in East Germany by stressing the religious, cultural and social aspects of the common German heritage and by undertaking special projects which will maintain in East Germans a sense of identification with the West and which will manifest our concern for their hardships.

C. U.S. Commitments for Funds, Goods and Services

None.

II. Actions Agreed Upon

Individual action items when extracted from this Plan may be downgraded to the appropriate security classification.

NSC Citations

Para. 11: "Use appropriate means short of military force to oppose, and to contribute to the eventual elimination of, Soviet domination over East Germany and to promote the reunification of Germany in freedom, including, when appropriate concert with NATO or other friendly powers, resort to UN procedures, and diplomatic negotiations."

*OCB Courses of Action**Para. 11*

1. Continue to consult with Federal Republic, UK and France on the problem of German reunification in relation to European security with the purpose of bringing pressure to bear on the Soviet Government to change its position.

Assigned to: State

Supporting: USIA, Defense

Target date: Continuing

2. Review the possibility of inscribing the German reunification issue on the agenda of the General Assembly of the United Nations with the intent of obtaining wide and more active support of the free world for German reunification in freedom. Prepare plans to make maximum use of such a move to expose the injustices of continued German division and the techniques and the extent of Soviet controls exercised against the will of the German people. Stress the threat to peace and stability in Europe and the world of continued Soviet refusal to seek a reasonable and mutually acceptable solution to the German problem.

Assigned to: State

Supporting: USIA

Target date: July 30, 1957

3. Publicize as appropriate to the Soviet Zone of Germany, and other nations of the Soviet Bloc as well as nations of the Free World, efforts by the United States, NATO and the United

Nations to bring about reunification of Germany in freedom.

Assigned to: USIA

Target date: Continuing

4. Prepare appropriate contingency plans to cover the event of an uprising in East Germany, in order that U.S. and allied counteraction and West German reactions can be formulated and ultimately coordinated with our allies in the area. (See studies now underway under the terms of paragraph 25 of NSC 5616/2.)⁴

Assigned to: State, Defense

Target date: Continuing

Para. 12: "Seek to increase popular and bureaucratic pressures against the present regime through the exploitation of discontent with political and economic conditions in East Germany."

Para. 12

5. Continue operations within the limits established by Reference I A (2) with emphasis on encouragement of popular demands that the GDR fulfill its promises (e.g., more consumer goods and better living and working conditions).

Assigned to: USIA

Target date: Continuing

6. Nourish the spirit of opposition to Communism currently being manifested in the Soviet Zone by intellectuals, youth groups, workers, farmers, etc., indicating the legal means for redress of their grievances.

Assigned to: USIA, State

Target date: Continuing

⁴Entitled "Interim U.S. Policy on Developments in Poland and Hungary," November 19, 1956; vol. xxv, pp. 463-469.

Para. 13: "Continue basic opposition to the Soviet-Communist system and continue to state its evils."

Para. 14: "Encourage democratic, anti-Communist elements in East Germany. Stress the healthy aspects of a common German heritage and cooperate with other forces—such as religious, cultural, social—which are natural allies in the struggle against Soviet imperialism and seek to maintain the morale and will to resist Communist domination."

Para. 13

7. (a) Expose as a farce and a mockery the June 23, 1957 East German communal election and attempt thoroughly to discredit the use of the "unity list" ballot.

Assigned to: USIA

Target date: Before June 23, 1957

(b) Expose Soviet attempts to exploit the population of East Germany for Soviet ends, or for the benefit of other satellites or the Communist puppets of East Germany.

Assigned to: USIA

Target date: Continuing

Para. 14

8. Continue special East Zone projects described under para. 22. In particular, continue to render assistance to the churches in their welfare and general spiritual activities in East Germany.

Assigned to: State, ICA

Target date: Continuing

9. Seek to expand interest of U.S. churches in assisting East German churches through well-conceived programs which the Communist government could not oppose.

Assigned to: State, USIA

Target date: Continuing

10. Report to East Germany news of discontent in the other satellite countries, being careful, however, not to contribute to an atmosphere which might incite

the East German population to open rebellion.

Assigned to: USIA

Target date: Continuing

11. Report fully, through RIAS (Radio in the American Sector) and other media, with particular emphasis on the coming elections in West Germany, on the operation of the democratic process in West Germany.

Assigned to: USIA

Target date: Continuing

12. Give full publicity in East Germany to ceremonies, speeches, events, etc., planned in conjunction with the opening of the Berlin Congress Hall.

Assigned to: USIA

Target date: September, 1957

Para. 15: "Stimulate and exploit conflicts within the Communist regime in East Germany and between it and other Communist regimes, as appropriate to the achievement of our policy objectives."

Para. 15

13. Stress the fact that the Warsaw Pact is a device for maintaining Soviet control over the satellites.

Assigned to: USIA

Target date: Continuing

14. Continue to raise questions through RIAS and other media as to the implications for East Germany of the developments in the Soviet Union and other satellite areas following in the wake of the denigration of Stalin.

Assigned to: USIA

Target date: Continuing

Para. 16: "Exploit the developing organizations of Western unity (NATO, WEU, OEEC, CSC, etc.) as a force working for a free European community including a reunified Germany."

Para. 17: "Utilize both public affairs and diplomatic channels to focus world opinion on the injustices of a forcibly divided Germany and the oppressive actions taken by the East German regime against the population. Emphasize that the people of East Germany have been deprived of their right to self-determination by the violation of international agreements by the Soviet Government, particularly the agreement of the Heads of Government at Geneva regarding the reunification of Germany by means of free elections."

Para. 16

15. Seek NATO support for diplomatic and propaganda actions resulting from decisions among U.S., U.K., France and Federal Republic relating to the German problem.

Assigned to: State

Supporting : USIA

Target date: Continuing

16. Report fully to East Germany on such developments as the establishment of EURATOM and a common market, commemoration of the tenth anniversary of the founding of OEEC, and other major developments relating to European integration, portraying European integration as a development which holds promise for the people of East Germany.

Assigned to: USIA

Target date: Continuing

Para. 17

17. Seek, through U.S. Diplomatic Missions abroad, the widest possible governmental and popular support of friendly nations for other measures set forth in this outline plan relevant to this paragraph.

Assigned to: State, USIA

Target date: Continuing

18. Continue the public affairs campaign begun in 1956 to focus world opinion on the dangers and injustices of the continued division of Germany.

Assigned to: USIA, State

Target date: Continuing

Para. 18: "Maintain contact with the people of East Germany and encourage resistance to the Communist regime by specific projects (administered by the West German Government through West German and private organizations supported by the United States to the extent necessary and appropriate) designed to (a) maintain a sense of identification with the West and (b) manifest our concern for hardships of East Germans. This should include the provision of cultural, educational, welfare, and travel opportunities. However, an organized official program for the exchange of persons between the United States and East Germany would be inconsistent with our policy of the non-recognition of the East German regime."

Para. 19: "Reassure the East German people of our continued confidence in the eventual reunification of Germany in freedom by evidence of continued strong Western support for Berlin and our determination to remain in Berlin. Hamper Soviet exploitation of East Germany by maintaining Berlin as an example of Western accomplishments and as an island of resistance to consolidation of Communist control in East Germany, and by prompt and clear response to any Communist harassment of the city."

Para. 18

19. Support existing projects of public and private West German organizations which maximize the contacts of the East German population with Berlin and West Germany, assist churches, render aid to special groups and foster educational and cultural opportunities for East Germans. In this connection attempts should be made to induce the Federal Republic to increase its support of various projects enabling East Germans to exchange limited amounts of East German currency for West marks for the following uses in West Germany: pocket money, book purchases, return rail transportation.

Assigned to: State, ICA

Target date: Continuing

Para. 19

20. See Outline Plan for Berlin.⁵

⁵Document 190.

21. Report fully to the Soviet Zone, but especially to the countries concerned, on the visits of foreign delegations to Berlin (example: *N.Y. Herald Tribune Student Forum*). Continue to publicize visits of U.S. cultural groups to Berlin.

Assigned to: USIA

Target date: Continuing

22. Continue to provide information—through the America Houses, film showings, reading rooms, distribution of printed materials, etc.—to East Germans visiting West Berlin and West Germany.

Assigned to: USIA

Target date: Continuing

23. Participate in the 1957 Berlin International Building Exposition, which is expected to attract large numbers of East Germans, with an exhibit on the U.S. building trade, exhibits on the "U.S. City of Tomorrow", and other appropriate exhibits at the Amerika Haus and Congress Hall.

Assigned to: USIA, State

Target date: September, 1957

24. Seek enlargement of the facilities and faculty of the Free University of Berlin and the Technical University to enable as many students as possible from East Berlin and East Germany to gain admission to these institutions.

Assigned to: State, ICA, USIA

Target date: As soon as possible

25. Take advantage of the large East German attendance at West Berlin events such as the annual Agricultural Fair (Gruene Woche) to distribute materials, show films, present exhibits, etc., designed to maintain a sense of East German identification with the West.

Assigned to: USIA

Target date: Continuing

26. Continue to supply radio and TV materials to *Sender Freies Berlin*, including the unattributed show, *Pictures from the New World*.

Assigned to: USIA

Target date: Continuing

27. Continue to report widely to East Germany U.S. programs in support of Berlin as well as speeches, statements, declarations, etc., by U.S. officials reaffirming the determination of the United States to bring about the reunification of Germany in peace and freedom, especially actions which contribute or could contribute to this end.

Assigned to: USIA

Target date: Continuing

Para. 20: "Oppose the recognition of the East German regime by other countries, seek to limit its influence, and support the Federal Republic in preventing the admission of representatives of the East German regime to international organizations or meetings."

[13 lines of source text not declassified]

Para. 20

28. Continue to take appropriate diplomatic and other measures to prevent GDR recognition through its participation in international conferences or through establishment of official relations by it relating to trade or other GDR activities outside the Soviet bloc.

Assigned to: State

Supporting: USIA

Target date: Continuing

[5 lines of source text not declassified]

233. Editorial Note

During the North Atlantic Council Ministerial meeting at Bonn, May 2-4, the Foreign Ministers discussed a paper entitled "The Satellites" (NATO document C-M(57)57), which, among other things, reviewed the reaction of the North Atlantic Treaty Organization to serious complications in the German Democratic Republic. Regarding this NAC session, see volume IV, pages 167-169.

234. Paper Prepared by the Operations Coordinating Board¹

Washington, June 6, 1957.

WORKING GROUP STUDY UNDER PARA. 25 OF NSC 5616/2²

SOVIET ZONE OF GERMANY

Part One

Introduction

This study, which has been prepared in accordance with paragraph 25 of NSC 5616/2, is based on the hypothesis that widespread revolt has broken out in the Soviet Zone of Germany involving acts of violence on the part of the population against the Communist regime and that the regime is employing force to repress the insurrection. It discusses the problem of what action the United States should take under these circumstances. While the paper touches on the possibility of simultaneous uprisings in Poland, it discusses possible courses of U.S. action only in the event of a revolt in Eastern Germany and makes no recommendations for overall American policy in the event of general revolt throughout Eastern Europe.

I. Summary Analysis

1. The most significant difference between the revolt in Hungary and a possible revolt in Eastern Germany is that in the German situation Soviet and NATO forces, including U.S. troops, are face to face with each other in Berlin as well as along the Zonal border and vital strategic interests of both major powers would be directly affected in a revolt. This fact simultaneously increases the dangers arising from a revolt and confronts the United States with a greater challenge than in the Hungarian situation, for in Germany we have a direct, recognized interest and an acknowledged legal responsibility for the country.

2. It can be assumed that the East Zone regime, with the help of the massive Soviet forces which are at hand, would put down isolated instances of revolt, should they occur, with dispatch and brutality. If such short-lived isolated revolts should occur, the U.S. could con-

¹Source: Department of State, OCB Files: Lot 61 D 385, Germany. Top Secret. A cover sheet, an undated memorandum which stated that the paper had been revised by the OCB at its meeting on June 5 and that it would be reviewed periodically, and a table of contents are not printed.

²For text, see vol. xxv, pp. 463-469.

sider the courses of action listed in para. 24, supplemented, if considered appropriate and practicable, by UN action. Should, however, these incidents expand to the scale of a general insurrection, as in Hungary, it can be assumed—given the fact that the population will have risen up in spite of (a) their vivid memory of the repression of the June 17, 1953 insurrection, (b) their knowledge of the presence of large Soviet forces in the Zone, (c) their awareness of the circumstances of the brutal repression in Hungary, and (d) their realization that the West had failed to give military aid to either the June 1953 or the Hungarian insurgents—that the uprising would be marked by considerable reckless determination. Consequently, it is possible that if the revolt became widespread it would continue for some time even in the face of massive Soviet repression. The factor of duration is of considerable importance, for the longer a revolt continued the higher emotional feeling would run in Western Germany and the greater would be the risk of serious incidents involving Soviet and NATO forces in Berlin and along the Zonal border.

3. In spite of the probable tenacity of the insurgents and the possibility that there might be some unauthorized flow of arms to them from the Federal Republic, there seems little doubt that the Soviet forces would in the end be able to repress the revolt in the absence of considerable assistance from the outside, either of a political or military nature.

4. It is clear that, if a revolt in the Soviet Zone were to take place and were to be repressed by the Soviets, the principal loser would be the Soviet Union. This development would be a renewed demonstration that in Eastern Germany, as elsewhere in Eastern Europe, the Soviet system is maintained only by naked force and that this system is repudiated by the population. It would cause serious economic and political problems for the USSR. At the same time, emotional disappointment in Germany over the failure of the revolt would lead to a strong feeling of resentment against the Western Powers if it were felt that they had failed to act energetically during the crisis. In particular there would be considerable bitterness in the Federal Republic directed against the United States, as the leader of the Western coalition. In consequence, not only would German relations with the United States be adversely affected but one of the fundamental aspects of United States policy toward Germany—the binding of Germany into close alliance with the Western community—could be placed in jeopardy. Finally, the hopes of the Zonal population for the future reunification of Germany and the will to resist Soviet imperialism throughout the satellites would be gravely reduced by the repetition of the Hungarian situation, which in this case would have taken place on the doorstep of Western Europe.

II. Estimate of the Situation

5. Though the basic assumption of this study is that a revolt has actually broken out in the Zone, this assumption is a theoretical one and it may be helpful to give a short analysis of the present chances that such a development will actually take place.

6. The great majority of the population of the Zone is dissatisfied with its economic conditions and disaffected from the regime. While there has been a gradual improvement in the standard of living over the past few years, the ordinary necessities of life are scarce and expensive to an extent which allows the statement that there is general poverty in the Zone. The regime is having great difficulty with its program of expanding the industrial base and there is little prospect of rapid economic improvement. The regime has slavishly followed the Soviet line on Hungary, has declared that there will be no basic revisions of the Communist system in the Zone, and has demonstrated its nervousness about the course of events in Poland by attacking Polish Communist writers and journalists who have written in favor of "national Communism" and by arresting a number of East German intellectuals known as supporters of "national Communism." There have been numerous indications that the students and intellectuals have been getting a clear picture of the events in Hungary and Poland from Western sources, mainly radio, that they have been quite excited over the developments in those two countries and are fully aware of the important role played by student groups there, and that they have objected to the line taken by the Government.

7. Nevertheless, there are a number of factors which would appear to make a widespread East German revolt unlikely at the present time. Chief among these are:

a. The experience of the abortive rebellion of June 17, which was put down by the Soviet troops without any attempt at intervention by the Western Powers.

b. Soviet actions in Hungary in ruthlessly suppressing the rebellion there, together with the fact that the Western Powers also did not intervene.

c. The absence of a group of leading figures in East Germany who could form the nucleus of a movement toward national Communism.

d. The presence of massive numbers of Soviet troops in Eastern Germany who are generally believed by the inhabitants of the Zone to be perfectly able and willing to crush any revolt.

e. The constant flow of refugees to Western Germany with relatively little hindrance, which drains the Zone of potential opposition leaders and at the same time, owing to the knowledge that a possibility of flight exists, acts as a safety valve to reduce the build-up of pressures which could lead to revolt.

f. The frequent warnings against rash or violent action which have emanated from NATO and from all responsible groups in the Federal Republic.

8. This evaluation does not exclude the possibility of isolated outbreaks. In spite of the factors working against widespread resistance to the regime, the situation in the Zone is a potentially explosive one and general rebellion could conceivably be touched off by a local uprising, by further developments in Hungary and Poland indicating a diminution of Soviet control in those countries, by outbreaks of wide-scale rebellion in other satellites, by indications of internal weaknesses within the USSR, or by a change in the present attitude of the Federal Republic to one of actively encouraging and instigating such an uprising.

III. Political and Military Considerations

9. *Attitude of the Zonal Population.* The population of the Soviet Zone has not been won over to support of Communism. The vast majority of the people in the Zone are anti-Russian and bitterly opposed to the puppet regime now in power. Only a very small percentage of the population could be expected actively to support the regime in the event of an uprising. The principal targets of the Communist efforts to gain acceptance of their ideology—young people, the students, the industrial workers—are as in Hungary the most disaffected groups among the population and would presumably form the nucleus of any revolt.

10. *Attitude and Resources of the Communist Regime.* Although some elements of the Communist party are influenced by Titoist sentiment, the leaders and policy makers of the Soviet Zone regime are hard-bitten Communist veterans who are fully committed to the Soviet cause. There is no evidence that there are organized groups of Titoist Communists in the Zone, and the present leaders there, who are hated and distrusted by the population and under great political and ideological pressure from the Federal Republic and more recently from Poland, know that their only hope for the future is to remain as closely tied to the Soviets as possible. Not only their political position, but their very lives would be at stake in the event of rebellion. The regime could, therefore, be expected to react immediately and in the most drastic manner to indications of widespread rebellion. In view of the unreliability of the East German police forces, the East Zone Government would almost certainly immediately request the Soviets to use their armed forces in Germany without delay in the unlikely event that the Soviets had not already acted independently.

11. It is uncertain whether the combined police and military forces available to the East German regime are adequate in number

and armament to quell a general revolt throughout the country. However, the police and military forces could not be trusted to support the regime actively and large numbers would either refuse to act against the rebels or actually join them. It is possible that organized subordinate commands of the Peoples Army and the police would join the rebels and add to their military capacity. The current armament and weapons depots of the Peoples Armies and police forces would be a logical source of weapons for the rebels insofar as this possibility is not eliminated by Soviet military action.

12. The East German civil police comprise approximately 80,000 men, plus about 100,000 or more auxiliaries and armed workers that fall under its jurisdiction. The police generally are unreliable, as indicated by the high rate of desertions to the West (an average of 75 men have deserted to the West each week during the past several years). While the police are adequate for the normal tasks of law enforcement, they could scarcely be relied upon in an emergency.

13. East Germany has about 30,000 frontier troops, including those used to maintain border controls around Berlin. They are not adequate for a complete sealing off of the frontier with West Germany. In an emergency they would probably not be reliable supporters of the Communist regime.

14. The East German army is currently estimated to have a personnel strength of 100,000. The Navy has a personnel strength of 11,000. These forces could not be relied upon by the Soviets for major military operations or for maintaining internal security in East Germany.

15. The East German interior troops number about 15,000. The interior force is probably the most reliable of Ulbricht's security arms, but because of its relatively small size has limited capabilities.

16. *The Soviet Position.*

a. The Soviet Union would probably take an even graver view of a revolt in East Germany than that in Hungary and in consequence would hesitate even less before committing its forces (numbering about 400,000 men organized in 22 divisions, which could be reinforced if necessary by sizeable forces drawn from the more than 50 line divisions in the Western part of the USSR) to repress the revolt without mercy. For the Soviets, a successful "counter-revolution" in the Zone would mean the sweeping away of their puppet regime and the addition of that area to the increasingly powerful Federal Republic and thus to the NATO area, since it would be clear from the outset that the aim of the insurgents was total liberation from the Soviet grip and that there was little, if any, chance of establishing even a Gomulka-type regime in the Zone. With the loss of the Zone as a military base, the political control of the Soviets over the remaining satellites, especially Poland and Czechoslovakia, would be

greatly weakened, while the success of the rebellion would most probably inspire further anti-Communist uprisings in the satellites. Ultimately, the loss of the Zone under these circumstances would probably mean the loss of Eastern Europe to the Soviets and the withdrawal of their forces back to their own frontiers without any compensating withdrawal of Western forces. While it is conceivable that the Soviets may in time themselves conclude that the only method by which they can retain a minimum amount of control over Eastern Europe is to grant further concessions to their satellites, successful revolt in the Zone would mean its abandonment to the Western sphere of influence without any opportunity for the Soviets to insist on conditions which would militarily protect the security of the USSR itself.

b. The development of a situation posing the risk of losing their control over the Zone would therefore probably be regarded by the Soviets, under present conditions at least, as a major and direct threat to Soviet security. The Soviets would probably suspect from the outset, regardless of justification, that a revolt in the Zone was at least partially instigated by the United States. If their suspicion should be hardened by evidence, whether imagined or real, that the United States was actively assisting the rebellion or if there were clashes between American and Soviet troops, the Soviet leaders, who might already be close to panic, could take steps which might lead to general war. The opposite possibility also exists in theory. Important as the continued retention of the Zone is to them, Soviet leaders might themselves be so concerned over the possibility of general war that they might accept loss of control over the Zone if pushed hard enough by the West rather than risking war by using their own forces to repel all forms of Western intervention.

17. Position of Other Communist Countries.

a. With regard to the Communist countries bordering on Eastern Germany—Poland and Czechoslovakia—it could be assumed that their governments would probably officially oppose a rebellion from the outset, though for different reasons. The present Polish government, though its attitude might be moderated by fear of adverse reaction from the Polish population if it adopted too hostile an attitude to what essentially would be an anti-Russian revolt, would see in the rebellion a threat to its own policy of “gradualism” and to its Western frontiers. The Czech government would probably be opposed to the revolt in the light of their extreme subservience to the USSR and their fear of Germany. However, the time factor is of great importance in many respects in estimating side effects of a rebellion in Eastern Germany. If a rebellion in Eastern Germany continued as long as that in Hungary, there might be anti-Soviet demonstrations, at least in Poland.

b. In the opposite direction, it would appear that signs of serious popular opposition to the government in Poland or Czechoslovakia could trigger a rebellion in the Zone. A situation in which the Polish government, supported by the population, was showing even greater independence of the Soviet Union and having new and severe difficulties with the Russians as a result could have similar effects in either triggering a revolt in the Soviet Zone of Germany or encouraging the rebels to continue their opposition if a rebellion had already started. A situation in which Polish troops were actually engaged in fighting with Soviet forces would clearly have a great effect in encouraging the continuation and intensification of rebellion in the Zone, while it could also conceivably make the military prospects of such rebellion somewhat brighter by draining off a certain number of Soviet forces into Western Poland to deal with the situation there.

18. *Attitude and Resources of the Government and Population of the Federal Republic.*

a. It is believed that the present Federal German Government, which has clearly shown its understanding of the risks arising from a revolt, would at the outset of rebellion in the Zone refrain from official action in direct support of the rebels and do its best (1) to prevent involvement of Federal military forces, (2) to channelize popular feeling in the Federal Republic into constructive relief projects, and (3) to discourage demands for armed assistance for the rebels as well as participation of individual residents of Western Germany in the rebellion. It would undoubtedly appeal to the United States, United Nations, and the NATO Council for help and intercession, and would probably make a direct appeal to the Soviet Union in an effort to stop the bloodshed and persuade the Soviets to withdraw from the Zone.

b. The Government could use radio transmitters in the Federal Republic, for which there is generally good reception in Eastern Germany, to beam messages to the Zone. The Government would also have at its disposal the remaining units of the Federal Border Police, which now number approximately 7,000 men, and could count on the cooperation of the Border Police and State Police units of the Laender to control the Zonal border. The armed forces of the Federal Republic, now numbering about 70,000, are a further potential resource in times of emergency. Though the present government would probably be most cautious about placing its armed forces in situations where a clash between them and Soviet forces could ensue, about 10,000 of them are former Border Police personnel still stationed on the Zonal Border and these men might be reassigned to the Border Police. If a revolt should occur after the German forces have increased in size and become battleworthy, and were to last for some time, there might be some public pressure to use them in some way

to give direct aid to the rebels even though there is little prospect in the near future that the German forces would be strong enough to take on the Soviet forces in East Germany if the uprising were an isolated one to which the Soviets were able to give full attention. Even before this point had been reached, there would be a possibility of rash action on the part of subordinate unit commanders of the armed forces or the Border Police.

c. The population of the Federal Republic has profound fellow-feeling with the population of the Zone which, of course, is considered an integral part of Germany. The West German public would react to a rebellion in the Zone and the attempts of Soviet troops to repress it with a mixture of fear and outrage. There would probably be a certain amount of panic in Western Germany arising from the fear that Soviet military action could spread to the Federal Republic. The public would therefore probably support the Government in a course of moderation at the outset, but if the rebellion should last for some time and fear of Soviet attack subsided, public opinion is sure to become more extreme and to press the government to take some more radical action to aid the revolt, while there may be individual or group actions to help the rebels directly. The longer the conflict continued, the greater would be the difficulty of the government in maintaining a moderate line. In the event that the Soviet forces could not master the situation and the revolt continued at white heat for over two or three weeks, there is some risk that even the most responsible government would begin to yield to this popular pressure and start considering more hazardous measures in addition to intensifying its appeal for Western help or military intervention.

d. In the event that individuals or private groups decide, regardless of the consequence, to participate in the revolt or directly aid the rebels, they may attempt to break into arms depots of the Federal Border Police, the State Police forces, of German and Allied forces, or small arms factories and sporting goods stores.

19. *The Zonal Border.*

a. One of the most important differences between the East German and the Hungarian situations is the fact that the Soviet Zone has a long common border with a member of the NATO Alliance, the Federal Republic, on whose territory are stationed a large number of NATO forces including numerous U.S. and U.K. forces. In the case of Germany, this border also separates a population of the same nationality. Although efforts would almost surely be made to seal off the border from the East by the use of Soviet forces rather than by less dependable East Zone police or military units, it would probably be impossible to seal it along its whole length at all times and it may be possible to cross it both ways at various points from time to time. On the Federal Republic's side of the border, agreements have been

concluded between the U.S. and the Federal Border Police for U.S. forces to take over in case of incursions by armed police or military forces from the Zone which are too numerous for the Border Police to handle or in case of incursions by Soviet forces. Similar agreements have been made with the U.K.

b. To illustrate the problems with which the United States may be faced in the event of revolt, the following list attempts to show some of the types of movements across the border which could occur in case of revolt in the Zone: refugees from the Zone, organized units of the "Peoples Army" and police seeking refuge, and "loyal" Peoples Army units or Soviet forces in pursuit of refugees. There may be firing across the border from both sides. Volunteers from Western Germany may cross over to the Zone, and it is possible that local units of Federal police may penetrate a short distance into the Soviet Zone to assist refugees in escaping. The possibility cannot be excluded of clashes on a localized basis between the Federal German armed forces and Soviet forces, as well as between U.K. or U.S. and Soviet forces along the border.

20. *The Situation of Berlin.*

a. The situation of Berlin in the event of rebellion in the Zone would be most critical. The city is located in the middle of the Soviet Zone. There might be difficulty in maintaining continuous land access to the city if Soviet forces seal off the Zonal border. Difficulties in connection with access to Berlin by air are also a possibility. The city itself can be penetrated with ease from all sides and it would be most difficult to have full control over its limits to control the movement of persons. The West Berlin police force, under the control of the three Western Commandants, has a total of 16,000 men who might have difficulty in coping with border control in the event of large numbers of refugees or of West Berliners going to the assistance of the rebels. However, the U.S., the U.K., and France have garrisons in the city totalling about 15,000 men, and legal responsibility for maintaining order and security in the Western Sectors of the city, and they could probably deal with all but the most chaotic situations. It may be presumed that the Soviets will exert themselves to prevent clashes between Western forces and police or military units loyal to the GDR regime or with Soviet forces. Nevertheless, the possibility of such clashes cannot be excluded in the confusion of revolt. As in the Federal Republic, there may be efforts to seize police or allied weapon stocks, in this case by the rebels as well as their West Berlin supporters.

b. On the more positive side, Western Berlin would be of considerable value in the event of rebellion as an observation post and a point from which some influence could be brought to bear on the

rebels as well as having some value as a sanctuary. Two radio transmitters equipped to beam programs into the Zone are available.

Part Two

I. Assumptions

21. *The Soviet Position.* In spite of the importance to the USSR of continued retention of the Soviet Zone, as described above, and the consequent probability that it would take immediate military action to repress the revolt, it can also be assumed that the Soviets would, if possible, try to avoid involvement with NATO forces in the light of the risk to themselves of developments which could lead to general war. The major justification for the probable Soviet suppression of the revolt, which would necessarily be brutal, would be that the revolt was not of indigenous origin, but had been instigated and supported by the United States and the GFR for the purpose of achieving the unification of Germany by military means.

22. *The United States Position.* In the event of widespread revolt in the Soviet Zone of Germany, the basic attitude of the United States would probably be governed by the following considerations:

a. That we will seek to minimize the risk of general war with the Soviets.

b. That we will nevertheless maintain our position in Berlin and the Federal Republic, if necessary, with such force as may be required; and that if American military units are attacked they will defend themselves.

c. That the U.S. objective will be to bring the Soviets into serious negotiations aimed at the withdrawal of Soviet forces from the Zone and reunification of Germany on conditions acceptable to us.

d. That the U.S. will take all possible steps, by consultation and discussion, to maintain Western unity of action, particularly with the French and British (who share our responsibility for questions affecting Berlin and Germany as a whole) and with the Federal German Government.

e. That we will wish to state publicly our sympathy for the desire of the people of East Germany to liberate themselves from the Soviet yoke.

f. That we will wish to avoid needless bloodshed and suffering and to protect individual lives where possible.

g. That we will wish to gain maximum psychological advantage from a revolt in East Germany, and to exploit fully the indigenous origin of the revolt, and any attempt at brutal suppression by foreign—i.e., Soviet—forces stationed on German soil.

II. Possible Courses of U.S. Action

23. There follows a discussion of various courses of action open to the United States in the event of a revolt in East Germany. In addition to certain minimum and immediate steps which should be taken in any case, there would seem to be three possible broad alternative courses of action which could be followed, which are not entirely mutually exclusive: (1) to attempt to negotiate, preferably in concert with the British and French, directly with the Soviets to obtain a definitive settlement of the German problem on terms acceptable to us, (2) to pursue the same objective by placing primary reliance on the procedures and machinery of the United Nations, and (3) to exert direct American pressure against the Soviets aimed at compelling the disengagement of their forces from the military operations to suppress the revolt and the eventual total withdrawal of these forces from East Germany. (The UN machinery could, of course, be used where practicable to give support to U.S. action taken under the general heading of (1) or (3) above.) All of these courses of action would have as their ultimate objective the establishment of a reunified German state free to associate itself closely with the Western Community.

A. Minimum and Immediate Actions.

24. The following steps should be taken in any case at the outset of any revolt in East Germany:

a. Warn the Soviets at once against actions which might affect the position of the Western Allies in view of the quadripartite responsibility for Germany as a whole, or of the Allied forces in Berlin. (The tripartite security guaranty for Berlin should be cited to the Soviets in this latter connection.)

b. Offer U.S. assistance directly through non-political relief organizations to alleviate suffering among the population of the Zone and if there is adequate backing in the UN consider initiating action to stimulate the provision of further assistance through the UN.

c. Express our sympathy for the East Zone population and our disapproval of the use of force by the Soviets and their East Zone puppet regime to suppress the will of the people.

25. If U.S. action were to be limited to the above steps it would be likely to be interpreted to signify the voluntary abandonment by the United States of efforts to control the course of developments despite the fact that they involve the risk of general war, and could lead to severe losses of U.S. prestige and authority through the free world.

B. Direct Negotiations with the Soviets.

26. The U.S. could, after consultation with the U.K., France, and the Federal Republic, approach the Soviet Union on the highest level either in concert or, if necessary, unilaterally, declaring our belief that the forces the Soviets were attempting to repress were uncontrollable in the long run and that it was to their own advantage and that of world peace to agree without delay on a reasonable solution of the German problem. We could state that the situation posed such a threat to world peace that the United States regarded it with the utmost gravity. We could then present a general plan for a definitive settlement of the German question, giving sufficient detail to demonstrate the seriousness of our intentions. Our plan should of course make provision not only for German reunification but also for a workable system of European security. This would include the problem of eventual disposition of foreign military forces in Germany. Our approach should be calculated to impress on the Soviets the depth of our concern and our anxiety to negotiate a reasonable solution which would take into account the legitimate interests of all parties concerned.

27. The United States would naturally wish to avoid a situation in which it had offered to negotiate with the Soviets and the Soviets accepted, using the negotiations as a cover for continued brutal repression of the revolt only to break them off when their repressive measures had been successful. In order to prevent this we could inform the Soviets, after presenting the outline Western plan for settlement of the German question, that their forces would have to be withdrawn to their bases within Eastern Germany as a prerequisite to the commencement of further negotiations. We could at the same time assure the Soviets that if this condition were met, we would bring our influence to bear to cause the insurgents to cease measures of violence. If the Soviets refused to disengage their forces we could:

a. Commence negotiations, publicly stating we were doing so to show Western sincerity and willingness to come to an agreement. Break off the negotiations and resort to other tactics if the course of the negotiations shows that the Soviets are not serious in their intention to negotiate and are using the negotiations as a cover for continued repression.

b. Commence negotiations, setting a public time limit, either for reaching full agreement in principle or for Soviet withdrawal to their bases in Germany.

28. It is possible that categorical Western refusal to open formal negotiations prior to Soviet military disengagement, accompanied by wide publicity for the initial Western approach for settlement and the utilization of various other forms of Western pressure, some of which are described below, could possibly bring about Soviet disen-

agement. This might also be true for a tactic in which the West actually commenced formal negotiations while simultaneously bringing to bear all available pressure from the outset of the negotiations. However, the equally likely result of these courses would be a Soviet conclusion that the original Western offer to negotiate was not intended seriously but rather as an attempt to profit from the unfavorable position in which the Soviets found themselves.

29. In negotiations with the Soviets which might ensue as a result of a Western approach to them, our objectives should in any case be the following:

a. To implement, if possible, the long-term primary objective of bringing about the eventual complete withdrawal of Soviet forces from East Germany and the reunification of Germany in freedom.

b. To stop the further shedding of blood and bring about cessation of violence.

c. To secure the disengagement of the Soviet forces from the fighting and their return to their barracks areas.

d. To ensure against Communist reprisals against those individuals who had participated in the uprising.

30. Our initial approach to the Soviets would probably best be made quietly and without publicity. Should the Soviets show any disposition to enter into serious negotiations it would be wise to continue to avoid publicity with regard to the content of the Western proposal, so long as this content remains confidential and public speculation at the time is not injurious to U.S. interests. If, on the other hand, they were to respond negatively to our confidential approach, we should take steps at that point to publicize fully in the United Nations and elsewhere our willingness to negotiate and the general character of the proposals we have made to the Soviets. Our objective at this time should be to obtain the widest possible support throughout the world for our proposals and for the course of action we are following and to bring maximum pressure of public opinion to bear against the Soviets.

31. As to the character of our specific proposals to be made to the Soviets, it is important that they should be designed to create the clear impression that we are prepared to negotiate with the Soviets on a basis which would leave open to them some course of action other than bloody repression of the East German revolt and which would also take their legitimate security interests into account. In other words, it is essential that we leave no doubt that a real and genuine alternative has been offered to the Soviets.

32. In the interest of reinforcing this impression we could take certain additional actions such as the following:

a. Use our own troops, after consultation with the British and French and the Federal Republic, to seal off the Zonal Border to east-

bound traffic (except for legitimately authorized traffic to Berlin). This measure would emphasize our desire to prevent any flow into the Zone from the West of arms for the insurgents or of individuals seeking to join in the fighting on their side. On the other hand, such a measure, unless accompanied with more positive actions, could well arouse resentment among Germans on both sides of the Zonal Border for our actions in preventing offered assistance from reaching the insurgents. In any event, it would be politically unthinkable to try to seal the Border to westbound refugee traffic from the Zone into the Federal Republic.

b. After ascertaining whether there is adequate backing for such steps, initiate immediate consultations to determine whether it would be feasible to seek action in the General Assembly calling for the stationing of UN observers along the Zonal Border, and possibly also along recognized land access routes to Berlin.

C. UN Action.

33. Probably the most effective utilization which could be made of the United Nations would be to secure its authority and prestige in support of the position adopted by the three Western Powers and the Federal Republic. Though the UN Secretary General might conceivably play a useful role as an intermediary, the UN would offer disadvantages as a device for actually negotiating with the Soviets because of the diminution of U.S. and Western control over the course of the negotiations. Presuming that action in the Security Council would be blocked by the Soviet veto, it should be possible to secure General Assembly passage of a resolution calling on the USSR and the three Western Powers to negotiate on the German question. If a Western initiative to the Soviets for such negotiations had already been undertaken in confidence the resolution could call on the Soviets to withdraw their forces to their bases in the Zone within a short, fixed period—two or three days—in order to permit the commencement of negotiations at the end of that period.

34. In the event the Soviets refused to negotiate or negotiations failed, the U.S. could then take steps to secure adoption of a General Assembly resolution endorsing the Western negotiating position, and thus place added pressure on the Soviets to accept it in the course of time.

35. In the event of Soviet refusal to negotiate, or the breakdown of negotiations if held, or in the alternative event that the U.S. itself decided to apply measures of direct pressure on the Soviets (these are described in d. below) rather than to attempt to negotiate, the UN General Assembly could also be called on for other types of support. Among the possibilities open in this case are the following measures, intended as illustrative suggestions, which could be taken by the UN:

a. Station UN observers in Berlin with or without Soviet permission (if there were still access by air to the city) and along the Zonal Border.

b. Pass resolutions of censure, adopt sanctions against the USSR and support embargoes or boycotts against it.

c. Call on all non-Communist countries which had Soviet Zone consular, trade, or other missions to expel them, thus giving a concrete expression to worldwide repudiation of the GDR regime as "unrecognizable."

d. Establish a special UN Police Force to intervene in East Germany against Soviet repression of the revolt. It would be impossible to get the necessary two-thirds majority for this proposal in the face of Soviet opposition for this would amount to a UN declaration of war if not against the Soviet Union at least against Soviet forces in Germany. The proposal would have value only if the USSR agreed to the stationing of UN forces in the Zone either during negotiations or in order to implement any agreement reached in negotiations. However, it could also be considered as a possible course if there were a general revolt in the satellites including Eastern Germany, particularly if the Soviets were having a hard time repressing the revolt.

36. Be prepared to meet and deal with Soviet efforts to block UN action of any kind on the ground that Article 107 of the UN Charter gives the USSR authority to take whatever action it sees fit with regard to Germany as a former enemy nation. Past experience in the UN with questions involving both Germany and Austria (UN consideration of the Berlin Blockade in 1948; establishment of a UN commission on the question of free elections in both parts of Germany in 1951; and UN consideration in 1952 of the failure of the Four Powers to agree on an Austrian Peace Treaty—in all three cases action was taken in the face of Soviet opposition based on Article 107) indicates that the UN could probably cope with this difficulty.

D. Use of Direct American Pressure on the Soviets.

37. The U.S. could decide, on the basis of the situation at the time, that direct pressure was preferable to negotiation as a method of inducing the Soviets to withdraw from the Zone, or a useful supplement to negotiations. However, the use of the type of direct American pressure described below simultaneously with the commencement of negotiations might, given the strain the Soviet leaders would be under if a revolt occurred, increase Soviet suspicions of the American negotiating approach. This of course does not preclude the use of pressure as a negotiating tactic if the subsequent course of negotiations should justify it, nor does it preclude the use of indirect pressure through the UN at any stage. It is possible that heavy American pressure prior to a diplomatic approach of the type described above would assist in inducing Soviet willingness to negotiate seriously, particularly if the Soviets were having considerable diffi-

culty in maintaining control in the Zone, since they would scarcely evacuate the Zone in any case without asking for face-saving negotiations. The defect of a tactic of applying pressure as a preparatory measure for an offer to negotiate is that it increases the risk that Soviet leaders might be driven to desperate actions.

[9 paragraphs (2-1/2 pages of source text) not declassified]

235. Report Prepared by the Operations Coordinating Board¹

Washington, July 17, 1957.

PROGRESS REPORT ON UNITED STATES POLICY TOWARD EAST GERMANY (Supplement to NSC 160/1)²

(Policy Approved by the President September 12, 1956)

(Period covered: December 6, 1956 through July 17, 1957)

A. Summary of Operating Progress in Relation to Major NSC Objectives³

1. *OCB Recommendation Regarding Policy Review.* See para. A1 of Progress Report on Federal Republic of Germany.⁴

2. *Summary Evaluation.* The intransigence of the Soviet Union has prevented progress toward achievement of the basic objective of the reunification of Germany in freedom. However, progress has been made on interim objectives as follows:

a. *Placing the Soviets on the defensive by measures in support of reunification.* See para. A2c of Progress Report on Federal Republic of Germany.

b. *Undermining Soviet control over East Germany through exploiting the Western position in the Federal Republic and Berlin.* Our position in free West Berlin constitutes our most valuable and effective weapon for undermining Soviet control over East Germany. Our contribution to the remarkable reconstruction of the City's economic and political welfare, coupled with our continuing active support of the position

¹Source: Department of State, OCB Files: Lot 62 D 430, Germany. Secret. Regarding the preparation of this report, see footnote 1, Document 127. A Consolidated Financial Annex to the Progress Reports for the Federal Republic of Germany, East Germany, and Berlin is not printed.

²Document 230.

³The latest NIE on East Germany is contained in NIE 12-56, dtd. 1/10/56. [Footnote in the source text. NIE 12-56 is printed in vol. xxv, pp. 115-118.]

⁴Document 127.

of West Berlin as exemplified by the presence of our troops and our continuing aid, have been effective in demonstrating our conviction that Germany will eventually be reunified in freedom with Berlin as its capital. In addition, our efforts on behalf of the City's economic recovery, in support of the active role played by the Federal Republic in this regard, have been instrumental in setting up in the very center of the Soviet Zone a visible and continuing demonstration to the people of East Germany of the superiority of the free world system over the Communist system.

RIAS (Radio Station in the American Sector of Berlin) broadcasts and other U.S. programs for maintaining contact with the East German population have kept the population informed of the internal struggles and contradictions within the Communist system and of the contrast between steadily improving economic conditions in West Germany and West Berlin and those in the Zone. This information contributes perceptibly to the continued large flow of refugees from Eastern Germany, which affords a convincing demonstration of the regime's failure to indoctrinate and gain the support of the Zone population. U.S. help has also been instrumental in maintaining the large-scale flow of visitors from the Soviet Zone to the Federal Republic (about 2,400,000 in 1956). West Berlin has been maintained as a show window for further millions of visitors from East Berlin and the Soviet Zone (see paragraphs 2-e and 2-f-(3) below).

c. *Diminishing the reliability of the East German armed forces.* RIAS and other U.S. programs have constantly reminded members of the East German armed and para-military forces that these forces are in essence instruments of the Kremlin designed to further the maintenance of Soviet control over East Germany. Continued disaffection in the East German military establishment is reflected by the continued and steady defection to the West of members and former members of the East German armed forces (over 200 a month, including security policy forces). Despite all efforts by the regime the East German defense establishment has not overcome its inherent weaknesses of poor morale and low political reliability.

d. *Minimizing the East German contribution to Soviet power.* As a result of developments in Hungary and Poland the Soviets have been compelled for political reasons to turn away from rapacious economic exploitation of the satellites, including East Germany, to a program of more moderate demands combined with a limited amount of actual economic aid to the countries concerned. The resulting decrease in East Germany's contribution to the economic power of the Soviet Union has been intensified by dislocations in the East Zone economy arising from curtailed deliveries from Poland and Hungary. Establishment of new Polish trade patterns which would result from increased trade with Western countries might create further difficulties for the

Soviet Zone economy, which is highly dependent on Polish fuel and other commodities. RIAS and other U.S. programs which help to maintain discontent among East Zone workers have contributed to the present lower productivity rate in the Zone and to the heavy refugee flow, which has over the years represented a considerable loss to the Zonal economy. (The Zone is losing people, most of them in their productive years, at the rate of over one quarter million a year.)

e. *Conserving and strengthening the assets within East Germany which may contribute to U.S. interests.* U.S. programs have been successful in contributing to maintaining the high level of popular dissatisfaction with the East German regime without, however, inciting the population to the point of violent resistance. While there has been some increase in realization by the East Germans that Western intervention in Hungary could have meant world war, the main Western effort has had to be directed toward overcoming their disillusionment by emphasizing the continued interest in and support of the West for the situation of the people of East Germany. This is being done through RIAS and through U.S. assistance to West German programs designed to give material assistance to the East Zone population, to maintain the flow of East German visitors to the Federal Republic and Western Berlin, and to maintain the morale and prestige of the Protestant Church in East Germany as a center of spiritual and ideological resistance to the regime.

f. *Additional actions.* Additional actions taken by the U.S. Government in fulfillment of these objectives and in line with specific courses of action are:

1. *In connection with German reunification.* All information media in Washington and overseas are under standing instructions to emphasize at every opportunity the dangers and injustice of a forcibly divided Germany.

2. *Against recognition of East Germany.* The U.S. Government has successfully continued its efforts to prevent the East German regime from improving its international standing in international organizations and obtaining diplomatic recognition from uncommitted countries.

3. *Soviet Zone projects.* The U.S. has continued to support special German programs designed to maintain Western contact with the people of the Soviet Zone and to keep alive their spirit of resistance to the Communist regime. The U.S. contribution has, in fact, been of greatest significance as a means of stimulating and guiding the programs instituted by the Federal Republic. It has introduced new ideas and encouraged the Federal Republic to increase its expenditures in this field. For 1957, for example, these are estimated to be about \$20 million, or four times the amount spent in 1955. In addition, private German expenditures both for relatives and friends, as well as special groups in the East Zone, for activities of a similar nature, may run as high as \$100 million.

U.S. aid continues to be channeled into those programs designed to assist in maintaining the spirit of opposition to Communism in East Germany, by facilitating travel of East Germans to Western meetings and conventions, and by providing scholarships and food and clothing for deserving East Germans.

4. *Progress in meeting program schedules.* The local currency proceeds generated through sales of surplus agricultural commodities and which are utilized for support of the FY 1957 special East German programs have been obligated and will be spent as scheduled.

B. Major Operating Problems or Difficulties Facing the United States

3. *The Division of Germany.* The brutal repression of the Hungarian uprising by the Soviet Union aggravated the problem of maintaining the basic hope of the East German population that Germany will eventually be reunified in freedom—a hope that constitutes the main psychological barrier to acceptance of the Communist regime by a majority of East Germans. The maintenance of contacts with the East German population continues an important element in surmounting this difficulty.

4. *Non-Recognition of East Germany.* The East German Communist regime is continuing to make determined efforts to increase its international standing and prestige by endeavoring to gain admission to international organizations and to secure some sort of recognition from countries in uncommitted areas. Current examples are the GDR's campaign to improve its status in the Economic Commission for Europe, its maneuverings to establish full consular relations with Syria, and its efforts to obtain government-to-government trade agreements to replace prevailing clearing arrangements. (The GDR now has nine such agreements with non-satellite governments.)

5. *Danger of Violent Uprising in East Zone.* The possibility of a mass uprising in the Soviet Zone along the lines of the Hungarian revolt, which could spread into large-scale hostilities involving the United States, must always be kept in mind. The presence of large numbers of Soviet troops (22 ground force divisions), the recollection of the bloody suppression by Soviet forces of the 1953 uprising in East Germany and the 1956 revolt in Hungary, the increased security measures taken by the GDR regime, and the repeated admonitions of the West German Government and all major organizations in the Federal Republic to the East Zone population to remain quiet and refrain from violence combine to make unlikely under present circumstances any open revolt in East Germany, although actions of reckless desperation cannot be excluded. (See Working Group Study under Para. 25 of NSC 5616/2—Soviet Zone of Germany, June 5, 1957.)⁵

⁵*Supra.*

C. Listing of Other Major Developments During the Period

6. *Impact of Developments in Hungary and Poland.* As a result of events in Poland and Hungary in late 1956 the Soviets and their puppet East German regime took steps to tighten their military control over the Soviet Zone of Germany and to eradicate, so far as possible, opposition among the population. Soviet forces were put on an alert basis, and efforts were made to increase the effectiveness of the East German armed forces and the armed workers' militia (*Kampfgruppen*) established for the suppression of civil disturbances. The Soviet and East German leaders proclaimed their intention of putting down any popular uprising in Eastern Germany with armed force. The East German Communist regime further discredited itself in the eyes of the population by its slavish support of the upside-down Soviet version of the events in Hungary. Existing unrest and evidences of dissatisfaction [*dissatisfaction*] among the students and intellectuals of the Zone were greatly intensified by events in Hungary and Poland. There was continued evidence of dissatisfaction with the regime among German workers because of long hours, low wages, high prices, continued rationing and shortage of consumer goods. The East German regime has reacted sharply in its efforts to keep the situation under control. For example, it expelled a number of "heretical" students and professors from East Zone universities, and in early March of this year gave a 10-year prison sentence to Wolfgang Harich, a young East German professor known to have written in favor of "national communism".

7. *GDR Restrictions on Travel of Youth to West.* In an effort to reduce the "contaminating" effect of Western influences on the youth of the Soviet Zone, the GDR regime has recently imposed a series of restrictions designed to prevent East German university and high-school students from traveling to the Federal Republic and West Berlin.⁶ In recent years travel of these groups to the West for recreational purposes has become increasingly heavy, particularly during summer months. While the effectiveness of these new restrictions has not yet been fully tested, reports from Germany estimate that the driving force behind the young peoples' desire to visit the West is so strong that they will probably display considerable ingenuity in finding means to circumvent the travel ban.

8. *Economic Difficulties in the Zone.* The East Zone regime has had to announce the abandonment of its economic goals for 1957 and the downward revision of the goals in its current five-year plan, which was adopted only in 1956. The regime's chronic shortages of coal,

⁶Documentation on the ban on student travel is in Department of State, Central File 762.0221.

coke, iron ore, and non-ferrous metals, large supplies of which must be imported from undependable Soviet Bloc sources, have caused power shortages and shut-downs in many areas. Agricultural production continues to lag owing to labor shortages and inefficient organization. These various deficiencies have tended to make the East Zone more dependent on the Federal Republic and thereby increase its vulnerability to any Western economic countermeasures which it might be possible to put into effect.

9. *Difficulties for the German Evangelical Church.* The East Zone regime has stepped up its attack on the Evangelical Church. The formal pretext was the approval in March, 1957 by the governing body of the Church, which has authority in religious matters in both East and West Germany, of an agreement with the West German Defense Ministry concerning the provision and status of chaplains in the West German armed forces. Among the results of the present anti-Church campaign, which has extended to the Catholic Church as well, have been steps to make West German financial support of church activities in the Soviet Zone more difficult by insisting on the official exchange rate for transfers of funds, creation of a State Secretariat of Church Affairs in the East Zone Government to supervise religious activities in Eastern Germany, and the recommencement of the drive to substitute a formal pledge of allegiance to the principles of Communism for religious confirmation of the young. There have been indications that the regime may be contemplating the establishment of a separate, centrally controlled East German church in order to destroy the last important institutional link between East and West Germany. These developments indicate a realization on the part of the Soviet Zone regime that the Church is the principal organized center of intellectual resistance and opposition to Communist doctrine.

236. Telegram From the Mission in Berlin to the Embassy in Germany¹

Berlin, August 15, 1957—6 p.m.

164. Week long visit Kremlin leadership was a unique event with no precedent in brief GDR history.² While duration and nature friendship visit unique, nevertheless visit produced none of surprises or novelties considered possible in speculation prior occurrence, e.g., announcement reduction Soviet forces in GDR, Soviet-GDR peace treaty, etc. Absence of such surprises is itself indication primary objective Soviet visit was emphatic reaffirmation existing Soviet position in Central Europe related maintenance GDR as Communist German "state."

Events of recent years have revealed twofold threat Soviet position Central Europe: (1) development West Germany, its rearmament, association with NATO, etc., and (2) events in Poland and Hungary which produced establishment Gomulka regime last October and Hungarian uprising. Despite divergent developments Poland and Hungary, a basic weakening Soviet power and control has been revealed in these areas lying between front-line Soviet position in Europe and frontier Soviet homeland.

Major purposes Khrushchev visit GDR were presumably related purposes visit Czecho, July 9–16. Visits GDR and Czecho were similar in duration, character, travel to provincial cities, folksy contact, and even in contents final joint communiqué.³ Presumably common purpose trips Czecho and GDR was to fortify Soviet power position in two loyal satellites on westernmost perimeter bloc.

Soviet visit GDR sought strengthen Soviet position Central Europe in following ways:

a. By affirmation of status quo, with explicit profession that change can only take place on Communist terms, namely GDR confederation proposal which was wholeheartedly and unqualifiedly espoused by Soviet leaders. Soviets have thus given complete endorsement to GDR proposal for reunification; by doing so they are obviously willing reduce their flexibility and freedom of action regarding other reunification proposals.

b. By effort increase international prestige of GDR, by calling GDR state, claiming treat it as state, Soviets presumably hope in time make headway acceptance GDR elsewhere as state, if status quo continues indefinitely. Soviet leaders "appealingly" stressed desire Soviet

¹Source: Department of State, Central Files, 033.6162B/8–1557. Confidential. Repeated to Moscow, London, Paris, Warsaw, Prague, Bucharest, Budapest, Belgrade, Munich, and Washington. The source text is the Department of State copy.

²A Soviet delegation headed by Khrushchev and Mikoyan visited the German Democratic Republic August 7–14.

³For text, see *Documents* (R.I.I.A.) for 1957, pp. 502–515.

Union, only great power with diplomatic relations both German states, for establishment friendly relations between two German states.

c. By reaffirmation Soviet political, military and economic support of GDR and renewal assurances Soviet Union will back maintenance of GDR in Communist bloc by military force if need be. Soviet and German leaders did not hesitate claim 900 million strong Communist bloc stands ready fight keep GDR first German socialist state in camp proletariat.

d. By seeking to enhance the solidarity Communist camp by flamboyant demonstration Soviet-GDR party and government agreement on all issues.

e. By confirmation SED leadership and endeavor foster popular support regime. Through profuse expressions friendship, Khrushchev has dispelled all rumors uncertainty about Ulbricht's position. Ulbricht's changed manner was remarkable from impassive, restrained, uncertain at arrival ceremony August 7 to relaxed, smiling, and ebullient at departure ceremony August 14. With Ulbricht's position secure, GDR leaders may be expected continue faithfully current lines GDR policy.

f. By strong propaganda demonstration to West that Soviet position is firm, that Soviet position on GDR is not a bargaining position for London disarmament conference nor elsewhere and that Soviets will not sell brother Commies down river into capitalist slavery.

To what extent Khrushchev's visit actually achieved results in relation his purpose difficult to judge. Certainly his visit will not have any effect on basic attitude GDR population which hates drudgery and deprivation Communist-type existence and sees through farcical GDR statehood, but nevertheless is helpless in vise police-*Kampfgruppen* control system, backed by Soviet troops. However, we are not in position judge likely results in West Germany or elsewhere in world. Timing Soviet visit was doubtless related West German elections.⁴ Soviet pronouncements, sharp attacks on Adenauer and appeals for working class unity to accomplish in elections change composition Bundestag followed lines previous SED-KPD efforts throw support SPD. Soviet leaders are probably not much concerned whether such efforts may in this election boomerang to help Adenauer. Certainly their pronouncements are likely have effect discourage middle class or white collar elements shifting their votes to SPD. Soviet leaders may well be thinking in long range terms of infiltration SPD by former supporters of now prohibited KPD and gradual assumption crypto Communists influential positions in SPD.

There may be ominous note in fact that joint communiqué August 13 as well as Mikoyan at Soviet Embassy reception that day termed Berlin "capital of GDR" as had GDR spokesmen at arrival

⁴General elections were scheduled for September 5 in the Federal Republic of Germany.

ceremonies. Soviet efforts build up GDR as sovereign state are likely have as natural corollary further turnover powers GDR authorities which could mean determined effort renew squeeze on Western position in Berlin.

No public announcements or statements during visit confirm likelihood this eventuality. Whether new secret Soviet-GDR agreements reached on issue will presumably be revealed during course next few months.

Conduct of Khrushchev and treatment accorded him throughout visit tend to confirm his emergence as single dominant Soviet leader.

Gufler

237. National Security Council Report¹

Supplement II to NSC 5727²

Washington, December 13, 1957.

STATEMENT OF POLICY ON U.S. POLICY TOWARD EAST GERMANY

General Considerations

1. Soviet control over East Germany has added to the power disequilibrium in Europe and thus to the threat to the security of the United States. Moreover, the continued division of Germany creates a serious element of instability in Europe which must be eliminated before a reliable and enduring basis for European security can be established.

2. At the present time all evidence points to the conclusion that the Soviet Union has no intention of abandoning its position in East Germany, or of seriously negotiating on the subject of German reunification. It continues to maintain substantial military forces in the area, while representing minor withdrawals as a significant reduction.

3. East Germany poses special and difficult problems of control for the USSR. While the East German regime has made limited progress in furthering its program, the East Germans are unlikely to accept of their own free will the Communist system which has been imposed upon them. A basic hope that reunification will somehow

¹Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5727 Series. Top Secret.

²NSC 5727 is printed as Document 136. Supplement I is printed as Document 213.

eventually be accomplished continues to be the main psychological support for the majority of East Germans in their disaffection with the Communist regime. The fact that the main body of the German nation in the Federal Republic has made remarkable advances in political freedom and economic well-being, together with the role played by West Berlin in providing a means of contact with the Free World, also serves to keep alive in East Germany the hope for an ultimate escape from Soviet domination. The situation in East Germany provides a showcase example of Soviet colonialism and furnishes opportunities for the West to exploit strong popular anti-Communist sentiments. Recently there have been numerous indications of unrest and uncertainty in the lower echelons of the East German Socialist Unity Party as a result of the repudiation of Stalin.

4. However, as long as Germany remains divided, various factors at work in East Germany will operate to weaken the resistance of the population to the regime. These factors include the wholesale Communist indoctrination of youth, the weakening under unrelenting police-state pressure of resistance groups now in existence, and the continuing flight to the West of anti-regime refugees.

5. It is in the national security interests of the United States to oppose Soviet control of East Germany and to seek the elimination of that control by means of the reunification of Germany in freedom. However, the United States is not prepared to resort to war to eliminate Soviet domination of East Germany, nor does attainment of this goal through internal revolutionary means appear likely so long as substantial Soviet forces are deployed in the area. Thus a basic change in Soviet policy toward Germany will be required before a German unification compatible with U.S. security interests can be attained. Until this change occurs, the possibilities for U.S. action vis-à-vis East Germany will remain limited.

6. The process by which a change in Soviet policy toward Germany may occur may be a very complicated one since it is closely related to many other elements in the total relationship between the Soviet Union and the West. However, in respect to Germany one essential line of action is the continued focusing of world opinion on the injustice of a Germany forcibly divided by the imposition of a Soviet-dominated puppet regime. Another essential line of action is the attempt to make more difficult Soviet control in East Germany, and to encourage the development of forces there tending to strengthen resistance to the Communist regime. Moreover, there may be developments, such as the riots of 1953, which offer opportunities for exploitation. Such pressures upon the Soviet Union may lead it ultimately to accept the reunification of Germany in freedom as one of the prerequisites for the relaxation of international tension and as

indispensable to the creation of stable and permanent European security.

7. It is essential to this end that the NATO countries and, to the extent possible, non-NATO countries, demonstrate their support for reunification on a continuing basis. The United States will have to contend against the possible interest of certain uncommitted nations in trade connections with East Germany and combat the tendency of some Western European elements to favor political arrangements with the USSR based on a divided Germany.

8. The maintenance by the free world of contact with East Germans is an important element in the stimulation of their resistance to Communism, confidence in the West, and hope for a reunified democratic and independent Germany. Imaginative and flexible programs will be required, permitting quick adjustment to possible changes in Communist restrictions on the access of the East German population to Berlin and West Germany.

Objectives

9. *Basic:* The reunification in freedom of a Germany enjoying a representative government based upon the consent of the governed and participating fully in the free world community.

10. *Interim:*

a. To place the Soviets on the defensive by measures in support of reunification.

b. To undermine Soviet control over East Germany through exploiting the Western position in the Federal Republic and Berlin.

c. To diminish the reliability of the East German armed forces.

d. To minimize East German contribution to Soviet power and encourage changes in the present East German-Soviet relationship which would weaken Soviet control.

e. To conserve and strengthen the assets within East Germany which may contribute to U.S. interests in peace or war and to the ultimate freedom of East Germany.

Major Policy Guidance

11. Use appropriate means short of military force to oppose, and to contribute to the eventual elimination of, Soviet domination over East Germany and to promote the reunification of Germany in freedom, including, when appropriate, concert with NATO or other friendly powers, resort to UN procedures, and diplomatic negotiations.

12. Seek to increase popular and bureaucratic pressures against the present regime through the exploitation of discontent with political and economic conditions in East Germany.

13. Continue basic opposition to the Soviet-Communist system and continue to state its evils.

14. Encourage democratic, anti-Communist elements in East Germany. Stress the healthy aspects of a common German heritage and cooperate with other forces—such as religious, cultural, social—which are natural allies in the struggle against Soviet imperialism and seek to maintain the morale and will to resist Communist domination.

15. Stimulate and exploit conflicts within the Communist regime in East Germany and between it and other Communist regimes as appropriate to the achievement of our policy objectives.

16. Exploit the developing organizations of Western unity (NATO, WEU, OEEC, CSC, etc.) as a force working for a free European community including a reunified Germany.

17. Utilize both public affairs and diplomatic channels to focus world opinion on the injustices of a forcibly divided Germany and the oppressive actions taken by the East German regime against the population. Emphasize that the people of East Germany have been deprived of their right to self-determination by the violation of international agreements by the Soviet Government, particularly the agreement of the Heads of Government at Geneva regarding the reunification of Germany by means of free elections.

18. Maintain contact with the people of East Germany and encourage resistance to the Communist regime by specific projects (administered by the West German Government through West German and private organizations supported by the United States to the extent necessary and appropriate) designed to (a) maintain a sense of identification with the West and (b) manifest our concern for the hardships of East Germans. This should include the provision of cultural, educational, welfare, and travel opportunities. However, an organized official program for the exchange of persons between the United States and East Germany would be inconsistent with our policy of the nonrecognition of the East German regime.

19. Reassure the East German people of our continued confidence in the eventual reunification of Germany in freedom by evidence of continued strong Western support for Berlin and our determination to remain in Berlin. Hamper Soviet exploitation of East Germany by maintaining Berlin as an example of Western accomplishments and as an island of resistance to consolidation of Communist control in East Germany, and by prompt and clear response to any Communist harassment of the city.

20. Oppose the recognition of the East German regime by other countries, seek to limit its influence, and support the Federal Republic in preventing the admission of representatives of the East German regime to international organizations or meetings.

YUGOSLAVIA

U.S. CONCERN OVER THE POLITICAL AND ECONOMIC STABILITY OF YUGOSLAVIA; THE DECEMBER 1957 AGREEMENT BY THE YUGOSLAV AND U.S. GOVERNMENTS TO TERMINATE U.S. MILITARY ASSISTANCE¹

238. Letter From the Deputy Assistant Secretary of Defense for International Security Affairs (Davis) to the Deputy Under Secretary of State for Political Affairs (Murphy)²

Washington, February 7, 1955.

DEAR MR. MURPHY: Department of State telegram to Paris Tosec 9 of 20 October 1954³ advanced certain proposals for the strengthening of Yugoslav military ties with the West. The Joint Chiefs of Staff have now given consideration to the military implications of these proposals, and their comments are forwarded as an enclosure. I concur with their views in the premises, subject the following comments.

Such a program is important to insure that Yugoslavia's military potential will be a positive asset to the United States and its Allies. It should be pursued, however, slowly and carefully, in order to insure that Yugoslavia's forces will not be allowed to become a liability through growing neutralist tendencies. The coordination of Yugoslav and Western defense planning cannot be delayed pending an Italo-Yugoslav rapprochement.

You may recall that representatives of the Departments of State and Defense reached general agreement on the advisability of a low-level approach to the question of improvement in Italo-Yugoslav relations at the informal meeting held on 21 October 1954 in which Admiral Fechteler and Ambassador Riddleberger participated.⁴ Paragraph 7 of the attached JCS memorandum is to be read in the light of this general understanding. The specific steps envisaged for CINC-SOUTH constitute an approach on the military level which would support, in time, diplomatic or political moves to further Italo-Yugoslav military cooperation.

¹Continued from *Foreign Relations, 1952-1954*, vol. VIII, pp. 1264 ff. For related documentation, see also volumes xxiv and xxv.

²Source: Department of State, Central Files, 768.5/2-755. Top Secret.

³Not printed.

⁴The record of this meeting is not printed.

Italian officers in the integrated international staff of Commander in Chief, Allied Forces Southern Europe, are representatives of NATO, and not of the Italian national military establishment. In view of this relationship, you will appreciate that it is within the role of CINCSOUTH, once he is authorized by appropriate NATO agencies to conduct planning discussions with the Yugoslavs, to foster good will, informally at first, between Italian officers on his staff and Yugoslav military officers; and then to judge the timing of the follow-up for encouraging cooperation through bringing them together in military planning discussions.

The Department of Defense is convinced that all future discussions on U.S. Mutual Defense Assistance for Yugoslavia should be undertaken on a bilateral U.S.-Yugoslav basis. The resumption of the Tripartite-Yugoslav military talks of 1953⁵ would be pointed inevitably toward increasing MDAP for Yugoslavia. In the light of the unfavorable balance between world-wide military assistance commitments and budgetary limitations, it would be unwise to give the impression at this time that an increase in MDAP for Yugoslavia is possible.

As you know, the extent of military assistance to non-NATO countries in other strategic areas is determined on various criteria, including an assessment of how much initiative the respective countries show in military cooperation with their neighbors in the general interest of regional defense. The general objective of military assistance for Yugoslavia is to serve the security interests both of the U.S. and of other NATO member nations (a) by assisting Yugoslavia to remain free of Soviet domination, and (b) by militarily orienting Yugoslavia to the West.

The purpose of any further military assistance discussion with Yugoslavia would be to reorient the present MDAP to meet such Yugoslav requirements for regional defense as can be realistically determined from the prior coordination of NATO and Yugoslav defense plans. Consequently, such coordination will not lead necessarily to increasing military aid to Yugoslavia.

You will agree, I am sure, that the steps which the Department of State and Defense have taken jointly during recent weeks to promote informal liaison between NATO and Yugoslav military authorities are in consonance with the above. The Department of Defense will continue to cooperate with the Department of State in this program in any way that we can be of effective assistance.

Sincerely yours,

A.C. Davis
Vice Admiral, U.S. Navy

⁵The talks were held in Washington August 24-28, 1953.

Enclosure**Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)⁶**

Washington, January 6, 1955.

SUBJECT

Military Planning for Yugoslavia

1. Reference is made to:

a. Memorandum for the Joint Chiefs of Staff by the Deputy Assistant Secretary of Defense (ISA), dated 1 November 1954, subject as above.

b. Memorandum for the Joint Chiefs of Staff by the Assistant Secretary of Defense (ISA), dated 5 November 1954, on the above subject.⁷

2. In accordance with the request contained in the memorandum by the Deputy Assistant Secretary of Defense (ISA) and taking into consideration the views of the President as forwarded by Assistant Secretary of Defense (ISA), the Joint Chiefs of Staff submit herein their comments and recommendations concerning the programs proposed by the Department of State to strengthen Yugoslav military ties to the West.

3. The Joint Chiefs of Staff consider that early and effective action should be taken to strengthen Yugoslav military ties to the West in order to insure that Yugoslavia's considerable military potential will be a positive asset to the United States and its Allies. The recent Trieste settlement should facilitate such action by the West. The immediate needs in this respect are to coordinate NATO and Yugoslav defense plans and to determine the type and magnitude of operational support which Western military forces will furnish in event of an attack against Yugoslavia.

4. In view of recent Yugoslav declarations to the effect that Yugoslavia does not currently desire a formal military relationship with NATO, the development of such a relationship should await a more favorable political climate. In the meantime, the most desirable arrangement for the purpose of coordinating NATO and Yugoslav defense plans and discussing operational support for Yugoslavia is for SACEUR to establish informal contact with appropriate Yugoslav military authorities through CINCSOUTH. The political actions as proposed by the Department of State, including the provision of the

⁶Top Secret.

⁷Neither memorandum has been found in Department of State files.

necessary authority for SACEUR should precede the establishment of contact by CINCSOUTH with the Yugoslavs.

5. CINCSOUTH is considered to be the appropriate commander to coordinate NATO and Yugoslav defense plans inasmuch as he is responsible for planning NATO military operations in areas adjacent to Yugoslavia and is likely to command the bulk of Western military forces available to assist Yugoslavia. Further, CINCSOUTH is likely to have a key role in any formal NATO-Yugoslav military relationship which may eventuate.

6. The Joint Chiefs of Staff are of the opinion that a CINCSOUTH approach to the Chiefs of Staff of Italy and the Balkan Pact Powers, as proposed by the Department of State would be less desirable than a CINCSOUTH approach directly to the Yugoslavs. CINCSOUTH has already been delegated the responsibility of insuring that NATO and Balkan Pact planning are in consonance and the current problem is one of coordinating NATO and Yugoslav defense plans, the need for which the Yugoslavs agreed to, in principle, during the Tripartite-Yugoslav military conversations in August 1953.

7. Although improvement of Italo-Yugoslav relations is an important aspect of the over-all problem of strengthening Yugoslav military ties to the West, the coordination of defense plans should not be unnecessarily delayed until such improvement is achieved. If necessary, CINCSOUTH, in his capacity as a NATO commander, should conduct the early phases of the planning discussions without bringing the Italians and Yugoslavs together. In the meantime, he should proceed with the necessary steps to bring about improved relations between the two in order that the Italians on his staff might participate directly when it becomes necessary for them to do so. The views of CINCSOUTH and the Department of State in this respect appear to be sound. However, the specific steps required to further Italo-Yugoslav military cooperation and the timing thereof should be left to the judgment of SACEUR and CINCSOUTH insofar as possible.

8. The Joint Chiefs of Staff are of the opinion that further Tripartite-Yugoslav military assistance discussions are no longer necessary from the U.S. military viewpoint. The United States should undertake military assistance discussions with the Yugoslavs on a bilateral basis as soon as possible after NATO and Yugoslav defense plans have been coordinated sufficiently to determine realistic Yugoslav military force requirements. The purpose of further military assistance discussions should be to develop a U.S.-Yugoslav understanding as to the general order of magnitude and time-phasing of future U.S. military assistance.

9. It is the view of the Joint Chiefs of Staff that the initial bilateral military assistance discussions with the Yugoslavs following defense planning talks should be the responsibility of USCINCEUR. Although it is desirable for the Yugoslavs to take up all military assistance matters through the American Military Assistance Staff, Yugoslavia (AMAY), it is considered that USCINCEUR is in the best position to conduct discussions relative to the general magnitude and time-phasing of future U.S. military assistance. An understanding should be reached with the Yugoslavs, however, that subsequent to these initial high-level discussions, they will have to take up all military assistance matters with AMAY.

10. The Chairman, Joint Chiefs of Staff did not participate in the action of the Joint Chiefs of Staff outlined in this memorandum.

For the Joint Chiefs of Staff:

N. F. Twining⁸

Chief of Staff, United States Air Force

⁸Printed from a copy that bears this typed signature.

239. Despatch From the Embassy in Yugoslavia to the Department of State¹

No. 451

Belgrade, February 21, 1955.

SUBJECT

US-Yugoslav Relations—Present Trends of Yugoslav Foreign Policy

1. In the week following Tito's return from India and Burma² to Belgrade on February 12, it so happens that I have been able to have conversations with several high-ranking Yugoslav leaders including Mr. Kardelj, the senior Vice President, Mr. Koca Popovic, Secretary of State for Foreign Affairs, Mr. Bebler, Under Secretary of State for Foreign Affairs, and Dr. Vilfan, Chief of Tito's Chancery. I have also talked with lower-ranking officials on a number of social occasions and believe that these conversations can profitably be summarized.

In view of the innuendoes against the U.S. which emerged in the heat of the Dedijer-Djilas affair,³ the anti-bloc comments in some of

¹Source: Department of State, Central Files, 611.68/2-2155. Secret.

²President Tito visited Burma and India January 6-February 11.

³Milovan Djilas was stripped of his position as President of the Yugoslav National Assembly on January 17, 1954. He was defended in Yugoslav Communist Party circles by Vladimir Dedijer, Tito's official biographer. Dedijer was also expelled from the

Tito's recent speeches (going back, in fact, to before his trip), the tone of the local press respecting Red China, and some of the press aspersions on NATO, I felt the time had come when a continuation of the line taken by Mr. Murphy in his conversation with Ambassador Mates on January 24, 1955⁴ would serve a useful purpose. In these talks, I followed in general the approach which is contained in the briefing paper of January prepared for Mr. Murphy in EUR.⁵ It seemed to me that the four points set forth in paragraph 5 of this paper were altogether pertinent, and I made full use of them. Some of paper's points I had made in earlier conversations, particularly paragraphs 3 and 4, in the course of the Dedijer-Djilas affair. I was happy to observe how closely the Department's approach to current Yugoslav policy corresponds to our ideas here.

2. To avoid repetition as to what I said in my recent conversations, in every case I described in plain terms U.S. reaction to a number of recent developments in Yugoslavia utilizing to the full the four points A to D inclusive of paragraph 5 of the briefing paper. I was particularly sharp respecting the Yugoslav accusations against NATO, was more than a little sarcastic on the subject of the timing of the re-establishment of Yugoslav relations with Red China (particularly as Yugoslav officials never fail to demand our understanding on matters which have a deep emotional appeal) and underlined our special and untiring efforts to help surmount what could have been a disastrous wheat deficit. Nor did I fail to remind the Yugoslavs how much their cherished independence was buttressed by U.S. assistance, the growing strength of NATO, the recovery of Western Europe following the Marshall Plan and the sacrifices which the U.S. had made to re-establish its military power. All these efforts were the true support of Yugoslavia's policy of independence, and the Soviet pressure on Yugoslavia had been eased when it was perfectly plain that NATO was gaining strength. In these circumstances, I found it somewhat contradictory that Yugoslav leaders should accuse NATO of being purely anti-communist when its only purpose was

party for his defense of Djilas. In January 1955, Dedijer and Djilas were tried in a secret trial and convicted of conducting propaganda hostile to the Yugoslav Government. Both received suspended sentences. Documentation on the incident and its effects on U.S.-Yugoslav relations is in Department of State, Central File 768.00

⁴No record of this conversation has been found in Department of State files. Telegram 633 to Belgrade, January 22, informed Riddleberger that Murphy intended to meet with Mates on January 24 to deny charges of U.S. participation in an anti-Yugoslav campaign and to voice concern over the effect of such charges on U.S.-Yugoslav relations. (Department of State, Central Files, 768.00/1-2255) Telegram 636 to Belgrade, January 24, informed Riddleberger of the Murphy-Mates meeting, and noted that Murphy had taken the position outlined in telegram 633. Murphy had pointed out that such Yugoslav charges, in view of U.S. aid to Yugoslavia, seemed to accuse the United States of duplicity. (*Ibid.*, 768.00/1-2455)

⁵Not found in Department of State files.

to resist Soviet aggression. I also ticked off rather tartly the vague accusations about foreign interference in internal Yugoslav affairs, contrasting such innuendoes with the facts on aid. In conclusion, I indicated that a greater Yugoslav understanding of U.S. attitudes would be welcome, and it should not be forgotten that in the end it was the public sentiment in the U.S. that enabled our government to effect such rescue operations as we had done this fiscal year on the wheat crisis.

3. In the reply I received from Dr. Vilfan, he took the offensive respecting NATO, although not contesting the other points. As he is so close to Tito, I repeat his argumentation in some detail. When I criticized the anti-bloc utterances that now seem to be a commonplace of Yugoslav foreign policy statements, he defended the Yugoslav attitude by contending that unfortunately in the U.S. a strong anti-communist coloration had been given to NATO. He said this was evident from many speeches, both by governmental leaders and influential private persons. He said that in certain segments of the Republican Party everything was condemned if it was even related to Communist creed, and in this general condemnation Yugoslavia seemed to be included. Yugoslavia, he said, was a Communist country, but it was not a satellite and was determined to maintain its independence and had made great sacrifices to that end. He would be the first to recognize how much assistance the U.S. had given Yugoslavia, but nonetheless there was a growing impression that in U.S. opinion NATO was primarily an anti-communist instrument. I replied that perhaps in the public use of the word "communism" this expression had been loosely used to denote Soviet policy, but certainly the U.S. Government had drawn a distinction between Soviet aggressive communism and the Yugoslav interpretation. And the U.S. public had certainly accepted the principle of support for Yugoslavia, whatever its feelings might be about some aspects of the Yugoslav system. There could be no better illustration that non-interference in the internal affairs of other countries is integral to our policy, because it is integral to the way we construe our self-interest, which requires that other countries be free of any foreign domination, including our own. I said it was palpably unfair to lump NATO together with the Soviet bloc as equally guilty of causing tensions. Dr. Vilfan did not argue it further and turned to other matters.

4. My conversation with the Vice President, Mr. Kardelj, was more extensive. When I had finished my observations, Kardelj immediately said that U.S.-Yugoslav cooperation was on a sound basis and was developing well. He specifically said that the Yugoslav Government had no complaint whatsoever against the U.S. Government in the Dedijer-Djilas affair. He had been most careful in his speeches and press conferences to avoid giving any implication that he

thought U.S. Government was involved. If Mates had so implied, it had not been as a result of a governmental decision. What Kardelj had meant was that certain press circles and other circles outside of Yugoslavia had taken advantage of the Dedijer–Djilas affair to interfere in internal Yugoslav matters and this interference could be called an organized campaign by certain circles to give support to Dedijer–Djilas. However Kardelj had been most careful not to imply that any Western country had given governmental support to Dedijer–Djilas. In fact, what had happened was that Dedijer–Djilas had offered their services and this had been taken up by various circles abroad.

In assessing the whole Dedijer–Djilas affair, Kardelj continued, it must not be forgotten that for some years Yugoslavia lived under great Soviet pressure. It was the positive policy of the Soviet Union to interfere in internal Yugoslav matters and violent propaganda efforts had been undertaken to this end. Socialism is not yet well enough established in Yugoslavia for the government to regard such campaigns with equanimity. On top of this, there is the hope in many circles abroad that Yugoslavia will abandon its present course and revert to what we could both call a Western democracy type of government. Because of the economic situation in the country this was not feasible until more socialist gains were consolidated. Any other policy would throw Yugoslavia into confusion and internal convulsions.

Kardelj said that his impression had been that the Governments of the US, UK and France had a good understanding of the fundamental postulates of Yugoslav foreign policy. Unfortunately, some other governments had read into “normalization” an interpretation which was not warranted by the facts. Normalization had been an asset and a benefit to Yugoslavia in relieving the political pressure so long applied by the Soviet Union. But normalization had not affected the basic tenets of Yugoslav foreign policy. Unfortunately, the Djilas–Dedijer affair had been so treated in the press as to create the impression that these two personalities were champions of a pro-Western policy and while the Yugoslav Government was veering towards a pro-Soviet policy. What amounted to a newspaper campaign to this effect had gotten underway and nothing could be more contrary to the truth. In fact, commented Kardelj, the only beneficiary from the press campaign on Dedijer–Djilas had been the Soviet Union. Dedijer was a figure of no political importance while Djilas had occupied high positions in the government. But the whole experience which he and his colleagues had had in dealing with Djilas was that of a confused and vacillating character. Kardelj recalled that during the difficult Trieste negotiations he and Tito had frequently had to edit Djilas’ speeches because their tone was so extreme that they could have seriously compromised the objective we were all

seeking of a reasonable Trieste settlement. Djilas had always been a vacillating character swinging from extreme to extreme and his attempts to represent himself as the champion of a pro-Western policy had in effect tended to misrepresent the real aims of Yugoslav foreign policy.

We also had occasion to discuss briefly the recent developments in the USSR. Kardelj thought that the ouster of Malenkov⁶ was evidence that the Yugoslav Government's interpretation of the flow of events in the Soviet Union had been the correct one. There were great stresses and strains in the USSR and enormous problems to be solved. The Western world must expect a number of ups and downs in Soviet developments and should not be thrown off balance by tough talk and increased bellicosity. He thought the Western world must do what it could to support the moderate elements in the Soviet government. When I remarked that it was difficult to find out who they were even if any support were advisable, Kardelj laughed and admitted that the secrets of the Kremlin were not easy to penetrate and no one could be sure who was supporting what. His own estimate was, in spite of the Molotov and Bulganin speeches, that Soviet foreign policy would not undergo much change although we would probably hear some more threatening words, particularly with reference to China. In response to my question, he admitted that the Malenkov-Khrushchev affair was a setback but said we should not be discouraged and that we must wait and see what the deeds of the USSR would be. When I pointed out that the French Government had already made an attempt to test the temperature as far as positive action was concerned, using the Austrian Treaty as the instrument, Kardelj admitted that the Soviet reaction had been entirely negative. He thought however that this was probably influenced by the developments in China.

When I pointed out the danger of relaxing our efforts to obtain ratification of the Paris agreements,⁷ Kardelj immediately said that he fully agreed. He said not to ratify the conventions would be a great mistake as it would merely encourage those Soviet elements who argued for a tough policy. At the same time, the West should be careful to keep the door open for negotiations and if possible should make it plain that it was willing to negotiate whenever there seemed to be some prospect of success. He was most firm, however, in his insistence that the Paris Pacts should be ratified, a point of view that is certainly not reflected in the Yugoslav press.

⁶Georgiy M. Malenkov, Chairman of the Soviet Council of Ministers, resigned his position on February 8 and was replaced by Nikolay A. Bulganin.

⁷Reference is to the Nine-Power and Four-Power Agreements, signed October 23, 1954, which provided for the admission of the Federal Republic of Germany into NATO.

5. With Dr. Bebler, I have had a number of conversations since the turn of the year. He tends to stick closely to whatever the official line may be at the moment, although on occasions he can be surprisingly frank. One night at dinner, he sharply attacked the U.S. press in the Dedijer–Djilas affair and after having told him that he, from his experience in New York,⁸ should know better, I delivered a lecture of a half-hour on what a free press is like, how it operates, what is news, why it's news and how silly in general were some of the interpretations advanced. This conversation closed the subject.

Bebler, however, is intensely interested in the developments in the USSR and in our China policy. On the first, he misses no opportunity to ask our estimate, which I have given him on the basis of our information directives. While he follows the official line, particularly that the Yugoslavs were originally right, I have the impression that he now harbors some doubts respecting the reality of changes in the Soviet system. But this is only an impression, and not substantiated by any specific remarks. On China, he is constantly seeking an interpretation of the President's and the Secretary's statements, probing to see if there is any hope of the U.S. accepting a cease-fire on the basis of a withdrawal from all the offshore islands. I am not drawn, but he does not abandon it. He repeats the standard expression that Formosa is part of China, but takes prompt evasive action when I ask him if he would surrender Formosa to Red China, with everything that such a surrender would imply.

6. As the Foreign Secretary was extremely occupied after his return from the Far East, I was only able to have a real conversation with him on February 21. He immediately said he thought our points were well taken and he had to agree that the U.S. had demonstrated a completely sympathetic understanding of Yugoslavia's problems and policies. He said that the Yugoslav press did not always reflect accurately his Government's viewpoint because the local press was being given more freedom of action, although he admitted it could not be compared to the American press in this respect. He said that while the Yugoslav Government was opposed to the division of the world into blocs for reasons which it thought were valid, this did not mean that it did not distinguish between the outlook and intent of the two great blocs. It had had bitter experiences with the Soviet bloc and was well aware of what it portended. The Yugoslav analysis of trends in the Soviet Union had been confirmed by recent events. He thought, as did Kardelj, that the Khrushchev–Malenkov affair was not encouraging, but the end was not yet. At best, it was a compromise and the stresses remained. He thought that in spite of sabre-rattling Soviet foreign policy would remain about the same. In the

⁸Bebler was the Yugoslav Representative at the U.N. Security Council.

meantime Yugoslav relations with the Western powers would continue to develop.

On the Paris Pacts, he echoed Kardelj's position.

With respect to Red China, Koca Popovic was unusually frank. He thought both the President's statements and the Secretary's recent speech had gone very far in displaying a reasonable and conciliatory attitude. He said that given all the considerations involved, he could not see how our leaders could have come farther in showing American willingness to search for a peaceful solution. He was doubtful if a United Nations solution could be found at this time, but certainly the U.S. position was worthy of praise. As for Yugoslavia's decision to re-establish relations with Red China, he said he agreed the timing was not good and that his personal opinion was it had been a mistake. It would perhaps have been wiser to wait, and he implied that the decision was the result of pressure, probably from Nehru.⁹

Returning to the question of U.S.-Yugoslav relations and in reply to my various points, the Foreign Secretary said he had only one real complaint, and that was about the American press. Admitting that the press situation in the two countries was different, could not I and Department do something to influence the reporting on Yugoslavia? It had become almost standard in the U.S. press to speak of Red Russia, Red China and Red Yugoslavia, as if they were all the same which (a) was not true and (b) inevitably aroused active resentment in Yugoslavia. He realized that was not an easy problem as he knew something about the American press. Nonetheless it did have its effect on our relations and the use of the label "communistic" (which was in such bad odor in the U.S.) seemed to put Yugoslavia in the same pot as the USSR and Red China. I said that communism certainly and understandably had a bad name at home, but I would do what I properly could to assist the U.S. correspondents in reporting fairly and objectively on Yugoslavia, which I thought they usually tried to do. Mr. Popovic said that his remarks did not in any way apply to the U.S. Government which he thought had drawn the necessary distinctions for a long time.

Comment: The replies to my sometimes acid observations were largely conciliatory, and tended to emphasize the satisfactory side of U.S.-Yugoslav relations and to complain more about the U.S. press than the Government. It is plain that the high Yugoslavs still want their bread buttered on both sides. Political support, economic help, military aid, growing strength of and good relations with the West remain of paramount importance. At the same time the anti-bloc talk (so long as it is not followed by any adverse action by the Western Powers) provides an easy way of exemplifying how Yugoslavia is

⁹Jawaharlal Nehru, Prime Minister of India.

"different", is independent, and helps to justify unpopular internal policies which can be equated to those of such non-bloc powers as India and Burma. The reiterated insistence upon the similarity of pre-war Yugoslavia to India, in that both were allegedly victims of foreign capitalistic exploitation, provides a convenient peg on which to hang the continuation of economic policies whose success is yet to be observed. The fact that India may have pursued an entirely different course in agriculture, for example, does not invalidate the usefulness of the argument internally. The justification for the regime, in a part of the world that has always known dictators, is to be found in its so-called socialistic program. Otherwise, why Tito? Why not some other dictator? This problem is fundamental to the Government and explains in some measure why it is often so reluctant to effect reforms whose necessity is privately admitted where they may run counter to Marxian doctrine. Therefore it is my estimate that the anti-bloc declarations will continue to be expounded, so long as some profit internally can be squeezed from them. What it may mean in practice, remains to be seen, particularly after the Khrushchev-Malenkov affair.

It is clear from my conversations that the Yugoslav leaders are unhappy over developments in the USSR. They obviously had high hopes of fundamental changes which would lead to a general lessening of tension. Peace is essential to the present regime. Extremely vulnerable to attack, weak in the air, dependent upon a not too sympathetic West for survival, war presents innumerable hazards to the continuance of the regime. Their great hope is that an accommodation can some day be found which will enable Yugoslavia to continue its experiment in doubtful economics. Although those with whom I talked put up a bold front about having been right on Soviet developments, it is plain that they are unhappy and unsure of the future in Russia. The contrast between the former assurance of their statements with the present uncertainty, is most marked. It is likely therefore that with Tito's return a new assessment is being made of Yugoslavia's international position. I should say a convenient measure of the Yugoslav Government's estimate of its position and its future intentions will come when we see how it proposes to deal with the question of further military cooperation with the West, a question now reposing with Tito personally.

James W. Riddleberger

240. Letter From the Ambassador in Yugoslavia (Riddleberger) to the Director of the Office of Eastern European Affairs¹

Belgrade, April 4, 1955.

DEAR JAKE: In reply to your letter of March 17,² and although the Brioni conversations with Tito³ failed to elicit answers on important subjects, I am setting forth in this letter our ideas and analysis of Yugoslavia's present posture, taking into account the observations pulled together in the Department. Perhaps it is just as well to send this along now before the promised conversation with Tito on military ties with the West. In this way the Department can judge his reply in the light of our analysis and assessment of Yugoslav policy. We have tried to draw up a balance sheet in which all important items are set forth.

I. Perhaps the best aid in trying to weigh the pros and cons of Yugoslavia's present and future value to the West, is to enumerate and analyze them. "Present and future value to the West" is a general term. I choose it deliberately in preference to more seemingly precise formulations, such as "will Yugoslavia rejoin the Cominform", "Would Yugoslavia in another World War try to play the role of World War II Sweden", because important as these questions may be, they seem to me to contemplate only two among many and mostly unforeseeable possible configurations of events. I have therefore tried to examine the relevant factors with a view to their present meaning and future portent, but have avoided prophesying about any specific hypothetical possibilities, which might or might not arise.

II. The "pros" include the following:

(1) The Yugoslav initiative to convert the Balkan entente into a military alliance. This is a strong plus which is still with us, though there have been later developments which may have reduced but have not wiped out its value. They will be discussed under the heading of "cons". The fact that the Yugoslav initiative followed and may have been caused by the failure of the Berlin Conference⁴ does not

¹Source: Department of State, Central Files, 611.68/4-555. Top Secret; Official-
Informal.

²In his letter, Beam wrote "that there will be rising public and Congressional criticism of our Yugoslav program and that we may be forced to review and justify our policy. In order to prepare ourselves for such a possible event, we would appreciate having from you an analysis of Yugoslavia's present posture." (*Ibid.*, EE Files: Lot 67 D 238, Miscellaneous)

³Presumably reference is to the talks held by Admiral John H. Cassady, Commander in Chief, Naval Forces, Eastern Atlantic and Mediterranean, with Tito and other Yugoslav leaders March 28-30. An account of Cassady's meeting with Tito is in telegram 817 from Belgrade, March 30. (*Ibid.*, Central Files, 711.5868/3-3055)

⁴Reference is to the Four-Power Foreign Ministers meeting held in Berlin January-April 1954.

detract from its significance as a gain in the strength of the West. Its weight as a plus was from the outset limited by the fact that the Yugoslavs have always insisted on differentiating it from NATO, EDC, and even WEU, which they persist in regarding as ideological blocs. Under this heading also comes the military implementation of the alliance which the Greeks at least find satisfactory; and its broadening by the Balkan Consultative Assembly in a way to which the Yugoslavs attach special value. It is noteworthy also that in his March 7, 1955 speech,⁵ Tito went out of his way to correct any impression that Yugoslavia was losing interest in the defensive importance of the alliance. For what they are worth, certain indications that the Yugoslavs regard their commitments as automatic in the event of an attack on Greece or Turkey, tend to enhance the value of the alliance for the West.

(2) The private assurances of Yugoslav leaders that they understand the need for joint military planning with NATO, provided their all-important requirements for finding a suitable form, which will preserve their posture of absolute independence, can be met. This is a tentative plus, and subject of course to what Tito finally decides.

(3) The Trieste settlement, the moderate and constructive way in which it was presented to the Yugoslav public, and the moderation with which the Yugoslavs have conducted themselves in the course of later developments. The most recent evidence of this is Tito's resigned acquiescence, in his conversation with me on Brioni, in the increased Italian pressure on the Slovene minority. It is true that their willingness to reach a settlement was probably related to their desperate need for wheat at the time. But their behaviour since seems to imply a genuine desire to establish good relations with Italy.

(4) The continued maintenance of their armed strength at a high level, despite the heavy economic burden and despite their professed conviction that war is less likely than before. This armed strength can have only one primary purpose, the maintenance of Yugoslav independence against threats from the East, as certainly they fear no threats from the West, including Italy.

(5) The logic of historic Serbian and Yugoslav ambitions in the Balkans. The desire to play "a leading role" involves (as the circumstance of the falling out with Stalin demonstrates) a clash of interests with the USSR. If the new leadership of the USSR were to make way

⁵In a policy address to the Yugoslav Federal Assembly on March 7, Tito discussed Yugoslavia's relationship with the Soviet Union and with the West. Highlights of the speech were transmitted to the Department in telegram 732 from Belgrade, March 8 (Department of State, Central Files, 668.00/3-855) and an analysis of the speech was transmitted in telegram 1532 from Moscow, March 12 (*ibid.*, 661.68/3-1255). Excerpts of the speech are printed in *Documents* (R.I.I.A.) for 1955, pp. 256-262.

for Yugoslavia to achieve the influence it seeks among the satellites, which is all but inconceivable, it would mean such a loss of Soviet power that the West could contemplate without too much apprehension the complications that might ensue. It is most improbable that any Yugoslav Government would forego these ambitions, or could be bribed to forego them. In any case it is not to be excluded that Yugoslavia's powers of seduction of the satellites, in the pursuit of its ambitions, may eventually serve the interests of the free world.

(6) Yugoslavia's determination to maintain its independence against all comers, and to fight any attacker, which has been demonstrated by ample evidence. At best it points to a Yugoslav readiness to support the West's resistance to the Soviet expansionist threat (the imminence of which Yugoslavia will judge for itself). At worst it points to an armed neutrality, alone or in conjunction with others.

(7) Yugoslav public support of the Austrian solution sought by the West, which would restore that country's independence (with an indication that they may have privately urged this upon the Soviets) in spite of the fact that an independent Austria would be a neutralized and defenseless Austria through which Yugoslavia's Ljubljana flank could be turned.

(8) Yugoslavia's initiative to obtain observer status in OEEC, its membership in the European Transport Union and the indications of its interest in joining the EPU. None of these things of course cost anything, that is, they have not involved any commitments as yet. However, they involve the growth of relations in the economic field in line with Yugoslavia's increasing efforts to build up the relative emphasis of the non-military over the military aspects of its relations with the West; and they point toward the growth of economic ties that it will be in Yugoslavia's interest to maintain.

(9) The multiplicity of public and private assurances from Yugoslav leaders that "normalization" does not mean any weakening of Yugoslavia's ties with the West. This has the ring of conviction in that it seems to be to Yugoslavia's interest to maintain such ties under almost any foreseeable circumstances provided the West maintains its unity and strength.

(10) The fact that the Yugoslav rationale, at least in part, for their welcoming of normalization and the belief that the danger of war is less, seems to be turning against them. Tito in his December 21, 1954 speech before the Indian Parliament, spoke of "a change in the attitude of the Soviet Union toward Yugoslavia" which he attributed not only to Stalin's death, but more to "the change in the fields of domestic and foreign policies which the present leaders of the Soviet Union are carrying out". This theme, which has been a constant one since normalization began, was conspicuously absent in Tito's March 7th speech. This of course does not point to any of the

foregoing benefits of further normalization, but rather to increased Yugoslav vigilance in dealings with the USSR.

(11) Their assurances that their criticism of "blocs", their advocacy of "active coexistence" and their cultivation of neutralist powers such as India, do not mean that they are moving toward a neutralist or "third force" position. This also has the ring of conviction in that if they were it would mean a weakening of ties with the West which it is to Yugoslavia's interest to maintain (see II, (9) above). Their criticism may mean, rather than a drift toward neutralism, a desire to disassociate themselves only from those aspects of Western policy which they regard as carrying the danger of war, especially our alleged over-emphasis on military considerations, the conditions we have attached to four-power negotiations, etc.

(12) The consistent Yugoslav support of the United Nations and the fact that, although they have held different positions from us on a number of issues, and have voted differently, they have refrained from using it as a forum for propaganda that might frustrate our policies, or further policies harmful to the defense of the free world.

(13) Tito's cautious support of WEU, while advocating "broader and more universal cooperation in the European framework" (Tito's speech March 7, 1955), in his statement that "it is necessary for us to endeavour to find suitable forms of cooperation with the members of this Pact, of course together with our allies Greece and Turkey, on a regional basis" and that it is "more positive than was EDC" (speech of October 25, 1954).⁶ Under this heading must be included also the private expressions of satisfaction by Yugoslav leaders at the French ratification of WEU and Kardelj's statement to me that the West must ratify. The probable sincerity of these private statements is borne out by the accompanying expressions of opinion, now apparently confirmed, that in spite of Soviet threats the ratification of WEU would be no impediment to negotiations with the USSR.

(14) The possibility that Yugoslavia, at least industrially, may be on the verge of better times, which might permit a relaxation of domestic tensions and a more liberal trend. This might reduce the ideological differences between Yugoslavia and the West, and reduce mutual suspicions. It would also increase its ability to maintain its independence against the Soviets. While it would reduce dependence on the West and increase its ability to follow an independent line, it

⁶Reference is to Tito's speech to the Yugoslav National Assembly in which he presented a comprehensive review of Yugoslavia's foreign policy and asked for approval of the October 5 Trieste agreement and for ratification of the treaty signed with Greece and Turkey on August 9. A summary and appraisal of this speech by the Office of Intelligence Research, Intelligence Brief No. 1700, dated October 28, 1954, is in Department of State, PPS Files: Lot 65 D 101, Yugoslavia.

seems on balance as if the West would stand to gain more than the Soviets from a strong and independent Yugoslavia.

(15) The people are definitely and unalterably pro-Western and anti-communist in spite of past, present and possible future propaganda. The fact that the people are anti-regime sets a limit on how far Tito can swing to the East.

III. The "cons" include the following:

(1) The apparent lessening of interest in the Balkan Military Alliance soon after it was signed, the failure to implement it either along the lines so clearly laid out by the NATO example, or as much as might have been done in other ways, and the de-emphasis of its military features. Under this heading also comes the Yugoslav refusal to accept any commitment to Greece or Turkey if they are involved in war because of their NATO obligations, and its rejection to date of direct relations between the alliance and NATO. To the extent that this non-cooperation may indicate an unwillingness to stand by the West in certain circumstances, its weight as a "con" is increased. To the extent that it may be intended to serve Yugoslavia's special interests and ambitions in the Balkans which clash with Soviet interests, it may not be an unmitigated evil. Tito's harassment of Turkey because of the Turkish-Iraq Pact⁷ also weakens the Balkan Alliance.

(2) Obvious Yugoslav hesitations about joint military planning with NATO. Whatever the decision may be, the Yugoslav Government has not eagerly or quickly embraced this opportunity to add to its security.

(3) The fact that economic pressures played a considerable part in causing Yugoslavia to accept the Trieste settlement. It is possible that the settlement would not have been reached if the economic pressures on Yugoslavia and its desire for military aid had not been as great as they were. And it is also possible that Yugoslavia's moderation since then may result in some measure from the continuing need to look to us for economic and military aid. If so the improvement of Italo-Yugoslav relations may rest on less firm foundations than we have hoped.

[Numbered paragraph 4 (7 lines of source text) not declassified]

(5) The fact that Yugoslav ambitions in the Balkans clash in some measure with the interests of some of our allies and with our own interests in a single-minded concentration on the overriding Soviet menace. Under this heading comes the possibility of the Soviets being able in some way to take advantage of these ambitions (since they have it in their power to satisfy them) to the detriment of our interests.

⁷Reference is to the Mutual Defense Treaty of February 24, 1955.

(6) The Yugoslav belief (or rationalization) that the danger of war has receded, and that an equilibrium has been reached between the East and West which requires a de-emphasis of defense preparations, i.e., the policy of "active coexistence" and the criticism of the West based on opposition to "blocs". While Yugoslavia does not slacken its own defense effort, non-cooperation renders it less effective, and its criticisms of Western policies tend less to correct their deficiencies than to give aid and comfort to our enemies. It is noteworthy in this connection that the regime permits press criticisms of the West that go far beyond any public statements by political figures. Under this heading also comes Tito's trip to India and Burma and the encouragement he has given to neutralist sentiment, and to wishful thinking about the Soviet menace. In other words, by whatever name it is called, Yugoslavia is less than an ally, even if at present more than a neutral, and it is always possible that the private reassurances of its leaders to the West may not be genuinely meant.

(7) The substantial nature of Yugoslavia's economic ties with the West, and its refusal to enter into meaningful economic commitments.

(8) The whole process of "normalization" and its implications which mar the unity of the West and could put Yugoslavia into a neutralist or third force position. There is also the possibility that private reassurances to the West about normalization may not be genuinely meant.

(9) The Yugoslav belief (or rationalization) that the modification of Stalinism is due to internal pressures in the Soviet Union, and that it is an irreversible process. This may cause them to treat indications of a return to Stalinism as passing phenomena, and may detract from rather than increase their vigilance.

(10) The regime's obvious dread of war, especially atomic war and its consequent tendency, rather than drawing closer to the West, to disassociate themselves, especially in its public posture, from the West. As stated above, there is always the possibility that private reassurances to the West may not be genuine.

(11) Yugoslavia's frequent failure to cooperate with the U.S. in the U.N.

(12) Tito's public lack of enthusiasm for the Western defense organization for which he has the least criticism, WEU, and the fact that even in private he is more ready to accept the benefits of its ratification than to take any risks or undertake any obligations to further its purposes.

(13) The need of a totalitarian regime for constant tension, for something or someone to fear or hate, in order to maintain its hold over the people. This is an uncertain factor, but if the USSR is determined to conciliate Yugoslavia and since the West cannot afford to

relax its defensive buildup, it looks, or current indications, as if the regime will continue to foster suspicion of the West's intentions and inspire fear that it is the policies of the West that are increasing the risk of atomic war.

(14) The possibility that, in spite of some indications of economic improvement, the regime will not be able to produce satisfactory economic results. This will reduce Yugoslavia's ability to maintain its independence of the Soviets and will reduce the chances for a liberalization of the regime. While it would increase its need for Western economic aid, it seems on balance that the Soviets might be the greater gainers from a Yugoslavia which had made a failure of its own brand of Communism, and which was faced with the drastic alternatives that this would imply.

(15) The pull of the old Communist tie, the ideological affinity between Yugoslavia and the USSR. While the regime is certainly wary lest the tie be in fact a noose, its pull must nevertheless be felt and coupled with accompanying suspicions of the West (e.g. the criticism of NATO as having evolved from an alliance for defense against Soviet aggression to an anti-Communist alliance to maintain the status quo in the West) and apparent fear that the policies of the West may lead to war, might cause the regime to play the Soviet game more than it is doing now. The fact that most of the Communist party are anti-Western sets a limit on how far Tito can swing to the West.

IV. What is the net of all this?

The criterion would seem to be how the regime judges its interests. Considering how the Soviets judge their interests, the more so since the fall of Malenkov, it is hard to understand how the regime could at this time jeopardize the protection which its ties with the West afford it. True it may and probably does feel that the West has no alternative but to maintain that protection. But this is not invariably true. There is a point of no return in the aid and comfort which Yugoslavia can afford to render the enemy, beyond which the West would feel it was contributing to the injury rather than the protection of its interests. To define this point is most difficult because the configuration in which it may occur is unforeseeable. It may be assumed that the Yugoslavs will take great care not to come dangerously close to it (a) as long as they need our economic or military aid and (b) as long as Soviet policies remain a threat to Yugoslav independence or the security of the regime. It would seem that as long as these two conditions are fulfilled, the Yugoslavs will do what they can, but not much more than they judge necessary, to constitute themselves a plus for the West, subject to one overriding possibility.

The regime knows it can hardly expect to survive a general war. Theoretically it should take almost any risk therefore that promised

to prevent or avoid war, including the loss of U.S. economic and military aid. It is easy to say that it would prefer the more distant danger of loss of independence to the Soviets, to the risk of destruction in a general war. But it is almost impossible to envisage how this could ever be a real choice, for it is impossible to conceive how it could suppose that anything it could do would enable Yugoslavia to escape a general war whichever side they were on, or however much they sought the role of a World War II Sweden. The leaders would, therefore, probably vacillate, and try for a middle course, which is just what they seem to be doing now. And on this theory it will be difficult for the U.S. to influence them directly. Economic pressure would have to be handled with all the subtlety that was used in the Trieste negotiations, or it might provide the regime with just the enemy it needs to enable it to carry out more drastic measures of control. To give in to obvious economic pressure would mean forfeiting the posture of independence which means everything emotionally and on which their hopes for a greater future depend. On the other hand, a withdrawal or diminution of U.S. aid, simply because of higher priorities, if it were done without recriminations or loss of face to the regime, might not provoke harmful reactions. Everything would probably depend on the circumstances and how it was done. If we should stop assistance, clearly the best thing we can do to keep the Yugoslavs steady is to convince them that our policies are not increasing the risk of general war. Everything we can do or say, short of taking unjustified defense risks, that puts us in a posture of moderation and reasonableness, will contribute to this end. To what extent this is a feasible U.S. policy cannot be judged from here.

V. Should the U.S. revise its policy towards Yugoslavia?

(1) It will be seen from the foregoing how closely balanced are the pros and cons of the balance sheet. Obviously a good case can be made for the present policy under the N.S.C. paper⁸ and that with patience, aid and diplomacy, Yugoslavia can be bound more firmly to the West. This policy was also justified by the geographical and strategic considerations of the time it was devised. The strength of the Yugoslav ground forces, the removal of the USSR from the Adriatic and Italy, the psychological impact of the Tito heresy, the determination to be free from Moscow control, the addition of 400,000 men to potential Western strength, all these were important considerations from a military point of view. But doubts inevitably arise as the result of normalization, delay in military planning (both Balkan Alliance and liaison with NATO), anti-bloc attacks, thinly-veiled accu-

⁸Reference is to NSC 5406/1, "United States Policy Towards Yugoslavia," February 6, 1954; see *Foreign Relations, 1952-1954*, vol. VIII, pp. 1373-1377.

sations against U.S., etc. Therefore it is only natural that the U.S. should review its policy toward Yugoslavia and I believe now is the time to do it. We have tried to set forth above the various elements as we see them from Belgrade. There are other aspects which cannot be assessed from here but which are no doubt equally important.

(2) How far has the development of new weapons, air power and naval-air power affect the value of Yugoslavia to the West? Do the Yugoslav ground forces (the country's principal military strength) represent the same importance to us now as they did in 1953? How important is the Adriatic Sea and eastern coast? These are some of the questions that occur to me and on which we are not informed. I gathered from conversations with Admiral Cassady⁹ that naval-air developments are of outstanding importance, but not being in a NATO country, I realize that our information on the military side is most scanty. And yet, are these not the very questions which will affect our policy decisions? In short, how important is Yugoslavia today to the West from the geographic, strategic and military point of view? Is it still essential, or can we well afford to risk a possibly neutral, if well-armed, Yugoslavia and modify our policies to take account of Tito's apparent desire to have the best of both worlds? This is a question that can only be answered in Washington in the light of the overall military posture of the West. I think we should review our Yugoslav policy with a realistic appraisal of what Yugoslavia represents in the general security interest of the U.S. I hope the foregoing will help if such a review is decided.

(3) This is a very long letter for which I apologize. But, in your own words, this is a "gray" area and singularly lacking in black and white colors on which one can so easily pass judgment. There are many imponderables and obscure shadings, and the best we can do is to make our best appraisal and see if a policy so conceived can receive the approval of Congress. I fully realize that more is involved than merely our opinion of what would be a justified risk. In the end Congress must approve if aid is to continue, and the Yugoslav government is not being helpful in this regard. Perhaps we shall have to get tougher in the hope they will become more amenable, even if nothing is basically changed. I shall then have a rather unpleasant time, but I am used to that. Trieste was no picnic here.

(4) If Tito rejects any collaboration with NATO or any form of joint defense planning and it is then decided that a continuation of our material support is not justified, I think the line of approach suggested in the penultimate paragraph of your letter is good.¹⁰ We may

⁹No record of these conversations has been found in Department of State files.

¹⁰In this paragraph of his March 17 letter, Beam discussed the nature of an approach to be made to Tito by Riddleberger or Secretary Dulles concerning Yugoslavia's

have to say something along these lines in any case to bring home the facts of life to the Yugoslavs.

With every good wish,
As ever,

Jimmie

policies and relationship with the Soviet Union. He suggested that Yugoslav officials be told that the United States favored collective military efforts in Europe and that the administration would request that Congress offer aid only to those countries that cooperated with the United States to that end. In concluding the paragraph, Beam wrote: "in the case of Yugoslavia, this means that we must know explicitly what limits it will set to its policy of rapprochement with the Soviet orbit and to what extent it will go in aligning itself informally but effectively with NATO and Western Europe's defense efforts."

241. Report Prepared by the Operations Coordinating Board¹

Washington, April 13, 1955.

PROGRESS REPORT ON NSC 5406/1 UNITED STATES POLICY TOWARDS YUGOSLAVIA²

(Policy approved by the President, February 6, 1954)

(Period covered: May 7, 1954 through April 13, 1955)

A. Summary of Major Actions and Decisions

1. Since, in major respects, the implementation of U.S. policy towards Yugoslavia was either held in abeyance or seriously curtailed by the existing impasse over Trieste, the focus of our efforts within the period under review was upon a solution of this problem. Diplomatic negotiations of eight months duration, in which the U.S. and the U.K. laboriously promoted an Italian-Yugoslav accord on Trieste,

¹Source: Department of State, OCB Files: Lot 62 D 430, Yugoslavia, 1956–1957. Top Secret. This progress report was discussed at the OCB meeting of April 13 and approved for transmission to the National Security Council with the recommendation that the policies set forth in NSC 5406/1 be reviewed by the NSC Planning Board. Minutes of the meeting are *ibid.*, Preliminary Notes. Attached to a covering memorandum from Executive Officer Elmer B. Staats to the OCB, dated May 10, which stated that the report was noted by the NSC on May 5, in NSC Action No. 1393. See Document 246.

²For text of NSC 5406/1, February 6, 1954, see *Foreign Relations, 1952–1954*, vol. VIII, pp. 1373–1377.

culminated October 5, 1954 in a four-power understanding which resolved the issue in a manner not only acceptable to Italy and Yugoslavia but also favorable to U.S. interests. It is hoped that the disposal of the Trieste problem, in terms accepted by both Yugoslavia and Italy, established the basis for Italian-Yugoslav rapprochement and cleared the way for planning and action with respect to other phases of U.S. policy towards Yugoslavia. [2 lines of source text not declassified]

2. On August 9, 1954, Yugoslavia, Greece and Turkey concluded a treaty for a military elaboration of the Balkan (Ankara) Pact. From the outset, the U.S. assumed a sympathetic attitude toward the development of the Balkan Entente into a formal military alliance. Our influence was exerted in concert with the U.K. and France to the end that the conclusion of the Alliance should not impede the achievement of other important objectives of U.S. policy. Although the establishment of the Balkan Alliance provides no organic connection with NATO, it aligns Yugoslavia indirectly with the general scheme of Western defense.

3. In continuation of U.S. military aid to Yugoslavia, the cumulative amount programmed from the beginning in FY 1951 through February 28, 1955 reached \$787.7 million. During the period of April 30-January 31, 1955 materials delivered increased from 47 to 65 percent of the total value of end-items programmed since FY 1951; dollar value of end-items delivered by January 31, 1955 was \$513.1 million. Deliveries within the period amounted to \$144.3 million.

4. At the end of the period under review, the cumulative total of U.S. economic assistance which had been programmed and allotted for Yugoslavia since the beginning of the U.S. aid programs in 1950 amounted to \$475.485 million. At the end of February 1955, \$435.6 million had been shipped. (These figures include surplus agricultural commodities provided under PL 480³ as outlined in paragraph 5.) The cumulative total of contributions by the U.K. and France to the tripartite economic aid program for Yugoslavia reached the equivalent of \$77 million (\$48.2 million from the U.K. and \$28.8 million from France). During this period a final allotment of \$10 million was made under the Mutual Security Program for FY 1954, which totalled \$65 million. The MSP planning figure for Yugoslavia in FY 1955 is \$45 million plus \$500,000 for technical exchange activities. Allotments for MSP FY 1955 funds for economic aid as of April 15, 1955, totalled \$36 million. The \$40.5 million for economic aid requested for FY 1956 will allow a somewhat greater proportion of aid for direct strengthening of the economic and defense structure of Yugoslavia

³Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), approved July 10, 1954; 68 Stat. 454.

than in past years when aid has been almost exclusively concentrated on food and raw materials for subsistence purposes.

5. In November 1954, discussions were held in Washington on economic matters between high-level representatives of the U.S. and Yugoslav Governments.⁴ The head of the Yugoslav delegation made an extended presentation of Yugoslavia's economic difficulties. The question of Yugoslavia's medium and short-term indebtedness, which was discussed at the Washington talks, is under further study. Following the talks, an agreement was signed under which 425,000 tons of wheat and \$10 million worth of cotton from surplus stocks were provided to Yugoslavia under Title I of PL 480. Funds were authorized in the amount of \$44.185 million to cover this wheat and cotton, and the ocean transportation thereof. The furnishing of these commodities was in addition to 275,000 tons of wheat (at a cost of \$32 million) provided under Title II of PL 480, and 150,000 tons (at a cost of \$9 million) provided in the Mutual Security Program, bringing the total of FY 1955 wheat to 850,000 tons as of the end of CY 1954. In February 1955 the Yugoslav Government requested an additional 286,000 tons to meet its needs until the new crop was harvested. As of April 13, 1955, this question had not been finally decided, but it appeared likely that this request would be given favorable consideration.

6. The USIS program emphasized (a) growing military and economic strength of the West with U.S. support, (b) the values of cooperation among the free world powers, (c) U.S. measures of economic, technical and flood relief assistance to Yugoslavia, and (d) the dangers of too close a rapprochement with the Soviet bloc. As part of an extensive program of cultural relations, the stage play "Porgy and Bess" was performed with significant success in Yugoslavia. The U.S. is sounding out the Yugoslav Government with a view to sending an "Atoms for Peace" exhibit to Yugoslavia beginning with the Zagreb Trade Fair in September, 1955.

B. Evaluation of Progress in Implementing NSC Policies and Objectives

7. It is believed that the policies set forth in NSC 5406/1 should be reconsidered. The following modifications in NSC 5406/1 are considered advisable in any case to reflect the progress of events:

a. In view of the resolution of the Trieste issue and the marked improvement in Yugoslav-Italian relations, (1) the note with respect to the then active Trieste controversy which heads the statement of policy on page 1 should be deleted, (2) para. 8, pp. 3-4, should be

⁴The discussions took place November 12-23, 1954; see *Foreign Relations, 1952-1954*, vol. VIII, pp. 1421 ff.

revised, (3) para. 17, p. 7, should be deleted, and (4) para. 52, pp. 33-34, should be revised.

b. In view of the current trend in Soviet behavior toward Yugoslavia and certain effects of the "normalization" of Yugoslav relations with the Soviet bloc, some revision is indicated in para. 7, p. 3; paras. 5-9, pp. 14-15 (especially para. 5); and paras. 49-50, pp. 32-33.

[Numbered paragraph 8 (28 lines of source text) not declassified]

C. Emerging Problems and Future Actions

9. The "normalization" of relations between Yugoslavia and the Soviet bloc countries which had been evolving since mid-1953 was accelerated at Soviet initiative during the review period. While officially welcoming these developments, Yugoslav leaders claim that post-1948 ties with the West will not be impaired. Present signs are that Tito is using his increased freedom of action resulting from the virtual cessation of Soviet orbit pressures against his regime to enhance Yugoslavia's international prestige and position by becoming an active proponent, along with India, Burma, Egypt, etc., of a neutralist policy of non-alignment with either the Soviet or U.S. "bloc". Although there is no reason for believing that Tito has weakened in his determination to maintain his independence from the Soviet bloc, emerging developments in this regard call for continuing alert scrutiny with a view to influencing their direction in line with U.S. interests or, if necessary, to giving timely, basic reconsideration to our Yugoslav policy.

[Numbered paragraphs 10-12 (1 page of source text) not declassified]

13. Proposals to establish a formal education exchange program between the U.S. and Yugoslavia, which would be recognized by the International Exchange Service of the Department of State, have encountered and will continue to run up against the thus far insurmountable obstacles of a lack of Congressional support, partially hostile U.S. popular attitudes (to welcoming Communists), and the unavailability of funds.

242. Memorandum on the Substance of Discussions at the Department of State–Joint Chiefs of Staff Meeting, Pentagon, Washington, April 15, 1955, 11:30 a.m.¹

[Here follow a list of participants and discussion of unrelated subjects.]

2. Military Cooperation between Yugoslavia and the Free World—Interim Report

Mr. Murphy gave a brief outline of developments in the field of military cooperation between Yugoslavia and the West along the lines of the briefing paper prepared by Mr. Unger (Mr. Murphy subsequently gave a copy of this paper to Admiral Radford).² He pointed out that after the conclusion of the Balkan alliance and the settlement of the Trieste issue it had been thought desirable to attempt to strengthen the military ties between Yugoslavia and the West. At the moment, it is expected that Ambassador Riddleberger will have a talk in the near future with Marshal Tito. The latter has promised to give the Ambassador Yugoslav thinking on the kind of relationship that might be established. Estimates of the probable Yugoslav attitude vary. The Turks feel the Yugoslavs are tending more and more toward a neutralist position. On the other hand, the Greeks believe that the Turks have been heavy handed in dealing with the Yugoslavs in staff discussions and that this Turkish opinion is not well founded. We feel a process of evolution is involved in Yugoslav thinking and recognize the necessity of re-examining the Yugoslav position in the light of recent developments. Before there is any general NSC review of policy toward Yugoslavia, which has been proposed by the OCB, the Department believes it desirable to await the outcome of Ambassador Riddleberger's talks with Marshal Tito.

Admiral Radford stated he did not understand how we could give military aid to Yugoslavia, the total of which amounts to about \$700 million, under the terms of our military aid legislation which requires defense cooperation from the recipient country.

Without answering this specific question, Admiral Carney said that there were a few stipulations in our military aid agreement with Yugoslavia. However, the philosophy behind the agreement was that

¹Source: Department of State, State–JCS Meetings: Lot 66 D 70. Top Secret. A note on the source text indicates that this was a Department of State draft not cleared with any of the participants. In a memorandum to Murphy on April 6, Walworth Barbour stated that since Riddleberger was soon to meet with Tito to obtain an explanation of Yugoslavia's increasingly neutralist position, the Department of State wished to delay re-examination of U.S. policy toward Yugoslavia. Barbour asked Murphy to deliver a progress report to the Joint Chiefs of Staff on the Department of State's efforts to secure Yugoslavia's cooperation in military matters involving the West. (*Ibid.*, Central Files, 768.5–MSP/4–655)

²Not found in Department of State files.

it represented a means for orienting Yugoslavia toward the West. In the Balkan Pact discussions the Turks had been reluctant to have frank military discussions with the Yugoslavs. The Turks themselves, according to Admiral Carney, have no settled strategic plan for dealing with the principal probable enemy, Bulgaria. The Greeks have been ready to talk details but the Turks have been unwilling. The Greeks and Yugoslavs have a certain amount of common real estate which gives them a solid interest in joint defense planning. The barrier with the Turks was partially broken in the recent tripartite Balkan alliance staff talks by labeling them merely theoretical exercises. Admiral Fechteler has told Admiral Carney that he doubts there will be any real defense cooperation in this area until the Yugoslavs and Italians are prepared to set down together. Admiral Carney has tried to think of some way of bringing this about and even considered inviting Yugoslavia and Italian military representatives to the Naval Staff College and thus getting them in the same room together in hopes they might begin discussions. The problem is primarily political and Admiral Carney feels confident the Yugoslavs and Italians would agree on the military problems themselves, the principal one being the defense of the Ljubljana Gap.

Mr. Murphy noted that Bebler had recently indicated that the Yugoslavs would probably only join in four power talks which include the U.S., UK and France along the lines of the August 1953 discussions. It is doubtful that Tito will agree to the establishment of a relationship with NATO and this therefore makes uncertain the prospect of any Yugoslav-Italian relationship. Mr. Barbour added that some kind of tie with NATO, the exact nature of which we have not spelled out, would provide the best bridge for building a link with the Italians. Mr. Murphy noted that Tito may now be more difficult following his trip to India and Burma and recent gestures from Moscow and may feel he is better able to occupy a middle position between the East and the West.

Admiral Radford then inquired if we felt the situation was not good. Mr. Murphy said we would not go far although he did feel the position of Yugoslavia was perhaps somewhat more in flux at the present time, that while it was not good, it was also not bad.

Admiral Radford reverted to the question of whether we can legally give military aid to Yugoslavia at which point Mr. Allen stated he had signed the military agreement with Yugoslavia on behalf of the U.S. and that it contained three conditions: (1) Yugoslavia would use the equipment only for defense purposes; (2) Yugoslavia undertook not to sell or dispose of the equipment without our agreement; and (3) Yugoslavia agreed we would have the right to inspect its end use.

The discussion on this matter concluded with Admiral Radford noting that the JCS now had a study under way with respect to the position of Yugoslavia³ and by Mr. Murphy pointing out that the general question of our policy toward Yugoslavia would soon be considered by the NSC.

[Here follows discussion of unrelated subjects.]

³Not further identified.

243. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, April 23, 1955—3:50 p.m.

857. Paris pass Reinhardt and Wallner. Following comments refer your 855.² FOA and Defense concur.

1. Endorse general line you propose take with Tito. Believe useful for you mention that what you will say not motivated by apprehensions regarding "normalization" but rather influenced by Yugoslav reluctance consider military coordination. Military considerations are major basis our various aid programs for Yugoslavia and if these vitiated there remains practically no justification for continuing aid in view of increasing Congressional emphasis defense criteria for European aid, even though there is continuing basis for friendly relations. Aid curtailment would follow from divergent US and Yugoslav estimates Soviet danger and resultant Yugoslav disinclination embark on effective contingent planning coordination with only operational forces in area capable providing support, viz. NATO forces. Tito should not fail understand difficulty US faces in providing aid throughout world in view tremendous requirements and limitations of funds.

Re inclusion of aid to Yugoslavia in congressional presentation for FY 1856 which made known in President's aid message to Con-

¹Source: Department of State, Central Files, 768.5/4-1955. Secret; Niact. Drafted by Unger, David E. Mark, and J.L. Colbert. Repeated to Ankara, Athens, London, and Paris.

²In telegram 855 from Belgrade, April 19, Riddleberger suggested that if, in the forthcoming discussion between Sir Frank K. Roberts, British Ambassador to Yugoslavia, and Tito, Tito reacted negatively to the idea of joint military planning, the Department should consider using Riddleberger's meeting with Tito to tell him that his attitude would have an impact on U.S. military aid to Yugoslavia. (*Ibid.*, 768.5/4-1955)

gress April 20,³ agree line your Tousfo 301⁴ that request is being made by Executive Branch for appropriation which will be utilized only if later developments indicate aid program desirable in furtherance US-Yugoslav common objectives. This will depend on having better idea Tito's thinking and assurance he understands ours, for which additional conversations between you and him may be useful. It may be advisable leave him ponder on possible consequences certain Yugoslav positions on US policy with expectation that final Yugo position will be revealed in later talk, However we concerned that Tito-Roberts conversation (especially cordon sanitaire and neutralized Germany concepts) reveals such unrealistic Yugoslav evaluation East-West position in Europe that we feel full exchange views and firm understanding on fundamentals of future Yugoslav military relations with West essential.⁵ Moreover present apparent Tito attitude on military relations not in keeping with recognition by Bebler of need for joint military planning reported Embtel 580 para 7.⁶

Although we strongly prefer some form of NATO planning tie, our position as to how military coordination to be achieved remains relatively flexible and we prepared consider Yugoslav proposals which meet mutual problems and do not add up to mere procrastination. If conversation becomes specific you may of course draw on past indications our position and in particular that contained numbered paragraph 3 of London's 3502, repeated Belgrade 227.⁷ Attention also called to final paragraph your telegram 548⁸ which sets out basis for any consideration of renewal Tripartite talks Washington as strictly interim measure. While we recognize certain utility in technical talks mentioned by Tito to Roberts we feel they would be too

³For text, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1955*, p. 404.

⁴Not printed.

⁵Telegram 864 from Belgrade, April 24, reported on Roberts' account of his meeting with Tito. The telegram reads in part: "Tito said that he thought West should accept the fact that German unification was inevitable and that a reunified Germany could not be expected to associate itself exclusively with either East or West." Tito questioned whether the West should continue to regard the German problem in military terms. "He advanced the idea that instead of thinking in terms of a defensive bulwark, consideration should be given to a cordon sanitaire consisting of Sweden, a reunited Germany, Austria and Yugoslavia." (Department of State, Central Files, 768.5/4-2155)

⁶In telegram 580 from Belgrade, January 2, Riddleberger reported on a conversation he had with Bebler on January 19, during which a wide range of international issues was discussed. Paragraph 7 included Bebler's remarks that the Yugoslavs understood the necessity for joint military planning if the arms they were receiving were to be used effectively. (*Ibid.*, 768.00/1-2055)

⁷Not found in Department of State files.

⁸Telegram 548 from Belgrade, January 12, concerned the tripartite military talks. In the final paragraph, Riddleberger reviewed possible positions to be taken in discussing the resumption of talks with the Yugoslavs. (Department of State, Central Files, 768.5/1-1155)

narrow in scope and would focus first on “shopping list” and current aid problems rather than on more basic topics.

2. Department leaves to your discretion whether and how you use material concerning lack of cooperation in your interview with Tito.

3. Separate cable has given agencies’ decision re wheat.⁹ You may utilize as you see fit.

4. Washington estimate military importance Yugoslavia to US remains essentially unchanged. Basic US objective is assure as far as possible that substantial military manpower of Yugoslavia will fight on our side in event major European war, which is primary assumption our present aid programs. Yugoslav armed neutrality which denies territory to Soviet or Satellite forces with protection which this would afford NATO flanks in Greece and Italy would be useful, but seriously doubt whether would justify aid program unless coupled with advance understanding that Yugo defensive strategy designed continue protection these flanks as far as possible in event Yugo drawn into conflict. Our major objective at present is assurance that Yugo forces will protect Ljubljana Gap. Nevertheless Yugoslavia’s effective cooperation with Greece and Turkey can also make valuable defense contribution and any US reexamination of policy must also take this in account. If suitable, would suggest discreet exploration of extent to which Tito’s attitude re talks with NATO on strategic or tactical problems is also symptomatic of Tito’s attitude towards Balkan Alliance planning. In your view what concrete measures did Tito contemplate in his Ankara statement re link between Bled Alliance and NATO (para 3 Embtel 860)?¹⁰

5. Embtel 865 just received.¹¹ Glad note near identity our views.

Hoover

⁹Not further identified.

¹⁰Telegram 860 from Belgrade, April 21, reported on the sixth General Staff conference on the Balkan Alliance. (Department of State, Central Files, 760.5/4–2155)

¹¹In telegram 865, April 22, Riddleberger noted that “time has come to make plain to Yugoslav Government that its attitude runs risk of seriously affecting present military and economic cooperation between two countries.” (*Ibid.*, 768.5/4–2155)

244. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, April 25, 1955—5:12 p.m.

870. Deptel 857.² Following are principal points of interview with Tito today which lasted one and one-half hours with Vilfan as interpreter. I found Tito in more realistic mood than was case with Roberts³ but cannot say that his answers were satisfactory.

1. Tito indicated that he would prefer to hear me first and I, therefore, took advantage of this opening to recite our present difficulties with military aid program and some past history on economic aid. This consumed considerable time as difficulties on military aid are highly technical and as I gave copious illustrations to buttress various complaints. (Defense fully informed on these problems.) I pointed out that although these questions are for the most part technical, they do have political overtones particularly at this time when there have been doubts about the direction of Yugoslav foreign policy. Tito did not attempt to reply to my specific complaints but promised me that he [would] discuss at once with general staff the questions that are now pending and he thought many of them could be resolved. He told me, incidentally, that Dapcevic⁴ was going to enter Parliament and that there would shortly be a new chief of staff. In saying so, he seemed to imply that this change in itself would lead to some improvement. I made it altogether clear that the pending questions in the military aid field were urgent and that if solutions were not found we would soon find ourselves in the position of having to suspend various shipments on technical grounds. Re economic aid, I recited the difficulties on the L/C question and pointed out that this long delay had clearly complicated the decision on additional wheat. Tito gave the impression of agreeing with us on this matter but did not himself raise the Yugoslav need for additional wheat at this time.

2. Tito then said he wished to give me an explanation of present Yugoslav foreign policy. It is aimed, he said at the relaxation of tension in the world which is useful to all but basically Yugoslav Government has not changed the direction of its foreign policy. Yugoslav Government is particularly interested in improving its relations with US not only now but over long term. This is a fundamental postulate of Yugoslav Government policy and we should not think there has been any change. Normalization has not really gone very far al-

¹Source: Department of State, Central Files, 768.5-MSP/4-2555. Secret; Priority.

²*Supra.*

³See footnotes 2 and 5, *supra.*

⁴Colonel General Peko Dapčević, Yugoslav Army Chief of Staff.

though in Tito's opinion it is essential to talk with eastern bloc at this time. Many outstanding difficulties still exist between Yugoslavia and eastern bloc and it will take a long time to erase them. USSR seems to have certain illusions about independence of Yugoslav foreign policy and these will have to be eliminated. There have been, of course, certain benefits from normalization which Tito was sure that we would recognize, such as lessening of frontier pressure, cessation of propaganda, etc. I said we would and that were not unduly apprehensive over normalization developments.

3. On Austria, Tito said that Yugoslav Government was naturally gratified at developments and hoped that we would agree. Contrary to the case with Roberts, he went out of his way to explain that neutralization of Austria will not disturb the defense plans of the Western world. He was not in favor of "isolation of Western world". On the other hand, West should not consider defense problems solely in terms of "line of bunkers" and that we should be aware of feeling amongst peoples of Europe that things were changing and that there were possibilities for future understanding. It was hope of Yugoslav foreign policy that eventually a united and peaceful Germany would emerge and West should perhaps now consider the possibility of discussions between the eastern and western Germans through which a solution might be found to the primary problem of preventing a revival of German nationalism and militarism. At this point, I interrupted to give recital of all the efforts the West has made to attain this united and peaceful Germany and how these had been blocked by Soviet intransigence. Tito did not disagree but neither did he attempt to reply. He agreed with me, however that the German problem must be approached with prudence and caution and that Austria is not a model for a solution.

4. Tito said that Yugoslav foreign policy today is based upon the idea of not joining any bloc. It is true that Yugoslav press has put Soviet bloc and NATO on same level and of course that is not strictly accurate. Nonetheless NATO does deserve some criticism on ideological grounds as it is important to remember that things are changing in the Soviet Union and the West should not lag behind. This does not mean that Yugoslavia should have any illusions about Soviet policy which certainly has a number of mental reservations in what it proposes.

5. Tito then mentioned the idea of neutral bloc and in response to my observations on Germany said that he agreed any such neutral bloc raised great problems. He thought that eventually the German problem could only be settled after some resolution of disarmament problems. In considering all this, Yugoslavia which is so close to the satellite countries had a basic interest in long-term prospects of good relations with the West. It was of primary importance to Yugoslavia

to maintain and develop these relations with the West and again he repeated that in this respect Yugoslav foreign policy has not changed.

6. I then made my comment following very closely paragraph 1 of Deptel 857. I shall not repeat argumentation here but am certain I left him in no doubt as to our attitude on aid and military coordination. I made it clear that in our opinion it was essential to have a clear understanding of the fundamentals of future Yugoslav military relations with West and I said that we had reason to think this point was clearly understood at the time when Bebler had made his original proposal. I emphasized the congressional emphasis on defense criteria for European aid and explained how difficult it would be to continue our programs unless there were some progress in the field of military coordination.

7. Tito replied by saying he realized there could be a different appraisal of the present international situation and indeed it was obvious that such differences do exist. However the situation was in a state of flux and perhaps the time would shortly come when we should sit down together and talk about how each of us appraised the present situation. As he seemed to imply that this should not be a purely Yugoslav-US meeting I asked him if he were proposing conversations with other powers as well. He then said that he thought we should discuss how such a meeting should be arranged and that in his opinion it should probably not be held before June. At this point I reminded Tito again that we had many urgent problems to resolve in the field of military aid and that we had certain duties and obligations under our laws and the bilateral agreement which we must execute. I said that too much delay was certain to create the impression that Yugoslavia had lost interest in the military aid program and that its attitude coupled with difficulties on economic aid was certain to influence Washington. He rejected most strongly the idea that Yugoslavia had lost interest in the military aid program but said he understood how the question of priorities might arise. I said I could not see much point in a "purely technical conference" which might be confined to matters of additional military aid when we had been unable to resolve a number of urgent questions based upon our present aid program. Tito replied that we could expect the general staff proposals on a "technical conference" within the next few days.

8. I then raised the question of military planning under the Balkan alliance and tried to ascertain his thinking on future developments. On this he was evasive and said he understood we did receive the information. I then cited some technical problems to illustrate again how military aid was linked to planning but I did not succeed in eliciting much information. Tito finally said that he recognized this problem was closely related to that of larger military coordination.

9. In conclusion, I once more reiterated my belief that at some point the military assistance program must be related to joint planning and that if it were not done the question of priorities on aid would certainly arise. Again I indicated our position on military coordination was flexible but progress was essential. The atmosphere of interview was friendly with no recriminations on either side. I had strong impression however that Tito was more than a little unhappy at some of my observations on US policy but I think this interview served the purpose of clearing the air.

10. More comment to follow. Informing UK and French Ambassadors.⁶

Riddleberger

⁶François Coulet, French Ambassador to Yugoslavia.

245. Memorandum of a Conversation Between the Yugoslav Ambassador (Mates) and the Deputy Under Secretary of State for Political Affairs (Murphy), Department of State, Washington, May 2, 1955¹

SUBJECT

US Attitude to Yugoslavia

Ambassador Mates said that he was leaving tomorrow on a two-week trip to Chicago, which will include Michigan and Minnesota. He was pleased to have this opportunity for a further exchange of views prior to his departure.

Referring to their conversation on April 29,² Mr. Murphy said that he was now fully briefed on the Tito–Riddleberger talks³ and could reaffirm that there was no change in our attitude toward Yugoslavia, although Ambassador Riddleberger’s talk with Tito had emphasized that some question marks had arisen. As Ambassador Mates well understood, we have an important economic and military

¹Source: Department of State, Central Files, 611.68/5–255. Secret. Drafted by William A. Crawford.

²During this meeting on April 29, originally scheduled to discuss Yugoslavia’s application for an Export-Import Bank loan, Mates had stated his belief that, as a result of the recent Tito–Riddleberger meeting, there had been a change in U.S. policy toward Yugoslavia. Murphy replied that U.S. policy had not changed, but requested that the discussion be postponed until he received a full briefing on the Tito–Riddleberger meeting. (*Ibid.*, 868.10/4–2955)

³See telegram 870, *supra*.

stake in Yugoslavia. If our aid was to continue, Congress must know in which direction Yugoslavia was going. The same consideration applied where aid to other countries was concerned. The normalization process had given rise to some doubts in the American public as to the road Yugoslavia was taking. We were still not quite sure. Tito had given Ambassador Riddleberger the impression that Yugoslav independence, which had been our common objective justifying our military aid program, was now more or less secure, and the implication was that further aid was perhaps no longer desirable. At this juncture, we believe that joint military planning with the West must be a necessary accompaniment to further military aid. Although we are flexible on the form such planning should take, we feel that we cannot go ahead with any large military aid program without it.

Ambassador Mates replied that since his visit on Friday he had received a report of Ambassador Riddleberger's recent talk with the Foreign Minister.⁴ The report had cleared up a number of misapprehensions he had formed on the basis of his initial impression of the Tito-Riddleberger conversation. He was now more comfortable in his mind and assumed that further talks would occur in Belgrade. He said that Yugoslavia was not planning any switches, and that as for normalization, Tito and Popovic could give the necessary explanations. He understood that since the normalization process began, Ambassador Riddleberger had been kept regularly informed by the Foreign Office of all Yugoslav discussions with the Soviets.

⁴This conversation has not been identified. In telegram 885 from Belgrade, May 1, Riddleberger reported on a series of conversations he had had with the Foreign Minister and other Yugoslav officials on the issue of military planning. (Department of State, Central Files, 768.5-MSP/4-3055)

246. Memorandum of Discussion at the 247th Meeting of the National Security Council, Washington, May 5, 1955¹

[Here follow a paragraph listing the participants at the meeting and discussion of subjects unrelated to Yugoslavia. The discussion of Yugoslavia came under the item "Significant World Developments Affecting U.S. Security."]

Pointing out that the Council had under consideration today a Progress Report on Yugoslavia,² Mr. [Allen] Dulles indicated that the

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Prepared by Gleason on May 6.

²Document 241.

CIA had prepared a brief estimate on the development of Tito's policy,³ which he proceeded to summarize. He then added that if mistakes had been made by the United States with respect to Tito, the mistakes were made in our initial estimates of this individual who, after all, was a hard-core Moscow-trained Communist. As Mr. Dulles saw it, Tito had open to him three main choices: (1) to tie up more firmly to the West; (2) to pursue a neutralist line; or (3) to return to the Cominform. Mr. Dulles personally did not believe that Tito would turn back to the Kremlin, nor did he think that Tito would forge strong military ties with the Western powers. We feel, he said, that Tito will pursue a policy of benevolent neutralism (benevolent to the West) while seeking to maintain correct relations with the Soviet bloc. Mr. Dulles felt that we should not look or recent developments in Yugoslavia as signifying a switch in Tito's policies, but rather a drift which derived its direction from the new trends in Soviet policy. It seemed likely that Tito was actually looking forward to joining up with a Middle European neutral bloc of nations including Austria and perhaps ultimately Germany. It was his ambition to keep the two power groups apart and ultimately to achieve a peaceful solution. Mr. Dulles concluded by reading the final paragraph of the intelligence estimate on Yugoslavia.

[Here follows discussion of subjects unrelated to Yugoslavia.]

4. *United States Policy Toward Yugoslavia* (NSC 5406/1; Progress Report, dated April 21, 1955, by the OCB on NSC 5406/1)⁴

Mr. Anderson briefed the Council on the contents of the subject Progress Report; noted that the Planning Board had already commenced its review of the policy on Yugoslavia; and said that the Planning Board would welcome any views expressed by the Council as guidance for its revision of NSC 5406/1.

[3 paragraphs (19 lines of source text) not declassified]

Admiral Radford provided the views of the Joint Chiefs of Staff on this subject by reading from a written memorandum sent by the Joint Chiefs to the Secretary of Defense.⁵ It was the view of the Joint Chiefs that the U.S. should certainly make no new aid commitments to Yugoslavia pending clarification of Tito's attitude. [4 lines of source text not declassified]

Governor Stassen said that while he would not dispute this statement, it was well to look on the other side of the medal and

³Not further identified.

⁴Regarding NSC 5406/1, see footnote 2, Document 241.

⁵Dated April 29. (Washington National Records Center, JCS Records, CCS.092 Yugoslavia (7-28-56))

realize that while Tito was a Communist, he had definitely retreated from the Communist program of collectivized agriculture.

The President said that in any case we had better be very cautious in our future dealings with Tito.

As an explanation of Tito's recent behaviour, Mr. Allen Dulles pointed out that of course Yugoslavia was not really a Communist country, and if its people could really speak their minds freely they would oust a Communist regime. Tito obviously wanted to keep his job. He probably feels that if he ties up too closely with the West, Yugoslavia will gradually lose its Communist character and he in turn would lose his job.

[1 paragraph (6 lines of source text) not declassified]

*The National Security Council:*⁶

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

b. Concurred in the recommendation of the Operations Coordinating Board that the policies set forth in NSC 5406/1 should be reviewed by the NSC Planning Board.

[Here follow the remaining agenda items.]

S. Everett Gleason

⁶Paragraphs a-b that follow constitute NSC Action No. 1393. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

247. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 6, 1955—2 p.m.

900. Paris pass Knight and Wallner. Deptel 879.²

1. During Tito reception for Menderes³ last night Vilfan said Tito wished to speak to me and thus we had opportunity for short conversation. It followed directly after somewhat animated interview between Soviet Ambassador⁴ and Tito.

¹Source: Department of State, Central Files, 768.5-MSP/5-655. Secret; Priority. Repeated to Paris, London, Athens, and Ankara.

²Telegram 879 to Belgrade, May 5, instructed Riddleberger to see Tito again to discuss the military aid issue in view of the fact that an interagency review of U.S. aid policy toward Yugoslavia was due to begin shortly. (*Ibid.*, 768.5-MSP/4-3055)

³Adnan Menderes, Turkish Prime Minister and Foreign Minister, began a 6-day visit to Yugoslavia on May 4.

⁴Vasilij Alekseyevich Valkov.

2. Tito commenced by expressing his gratification that US was able to provide more wheat to tide Yugoslavia over until next harvest. He was grateful that in spite of earlier difficulties we had been able to respond so promptly.

3. Referring to our conversation on April 25, Tito said he had been thinking over the suggestion he had made for a meeting to talk over how we appraised the present situation (Embtel 870, paragraph 7)⁵ and that from Yugoslav point of view a good time would be following the visit of the Burmese U Nu⁶ to Belgrade, now tentatively fixed for first week in June. He said that he thought Belgrade would be the best place and he would suggest utilizing the Ambassadors here for meetings with Yugoslav Government representatives. I replied that I was not yet sure what countries he had in mind and in particular whether his idea envisaged including Greece and Turkey. Tito replied that in his opinion it would be preferable to have a quadripartite meeting of the US, UK, French and Yugoslavs.

4. Bearing in mind paragraph (1) of Deptel 879, I said to Tito perhaps we could have another conversation after the conclusion of the Menderes visit which would give us an opportunity to discuss this suggestion in a quiet place. (Our conversation was held in the middle of one of the reception rooms at the White Palace where we were surrounded by guests. As we spoke German, I doubt however if our conversation was understood by anyone near us.) Tito agreed this would be a good idea and we left it at that.

5. Earlier in the evening Foreign Secretary told me that he realized Yugoslav Government had promised us a reply in few days on various matters including the tripartite démarche of February 10⁷ and he apologized for the delay. This is clearly an allusion to what Tito had referred to as general staff proposals. He said however he was so taken up with the Turkish visit that it had not been possible but again reiterated Yugoslav Government intention to give response in the very near future. In thanking him, I again remarked that while the wheat problem had been solved there were still the urgent questions of the military aid program and that I hoped that Yugoslav Government responses would shortly be forthcoming.

6. Subsequent to these two conversations I informed my UK and French colleagues of their substance and Roberts told me that he had likewise had a short conversation with Foreign Secretary, following my conversation with Tito. Roberts asked Foreign Secretary how Tito proposal would fit in with reply which he had promised within a

⁵Document 244.

⁶U Nu, Burmese Prime Minister.

⁷Reported in telegram 654 from Belgrade, February 10. (Department of State, Central Files, 760.5/2-1055)

few day. Roberts told Foreign Secretary London was inclined to view favorably the idea of a meeting but had not made up its mind on timing, scope, etc. He asked whether Yugoslav Government would make proposals on the military problems and Popovic replied that Yugoslav Government could very well make replies on the military side as Tito proposal did not exclude technical military exchanges. Roberts later saw Vilfan and put the same question to him but did not obtain much information. Both Roberts and I had impression that neither Foreign Secretary nor Vilfan were fully informed respecting Tito's conversation with me and that a certain amount of internal Yugoslav Government coordination will now have to be accomplished.

7. Tripartite Ambassadors have just met to discuss last night's developments and we are each submitting recommendations along following lines to our respective governments.

(A) We agree that we should not reject the idea of a meeting proposed by Tito.

(B) On timing, the second week in June is perhaps acceptable and we believe it wise to have this meeting before the arrival Nehru in late June.

(C) Tito's proposal to have meeting in Belgrade certainly corresponds to Yugoslav policy at this point in that it would involve sending Yugoslav Government delegate to Western country and could probably be held with minimum of publicity. Three Ambassadors agree it would probably not be necessary to have agreed agenda but meeting, in the context of Tito's original proposal to me, would probably discuss our respective estimates of the present international situation, Soviet policy and Yugoslav military policy including the urgent question of wider military coordination with the West and its relation to US military aid program.

(D) As our respective Foreign Ministers will shortly be together in Paris they may be able to decide upon a common approach to the Tito suggestion.

(E) It would be helpful if the three Ambassadors in Belgrade could have the initial reaction of their governments early next week, as we shall no doubt be talking to Foreign Secretary here after conclusion of Menderes' visit.

(F) None of the foregoing implies any let up on February 10 proposal nor on efforts by us to obtain satisfactory answers to pressing problems in US military aid program.

8. Separate cable follows re present situation on deliveries of military aid with our recommendations on suspensions.⁸

Riddleberger

⁸In telegram 910 from Belgrade, May 7, Riddleberger advised the Department of State that General Peter C. Hains, III, Chief of AMAS, was recommending the suspension of certain military goods to Yugoslavia, but that both he and Hains suggested the postponement of an overall suspension in light of Tito's willingness to discuss the military aid issue further. (Department of State, Central Files, 768.5-MSP/5-755)

248. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 13, 1955—1 p.m.

942. Paris pass Secretary, Knight and Wallner.

1. Foreign Secretary this morning is informing US, UK, French, Greek and Turk Ambassadors that top-level meeting with USSR has been fixed for Belgrade at end of May. Conversation with me was as follows.

2. Foreign Secretary said that pursuant to its proclaimed desire to improve relations with USSR and satellite countries on a basis of full equality of rights, non-interference in internal affairs, et cetera and referring also to Tito's conversation with me on April 25 (Embtel 870, paragraph 2)² it has been decided that conference with USSR will take place in Belgrade at end of May. It has been found possible to arrange conversations at highest level and Soviet delegation composed as follows: Khrushchev head of delegation, Bulganin, Mikoyan, Shepilov, Gromyko and Kumikin. Yugoslav delegation will be Tito, Kardelj, Rankovic, Vukmanovic-Tempo, Koca Popovic, Todorovic and Micunovic. Joint communiqué will appear tomorrow and Foreign Secretary requested that information be regarded as confidential until published.

3. In view of importance of this meeting Foreign Secretary said he wished to advise tripartite powers and Yugoslav allies in Balkan Alliance together with following comment: Yugoslav Government welcomes this initiative (I could not extract from Foreign Secretary whose initiative) which has as its background a long period of Soviet political attacks against Yugoslavia. Whatever usefulness the meeting may have, Yugoslav policy is clear and is based as stated before on postulates of full equality of rights and non-interference. Yugoslav Government will not support any "destructive efforts" of USSR and meeting will provide opportunity to probe Soviet intentions. Yugoslav Government thinks it may be possible to settle certain practical questions of normalization in course of this meeting and if such is case it will be most helpful. If Soviet Government does not exhibit sincerity, then Yugoslav Government will be able to judge its intentions with more clarity. Therefore Yugoslav Government will believe it is useful to have meeting and thinks the conference is in full accord with all other efforts and negotiations now underway or impending to achieve a relaxation of tensions.

¹Source: Department of State, Central Files, 661.68/5-1355. Secret; Niact. Repeated niact to Paris, Athens, and London and priority to Moscow.

²Document 241.

4. Foreign Secretary said he wished to emphasize once more that this meeting in no sense implied a change in fundamental Yugoslav Government policy of good and cordial relations with Western countries. He reverted to this theme three times during course of conversations and underlined that Yugoslav efforts paralleled those of West.

5. Foreign Secretary laid particular emphasis on fact that meeting will be held in Belgrade which he interprets as a great victory for Yugoslav policy of firmness in face of earlier Soviet threats. In saying that this is a common victory for all of us he declared that Yugoslav Government policy of firmness had been made possible by support it had received from Western countries and in particular from US. As Yugoslav Government has said before it hopes this meeting represents a real change in Soviet attitude and if Soviet intentions are sincere it may be a great step towards a peaceful world.

6. Foreign Secretary then said he recognized that guidance to or influence on press was a delicate matter but that he very much hoped some way could be found to present this meeting as a new step towards maintenance of peace and to avoid any possible "negative reactions". I said I thought news of this meeting would be a sensation and it was difficult to predict what the press reaction would be.

7. At conclusion of his observations I tried to ascertain if this conference would be followed by a high-level visit to Moscow. Foreign Secretary replied that this was a conference and not a visit but did not give me a direct answer. I was not able to obtain much information on agenda beyond fact that questions affecting normalization would be discussed and in particular a number of practical matters. In response to my observation that calibre of Soviet delegation was so high that important results could be anticipated, Foreign Secretary confined reply to saying meeting would provide real opportunity to test sincerity of Soviet intentions, as Soviet delegation was composed of those authorized to make decisions.

8. When reading list of Soviet delegation, but not in response to any question of mine, Foreign Secretary volunteered information that Molotov was not coming and perhaps this had a certain significance in view of his association with earlier and highly antagonistic policy of USSR against Yugoslavia. He also observed that he thought Molotov's position was none too strong.

9. Comment to follow.

Riddleberger

249. **Memorandum of a Conversation Between the Secretary of State and the Yugoslav Ambassador (Mates), Department of State, Washington, May 23, 1955¹**

The Yugoslav Ambassador called on the Secretary at 2:30 this afternoon at the latter's request. The Secretary opened the conversation by saying that whereas, as the Ambassador knew, there were certain difficulties in connection with the operation in Yugoslavia of our military aid program (which Ambassador Riddleberger had discussed with Marshal Tito and the Foreign Minister), the Secretary did not want to get this matter mixed up with the visit of the Soviet leaders to Belgrade. Accordingly we were not raising this matter further at this time though it was a matter which we felt was important to work out and one to which we would revert in the future.

The Secretary then went on to say that he felt that the visit of the Soviet leaders to Belgrade was a real triumph for Marshal Tito and testimony to the soundness of his policy of independence which he had pursued since 1948 with such great courage and despite great risks. We had, as the Ambassador knew, attempted to mitigate that risk by our relations with the Yugoslav Government and in particular by our contribution of economic and military aid. As he had said recently in another connection, the Secretary felt that proof of the success of a policy was the worst of all possible reasons to abandon it and consequently he would be gratified by the assurances from Belgrade that the Yugoslav Government had no intention of modifying its existing independent policies which the Secretary felt had been of benefit not only to Yugoslavia but to others.

Ambassador Mates responded by saying that he appreciated what the Secretary had just said. He wanted to reaffirm that the initiative for this visit had come from the Soviets. The Yugoslav Government considered this visit as a beginning rather than an end in the sense that they did not expect important decisions to be reached but that they hoped further normalization of their relations with the Soviet bloc would follow. There was no agenda for the talks but the Yugoslavs would plan to bring up certain matters such as their claims for damages against the Soviets. Marshal Tito had made clear that there would be no secret agreements arising from the talks and that

¹Source: Department of State, Central Files, 611.68/5–2355. Confidential. Drafted by Merchant.

In a May 18 memorandum, Merchant had advised Secretary Dulles that Riddleberger could not meet with Tito, who was on the island of Brioni, to discuss the recently-announced top-level Yugoslav-Soviet conference. He suggested that Dulles meet with Ambassador Mates to inform him of U.S. concern regarding the proposed meeting and to request that the United States be informed of the discussions at the meeting. (*Ibid.*, 611.68/5–1855)

he would keep the United States Government and other friendly governments fully informed of their results.

The Ambassador then said that he was aware in a general way of the difficulties which had arisen in the military aid program. He indicated that he felt confident the difficulties could be straightened out. His impression was that the problems were with the Army rather than either with the Air Force or the Navy and he made a somewhat cryptic remark to the effect that he thought personalities might enter into this. Mr. Merchant explained that our law required that we satisfy ourselves that military equipment turned over by US be put to the use for which it was intended and that we must satisfy ourselves that it was properly used and maintained. The Ambassador gave the impression of understanding the problem and again indicated that he thought it could be worked out to our mutual satisfaction.

The Ambassador then asked the Secretary if there was anything he could be told concerning the impending meeting of the four heads of government. The Secretary explained at some length the philosophy underlying our concept of the meeting and emphasized that insofar as this country was concerned the two major causes of tension with the Soviets were, first, the captivity of the satellite people (who had million of relatives in this country) and the conspiratorial activity in friendly countries of Communist parties dominated and controlled by the Soviets. He gave a general indication of the range of subjects which might come up though he said, like the meeting in Belgrade, it would presumably be one without an agenda.

The Secretary then asked if the Ambassador had any objection to his issuing the attached statement to the press after the Ambassador departed.² The Ambassador readily agreed and said that he would confine his remarks to the press to the statement that he had had a long and friendly talk with the Secretary and that he had nothing to add to the statement which the Secretary had issued.

²For text of the press release, see Department of State *Bulletin*, June 6, 1955, p. 933. The press release errs in naming Vladimir Popović as the Yugoslav Ambassador.

250. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 28, 1955—midnight.

1035. Department pass Moscow as desired.

1. Tonight at Tito reception for Soviet Delegation I was requested, as were several other Chiefs of Mission, to join party for supper where I had 40-minute conversation with Khrushchev. As discussion became quite animated and practically stopped all other conversation, I am reporting it in some detail as I am sure there will be press accounts appearing tomorrow. I had distinct impression it was a planned affair but perhaps went further than Yugoslavs anticipated. In addition to Soviet Delegation all the top Yugoslav hierarchy was present and two or three other of the Mission Chiefs here.

2. Khrushchev opened the conversation by giving a lecture on corn production and complaining of US criticism. He said that we had failed to comprehend what he had in mind and that in bringing new land into production for corn he was not contemplating grain but silage. It was essential to increase meat production in USSR and he was convinced that Siberian lands were suitable for this type of production. I replied I was not aware of US criticism against raising food production but that growing of corn in my experience was a question of sufficient moisture and perhaps there had been some allusion to the suitability of certain land. I said in any case the question was an agricultural one and not ideological and that perhaps something could be gained from our experience in dry farming in the West.

3. Khrushchev continued by complaining of a general US misunderstanding of Soviet motives insisting that USSR wanted good relations with all countries. He implied that he had the same feeling re Yugoslav relations with other countries and referred to his remarks when he arrived in Belgrade.² I replied I was happy to hear this comment and naturally hoped that it would be possible to develop friendly relations as solutions were found to various outstanding problems.

¹Source: Department of State, Central Files, 661.68/5–2855. Confidential; Niact. Repeated to London and Paris. A copy was sent by the Acting Secretary of State to Goodpaster with a covering memorandum dated May 30, which stated that the telegram might interest the President.

²An unofficial translation of Khrushchev's remarks was an enclosure to despatch 665 from Belgrade, May 27. According to the translation, Khrushchev stated: "The desire of Yugoslavia to maintain relations with all States both in the West and in the East has met with complete understanding on our part. We consider the strengthening of friendship and ties between our countries regardless of their social systems, will contribute to consolidation of peace in general." (*Ibid.*, 661.68/5–2755) The text of Khrushchev's remarks is printed in *Documents* (R.I.I.A) for 1955, p. 265.

4. Khrushchev said that one of the greatest difficulties at arriving at settlement of problems was US determination to negotiate from "a position of strength." He cited recent statements by the President and the Secretary as evidence of US desire to make more difficult the peaceful solution of outstanding problems by negotiation and complained of an American desire to dominate by force. I replied that positions of strength were certainly not unknown to the USSR and recalled that in recent years his country had not been averse to utilizing its strength for purposes of pressure. Khrushchev asked what I meant and I replied that I could personally recall such pressure as the Berlin blockade since I happened to be in Berlin at that time. He then dropped this part of conversation by remarking that perhaps each side could criticize the other for various acts and I said that our decisions were invariably based upon defense considerations. He then made some obscure remark which seemed to be a complaint about our position on the satellite countries but did not pursue the matter further.

5. Khrushchev then launched into a long dissertation on Communism versus Capitalism and complained that we did not understand the desires of the working classes throughout the world. I said that perhaps I had had the advantage of having been both in the US and USSR and that my observation was that the working classes in the US were certainly benefitting to a high degree from the general prosperity. I said I thought whatever the approach to distribution of wealth might be it certainly had to be admitted that Capitalism in the US had brought great benefit to the working classes. At this point Khrushchev got red in the face and became highly personal. He said that I could not possibly understand the attitude of the working classes and their outlook. I replied dryly that I was quite prepared to match my experience as one of the laboring classes with his. This seemed to surprise him somewhat and he asked what I meant. I said that as a young man I had been a farm hand, an iceman, a painter, an apple picker and had worked at a number of other jobs. I said that there could be no greater illusion than to believe that all Americans whom he happened to meet at parties had no manual labor background. This terminated the discussion on Communism and Capitalism.

6. We then turned to the Big Four meeting and Khrushchev said he regretted that difficulties had been raised by US in recent statements made in Washington. I replied that Big Four meeting would no doubt have to concern itself with procedure on how to deal with many difficult problems which had a long history. He then said the solution of these problems were made more difficult by such persons

as McCarthy³ to which I replied that in every country there were differences of opinion on how problems should be dealt with and remarked that even in the Soviet Union there seemed to have been some difficulties with Beria.⁴

7. As is obvious, the discussion was rather animated at this point and Tito intervened to propose a toast to peace. I suggested that we could add the phrase “with justice” to the toast and Khrushchev instead of drinking launched into a long harangue about trade. At this point the Chief of Protocol appeared with another Ambassador and the discussion on trade was never concluded.

8. At one point in the discussion of the Big Four meeting Khrushchev said he would probably not be there as he was not a head of government.

Riddleberger

³Joseph R. McCarthy, Republican Senator from Wisconsin.

⁴Lavrentiy Pavlovich Beriia, Deputy Chairman of the Soviet Council of Ministers until June 1953; Minister of Internal Affairs of the Soviet Union, March 1953–June 1953. Beriia was deposed and executed in 1953.

251. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, June 3, 1955—6 p.m.

1006. Paris pass Wallner and Knight. Embtel 1058.²

1. Subject to more official Yugoslav interpretation when I see Foreign Secretary, following is our preliminary analysis and comment Soviet-Yugoslav conference.

2. Yugoslavia succeeded obtaining Soviet recognition “different forms socialist development are solely concern of individual countries” thus Soviets yielded on issue which heretofore has been basic. Yielding was done by Bulganin in name of Soviet Government and not by Khrushchev in name of Communist party. Nonetheless this is acknowledgement of Yugoslav position on one of main issues be-

¹Source: Department of State, Central Files, 661.68/6–355. Secret; Niact. Repeated to Ankara, Athens, London, and Paris.

²Telegram 1058 from Belgrade, June 2, contained an official translation of the “Declaration of the Governments of the FPRY and the USSR,” issued at the conclusion of the Yugoslav-Soviet talks held in Belgrade and Brioni May 27–June 2. In the communiqué, both governments pledged to take additional steps to normalize their relations. (*Ibid.*, 661.68/6–355) A slightly different translation appeared in *Soviet News* (London), June 3, 1955, and is printed in *Documents* (R.I.I.A.) for 1955, p. 267.

tween them and Soviet Union with possible consequences not only in satellites but other Communist parties. This recognition partially offset by Yugoslavs associating themselves with USSR as countries with common interest in socialism.

3. Yugoslavs have obtained recognition their policy condemnation of military blocs although this doubtful value to west.

4. Although vaguely worded Yugoslavs give impression of supporting "establishment of general system of collective security including system of collective security in Europe based on treaty" which implies approval of Molotov security plan.³ They also give impression of putting establishment such security system before German settlement which is probably useful for Soviet propaganda. In addition, Yugoslavs now officially support pretensions of Chinese Communists to Formosa. Linking of these questions to security pact seems clear indication that Soviets have extracted more far reaching concessions than Yugoslavs indicated they would grant although it can be argued by Yugoslavs these problems only to be solved by creation conditions of confidence and lessening of tension.

5. Yugoslavs seem clearly to have given their support to Soviet effort to break down controls on shipment strategic materials by favoring "removal of all those factors in economic relations which impede exchange of goods."

6. Yugoslavs give impression of having adopted Soviet position on prohibition of atomic weapons although this may be subject to later interpretation.

7. Re Section 3 of joint declaration it seems clear further steps for normalization are contemplated and that closer economic cooperation is envisaged. There is no hint of any monetary compensation to Yugoslavs but these matters may be subject of later negotiation. It may well be that if Soviets are contemplating any compensation they will hold out until they see how subsequent negotiations develop.

8. Statement re mutual cooperation on peaceful uses of atomic energy implies Soviets will assist Yugoslavs but this may be hint to us to offer more assistance.

9. Although question party relationships is not mentioned reasonable interpretation Section 3 paragraph 7 would indicate closer relationships, perhaps through trade unions, are envisaged. Yugoslavs claim they hope to influence Soviets through this declaration. I am told there was terrific battle re this paragraph with Soviets demanding much more and Yugoslavs resisting attempts re-establish party ties.

³Reference is to the Soviet proposals at the Berlin Conference of January-February 1954 on European Security and the general European Treaty. For texts, see *Foreign Relations, 1952-1954*, vol. VII, Part 1, pp. 1189-1192.

10. Impressions: (A) Most high Yugoslav officials with whom tripartite Ambassadors talked last night expressed themselves as highly satisfied with outcome negotiations and thought Yugoslav Government had successfully resisted Soviet pressure. Yugoslav officials claim they most careful on phrasing of paragraphs re European security and German problem although this hardly borne out by declaration. It does not detract from damage to free world interests that most of positions in which Yugoslavs have associated themselves with Soviets were ones which Yugoslavs had already expressly or impliedly taken. In short Soviets astutely took advantage of Tito's already demonstrated neutralist tendencies.

(B) In spite of unsatisfactory character of declaration, there is good reason to believe atmosphere of conference widened rather than narrowed gap between Soviets and Yugoslavs. Tito who was optimistic about visit is reported from good sources to have been clearly disillusioned re real Soviet attitude and is not so convinced as formerly of Soviet peaceful intentions.

Tito also reportedly shocked at some of conversations at Brioni where Soviet boasted World War I had brought communism to Russia, World War II had added Eastern Europe and China and World War III would see it spread throughout world. This shocked Tito who above all wants avoid World War III. Tito also reported as shaken by frank statements of continuation of Stalinist line inside USSR. Other high Yugoslav leaders regard Soviet leaders as second-rate and have doubts about their capacity to conduct negotiations with West. From one excellent source I learned Tito apparently defended West most vigorously at Brioni. Another high Yugoslav official told me Yugoslavs resisted until last their mention of Formosa but finally gave in because it consistent with their general position on China. Another source said Yugoslav Government had no desire to see NATO dislocated.

11. UK, Turkish, Greek and US Ambassadors conferred today on their analyses. UK, French and Greek thought declaration, although unfortunate in some of its phrasing, not too discouraging from viewpoint of West. Turkish Ambassador and I were more pessimistic in our analyses. Subject to what Yugoslav Government may tell us officially, five Ambassadors were of opinion conference with tripartite powers should be held if only for purpose of ascertaining real Yugoslav position following this conference.

12. It now looks as if tripartite Ambassadors will not see Foreign Secretary before Monday⁴ to receive official Yugoslav comment.

13. Department pass Moscow as desired.

Riddleberger

⁴June 6.

252. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, June 28, 1955—8 p.m.

1171. Paris for Knight and Wallner. Rome for Maffitt. The following comments on military aspects talks US-UK-French Ambassadors with Prica:²

1. On main US objective re joint military planning Prica in effect stuck to position taken by Koca Popovic with me that Yugos unwilling discuss military coordination except as directly related to agenda for technical conference (Embtel 928);³ i.e., to discussion shopping list and increased deliveries military aid program. Prica, however, clearly sought to imply some flexibility or possibility of development in this position by suggesting high-level military talks after agreement agenda through diplomatic channels and he repeated several times that agenda reported Deptel⁴ was "only a proposal" and is subject to revision.

2. This behavior seems to me natural corollary following complex of motives: (A) Desire to continue build-up of Yugo military strength with US aid, while (B) maintaining public posture re-emphasizing military factors; (C) maintaining present lofty moral position "above the battle" of military-ideological blocs; (D) making the most of the remarkably happy bargaining position in which they find themselves; (E) keeping the ball in play until the diplomatic events of the summer have revealed more clearly what the future holds.

3. I do not believe that this necessarily forecloses possibility of our moving up slowly and by indirection on some sort of makeshift arrangement that will give us some of the benefits we seek provided we are patient and persistent. But I believe no possibility getting Yugo agreement to discuss joint military planning as originally envisaged. Maximum result attainable in near future would in my opinion be agreement to reveal and discuss Yugo military plans as they relate (A) to portion of the Yugo establishment now receiving aid under MDAP (item 1 proposed agenda); (B) to those additional military ele-

¹Source: Department of State, Central Files, 396.1-BE/6-2855. Secret. Repeated to Ankara, Athens, London, Paris, and Rome.

²Talks were held in Belgrade June 24-27 between Under Secretary of State for Foreign Affairs Prica and the U.S., U.K., and French Ambassadors on political and military matters. The communiqué issued at the conclusion of the talks is printed in *Documents (R.I.I.A.)* for 1955, p. 276.

³In telegram 928 from Belgrade, May 10, Riddleberger reported on his meeting with Foreign Minister Popović on May 10, during which the military aid programs were discussed. (Department of State, Central Files, 768.5-MSP/5-1055)

⁴Reference is to telegram 947 to Belgrade, May 23, in which the Department indicated the general topics which should be included on the agenda of the discussions. (*Ibid.*, 668.00/5-2355)

ments for which they propose and we agree to discuss aid (remainder of proposed agenda). I believe this should be our minimum objective.

4. After consultation with British and French Ambassadors, I believe we should explore with Prica possibility securing adequately precise agenda before making decision of whether to agree to proposed "high-level military conference." However, if we make progress along these lines believe I will eventually need guidance US position regarding additional military assistance envisaged (B) above (items 2, 3, and 4 proposed agenda).

5. Logic of foregoing is that effort to work out precise agenda (within limits guidance re items 2, 3, and 4) would result in either substantial expectation re solution of problems or an impasse which might force US to take a decision as to future aid program for Yugoslavia.

6. Request authority initiate discussions agenda with Prica soonest in coordination with British and French Ambassadors on understanding that no commitment, expressed or implied, with respect future military aid.

Riddleberger

253. Memorandum of a Conversation Between the President and the Secretary of State, White House, Washington, August 11, 1955, 9:15 a.m.¹

[Here follows discussion of a subject unrelated to Yugoslavia.]

2. We discussed the problem of Yugoslavia. I said that the Defense people had choked off the military pipeline so that from now on nothing would be going forward. I said that I felt that they saw the matter primarily in terms of building Yugoslavia into a strategic group linking Turkey and Greece with the forces of NATO in Western Europe, and that with this prospect dim, the Defense people, or at least the JCS, saw no future in military aid to Yugoslavia.

I said that I considered it extremely unlikely that Yugoslavia would ever again go under the yoke of Moscow leadership because it would be very stupid of them to do so unless pressed by powerful economic necessity. I said I rather foresaw that Tito now had the ambition to make himself the leader of a group of Communist states and attract them away from Moscow. I had particularly in mind Hungary, Rumania and Bulgaria. I said that Tito had stood for the

¹Source: Eisenhower Library, Dulles Papers. Top Secret; Personal and Private. Drafted by Dulles.

Bukharin brand of Communism which believed that you would have Communism on a national basis and that Communist countries need not necessarily be under the iron discipline of the Soviet Communist Party as the leader of the world proletariat.

I said that if this was his ambition, it was one that we could afford quietly to countenance.

I reported that we felt there was need to take some new soundings in Yugoslavia; that the suggestion had been made that General Collins should go but I thought that Murphy would be better qualified, having regard to the delicate political nature of the task. The President expressed himself as very strongly of this same view and said he did not think that Collins would be the right person to send.

Subsequently speaking with the President on the phone, he said that I could authorize Murphy, at his discretion and if he thought it was important, to convey an invitation from the President to Tito to visit the United States sometime during the latter part of this year. He did not want this used unless it seemed really necessary.

[Here follows discussion of a subject unrelated to Yugoslavia.]

254. National Intelligence Estimate¹

NIE 31-2-55

Washington, September 7, 1955.

YUGOSLAVIA'S INTERNATIONAL POSITION²

The Problem

To reassess Yugoslavia's present and future international position and to estimate the probable effects of possible US courses of action with respect to Yugoslavia.

Conclusions

1. We believe that the dominant concerns of the Yugoslav regime, at least so long as Tito remains alive, will be to insure its own survival free of foreign domination and to advance its own influence and prestige on the world scene. Despite Tito's Marxist world outlook, we believe that he will continue to regard his interests to be best served from a flexible position in which Yugoslavia can achieve benefits from both power blocs with a minimum of commitments to either. (Paras. 23, 25)

2. We have carefully considered the possibility that Tito may have decided that his interests can best be served from a position within rather than outside the Communist orbit, and that he has made an agreement with Moscow to rejoin the Bloc. His present maneuvers might thus be designed to prepare the way for open acknowledgment of such an agreement. We consider it unlikely, however, that Tito has come to this decision or has made such an agreement with Moscow. Even if he were fully convinced that the USSR

¹Source: Department of State, INR-NIE Files. Secret. National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided many political and some economic sections of NIEs.

According to notes on the cover sheet, "the Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Air Force, and The Joint Staff" participated in the preparation of this report; this report "supplements NIE 31/1-55 and supersedes portions thereof." NIE 31/1-55, "Yugoslavia and Its Future Orientation," May 19, is not printed. (*Ibid.*)

²This estimate re-examines Yugoslavia's international position in the light of developments since publication of our last full-length treatment of Yugoslavia, NIE 31/1-55: Yugoslavia and its Future Orientation, 19 May 1955. It is designed to supplement rather than completely replace that estimate. [Footnote in the source text.]

was prepared to take Yugoslavia back, not as a Satellite but as a partner, a position in the Bloc would still offer Tito and his key associates great personal danger and would be unlikely to offer any great advantages to compensate for the loss of world-wide influence and prestige which Tito's independent policies have won for him. (Para. 24)³

3. Tito will continue to take advantage of opportunities to profit by the USSR's present show of friendship, to test Soviet good faith, and to encourage the readjustment of Soviet relationships with the Satellites and with the non-Communist world which he hopes is in the making. This process is likely to be marked not only by further economic and cultural cooperation but also by cautious moves toward re-establishment of party-to-party relations. (Paras. 26-30)

4. However, we believe that as long as Tito is in power this process of political rapprochement will not result in Yugoslavia's realignment with the Bloc unless the USSR proves willing to make such modifications in the nature of its relationships with the Satellites as to convince Tito that he would have real opportunities for independent leadership and influence in the Communist world. We feel safe in estimating that there is a pro-Soviet element in the Yugoslav Communist Party that is now pressing for closer ties with Moscow, but we are uncertain as to its leadership and extent. However, Tito is clearly in firm control. In the event of Tito's death such a pro-Soviet element could well exert dominant influence, especially if a confused struggle for power took place. (Paras. 31-34)

5. Given a continuation of the USSR's present conciliatory behavior, Yugoslavia will probably continue to preach "peaceful coexistence" and may toy with the idea of some form of buffer alignment in Europe. It will support various Soviet and Chinese Communist diplomatic moves, and will display increasing indifference toward its military ties with the West. However, it will still wish aid and trade ties with the West, will display continuing interest in economic regional cooperation with Western states, and will look to the West as a potential source of support against possible Soviet designs. (Paras. 32, 35-37)

6. Yugoslavia's adherence to its Balkan Alliance commitments in time of war is doubtful, and its wartime usefulness to the West is uncertain. We believe that the Yugoslav regime would endeavor to remain neutral in a general war, at least until the situation clarified. We also believe, however, that Tito would fight if directly attacked, and might also enter the war, not because of his Balkan Alliance commitments, but as a consequence of his judgment as to the course of hostilities and as to the advantages which he might gain from par-

³Footnote in the source text [*14 lines of source text*] not declassified.

participation. Ultimately, Tito might consider it advantageous, and perhaps even essential for the survival of his regime, to join the winning side before the end of hostilities. (Paras. 37–38)

7. Present US ability to affect the process of readjustment in Yugoslavia's international position is limited:

a. Although the Yugoslavs desire additional US military and more particularly economic aid, they would almost certainly refuse to make more than minor concessions to obtain it. They are probably prepared to accept a substantial reduction in military aid. (Paras. 40–41, 44)

b. Should a substantial reduction in economic aid actually take place, Yugoslavia's ability to pursue major economic goals would be severely limited, and its tendency to look to the Bloc for increased trade and credits, which will in any case be evident, would be intensified. However, such a cut would not critically endanger Yugoslavia's economic viability if the regime accepted the need for austerity measures, and we do not believe that Tito would allow himself to become economically subservient to the Bloc. (Paras. 41–43)

c. A substantial reduction in US economic aid would cause considerable Yugoslav resentment and would somewhat impair Tito's bargaining position as against Moscow, though it would not in itself impel the Yugoslavs to move politically closer to the Bloc. (Para. 44)

[Here follows the "Discussion" section, comprising paragraphs 8–44.]

255. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Secretary of State¹

Washington, September 16, 1955.

SUBJECT

Suggested Lines of Policy and Tactics for my Talks with Yugoslav Officials in Belgrade During Last Week of September

In anticipation of my forthcoming discussions with President Tito and other Yugoslav officials in Belgrade which will begin about September 27, it seems appropriate to submit to you this memorandum on the state of U.S.-Yugoslav relations which summarizes the situation with which we are faced and seeks your approval for certain policy and tactical lines recommended at the memorandum's conclusion.²

¹Source: Department of State, Central Files, 611.68/9-1655. Secret. Drafted by Mark.

²Regarding the origins of the Murphy mission to Yugoslavia, see Document 253.

Factors Governing Yugoslavia's Position:

There are a number of factors operating to pull Yugoslavia's leaders towards and others to draw them away from both the Soviet bloc and the Free World. The primary lure of the Soviet orbit results from the ideological affinities between it and the Yugoslav regime, now partially reflected in a renewal of Communist Party ties. While there can hardly be any significant faction in the Yugoslav Communist Party whose primary loyalty is to the USSR rather than to Tito, it is nevertheless true that many Yugoslav Communists feel more at ease in a Communist milieu—which is only natural in view of their backgrounds and their still proclaimed belief in the inevitability of the eventual socialization (though not necessarily via revolutionary methods) of the entire world. Reinforcing these considerations is the fact that the Soviet bloc is a natural economic and trading partner for Yugoslavia. This was highlighted on September 1 by a new Soviet-Yugoslav economic agreement which provides in principle for a much expanded level of trade in each of the next three years (\$35,000,000 in each direction), generous Soviet credits for the purchase of Soviet raw materials (\$54,000,000 over a three-year period to be repaid in 10 years at 2 percent interest), a \$30,000,000 Soviet "gold" loan (on identical repayment terms), miscellaneous investment loans in medium-sized fertilizer plants and mines, and the promise of peaceful atomic energy collaboration. According to the chief Yugoslav negotiator, Vice-President Vukmanovic-Tempo, the program will require further discussion of and agreement on details in January 1956 before implementation can begin. From the still incomplete information now available, it does not appear that carrying out this new accord with the USSR will necessarily involve the Yugoslavs in any Battle Act³ violations. Besides these economic and ideological factors, the Yugoslavs will also be inclined to accommodate themselves to the Soviet Union to the extent that they consider that this assists them in the active pursuit of their goal of obtaining a position of leadership in an Eastern Europe composed of national Communist (Titoist) states—a goal which can only be reached if the Soviets agree to relax their grip on some of the satellites.

Countervailing factors inclining the Yugoslav regime toward the Free World are also numerous. First of all, popular sympathies (which probably extend even to a majority of rank and file Party members) are overwhelmingly oriented towards the West. Although the regime does enjoy secure control over the internal political scene, anti-Western policies would only increase latent discontent. Second-

³The Mutual Defense Control Act of 1951, approved October 26, 1951, forbade U.S. assistance to countries shipping strategic goods to Soviet-dominated areas; 65 Stat. 644.

ly, despite recent trade and economic agreements with the Soviet orbit, the Yugoslav economy and its commerce will still be predominantly tied to the Free World both for normal commercial transactions (70%–80% of total trade) and for special credits and economic assistance. Thirdly, potential military threats to Yugoslavia come only from the Soviet bloc. Moreover, a flow of spare parts and replacement equipment from the West (primarily from the U.S.) is essential for the maintenance of the armed forces. A fourth consideration stems from Tito's quest for international prestige and importance, a status which he will lose if he resubmerges himself into or identifies himself too closely with the Soviet bloc. Finally, the regime is interested in maintaining its special ties to Free World Social-Democratic parties, which would probably cease if Yugoslavia became too closely identified again with the Soviet world.

Yugoslavia and United States Policy Objectives:

The divergent factors influencing the regime have led it to adopt a policy of playing one side off against the other to extract the maximum gain possible for itself. This policy precludes over-attachment to either major world power grouping and, they believe, offers the best hope of preserving the nation's military and economic strength and independence. At the same time, it allows Yugoslavia to maintain good relations with both East and West and to be especially active in promoting a world-wide détente (in recognition of the fact that a major war would be likely to be fatal to the regime regardless of the winning side).

Since the United States shares the regime's own objective of an independent and reasonably strong Yugoslavia, it is willing to countenance the regime's tactics in the full realization that the regime will continue to utilize every suitable form of pressure available to gain further concessions and support from the U.S. In this situation, it is in the U.S. interest to maximize the pull upon Yugoslavia of the above-enumerated factors inclining Yugoslavia to the Free World and to minimize attractions to the Soviet orbit.

Current U.S. Military and Economic Aid Programs for Yugoslavia:

In a desire to bolster Yugoslavia's position during the period of great Soviet pressure against Tito (July 1948–1954), the U.S. has made available sizable amounts of military and economic assistance to Yugoslavia. In the past several years, the U.S. has given Yugoslavia \$503,200,000 worth of economic aid (almost all in the form of grants), well over half of which consisted of shipments of food and other agricultural surplus commodities. In addition, the Export-Import Bank has extended Yugoslavia a long-term loan of \$55,000,000, and U.S. backing has been an important factor in getting

for Yugoslavia over \$400,000,000 in loans and credits from various sources in Free World countries and from the IBRD. Yugoslavia is presently seeking large additional U.S. wheat and cotton grants in FY 1956, another Export-Import Bank loan, and U.S. "good offices" in supporting Yugoslav moves to ameliorate the terms of its indebtedness with other Western countries and in that way to assist in achieving an eventual balance of Yugoslavia's foreign payments.⁴

From FY 1950 through FY 1955, \$772,200,000 has been programmed in military aid, but this total is now being revised to add at least \$150,000,000 for jet aircraft. The Army program of \$534,400,000 was 81% delivered as of May 31, 1955. [16 lines of source text not declassified]

[4 paragraphs (1-1/2 pages of source text) not declassified]

Recommendations:

In this situation, I request that you approve the following recommended course of action which I propose generally but flexibly to follow in Belgrade:

1. Transmit President Eisenhower's letter of introduction and explanation to Tito.⁵

2. Launch into general political conversations which will bring up to date the over-all world and European review made during the talks in Belgrade from June 24 to 27 between the U.S., U.K. and French Ambassadors and the Yugoslav Acting Foreign Minister.⁶ Use these talks to feel out the fundamentals of the Yugoslav position. Explore the seriousness of the regime's intentions and expectations for a disruption of Soviet domination of the satellites, not discouraging Yugoslav ambitions in this direction, but bearing in mind both the possible disadvantages to the U.S. of a grouping of national Communist (Titoist) states in Eastern Europe, and the risks of extended U.S. involvement in Balkan Affairs.

[Numbered paragraphs 3 and 4 (33 lines of source text) not declassified]

⁴The Yugoslav Defense Support Program for fiscal year 1956, contained in the Mutual Security Act for fiscal year 1956, was debated by Congress throughout the summer of 1955. Congress questioned the wisdom of a continued appropriation for Yugoslavia in the amounts suggested by the administration, in view of Yugoslavia's increased neutrality and apparent rapprochement with the Soviet Union. Congress also expressed concern over Yugoslavia's lack of cooperation with the AMAS Program. Congress did finally agree to continue assistance for Yugoslavia, although at a reduced amount, for fiscal year 1956 under the terms of the Mutual Security Program. (69 Stat. 283) Congressional attitudes were discussed in telegram 1015 to Belgrade, June 14 (Department of State, Central Files, 768.5-MSP/6-1455); telegram 56 to Belgrade, July 21 (*ibid.*, 768.5-MSP/7-2155); and Icato A-22 to Belgrade, July 27 (Washington National Records Center, ICA Message Files: FRC 57 A 248).

⁵*Infra.*

⁶See Document 252.

5. Inform the Yugoslavs of U.S. readiness to undertake certain measures of economic assistance. Have authority, to be used as seems best depending on the progress of the discussions, to advise the Yugoslavs that the U.S. is ready to discuss economic aid under the FY 1956 mutual security program. Advise them also that the U.S. is ready to furnish certain tonnages of wheat and cotton which they require. (Clearance in principle for these aid programs is under way with the Department of Agriculture, ICA and other interested agencies.) If the Export-Import Bank agrees, inform the Yugoslavs that the Export-Import Bank is prepared, in principle, to respond favorably to their request for a loan for the development of a copper mine (which the Soviets are probably also interested in developing).

6. Reaffirm to the Yugoslavs the U.S. readiness to offer constructive advice and help in their current and long-range economic problems, and offer our "good offices," as appropriate, in Yugoslavia's approaches to its medium-term creditors.

7. Clear the way for final conclusion of the Facilities Assistance Program contracts amounting to just over \$2,000,000 (legal deadline for action is October 1).

8. Offer cooperation on atomic energy questions (S/AE has agreed to discussions with the Yugoslavs on furnishing a research reactor and fuel for it and on inviting Yugoslav scientists and technicians to attend non-sensitive training courses in the U.S.).

9. Deliver to Tito President Eisenhower's letter inviting Tito to visit the U.S. this fall if it appears advisable and necessary to do this in re-establishing U.S.-Yugoslav relations on a firm footing. Alternatively, if the invitation is not delivered, refer to informal indications by the Yugoslav Embassy in Washington of Tito's wish to have you visit Belgrade and inform the Yugoslavs that you would like to pay an official visit to Yugoslavia and are prepared to do so within the next six months on some mutually agreed occasion when your schedules permit.⁷

⁷The source text bears handwritten revisions of paragraph 9 by Secretary Dulles. The paragraph reflecting these changes, read as follows: "If authorized by me at the time, deliver to Tito President Eisenhower's letter inviting Tito to visit the U.S. this fall if it is agreed by you and us in Washington, that it is advisable and necessary to do this in re-establishing U.S.-Yugoslav relations on a firm footing. Alternatively, if the invitation is not delivered, refer to informal indications by the Yugoslav Embassy in Washington of Tito's wish to have you visit Belgrade and inform the Yugoslav Embassy in Washington of Tito's wish to have you visit Belgrade and inform the Yugoslavs that you would like to pay an official visit to Yugoslavia and are prepared to do so within the next six months on some mutually agreed occasion when your schedule permits. This to be cleared in advance by me, if conditions permit." An undated draft letter from President Eisenhower inviting Tito to visit the United States in 1955, which is marked "not sent," is in Department of State, Presidential Correspondence: Lot 66 D 204, Tito.

256. Letter From President Eisenhower to President Tito¹

*Denver, September 19, 1955.*²

DEAR MR. PRESIDENT: When Secretary of State Dulles informed me that he had arranged for Mr. Robert Murphy to visit Belgrade again³ to engage in discussions concerning various matters of mutual interest, I was happy to have this opportunity to address myself personally to you and to express my hope and expectation that his conversations with you and other members of your Government will result in a useful contribution to the good relations between our countries.

I know that we both firmly share a common desire to see an evolution and improvement of the international atmosphere take place so that the world will be freed from the threat of war and human and material resources now used for military purposes can be diverted to improving living standards. The United States Government is now engaged in working on the many diplomatic problems involved, some of which will be discussed at the forthcoming conference of Foreign Ministers in Geneva. The interim period, during which the outcome of new trends is still uncertain, is, of course, a difficult time for us all, and I can appreciate the pertinence of the many ideas on world issues expressed from time to time by representatives of your Government to American officials, even when they do not wholly accord with the outlook prevailing in my country. It is my hope that in the trying but hopeful months ahead, nations such as ours, which have stood together through the adversities of recent years, will continue their close association and will work to resolve mutual problems in a spirit of conciliation for their common benefit and as part of the general attempt to relieve the world-wide tensions which have been so menacing to us all.

I know that Mr. Murphy will wish to exchange views with you and your officials on the general trend of world affairs and that also some of the joint programs in Yugoslavia in which the United States participates with your Government will enter into his conversations. It is hardly necessary for me to observe that the United States has always sought to implement these programs in all countries in a spirit of full equality corresponding to the conviction that any effective international cooperation depends on the free and voluntary

¹Source: Department of State, S/P-NSC Files: Lot 62 D 1, Yugoslavia. Secret. Delivered by Murphy during his visit in Yugoslavia September 27-October 1.

²The President was recuperating from a heart attack in Fitzsimmons Hospital in Denver, Colorado.

³Murphy visited Belgrade in September 1954 in an effort to resolve the Trieste controversy.

choice by the people and government of each side of the agreed course of collaboration. In pursuance of this fundamental principle, Mr. Murphy will wish to discuss various questions bearing upon our military relationships and the United States military assistance program for Yugoslavia. The purpose of the aid program has always been clear to me. I have assumed that we shared a common objective—the achievement of a posture of Yugoslav military strength sufficient to discourage incursions onto Yugoslav soil by potential aggressors. You will, no doubt, agree that it would be untimely to relax vigilance while international affairs still remain in an unsettled state.

I am sure that Mr. Murphy will be anxious to be helpful in discussing any matters which you feel can profitably be raised at this time and that he will faithfully relay to Secretary Dulles and to me your views on questions of mutual concern.

With my warm personal regard and best wishes for the success of our common endeavors,

Sincerely,

Dwight D. Eisenhower

257. Memorandum of a Conversation, New York, September 22, 1955¹

SUBJECT

Various Subjects

PARTICIPANTS

Mr. Koca Popovic—Foreign Minister of Yugoslavia

Mr. Leo Mates—Yugoslavian Ambassador to the US

Secretary Dulles—US

Mr. Norman Armour, Jr.—US

Mr. Popovic expressed pleasure at the visit of Under Secretary Murphy but said he hoped this would not prevent a visit from the Secretary himself. The Secretary replied that he would try to drop down to Yugoslavia following the Geneva conference.

The Secretary said he was very pleased at the “good fellowship” which existed between the Yugoslavs and the United States. He said he was also pleased at the increased influence Yugoslavia was play-

¹Source: Department of State, Central Files, 611.68/9–2255. Confidential. Drafted by Armour, an adviser on Political and Security Affairs at the Mission at the United Nations. Secretary Dulles, Foreign Minister Popović, and Ambassador Mates were in New York in connection with the Tenth Regular Session of the U.N. General Assembly, which convened on September 20.

ing in that part of the world. He said that while the United States did not agree with the Yugoslav form of government, we did agree with the independent nationalistic line they are taking and that he personally was not all all worried about the new ties the Yugoslavs were developing with the Soviet Union. He said that Yugoslavia had managed to assert their independence and their present approach to international relations was a sound example to the rest of the world. The Secretary continued that while there might be less United States military aid to Yugoslavia, we were still anxious to support their independence and enhance their prestige, but that the United States was not at all anxious to have them considered a part of the United States bloc.

Popovic replied that he was very pleased to hear the Secretary's views and that considering present circumstances it was quite logical that United States military aid should diminish. He pointed out that Tito himself had said good United States-Yugoslav relations should not depend on United States military aid and that excellent relations could endure even if United States aid became superfluous.

The Secretary then introduced the subject of Greece and Turkey and said that the situation had been allowed to get completely out of hand; that emotion bred emotion and that since Papagos was a very sick man, there was nobody in the Greek Government strong enough to sober up the country. He said the situation threatened the Balkan Alliance, that there was great need for a strong government in Greece so that Greece and Turkey could continue as active members of NATO and the Balkan Alliance.

Popovic said that it would be very difficult to find a replacement for Papagos.² He also said that what had happened in Istanbul to Greek merchants was terrible and that the Turks had been too late in their apologies.³

The Secretary then referred to the proposed sale of arms by Russia to Egypt which disturbed him greatly. He was particularly concerned that the Israelis might attack Egypt before the sale was consummated. He said that the United States had always tried to maintain a balance from a military point of view between the two countries.

Popovic replied that his government had listened to Dulles' August proposal with great interest and that they heartily approved this plan which did not depend upon a balance of arms.⁴

²Constantine Karamanlis formed a new government in Greece in October following the death of Prime Minister Alexandros Papagos.

³Reference is to anti-Greek riots in Istanbul and other Turkish cities in September.

⁴Reference is to the Secretary's August 26 address regarding the Middle East; for documentation, see volume xiv.

The Secretary said he had been particularly encouraged that his proposal had not been rejected by either side. He said that in his speech at the General Assembly this morning Fawzi (Egypt)⁵ had not been very nice, but at least he had not rejected the Secretary's proposal.

Popovic agreed and again warmly referred to this "courageous offer" of the United States.

⁵Mahmoud Fawzi, Egyptian Minister of Foreign Affairs and Chairman of the Egyptian Delegation to the General Assembly.

258. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, September 27, 1955—7 p.m.

331. From Murphy. President Tito having indicated he preferred to meet today instead of September 28, I arrived in Belgrade last evening. After briefing with Ambassador Riddleberger, General Hains, USOM Killen and staff, Riddleberger and I made courtesy call this morning on Acting Foreign Minister Prica and then we called on Tito at White Palace. He was accompanied by Prica and Vilfan.

During course of conversation of over 1 hour Tito outlined his views on Soviet and European trends, a good deal of which has emerged from other conversations. He began by sympathetic reference to President Eisenhower, expressing his hope of prompt and full recovery which I promised to relay. He then launched into extensive review political situation.

1. Yugoslavia intends remain independent and retain its ties with the West.

2. Soviet change of attitude after death of Stalin generated by failure of Soviet policy to achieve positive results. "Russians found themselves in a blind alley" and were losing ground. They had internal difficulties but those not main reason for change. The change is substantial and long-term and not merely tactical. Internal changes are evidence of this. Conversations last May with Bulganin and Khrushchev did not elicit any proposals or result in any agreement embarrassing to Yugoslavia's relations with the West. He said there were no commitments going beyond Belgrade declaration. The

¹Source: Department of State, Central Files, 110.13-MU/9-2755. Secret; Limit Distribution.

danger of war has definitely receded. Soviet leaders do not want war. Tito is confident Yugoslavia able to cope with present Soviet personalities and policies.

3. Germany now focal point of Soviet attention. Tito does not intend to recognize DDR East Germany, as he said this could lead to further complications at this time. Soviets unable accept reunited Germany in NATO framework but this is problem only time will solve. In Tito's opinion Germany practically immune to Communism and he sees little if any risk for German Federal Republic in closer relations or eventual consolidation West and East Germany. He asserted Germany "would never go Communist".

4. Tito brought up Balkan relations by chuckling over Bulganin's cynical remarks to him to effect USSR "not opposed to Balkan alliance". Russians planning active campaign to improve Soviet-Turkish relations. Soviets do not plan aggressive moves in Balkans. However, Yugoslavian relations with satellites have not improved. Conversations with Hungary have recently broken down because Hungarians utterly unreasonable insisting on settlement of Yugoslavian claims amounting to some \$500 million by offer of about \$20 million. These negotiations he said conducted without Soviet interference or pressures. Tito said Hungarian Government needed money and might resort to internal loan blaming necessity on Yugoslav claims. In reply to my question Tito said no negotiations with other satellites had been undertaken yet.

5. When he had finished I gave brief outline our views prefacing remarks with statement of friendly and cooperative attitude vis-à-vis Yugoslavia unchanged. I outlined essence Secretary's thinking on Soviet trends, German and European security without divulging, of course, information re security plan. Emphasized importance attached to German unity as separate item requiring priority consideration. Described our satisfaction results Adenauer's Moscow visit.² (Tito said he agreed with our viewpoint.)

6. I said naturally there had been, as Tito knew, widespread speculation effect on Yugoslavia of Soviet changed policy and that his reassurances this point valuable.

7. I expressed our interest in Tito's Balkan position, his relations with satellites, and said frankly that perhaps he would care to study possibility our eventual cooperation and help develop idea on promoting Yugoslovian type national Communism in satellites as distinguished from centralized system. This struck responsive chord and Tito became even animated. Tito said he wanted give question very serious study. He doubted present state public opinion would permit Yugoslavia offer food supply to Hungary but there might be other

²Chancellor Konrad Adenauer visited the Soviet Union September 8-13, 1955.

possibilities. He would talk to us after he had thought it over and said the idea appealed to him.

8. After lunch, during which he denied playing golf but said rheumatism prevented his swimming and tennis, said he would be delighted if the Secretary could visit him incident to Secretary's stay in Geneva. We agreed to meet with Vice President Tempo this evening on economic questions and Defense Minister Gosnjak tomorrow on military matters.³ Tito said after these meetings he wanted to see me again on September 30. I outlined our difficulties with heads military personnel and he promised to send word down the line to remedy the situation. He was confident difficulties could be eliminated.

Riddleberger

³The meeting with Svetozar Vukmanović-Tempo is summarized *infra*. Murphy reported on his meeting with General Ivan Gošnjak in telegram 364 from Belgrade, October 1. (Department of State, Central Files, 110.13-MU/10-155)

259. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, September 28, 1955—noon.

333. From Murphy. Accompanied by Riddleberger and Killen I met almost two hours afternoon September 27 with Tempo, Nenad Popovic,² Prica and Milovanovic. At my suggestion Tempo launched into presentation Yugoslav economic position along lines very similar to other recent expositions. In listing economic problems, he first noted hard terms of inescapably recurring short-term debts for raw materials and then went on to outline medium term debt repayment difficulties. Next topic was investment program total of which had to be curtailed while remaining amounts were redirected into agriculture at first priority with metallurgical development as low second. Current trading pattern led to chronic annual dollar deficit, particularly for wheat, coke, petroleum and certain rolled steel products. Hand to mouth status of material reserves was also major problem since it made health of economy subject minute fluctuations in supply situation.

¹Source: Department of State, Central Files, 110.13-MU/9-2855. Secret; Niact; Limit Distribution.

²Economic Counselor, Yugoslav Secretariat of State for Economic Affairs.

Tempo pointed to regime's plans solve difficulties and explained how Soviet economic agreement helps Yugoslavs.³ Hard currency and a gold loan may be used to redeem gold now being held by IMF and/or BIS, thereby saving interest charges. He expressed hope approaches to Western creditors will (after bilateral talks) result in re-scheduling present medium term debts to long term basis. Expanded Soviet trade will reduce dollar import needs (cotton, petroleum, coke) but not displace dollar exports significantly except for 6,000 tons lead annual. Soviet three year \$54 million credit will help finance this increased trade and contribute to liquidation of short term debt now used for new material purchases. Soviet investment credits (fertilizer plants, etc.) will then fit perfectly into new Yugoslav emphasis on boosting agriculture.

Nevertheless Soviet assistance is neither wholly adequate nor satisfactory re terms. Although Russians seemed hold out offer of wheat, purchase from Soviets would upset balance of payments plans or tie up \$54 million credit needed for other items. Moreover Yugoslavia will need about 500,000 tons wheat annually next 3 to 5 years. It hoped for US grant of 700,000 to 800,000 tons FY 1956 and then it might be able cover needs later years void US commodity loan. In any event speedy decision was necessary since only two months supply now on hand and purchases from peasants moving slowly. Yugoslavs recognized essentiality of increased exports (possible Majdanpek and other non-ferrous mining and mineral processing loans aimed at this, as did "austerity" cutback in new industrial investments to increase items available for export and new attention to agriculture so as reduce food import costs for rapidly growing population), but this was longer term issue not affecting current wheat problem.

I explained to Tempo that we viewed problems sympathetically from unchanged friendly position towards Yugoslavia. Yet we had number of unresolved questions with Yugoslavs in economic, political and military fields. Latter issues seemed simple, and, since they had been worked out between US and all other countries involved in MDAP programs, I was optimistic on results here. I had come however to review all these things, and Tito had urged me see Yugoslav officials concerned to work out difficulties. I was to see Defense Minister Gosnjak next day and could address myself to Tempo's needs better after I assessed military picture because many Congressmen viewed all kinds of aid together and also wanted to know where

³Telegram 549 from Moscow, September 2, contained a summary of the Yugoslav-Soviet economic negotiations which took place August 23-September 1 and of the agreement reached at the end of the discussions. (Department of State, Central Files, 661.68/9-255)

Yugoslavia was heading. I was personally hopeful that we could help Yugoslavs on economic matters but this would have to await second meeting with Tempo later.

Tempo responded with reiteration position on Battle Act (no intention violate since that would be political gesture) and then declared with some emotion that friendship with US permanent whether future aid given or not because past generous aid had made present Yugoslav position possible. Our feeling is that Tempo was both frank and friendly and that trip to Moscow may have eliminated certain illusions about relations with Soviets.

My approach was intended as bargaining tactic to give Yugoslavs impression I intend associate economic with military aid although I have not categorically made granting of one depend on other. I feel meeting with Gosnjak today may well be key to whether this tactic will bear fruit. If Gosnjak sticks to hard line on military problems, we shall have to weigh line most carefully before revisiting Tempo since final clean-up meeting with Tito now set for September 29⁴ at which anything might happen (including break in log jam if one still exists by then).

Although Mark has informed me of Export-Import Bank position on mention to Yugoslavs of possible favorable US attitude on Majdanpek, I feel it might be highly useful in second meeting with Tempo (assuming Gosnjak talk goes well) for me be able for political reasons give him some indication of favorable US reaction.

Riddleberger

⁴No record has been found of another meeting between Murphy and Tito.

260. Letter From President Tito to President Eisenhower¹

Belgrade, September 30, 1955.

DEAR MR. PRESIDENT: I appreciate highly your message delivered to me by Mr. Robert Murphy during his visit to Beograd.² I was very pleased to find expressed in your letter the same concern and aspirations we feel regarding the preservation and security of peace, the creation of better living conditions and international cooperation, and especially regarding the necessity of permanent friendly collaboration between the United States of America and Yugoslavia.

¹Source: Eisenhower Library, Whitman File, Dulles–Herter Series. Unclassified.

²Document 256.

I am certain that the same spirit of tolerance and understanding to which you, Mr. President, contributed so much at the Geneva Conference, and which gave release and so many hopes to worried mankind, will prevail at the next Conference of the Four Foreign Ministers. None of us expects that all, or even the majority, of the most important controversial international problems will be solved at that meeting, but any new progress will mean a great deal for further easing of tension in the world and for the creation of confidence in the possibility of peaceful settlement among states.

It is a great satisfaction to me to be able to say that I and my associates had friendly and successful talks, and exchanged points of view, with Mr. Murphy about all the problems that concern our two countries. It was apparent on both sides that no change of any significance in foreign policy and in our relations had taken place. Yugoslavia is firmly resolved to continue pursuing a policy of principle, a policy of friendly collaboration with the United States of America, and the other countries in the West and throughout the world. I can assure you that we value above all the independence we won through such tremendous efforts and sacrifices.

The process of normalization of our relations with the Soviet Union and the other Eastern countries is unfolding on a basis of equality and respect for independence and sovereignty. The process is not developing uniformly or with equal success with all these countries, but rather on an individual basis and in conformity with mutual respect for one another's interests. Let me assure you that the normalization of these relations, no matter how successfully it may proceed, in our opinion cannot and should not take place at the expense of our relations with the Western countries. For, if that were so, we would not achieve what we desire most: the preservation of peace and pacific friendly coexistence and cooperation among states and peoples.

I know that recently there have been in the West certain unjustified doubts regarding Yugoslavia's intentions. In such a case, it is important to have an exchange of views at the highest level, as was the case now, because that is the easiest way to eliminate misunderstandings. I entirely agree with you, Mr. President, that we do not always follow the same road on matters of foreign policy, but I am confident that there will be no differences of opinion between us regarding the most important questions relating to peace or war. In addition to this, there are still many other problems of an international nature towards which we have similar attitudes and regarding which the possibility for profitable cooperation exists.

In conclusion, I should like to thank you for your efforts and your assistance in bringing these talks to such a successful close.

May I wish you a speedy and complete recovery.

With sincere wishes and greetings,
Yours,

J.B. Tito

261. Memorandum From the Secretary of State to the President¹

Washington, undated.

Remembering our conversation of August 11,² when I reported that we felt that there was some need to take some new soundings in Yugoslavia, these have been completed. The results are encouraging.

As far as Tito is concerned personally, Murphy found that his attitude on the subject of continuing cooperation with the United States was more clearly expressed than at the time of the Trieste negotiations. In reply to your letter, Tito has sent you the enclosed letter of September 30.³ He spoke of your indisposition with unaffected sympathy. This may have been accentuated due to the fact that he himself at the moment was suffering from an acute attack of rheumatism, for which he is now undergoing a cure.

The difficulties which prevailed between our personnel in Yugoslavia and the local military authorities on the subject of our military aid program have been resolved. The Country Team, the European Command, and the Defense Department are agreed on the resumption of deliveries of military equipment. There will be deliveries of a few items which have been delayed and which are immediately available. At the same time, the entire program is being reexamined

¹Source: Department of State, S/P-NSC Files: Lot 62 D 1, Yugoslavia. Secret. Drafted by Robert Murphy on October 7. A typed notation on the source text, initialed by Murphy, indicates that Dulles said that he would use this memorandum "as a talking paper" with the President. Dulles met with the President on October 11 at Fitzsimmons Hospital in Denver. In his memorandum of their conversation, dated October 11, Dulles noted: "I said that Bob Murphy had come back from Belgrade and had had a most successful visit with Tito and his principal aides. I thought that he had pretty well cleared up the concrete points of friction between us. The President said he was happy with this result. He said he had a high regard for Murphy and his ability to deal with problems of this kind. I said that Murphy had brought back a letter from Tito to him (the President) which I was leaving with Sherman Adams, together with a draft of a possible reply, both of which the President would want to consider at his convenience. There was no rush about the matter." (Eisenhower Library, Dulles Papers) The letter from Tito, dated September 30, is *supra*; Eisenhower's reply is *infra*.

²See Document 253.

³President Eisenhower's letter is printed as Document 256; President Tito's reply is *supra*.

in the belief that we can affect substantial economies without interfering with our political objectives in the area.

We have resumed our negotiations with the Yugoslavs regarding economic aid which they urgently need and want. It is Murphy's opinion that recent Yugoslav negotiations with the USSR on the subject of economic cooperation have carried with them a certain disillusionment for the Yugoslavs and a better appreciation on their part of the manner in which we have extended economic aid to them. We ourselves should have no illusions regarding the possibility that the future may bring more intensive relations between the Party apparatus in Yugoslavia and that of the USSR. It is our belief that the Cominform type of international communism, at least as far as Yugoslavia is concerned, is finished.

[1 paragraph (5-1/2 lines of source text) not declassified]

I enclose a memorandum outlining Murphy's discussions at Belgrade.⁴

[3-1/2 lines of source text not declassified] I may be able to visit Belgrade during the course of the forthcoming Geneva talks. Should an invitation to him at that time appear to be useful, I will report further to you.

John Foster Dulles⁵

⁴The memorandum did not accompany the source text; the October 1 memorandum of understanding reached during the Murphy visit [2 pages of source text] was not declassified. (Department of State, Central Files, 110.13-MU/10-355)

⁵Printed from a copy that bears this typed signature.

262. Letter From President Eisenhower to President Tito¹

Denver, October 12, 1955.

DEAR MR. PRESIDENT: Your letter of September thirtieth² constitutes a clear and welcome expression of your policies and I am impressed by your understanding of the major problems which affect the mutual interests of Yugoslavia and the United States. It is comforting to me in the present complexities of world problems to be assured of the resolution of Yugoslavia, as your message points out, to continue pursuing a policy of friendly collaboration with my coun-

¹Source: Department of State, Presidential Correspondence: Lot 66 D 204, Presidential Correspondence with Tito. Dulles delivered this letter to Tito during his visit to Brioni on November 6; see *infra*.

²Document 260.

try. I am sure that I need not stress my respect and admiration for your determination to maintain Yugoslavia's hard-won independence.

I am indeed glad that the recent talks in Belgrade with Mr. Murphy cleared away some of the misunderstandings that had arisen.

Mr. John Foster Dulles, our Secretary of State, will shortly be participating in the conference of the four Foreign Ministers at Geneva, and he will, I am confident, bring to it the spirit for which you hope. Incident to his presence there, I know he is hoping early in November to pay you a visit. That would provide an additional opportunity to discuss some of the international problems in which you and I are so interested.

I am most grateful for your sympathetic references to my indisposition and your thoughtful wishes. May I at the same time express the hope that your cure at Brioni has been most beneficial and that this letter finds you fully restored and refreshed.

Sincerely,

Dwight D. Eisenhower³

³Printed from a copy that bears this typed signature.

263. Record of the Meeting Between Secretary of State Dulles and President Tito on the Island of Vanga, November 6, 1955, 3–5:40 p.m.¹

USDel/MC/24

PARTICIPANTS

Secretary Dulles
Ambassador Riddleberger
Mr. MacArthur

President Tito
Vice President Edvard Kardelj
Foreign Secretary Koca Popovic
Chief of Cabinet for President Tito, Joze Vilfan

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199, Yugoslavia. Secret. Drafted on November 8 presumably by MacArthur and circulated to the members of the U.S. Delegation at Geneva. A handwritten note on the source text indicates that Secretary Dulles approved this record on November 23.

The Secretary flew from Geneva, where he was attending the Four-Power Conference of Foreign Ministers, to Vienna on November 4. He met informally with Austrian leaders on November 5 (see Toden 16, *infra*) and then flew to Brioni for talks with Tito on November 6. According to Dulles' Appointment Book, the Secretary was accompanied on the trip from Geneva by Mrs. Dulles, Douglas and Mrs. MacArthur, Jacob

[Here follows a list of subjects discussed.]

Following luncheon at President Tito's residence on the island of Brioni, the President suggested that those who would participate in the discussions proceed to a small island about a half-mile away, where the talks would take place. President Tito escorted the Secretary into a speedboat and took the wheel himself, driving the Secretary to the island. The other members of the party followed in other craft. After making a brief tour of the small island, the meeting began at a table in the open air outside a replica of a small Burmese temple which President Tito had constructed after his visit to Burma.² This structure was attractively arranged inside with tables, serving counter, kitchen, etc., obviously for informal entertaining.

President Tito opened the conversation by saying he would like to know what Secretary Dulles would be interested in discussing in order to put to the best possible use the limited time at their disposal. He said if Secretary Dulles would agree to spend the night, they would have a long discussion which would fully exhaust all topics of mutual interest. The Secretary replied that he was afraid this was not possible since he had to return to Geneva. This need not, he said, cause them to rush through their discussion, as he could spend the entire afternoon there leaving at any time that might be convenient that evening. President Tito expressed pleasure and asked the Secretary if he and his party would remain for dinner. He said they could have an early dinner. This would provide more time for their discussions and would also enable the Secretary to get back to Geneva that night. The Secretary accepted with pleasure and it was agreed that dinner would take place at 6:30 p.m.

President Tito then said he was ready to hear what topics Secretary Dulles wished to propose that they discuss. The Secretary replied suggesting that they talk about:

1. The Geneva Conference, with particular reference to the German problem;
2. the Middle East, since Tito would soon be visiting Colonel Nasser in Egypt;
3. the Secretary would appreciate having President Tito's views on the relationship between the Chinese Communists and the Soviet Union;
4. similarly, he would like to hear the President's views on the present status of the Balkan alliance;
5. and finally, he would very much like an exchange of views with the President on the question of the satellite countries in Eastern Europe.

Beam, Robert R. Bowie, and Carl McCardle; Ambassador and Mrs. Riddleberger joined the party in Yugoslavia. Only Riddleberger, Dulles, and MacArthur were present for the substantive meetings with the Yugoslavs. (Princeton University Library)

²Tito visited Burma January 6-7, 1955.

The Secretary said if this was agreeable, he would start by outlining the present status of the Geneva Conference.

President Tito agreed.

*1. The Geneva Conference*³

Secretary Dulles opened the discussion about the Geneva Conference by stating that it had been agreed with the Soviets that three topics would be discussed at Geneva: (1) European Security and German Reunification; (2) Disarmament; (3) Contacts between East and West.

Thus far, except for one day devoted to a general discussion of East-West Contacts, the time of the Conference has been entirely spent on the discussion of European Security and Germany.

The Secretary said that with respect to European Security, the ideas of the West and those of the Soviets were somewhat the same in that both the Western and the Soviet proposals provided that there could be a European Security pact embracing a number of states in the middle of Europe. At Geneva there had not been discussion of what specific states would be parties to such a pact, but the Western powers had in mind Germany, Poland, Czechoslovakia, the United States, the United Kingdom, France, and of course the Soviet Union. Also, both the proposals put forward by the two sides would provide for mutual pledges on the non-use of force; on the denial of assistance to aggressors; and to provide aid to a victim of aggression.

The proposals would further provide for a zone, the area of which had not been discussed in precise terms at Geneva, between East and West which the Western powers envisaged would embrace most of Germany and parts of Poland and Czechoslovakia. There would be agreed levels of forces in such a zone, with reciprocal inspection rights so that each side could verify that the agreed level of forces was not being exceeded.

On all the foregoing principles there seemed to be a basis for general agreement. However, if these principles were ever discussed in detail, there would doubtless be difficult problems which would have to be discussed at length and negotiated.

The Secretary mentioned that the Western proposal also provided for overlapping radar establishments, perhaps 100–150 miles on each side of the line of demarcation. We believed the overlapping radar arrangement would tend largely to reduce the possibility of surprise attack. President Tito asked if the radar arrangement would operate on both sides of the line of demarcation or just on the Western side, and the Secretary replied that it would operate on both

³Reference is to the Four-Power Conference of the Heads of Government at Geneva in July 1955; for documentation, see volume v.

sides, and he drew a rough map to explain the operation as we envisaged it. He added that the Soviets had not accepted this suggestion.

The Secretary then said the proposals of the Western powers with respect to European Security were made on the assumption that Germany was to be unified, but not that it would necessarily join NATO, since the Western proposals specifically provide that Germany would have freedom of choice. It could join the Western collective security arrangement, it could join the Eastern arrangement under the Warsaw Pact, or it might not join either. The Secretary said that Molotov, in the discussions at the Conference, kept insisting that the Western proposal was predicated on a united Germany joining NATO and that a united Germany would do so. The Secretary emphasized that while the Western proposal did not force a united Germany to join NATO, we thought it might do so. However, it would be juridically a new state, free, as he had said previously, to join with the East, the West, or neither.

He went on to explain to President Tito that the security pressures which we would be willing to include in a European Security treaty would be stronger if Germany were in NATO because we would be able to control a united Germany in NATO through the Brussels Pact and NATO arrangements. He explained that the Brussels Treaty⁴ forbade German production of bacteriological, chemical, and nuclear weapons; that it limits German forces to 12 divisions; and similarly limits the type of naval craft which Germany could have; that it provides for limitations on stocks of ammunition so that they would not have more than needed by the agreed level of German forces. Furthermore, the Western system provided for the integration of German forces so that Germany would not control the logistical support for German forces, and if Germany became intransigent or wished to use its forces separately, SACEUR could cut off their fuel and petrol supply so that German aircraft and tanks could not move. The Secretary said we thought these controls were extremely effective. If Germany were left alone in the middle of Europe in a totally independent status to bargain between East and West, a most dangerous situation would be created. He reiterated that while we would hope a united Germany would stay under the controls of the Brussels Treaty and NATO, that was for the Germans to decide.

The Secretary then went on to say that the Soviets at Geneva were unwilling to contemplate any steps at all looking to German reunification. He believed the Soviets felt that German reunification

⁴Treaty of Economic, Social, and Cultural Collaboration and Collective Self-Defense among the United Kingdom, France, Belgium, and Luxembourg was signed on March 17, 1948. For text of the treaty, see *American Foreign Policy: Basic Documents, 1950-1955*, vol. I, pp. 968-971.

would result in the liquidation of the GDR and would have a bad effect on the Soviet hold on the other satellite states of Eastern Europe. He said this had been his diagnosis of the Soviet position at the Summit Conference at Geneva in July, and all the evidence supported this estimate. In other words, the Soviet opposition to reunification of Germany was not based on considerations of Soviet military security, because the West could meet any such apprehensions. It was based on the possible political effect on the satellites and also that the GDR was unpopular in East Germany and would disappear if there were free popular expression. The unpopularity of the GDR was clearly indicated by the fact that more refugees than ever were trying to move from East to West Germany. In the light of this situation, the Soviets feared that reunification of Germany by free elections would result in the sweeping away of the GDR.

The Secretary then said the United States took a very serious view of Soviet opposition to German reunification for two reasons:

1. It was specifically agreed by the Heads of Government at the Summit Conference in their Directive to the Foreign Ministers⁵ that Germany would be reunified. Failure of the Soviets to live up to this agreement would have a very bad effect on the so-called Spirit of Geneva, and would lead people in the United States and elsewhere to become convinced that the Soviets did not live up to agreements which they made.

2. The continued division of Germany could lead to a revival of fanatical German nationalism whose aim would be to reunite Germany by any means.

The Secretary explained that he had been at the Versailles Treaty Conference and had also been in Europe in the 1920's. He had seen the situation evolve which led to the rise of Hitler to power. He pointed out that for seven or eight years following the Versailles Treaty, Germany had had moderate liberal governments which were peacefully minded. But, gradually the injustices of Versailles with respect to the Rhineland, reparations, etc., had led to the rise of national fanaticism in Germany. We believed, the Secretary said, that if we kept postponing German reunification, it would be ever harder to achieve, and would lead to a revival of this German nationalism. In this connection, the recent Saar elections had shown some rather disquieting signs. He said that if we postponed reunification too long, German nationalism would become a real force—not in two or three years, but in four or five years' time. We were therefore pressing the Soviet Union hard for German reunification, but thus far there were no signs from the Soviet Delegation in Geneva that any forward steps would be taken.

⁵For text of the Directive to the Foreign Ministers, July 23, 1955, see vol. v, pp. 527–528.

The Secretary said Molotov had returned to Moscow over the week end rather unexpectedly, and it was barely possible, but not probable, that he might return with new instructions. In this connection, the Secretary mentioned that after the Summit meeting Bulganin and Khrushchev had spent three days at Berlin to assure the Pankow Government⁶ that it would not be liquidated. The Soviets probably felt that a liquidation of the Pankow Government would immediately weaken the governments in Poland and Czechoslovakia, thus creating a serious situation. The Secretary concluded by saying he would very much appreciate President Tito's views on the problem.

President Tito replied that he had followed closely the Geneva Conference and had also read the Secretary's last speech made on Friday.⁷ He went on to say that the Yugoslav ideas with respect to the German question had been developed before the Bulganin-Khrushchev visit to Belgrade. These views and the reasons for them had been explained by the Yugoslavs to a number of people including the Soviets during the Bulganin-Khrushchev visit. Yugoslavia had always maintained that Germany must be independent and this included the right to rearm to a certain extent. A sovereign Germany must be re-created.

The Secretary asked whether President Tito meant a reunified and sovereign Germany. Tito replied that he had not precisely stated this, but that Yugoslav thinking presupposed that Germany must be united because both the West Germans and East Germans desired unity. However, in view of the attitude of the Soviet Union and the attitude of the Western powers on the German question, the Yugoslavs realized that German reunification would be a slow and gradual process. At the same time, the Yugoslavs believed that both parts of Germany must take part in the process of reunification.

Tito emphasized again that the Yugoslav views to the above effect were developed before he met with the Soviets during the visit of the latter to Belgrade, and he wished to stress to the Secretary that they were the independent views of the Yugoslav Government and had not been influenced by the Soviet visit. He added that he and his associates had also spoken along the above lines to Herr Gerstenmeier and other members of a West German parliamentary delegation which had visited Yugoslavia.

President Tito continued that he and his collaborators had the impression in their talks with the Soviets that "they would never accept the elimination of East Germany". (At this point, Tito inter-

⁶The Government of the German Democratic Republic.

⁷Dulles' statement of November 4 is printed in Department of State *Bulletin*, November 21, 1955, p. 823.

rupted Mr. Vilfan who was interpreting, to say that his remarks had not been correctly translated. What he had said was that the Yugoslavs had the strong impression from the Soviets that East Germany must play an integral role in the gradual reunification of Germany.) Therefore, the problem was to find a way to bring together both Germanies and to form a reunified Germany which was neither militaristic nor expansionist. Tito said that of course he could not guess what the ultimate aim of the Soviets toward Germany was, but it was clear that the Soviet Union feared a revived military and expansionist united Germany.

The Secretary interrupted to say that we all would fear such a Germany. Tito said that if we looked at the problem more closely, it was clear that there was no danger of East Germany swallowing West Germany. East Germany was much smaller and there were substantial non-Communist elements in the East zone. There was, he said, no danger of a "Lublin solution"⁸ such as befell the Poles. He then went on to say that he wished to speak very frankly about this matter. If we were to speak of the danger of a rebirth of German imperialism, we must analyze this danger. We must look into the elements which would cause a rebirth of imperialism. He said he agreed with the Secretary that the possibility of a revival of German nationalism was a danger, but it was only one of the dangers. He said he also understood the plan to keep Germany under control through NATO but asked who could be sure of the German role when it was reunited. They might follow a course of their own choosing. The Germans, he said, had always criticized themselves for fighting on two fronts. The best object lesson in this respect was the Hitler-Stalin deal. Therefore, nobody could prophesy completely accurately what course a reunited Germany would follow, nor could we forget the reasons why Germany started the last war. It was essential that we have a Germany which was not expansionist but which was a useful member of the international community. Tito said the Western powers would not find a solution when the four Foreign Ministers met again. But, it was imperative that the West keep looking for a viable solution.

President Tito went on to say that although European Security was not identic with the German problem, they were linked. He suggested that if a solution to the problem of European Security could be found, this would aid a solution to the German problem. To be

⁸Reference is to the formation in July 1944 of a government in Poland composed primarily of pro-Soviet Polish politicians. The government was immediately recognized by the Soviet Union. The United States did not extend recognition until July 1945, and then only after the government was expanded to include pro-Western Poles. Following elections in January 1947, the pro-Soviet elements gained complete control of the government.

quite frank, he said, the United States was afraid of Soviet expansionism and aggression. The Yugoslavs had had similar fears and they were still cautious. But, because the United States feared Russian aggression, it should not forget the possibility of future German aggression. We must constantly think of both dangers, for if we think of only one we promote the other.

The Secretary said we were well aware of this, and France, which had the best reasons to fear German aggression, was always present in our councils. The Secretary said he agreed with Tito that reunification would probably only come about gradually, but it would never come about unless we made a beginning. As matters now stood, the German problem was becoming solidified, and therefore, more difficult of solution. He mentioned the proposal the three Western powers put forward last Friday looking to elections in Germany in September 1956.⁹ He said we did not expect elections to be held next September, but that the Western proposal might provoke some constructive response from the Soviets. He said the great danger was that German reunification would be so long delayed that it would come about not as a result of action by the four powers but by violent German action. This was the course Hitler had followed by strong and violent action in re-occupying the Rhineland.

The Secretary reiterated that reunification should be brought about by action of the four powers and that it should not be so delayed that the Germans would be tempted to take matters into their own hands. While German reunification would not come about next year, it was of vital importance that it come about in the next several years as the situation would not hold indefinitely.

2. *The Middle East.*

President Tito opened the discussion on the Middle East by saying that the Yugos were following this problem very closely. On his return trip from Burma and India, Tito had stopped in Cairo to pay a visit on Col. Nasser. One purpose of his visit was to suggest that some direct contact be established between Israel and Egypt; but when he had mentioned this, all the Egyptians had started to talk at once protesting most vigorously. President Tito said that the idea of getting the Israelis and Egyptians together did not have to be abandoned but now, in the light of the development of events, this was unfortunately more difficult. President Tito then said that, speaking frankly, the Yugos believed that one of the most unhappy ideas which had been injected into the Middle East was the formulation of military pacts in that area which tended to divide the Arab world.

⁹The text of the Tripartite proposal, November 4, 1955, concerning the reunification of Germany by free elections, is printed in *Documents* (R.I.I.A.) for 1955, p. 55.

Those pacts, instead of being elements of security, are in fact an element of weakness. The Secretary interrupted to inquire whether President Tito had reference to the Baghdad Pact. Tito replied in the affirmative saying that as long as only Turkey and Pakistan were involved in an alliance, the situation in the Middle East was not substantially changed, but when Iraq and then Iran were added, the situation was entirely different. The Baghdad Pact had threatened the unity of the Arab League and some states had joined the Baghdad Pact and others had stayed out and tried to form another Pact.

Turning to the Arab refugee problem, Tito said that this poisoned relations between the Arab states and Israel. Nasser had spoken to him in Cairo about it at length. President Tito thought the great powers must try to help the Arabs economically with a view to assisting in the solution of this problem. He then said the great powers should also speak to the Israelis very firmly and frankly and tell them that their actions had been extremely unhelpful. We should all stress to the Arabs that the State of Israel has become a fact of life and that this must be recognized by them. President Tito said that in his forthcoming visit to Cairo in December he would make this point with Nasser. He continued that if we did not find a solution to the Arab-Israel problem, there is a risk of great danger. Yugoslavia is intensely interested in the Near Eastern area and if a solution is not found to the Arab-Israel problem, there is a real danger of a war. In this connection, he said he must state frankly that the Israeli leaders are not following the best policy. They are, in fact, risking war and a preventive war which would solve nothing and cost them dearly.

The Secretary said that we consider the situation in the area extremely serious. Whether the origin of the present tension goes back to the Baghdad Pact was debatable and could be argued. However, the immediate cause of the present trouble was the Egyptian arms deal engineered by the Soviet Union.¹⁰ (President Tito interrupted to say that the deal was with Czechoslovakia to which the Secretary replied that it had been conceived and engineered by the Russians.) The Secretary continued saying the Western powers had been trying to work out a solution by limiting the arms which go to each side and thus to keep a balance—while, at the same time, pressing both sides vigorously for a settlement. The Secretary had made a speech last August 26¹¹ (Tito said he had read it) proposing a general ap-

¹⁰On September 27, 1955, Nasser announced an agreement signed on September 21, allowing for the Egyptian purchase of arms from Czechoslovakia. For documentation, see volume xiv.

¹¹For text of the Secretary's speech before the Council on Foreign Relations, see Department of State *Bulletin*, September 5, 1955, p. 378.

proach to a solution and offering funds to Israel to assist in an Arab refugee settlement and also funds for the Jordan water project. Turning to the question of the Arab refugee problem, the Secretary said that while the Arabs talk a great deal about this problem, not many of them are very willing to do anything about it. Probably the Arabs like to point to the bad conditions in the refugee camps which the Secretary had seen at first hand in his visit to the area in 1953 as proof of how terrible the Israelis are.

With respect to a settlement of the Arab-Israel problem the Secretary felt strongly that there should be a settlement of the boundaries. He had hoped that perhaps by intermediaries negotiations might be brought about leading to a boundary settlement. While we were studying this possibility, the Egyptian arms deal had been effected. The U.S. did not question the right of the Soviet bloc to sell arms or the Egyptians right to receive them. But the results of the arms deal were inevitable and the consequences were easily foreseeable. The deal had made the Israelis, with a population of only 1½ million against 20 million Egyptians plus the populations of Syria and Saudi Arabia, feel that they must strike first before Egypt had assimilated the arms and could use them to bring about the destruction of Israel. While Nasser did not talk about annihilating Israel, Ibn Saud had done so continuously as was the present Saudi King. The Secretary mentioned his talks with Israeli Foreign Minister Sharett¹² and said that Israel wanted equivalent arms to balance the Czechoslovak shipment. We were not inclined to provide arms in quantity since it would simply lead to an arms race. Israel also wanted a guarantee of its territory but we were not disposed to give it guarantee because there was no satisfactory boundary settlement. The Israeli position is that if we cannot give them arms, or a territorial guarantee, they must do something themselves for their preservation.

The Secretary said we had also called the attention of the Soviets on three occasions to the danger of war breaking out in the area as a result of the arms shipment. Mr. Molotov last week in Geneva had said to the Secretary that there was no danger as a result of the arms shipments. Molotov had even showed him a clipping attributing to General Burns¹³ the statement that there was no danger. This did not correspond with the fact because General Burns believed and said there was great danger. Although General Burns might have made a statement playing down the danger, precisely so that it would not become aggravated, his views in this matter were

¹²Secretary Dulles and Foreign Minister Moshe Sharett met in Paris on October 26, and again in Geneva on October 30. See vol. xiv, pp. 657 and 683.

¹³Major General E.L.M. Burns, Commander, U.N. Truce Supervisory Organization in Palestine.

quite clear. The present situation was that each side felt the situation was more dangerous and more tense and there was great risk that hostilities would begin without anyone being able clearly to identify which side had been responsible for the aggression. The best solution would be for each side to pull back their forces so that an aggressor could be readily identified. This, in itself, would provide a deterrent.

The Secretary then said that he did not believe that Egypt would become a Soviet satellite simply because of the Czech arms deal. But there was danger that Egypt would become more dependent on the Soviet Union particularly for spare parts, etc. The U.S. is prepared to assume that Egypt will remain independent of the Soviet Union; and, therefore, we do not wish to take reprisals, such as cutting off aid or putting pressure on the International Bank to refuse a loan for the High Dam just because Egypt concluded the deal. The U.S. does not wish to get placed in the position of backing Israel with the Soviets backing the Arab states. While Jewish elements in the U.S. have considerable influence, they do not make U.S. foreign policy and we believe that everyone should counsel moderation and avoid a position where the U.S. and the Soviet Union would be backing the opposing camps. The Secretary said he agreed with Tito that the Arabs must accept Israel as a fact of life. Furthermore, we should all concentrate on solutions to the refugee problem, the water problem, and particularly the boundary problem. The Secretary was inclined to believe that Israel would accept a settlement even though it had to make some sacrifices, but the Arabs refused to deal directly with Israel. If anything is to be accomplished, it may have to be done on the side through intermediaries, but we are not even sure if that is possible. The big territorial problem for Egypt is Negev where Egypt wants land access to Jordan. Israel wants to retain the Negev for prestige reasons and also because it does not wish to be cut off from the port of Akaba. The Arab states sometimes talk about¹⁴ a solution should be along the lines of the UN Resolution of 1947 but this Resolution gave all the Negev to Israel which would not seem to satisfy Egypt. We still believe that some settlement could be arranged; but in view of the unwillingness of the parties to get together, it is extremely difficult. The Secretary said we had thought of a Trieste type of negotiation¹⁵ where a proposed solution would be presented to both sides and inquired whether President Tito would be willing to take this one on. Tito laughed, indicating that others might be better placed than he.

¹⁴In a change presumably ordered by Secretary Dulles, the source text shows the words "generally believe" struck out and the words "sometimes talk about" substituted.

¹⁵In a change presumably ordered by Secretary Dulles, the word "settlement" has been struck out and the word "negotiation" substituted.

The Secretary then asked President Tito if he had good relations with both Arab states and Israel. Tito replied in the affirmative saying that he had been invited to Israel last year but he had been unable to go. The Secretary asked him if he would go this year when he visited Egypt and Tito replied in the negative, but that he might go next year. Tito said that he would try to help with both sides and reiterated that he would be frank with Nasser when he saw him in December and that when he next visited Israel he would also be equally frank there. Yugoslavia's only real interest is the maintenance of peace in the area. The conversation on the Middle East concluded with the Secretary saying that he personally thought well of Col. Nasser in that he was honest and well-intentioned, but that he was fanatical on the problem of Israel.

3. *Communist China.*

The Secretary opened the discussion of this item by saying he would appreciate having President Tito's views about China since Tito knew much more about it than did we. Tito replied that he could not agree that he knew much more than the Secretary but he would be glad to give his views. He said the Yugoslavs had not known too much about China, but since they had established diplomatic relations with the Chinese Communist regime¹⁶ they were in a position to give first-hand study to it.

The first point he wished to make was that one could not speak of China as a satellite of the Soviet Union. It was true that at one time the Soviets had had great influence over the Chinese Communists, but even during the time when Mao Tse-tung¹⁷ was trying to come to power during the "partisan" war period, Stalin had complained that Mao was very hard to deal with. The Soviets, he felt, had a rather cautious attitude toward the Chinese Communists. China was a very large country, with infinitely greater population than the Soviet Union. The Soviets were helping China economically and technically, but it was wrong to think the Soviets were pushing Communist China as their spearhead for penetration in Asia.

President Tito said he was sure that some times the Soviet exercised a restraining influence on the Chinese Communists, and in this connection commented that the Chinese Communist regime was young and in full flush of revolutionary fever, which on occasions caused it "to run a bit wild". He felt that the Chinese Communists had learned some lessons and were now wiser than they had been initially. He expressed the view that it would be very helpful if

¹⁶Yugoslavia established diplomatic relations with the People's Republic of China in January 1955.

¹⁷Mao Tse-tung, Chairman of the People's Republic of China.

Communist China could be admitted to the UN since it was important for them to have political and economic contacts with a wide variety of countries and not to be forced into a position of only having relations with the Soviet Union. He stressed the political importance of this and commented that with respect to the economic side, China could provide a wide market for a number of countries, including the United States. He then went on to say that just as China had "shown some elasticity in its internal affairs, so it might show similar elasticity in its foreign policy, which would not exclude some difficulties with the Soviet Union".

The Secretary inquired whether there was a relationship between the Chinese and the Soviet Communist Parties. Tito replied in the affirmative but said the Chinese Communist Party was quite independent. There had been certain pro-Russian elements in the Chinese Communist Party but they had been largely eliminated. He summarized by saying that the relations between the two Parties were equivalent to the relations between the Soviet Union and China.

The Secretary said he understood President Tito to make the point that there was not the same relationship between Communist China and the Soviet Union as between the Soviet Union and the European satellites which it dominated. Tito said the Secretary's understanding was correct, and started to speak of a weakening of ties between the Soviet Union and its European satellites, but agreed that this would be discussed later when they exchanged views on the satellite countries.

The Secretary then asked President Tito whether he felt his information regarding the relationship between China and the Soviet Union was dependable. Tito replied in the affirmative, adding that it was not necessary for the Yugoslavs to rely simply on information which came to them. Their estimate was based to a large extent on their understanding of the political developments in China which in some respects were close to the past developments of Communism in Yugoslavia. He added that the conclusions which the Yugoslavs had reached from their analysis corresponded with views they had received from the Burmese and Indians during Tito's trip to Burma and India.

At this point, Kardelj interrupted to say that the Yugoslavs knew quite a bit about the misunderstanding between Stalin and Mao Tse-tung. He said they knew from what Stalin had told them that Stalin was opposed to Mao taking over China by open revolution. He said it was a paradox that two Communist revolutions which were completely successful—namely, the Yugoslav and the Chinese—were carried out against Stalin's wishes. Stalin had wanted all countries that engaged in revolution to be dependent on the

Soviet Union because he was fully aware that every revolution bred a feeling of national independence.

The Secretary said that in the United States there was a strong feeling against the Chinese Communists. This sentiment derived largely from Chinese Communist intervention in Korea and also from the open efforts of the Chinese to take over Indochina which seriously threatened that area. He now believed the situation in South Vietnam, Laos, and Cambodia was such that those areas had a good prospect of remaining free. Another cause for United States sentiment against Communist China was their threats of action against Taiwan, which had not been part of China for sixty years. Taiwan had been detached from Japan largely due to the efforts of the United States, and therefore the United States did not feel obliged to turn Taiwan back to a regime which was hostile to the United States. Similarly, we did not like the continuous threats of the use of force against Taiwan.

The Secretary then briefly outlined Ambassador Johnson's talks with Ambassador Wang in Geneva,¹⁸ saying that our first objective was to secure the release of Americans who had been imprisoned for political reasons. These Americans were gradually being released. The Chinese Communists wished to talk about trade and we were willing to have some talk on this subject, but we wished to have the Chinese Communists renounce the use of force. The Secretary said that if satisfactory progress could be made by the two Ambassadors in Geneva with respect to a reasonably dependable renunciation of force, we would all be much better off. He said, however, that this would take time and that sentiment in the United States could not be changed by arbitrary action on the part of the United States Government. A change of sentiments would depend on the actions and words of the Chinese Communists. He felt that the talks in Geneva between the Ambassadors were a good thing but that they would take time to arrive at the result for which we hoped. Therefore, he was not too disturbed at their leisurely pace.

The Secretary said that another aspect of the problem was the loyalty which we felt to our Chinese Nationalist friends. He recalled that he had been in Canton in 1938 when the Japs were moving into China and that Chiang had received an attractive offer from the Japanese which he had refused. He had been loyal to the same principles in which we believed and we did not feel we could simply abandon him. In connection with the Taiwan situation, the Secretary explained that we had obtained an agreement from Chiang not to act

¹⁸Reference is to the Geneva Ambassadorial talks held from August 1955 through 1957 between U. Alexis Johnson, U.S. Ambassador to Czechoslovakia, and Wang Ping-nan, Ambassador of the People's Republic of China to Poland.

against the Mainland except in agreement with us. This gave us a considerable degree of control over Chinese Nationalist action against the Mainland. Last January the risk of war had been very great because of the attitude of the Chinese Communists. In this connection, he recalled to President Tito that the Congress had passed a Resolution¹⁹ with only six votes in opposition, empowering the President to use the armed forces of the United States to assist in the defense of Taiwan and the Pescadores. Since then, the situation had improved, but the Chinese Communists must realize that the American people still harbored strong feelings against them not simply because they were a Communist regime, for we had good and friendly relations with Yugoslavia which was a Communist regime, but because of the Chinese intervention in Korea, their efforts to take over Indochina, and their threat of force to take over Taiwan.

4. *The Balkan Alliance.*

At the Secretary's request, President Tito gave his views on the Balkan Pact. He opened by saying that recently there had been a change in atmosphere as a result of the Turkish riots against the Greeks. These riots occurred when the King of Greece was making a state visit to Belgrade. Tito had discussed this matter with the King, and both had agreed that it would be desirable not to dramatize this situation, particularly in Greece where it had caused much emotion. Pursuant to this agreement, the Yugoslavs had instructed their diplomatic representatives to tell both the Greeks and the Turks to calm down, and they felt their efforts in this direction had produced certain good results. The situation today was much calmer than it had been.

President Tito then turned to a discussion of the Pact itself. He said it was not true that the Yugoslavs wished to eliminate the military side of the Pact. On the other hand, they did not wish to emphasize it as much as in the past because the general situation was now different. (He did not specifically say so, but obviously was referring to the relaxation of tension and the Spirit of Geneva.) Tito said the Yugoslavs believed it was now necessary to emphasize the political, economic, and cultural sides of the Pact. The Turkish action against the Greeks in September had made it quite obvious that it was necessary to strengthen the relations in other fields, because the military relationship was not of much use unless it had a firmer foundation based on real cooperation in other fields.

With respect to the military aspects, President Tito said the Yugoslavs had recently sent a military delegation to Greece to discuss military cooperation in areas where they had a common interest.

¹⁹The Joint Congressional Resolution of January 29, 1955.

They had not, however, wished to publicize this military mission. He felt that despite the Turkish action against the Greeks, the Pact would develop into an even more useful instrument.

The Secretary said the Turkish riots had been a very bad affair. While the Turks were primarily responsible, a certain blame was attached to the Greeks because they had set in motion the forces of nationalism, particularly with respect to Cyprus, which now they were having difficulty in controlling. He said he believed the Turks wished to make amends for the riots and hoped the Greeks would accept such gestures and also that Tito would work toward this end.

5. European Satellite States.

The Secretary opened the conversation on this subject by referring to a comment President Tito had made earlier in the discussion about a weakening of ties between the Soviets and the satellites.

Tito said that in viewing the satellites, one had to go back into history. When Stalin had died it was clear that certain developments started to occur in the Soviet Union and that two divergent trends had appeared. The first trend was simply to continue Stalin's policy in both the internal and external fields. This trend had been quite strong in the Soviet Union, and particularly strong in the satellites. The other trend was a realization of the blind alley into which Stalin's policy had led the Soviet Union. He mentioned that Bulganin, Khrushchev, and Mikoyan held this view. They had realized that to get out of the blind alley they must effect a change in future policy, including Soviet policy toward the satellites. The first result of this change of policy line was the Bulganin-Khrushchev visit to Yugoslavia. This visit was not simply to get Yugoslavia back into the Soviet camp, but was recognition that the entire Soviet policy toward Yugoslavia in the preceding four years had been wrong. Tito said that on the other hand, it was obvious that a change in Soviet policy would be a slow process. To the outside world it was not always clear that a struggle was still going on between proponents of the two trends he had mentioned. The Soviet leaders must go slowly. The same trend and process was occurring slowly in the satellite countries.

He said there were clear signs of a new orientation taking place and that in the satellites this new orientation was clearer among the masses than among the leadership. He felt there was, in fact, a definite new concept which did not involve a renunciation by the Soviets of the desire to have influence in the satellites, but was a change from the previous policy of iron control. He did not mean to suggest that the new Soviet leaders had all forgotten or given up all elements of Stalinism, which were in their minds, but he felt that the elements of Stalinism which were retained by people in the Soviet Union, and

particularly by leaders in the satellites, would become weaker as the views and policies of the present Soviet leadership became stronger.

The Secretary asked him what elements in the Soviet Union were Stalinist-minded, and Tito replied that there were a vast number of relatively young and middle-aged functionaries in the MVD and elsewhere who had been brought up on Stalinist teachings. These elements represented a substantial force within the Soviet Union.

Tito then made reference to the Bulganin–Khrushchev visit to Belgrade and said it had been a very risky proposition for the Soviets. If nothing had come of it, they would have “ruined themselves”. He believed the visit had also had considerable influence on the attitude which the Soviets had subsequently taken at the Geneva Summit Conference.

He said that in his judgment it was wise to support the present leaders in the Soviet Union against the Stalinist group and that this could be done particularly by developing contacts between the East and West. He added that present Soviet leadership was inclined toward a policy of relaxation of tensions and the opening of Soviet frontiers. It was a group which did not wish war, and included military figures such as Marshal Zhukov, who knew what the consequence of war today would be.

Reverting back to the leadership in the satellites, they were still “mentally Stalinist”. Some tried to put on a new dress, but their minds had not changed. However, these leaders were under pressure from the satellite populations to change, and eventually new leaders would emerge. The Secretary said he saw no indication that the present satellite leaders would change. Tito agreed, saying it would be difficult for them to do so. The Secretary said the example which President Tito had set in asserting his independence of the Soviet Union must have had a very great effect among the satellite countries because it showed that Tito had the support of other countries which did not believe in Communism but did believe in the genuine independence of countries. He felt that other satellite countries might wish to follow Tito’s example.

President Tito said there was no doubt that the example of Yugoslavia had had a great impact on the states of Eastern Europe. The peoples of these states envied Yugoslavia’s independence and present position in the world. He said independence for the satellite states would not be a quick process. It would not happen at once, but on the other hand it would not happen too slowly.

He mentioned the joint Soviet-Yugoslav communiqué²⁰ issued at the time of Bulganin’s visit, and said that on Yugoslav insistence,

²⁰See footnote 2, Document 251.

the principles of independence, non-interference in the internal affairs of a state, and the right of countries to seek their own way to socialism, had been included.

The Secretary said that what made the real bonds between the United States and Yugoslavia was the common belief in the right of every country to have independence and any system which it wished without having that system imposed from without.

In conclusion, the Secretary said the United States was completely dedicated to the cause of peace. However, peace required a nation to be strong and to be willing to take risks to defend its national interests and independence. As the danger of war had receded in recent months there had been a loosening of the close ties between the Western countries which were banded together by the fear of Soviet aggression. Some people in the United States seemed to regret the relaxation of tensions because of this loosening of bonds between the Western allies. These people did not see that parallel with the loosening of bonds in the West there was also going on a loosening of bonds within the Soviet bloc, for it was difficult to see what was happening within the Soviet bloc. The Secretary said he felt strongly that such a loosening-up process was taking place in the European satellite states, and in this connection he paid tribute to the great contribution Marshal Tito had made to this end by his actions in defending Yugoslavia's national independence and aspirations.

President Tito said he fully agreed with the Secretary's estimate regarding the loosening of bonds within the Soviet orbit, saying that the Yugoslavs were in a better position than others to observe this trend. (On the return trip from Vanga to Tito's residence at Brioni, Foreign Minister Popovic said the Secretary's estimate of the loosening-up process occurring in the satellite area had been one of the most significant things which he had said to the Yugoslavs, and coincided with their judgment of the facts.)

The meeting concluded with a brief discussion as to what the Secretary might say in his press conference²¹ and it was agreed that he would say he had reviewed for President Tito the progress of the Geneva Conference; discussed the Middle East in the light of Tito's forthcoming visit to Cairo; obtained Tito's views on the present status of the Balkan Alliance; and discussed with him the states of Eastern Europe, having been in agreement with him that these states should be fully independent, that there should not be outside interference in their internal affairs, and that they should be free to choose their own social and economic systems.

²¹See footnote 5, *infra*.

264. Message From the Secretary of State to the President, at Denver¹

Washington, November 7, 1955.

I had 2 unusually interesting days with the reopening of the Vienna Opera on Saturday night and then at Brioni with Tito on Sunday.²

At the opera I had a chance to talk with the President of Austria, with Chancellor Raab and FonMin Figl.³ The fact I had come not on official business but merely to appreciate and pay tribute to the Viennese opera made I think a considerable hit with the government and people.

The day with Tito was one of the most interesting I have ever spent. He was extremely open and friendly. After a luncheon at his Brioni residence, he took me in his small two-seater speedboat to an adjoining island where he amuses himself with simple construction, planting, some exotic animals and the like. Others of the company joined us at a more leisurely pace. (His boat makes 40 miles per hour.)

We had a 3 hour talk partly in the sunlight and partly in a stone hut.⁴ Topics were Geneva Conference and its problems, particularly problem of Germany and about Near East where he goes to visit Nasser next month. We also talked about Balkan Alliance and about the satellites.

The talk confirmed me in my opinion that while Tito undoubtedly likes to be in a position to get the best of both worlds he has no intention whatever of falling back into clutches of Soviet and he feels that while Bulganin and Khrushchev are definitely trying to substitute new and more tolerable policies than those of Stalin there is still a very strong Stalinist element within the Soviet Union representing those who were indoctrinated in their youth with Stalinism and there is always danger that they could take over and resume rough policies.

While we did not always agree we had a very understanding talk. At close I remarked that while the decreased risk of war somewhat loosened ties between non-Communist nations because it diminished bond of fear it must also be remembered that a comparable process is going on within Soviet bloc and that authority there is being diluted and diversified. Tito feels strongly that this is case and

¹Source: Eisenhower Library, Whitman File, Dulles–Herter Series. Secret. Transmitted to Denver in Toden 16, which is the source text.

²Saturday, November 5, and Sunday, November 6.

³Theodor Körner; Chancellor Julius Raab; Minister of Foreign Affairs Leopold Figl.

⁴See *supra*.

was able to document this thesis on the basis of his knowledge more intimate than ours as to what is going on, particularly in satellite states. He is convinced Communist China is in no sense a satellite.

Following our interview we went back to Brioni and there I had press conference in which he participated with me. I was able there to make a highly significant statement in which he concurred regarding independence for the states of Eastern Europe.⁵

I had expected to fly back to Geneva before dinner but Tito and his wife were insistent we should stay. We had early supper with them and then he personally drove Mrs. Dulles and me and his wife to harbor where he embarked for mainland and airport.

I delivered your letter⁶ to him which he read with appreciation and at main luncheon his principal toast was for your quick and complete recovery.

We got back to Geneva about midnight. Harold Stassen met me and we are working today getting ready for that item of agenda which may be reached later this week.

Faithfully yours,

Foster⁷

⁵At a press conference held on Brioni following the November 6 discussion, Dulles stated in part: "The final subject of our talk was the problem of the States of Eastern Europe. We reached common accord on recognizing the importance of independence for these States, noninterference from the outside in their internal affairs, and their right to develop their own social and economic order in ways of their own choice." (Department of State *Bulletin*, November 21, 1955) According to a report of Dulles' visit, transmitted in despatch 540 from Belgrade, November 10, the foreign correspondents present at the news conference asked Tito if he agreed with the Secretary's statements on Eastern Europe and Tito answered in the affirmative. (Department of State, Central Files, 110.11-DU/11-1555)

⁶Document 262.

⁷Toden 16 bears this typed signature.

265. Telegram From the Secretary of State to the Department of State¹

Geneva, November 8, 1955—8 p.m.

Dulte 56. Eyes only Ambassador. For Acting Secretary from Secretary. Distribution as determined by Acting Secretary. Following dinner Tito and I talked alone. He spoke for several minutes about his relations with Soviet Union, saying that having once been in their

¹Source: Department of State, Central Files, 611.68/11-855. Secret. Repeated to Belgrade.

clutches he would never risk getting there again, and that he thought that that should be evident. He was a frank man and spoke what he believed. He could not understand that there were those who seemed to feel he was following a policy of duplicity. I said I had never had any doubt as to complete integrity of his policy and his unwillingness to get back again into clutches of Soviet Union.

I said principal difficulty in United States arose from Catholics who felt he was persecuting their religion. I asked whether it was not true there was very large freedom of religion. He said there was and that Catholics, Moslems and Orthodox all had complete freedom. He said the trouble arose about Stepinac, who was definitely proved to be a collaborator with Germans and who had been condemned to ten years and whom he had released after four, and he was now free and serving in a church.² He could go to Rome if he wished. (In connection with this matter, Tito showed first sign of emotionalism he had exhibited during entire visit. He spoke with considerable heat.)

In riding to airfield with Popovic, we referred to our conversation with President Tito. Popovic said most important aspect of our talk had been my recognition of fact that advent of more peaceful prospects, while it brought about a certain loosening of ties as between non-Soviet bloc countries, also brought about very considerable pressures for change within Soviet bloc. He said his government was probably in better position to appreciate this than most others and they were very conscious of this fact. But very few other people seemed to realize pressures within Soviet bloc which were weakening its cohesion.

He asked about my talk with Franco.³ I said we had principally talked about Morocco and I had urged importance of French and Spanish trying to work out a common program. In this connection, I said I thought Pinay⁴ was showing good qualities and a better grasp of colonial problem and need for changing old French policy than any of his predecessors.

Popovic spoke of Near East and of Baghdad Pact. He said he recognized full well the UK more than US had been pushing this latterly. I said that original concept of "northern tier" had been developed by me when I was in area some two and half years ago. In meanwhile, of course, there had been some changes and US had not been at all active in pushing pact and adherence of Iraq and Iran. I doubted however this inclusion of Iraq had any material bearing

²Aloysius Stepinac, Archbishop of Zagreb, was sentenced to 16 years in prison in October 1946, on charges of collaboration with the Germans. He was granted a conditional release in December 1951.

³Secretary Dulles visited Spain on November 1 and met with General Franco and other Spanish officials.

⁴Antoine Pinay, French Minister of Foreign Affairs.

upon Arab-Israel situation or arms deal with Czechoslovakia. Popovic asked whether Molotov had indicated any particular desire to find an accommodation on Near East situation. I said I had not detected any such desire. I had spoken to Molotov three times, but in each case he had attempted shrug off matter saying it was purely commercial transaction and had no political implications and he did not feel there was any cause to be concerned. Popovic said they recognized the situation was so delicate the injection of any new factor could be quite disturbing. I said we did not deny legal right of Russia to sell or Egypt to buy but that to inject a lot of new arms into situation was as irresponsible as giving lethal weapon to children to play with. I felt there was very great danger now in situation.

Dulles

266. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)¹

Washington, November 9, 1955.

SUBJECT

U.S. Policy Toward Yugoslavia

1. Reference is made to a memorandum by the Assistant Secretary of Defense (ISA), dated 17 August 1955,² subject as above, which requested that the Joint Chiefs of Staff provide a military reevaluation of the strategic importance of Yugoslavia under the various possible military alignments open to that country, to include recommendations as to the minimum requirements for military cooperation with Yugoslavia.

2. It is considered that under existing conditions, the following three general military alignments are open to Yugoslavia:

a. *Course of Action A (Pro West Yugoslavia)*. Cooperation with the West to include the effective coordination of defense plans.

b. *Course of Action B (Pro Soviet Yugoslavia)*. Return to the Soviet Bloc.

c. *Course of Action C (Flexible Position)*. Maintain a flexible position whereby Yugoslavia can achieve benefits from both power blocs with minimum commitments to either.

¹Source: Washington Federal Records Center, JCS Records, CCS.092 Yugoslavia (7-6-48). Top Secret.

²Not found in Department of State files.

3. The Joint Chiefs of Staff have evaluated the strategic importance of Yugoslavia with respect to the above courses of action and have concluded that:

a. *Course of Action A (Pro West Yugoslavia)*. Yugoslavia aligned with the West would move the entire area of the initial NATO southern European defense effort farther east, provide greater scope for defensive and limited offensive action in the eastern Mediterranean area, provide greater depth and forces for the defense of Greece and Italy, and assist in preventing the enemy from gaining access to the Mediterranean, thereby greatly facilitating the attainment of the NATO objective in southern Europe. Intelligence estimates indicate that the Tito regime is unlikely to adopt Course of Action A during the next several years (NIE 31-2-55).³

b. *Course of Action B (Pro Soviet Yugoslavia)*. Yugoslavia aligned with the Soviets would deny to NATO important depth and forces to conduct a successful defense of Italy and Greece, and would place the Soviet Bloc in a position to threaten the northeast border of Italy, the eastern shore of the Adriatic and the entire northern border of Greece, thus contributing significantly to the Soviet potential for preventing NATO achievement of its over-all objective in the southern European area. Intelligence estimates indicate that the Tito regime is unlikely to adopt Course of Action B during the next several years (NIE 31-2-55).

c. *Course of Action C (Flexible Position)*. Under Course of Action C, Yugoslavia would deny to both the West and the Soviet Bloc, the strategic advantages which would accrue from the utilization of her forces and her territory. The denial of the use of her forces could be expected to have approximately an equal effect upon both the Soviets and the West. Current estimates indicate that Yugoslavia will defend her national territory against aggression. One aspect of the over-all NATO objective in the Southern European Command is to prevent the Soviets from gaining access to the northern shore of the Mediterranean. In order to achieve this objective the West need not occupy Yugoslavia, but need only have Yugoslav territory denied the Soviets, whereas the converse is true with respect to the Soviets. It follows that the denial of Yugoslavia's geographical territory would constitute a greater strategic disadvantage to the Soviets than it would to the West. Thus, from the strategic viewpoint, the net effect of Course of Action C would favor the West. So long as the present trend for better Tito-Soviet Bloc relations continues, Yugoslavia's wartime usefulness to the West is uncertain and its adherence to the Balkan Pact commitments in time of war is doubtful. However, indications are that the Yugoslav regime would endeavor to remain neutral in a general war, that Tito would fight if directly attacked, and that he might also enter the war as a consequence of his judgment as to the course of hostilities and as to the advantages which he might gain from participation. We believe, in accordance with NIE 31-2-55 that Course of Action C is the course Yugoslavia has now adopted and will continue so long as Tito remains alive.

³Document 254.

4. The Joint Chiefs of Staff consider that the minimum requirements for military cooperation with Yugoslavia, though less than desirable, will be met so long as Yugoslavia:

- a. Adheres to a position of flexibility with respect to the East and the West as outlined in subparagraph 2c above.
- b. Indicates a manifest determination to defend its national territory against aggression.
- c. Continues to support the Balkan Pact.
- d. Does not grant transit rights of any kind, under any circumstances, to Soviet Bloc forces.

For the Joint Chiefs of Staff:

Arthur Radford⁴

Chairman

Joint Chiefs of Staff

⁴Printed from a copy that bears this typed signature.

267. Memorandum of Discussion at the 267th Meeting of the National Security Council, Camp David, Maryland, November 21, 1955¹

[Here follow a paragraph listing the participants at the meeting and discussion of subjects unrelated to Yugoslavia.]

Secretary Dulles next turned to his visit with Marshal Tito, which he described as "illuminating".² The joint statement which he had issued with Tito at the conclusion of their conference (regarding the desirability of independence for the Soviet satellites)³ was in itself worth the whole trip. While Tito had uttered such sentiments as this before, he had never done so in a joint press conference with an American Secretary of State. This joint communiqué had really rocked the Russians back on their heels, and they were currently extremely angry at Tito.

Tito had also thrown much light on the current situation in the Soviet satellites. In most of them the governing regimes were Stalinist hangovers and were currently under very heavy pressure for a change in the direction of greater moderation and a more clearly nationalist orientation. At the moment, however, the Soviet Govern-

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on November 22.

²See Document 263.

³Reference is to the statement made during the Secretary's news conference; see footnote 5, Document 264.

ment was continuing to support these Stalinist hangover regimes. Nevertheless, Tito was confident that the Soviets could not hold out very much longer, and the changes in these regimes would occur in the not too distant future, perhaps in a matter of months or a year's time.

Secretary Dulles then expressed confidence that as a result of the expression of Tito's and his own views, the problems of the USSR vis-à-vis the satellite states had been notably increased. They will have to be tougher in handling these regimes because of their fear that if they adopt softer policies they will lose control of the situation. In short, said Secretary Dulles, "they've got a hell of a lot of problems."

Secretary Dulles concluded his comments on his visit with Tito by stating his conviction that Tito was not playing a double game. While there was no doubt that he was trying to get the best of the two worlds, Soviet and free, there was no evidence whatever that he had turned his back on the West and had secretly rejoined the Soviet bloc.

[Here follows discussion of subjects unrelated to Yugoslavia.]

S. Everett Gleason

268. Report Prepared by the Operations Coordinating Board¹

Washington, November 23, 1955.

PROGRESS REPORT ON U.S. POLICY TOWARD YUGOSLAVIA (NSC 5406/1)²

(Policy Approved by the President February 6, 1954)

(Period Covered: April 13, 1955 through November 23, 1955)

A. Summary of Major Actions and Decisions

1. *Policy Review.* Pursuant to the recommendations of OCB in the latest prior progress report, April 13, 1955, the basic policy has been

¹Source: Department of State, OCB Files: Lot 62 D 430, Yugoslavia 1956–1957. Top Secret. A Financial Annex listing approximate U.S. aid expenditures for Yugoslavia for fiscal years 1953–1956 is not printed.

²For text, see *Foreign Relations, 1952–1954*, vol. VIII, pp. 1373–1377.

under review during the past four months. A National Intelligence Estimate was prepared for the NSC and a JCS reevaluation of the military significance has been prepared.³

2. *Military Assistance.* The total accumulative amount of U.S. military assistance to Yugoslavia programmed for end items through September 30, 1955 reached \$812.7 million. The dollar value of end items delivered by August 31, 1955 was \$587.2 million. Shipments during calendar year 1955 (through August 31) totaled \$76.7 million.

3. The Department of Defense after coordination with the Department of State issued instructions on June 13, 1955 to accord lowest priority to Yugoslavia for the receipt of MDAP equipment except for (1) material essential for the maintenance of MDAP equipment previously furnished or required for training, and (2) the MDAP equipment in the supply pipelines.

4. *Economic Assistance.* At the end of the period under review the cumulative total of U.S. economic assistance amounted to \$525.1 million, of which \$484.0 million had been shipped by June 30, 1955. The bulk of this assistance was in the form of surplus agricultural commodities, i.e., wheat and cotton.

5. Discussions with the Yugoslav Government regarding continued economic assistance under FY 1956 MSP and PL 480 were not undertaken until basic U.S. policy review indicated the desirability of continued economic aid.

6. *Mission of Deputy Under Secretary Murphy.* The Deputy Under Secretary of State conducted negotiations with the Yugoslav Government in Belgrade during the week ending October 1 and reached an understanding on the following major matters:

- a. No change in policy of either nation toward the other.
- b. Facilitate operation of American Military Assistance Staff.
- c. Strengthen mutual economic cooperation—U.S. to furnish immediately 300,000 tons of wheat and to negotiate on further economic aid this year. (These discussions have begun.)
- d. U.S. willingness to discuss program for peaceful uses of atomic energy.
- e. Department of State to support Yugoslav application for Export-Import Bank loan.

[Subparagraph f (1 line of source text) not declassified]

7. *Information Programs.* USIA continued its efforts to disseminate the U.S. foreign policy viewpoint in Yugoslavia through its press bulletins, VOA broadcasting, exhibits, backgrounders, book presentations, and related activities. In September and October 1955, the U.S.

³Documents 254 and 266.

atoms-for-peace exhibit was shown to large audiences, including key government officials.

[Sections B and C (3-1/2 pages of source text) not declassified]

269. Letter From President Tito to President Eisenhower¹

Belgrade, November 30, 1955.

DEAR MR. PRESIDENT: I am most thankful to you for your message of October 12.² We were all very glad to hear the news that you had recovered and already returned to your difficult duties.

Mr. John Foster Dulles has, surely, informed you on our talks at Brioni.³ I think that this exchange of views on various problems which are of interest to both our governments, particularly from the point of view of the relaxation in the world and the preservation of peace, was very useful. We were all very pleased that Mr. Dulles gave us a clear picture on the course of the Geneva talks, and that he took a keen interest in our views on some problems. It is understandable that our views on some matters are different, but we were very pleased to be able to establish at the Brioni meeting that our basic aims were the same, i.e. to preserve peace and to achieve constructive cooperation among nations.

As far as the results of the Geneva Conference are concerned, it is my personal opinion and the opinion of my associates as well, that these results are not discouraging since the possibility of continuing the talks about problems on which no agreement could be reached, or on which only a partial agreement was achieved, has been preserved. Such an outcome is still significant if we compare it with the situation as it existed two years ago. I think that the "Geneva spirit" from your July meeting has been preserved. Knowing now the views of your Government, which were outlined to us by Mr. Dulles, and, on the other hand, knowing the views of the Soviet Government, I am today much more of an optimist than, for instance, a year ago. It is because we see that your Government as well as the Soviet Government exclude the use of force as a means to solve international problems, and that on both sides there is readiness for talks, though they might take time.

I should like to assure you, Mr. President, that I and my associates will endeavour, as far as it is within our possibilities, to explain

¹Source: Eisenhower Library, Whitman File. Confidential. There is no indication on the source text as to when and by whom the letter was delivered.

²Document 262.

³See Document 263.

to the Soviet leaders our views on various problems. Some signs allow me to believe this may prove to be of some benefit.

I am now leaving to return the visit to the Emperor of Ethiopia,⁴ and on my way home I shall pay a visit to Egypt.⁵ Of course, I have no pretension whatsoever to be a mediator in the conflict between Israel and Egypt, yet I will, as I have already told Mr. Dulles, try in my talks with the Egyptian leaders and with President Nasser to act in the direction of relaxation, in accordance with the principles of our foreign policy.

I thank you warmly for your interest in my health, which is now, after a successful cure at Brioni, very good.

Sincerely,

J. B. Tito

⁴Haile Selassie.

⁵Tito's visit to Egypt in February 1956 was followed by a meeting of Tito, Nasser, and Nehru at Brioni on July 18 and 19. An analysis of the meeting, which reflected the continuing concern of the United States over Tito's role as a neutralist, is in Intelligence Brief No. 1976, July 26, 1956. (Department of State, PPS Files: Lot 66 D 487)

270. National Security Council Report¹

NSC 5601

Washington, January 9, 1956.

NOTE BY THE EXECUTIVE SECRETARY TO THE NATIONAL SECURITY COUNCIL ON UNITED STATES POLICY TOWARD YUGOSLAVIA

REFERENCES

- A. NSC 5406/1 and NSC 5526²
- B. NIE 31-1-55 and NIE 31-2-55³
- C. NSC Action Nos. 1393-b and 1495⁴
- D. Memo for NSC from Executive Secretary, same subject, dated December 6, 1955⁵

¹Source: Department of State, S/P-NSC Files: Lot 62 D 1, NSC 5601 Series. Top Secret.

²For text of NSC 5406/1, see *Foreign Relations, 1952-1954*, vol. VIII, pp. 1373-1377. NSC 5526, November 21, 1955, is not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5601 Series)

³NIE 31-2-55 is printed as Document 254. Regarding NIE 31-1-55, see footnote 1 thereto.

⁴Neither printed. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

⁵Not printed. (*Ibid.*, S/P-NSC Files: Lot 62 D 1, Yugoslavia)

The enclosed draft statement of policy on the subject, prepared by the NSC Planning Board, pursuant to NSC Action No. 1495–b, as a revision of NSC 5526, is transmitted herewith for consideration by the National Security Council at its meeting on Wednesday, January 18, 1956.

For convenience of reference a schedule indicating the paragraphs of 5526 which have been revised is attached.

A Financial Appendix is also enclosed for the information of the Council.⁶

The enclosed statement of policy, if adopted, is intended to supersede NSC 5406/1.

It is recommended that, if the Council adopts the enclosed statement of policy, it be submitted to the President with the recommendation that he approve it, direct its implementation by all appropriate Executive departments and agencies of the U.S. Government, and designate the Operations Coordinating Board as the coordinating agency.

James S. Lay, Jr.⁷

Enclosure

DRAFT STATEMENT OF POLICY BY THE NATIONAL SECURITY COUNCIL ON UNITED STATES POLICY TOWARD YUGOSLAVIA

General Considerations

U.S.-Yugoslav Relations 1948–1954

1. The Tito–Kremlin break of 1948 and the consequent departure of Yugoslavia from the Soviet bloc served U.S. interests through (a) the continued denial to the USSR of important strategic positions and other assets, and (b) the political effects, on both sides of the iron curtain, of a break in the “monolithic” Communist bloc.

2. In order to preserve these gains, the U.S. extended economic and military aid to Yugoslavia. This aid was of crucial importance in keeping the Tito regime afloat under severe Soviet pressures and—by indicating U.S. concern with Yugoslavia’s independence—in discouraging any Soviet inclination to attack Yugoslavia.

3. A further U.S. purpose, as the military and economic aid programs developed, has been to utilize them to influence Yugoslavia

⁶Neither the schedule nor the Financial Appendix is printed.

⁷Printed from a copy that bears this typed signature.

toward closer political, economic and military collaboration with the West, and to encourage such internal changes in Yugoslavia as would facilitate this orientation. The military aid program in particular has been directed toward achieving the eventual collaboration of Yugoslav forces with NATO forces in the defense of Yugoslavia and northern Italy.

4. The cumulative amount of U.S. military aid to Yugoslavia programmed from 1951 through 30 June 1955 was \$799.4 million, of which \$568 million in end-items had been delivered and \$1.5 million in training had been utilized as of May 31, 1955. Yugoslavia hopes for and may expect delivery of the remainder (\$229.9 million) on terms acceptable to it, and may even request additional equipment, especially of more modern types, beyond what is presently programmed.

5. U.S. economic grant aid programmed since the Tito-Kremlin break totalled \$503,200,000 through June 1955, of which \$485,400,000 had been expended. Economic aid has fallen broadly into two categories: (a) raw materials as defense support, and (b) food, to meet the problems caused largely by serious droughts and chronic food deficit conditions. In the last two fiscal years, economic aid programs have consisted largely of food grants from U.S. surplus agricultural commodities.

Soviet "Normalization" Policy

6. After the death of Stalin, the USSR gradually undertook a campaign to "normalize" relations with Yugoslavia, which since 1948 had been characterized by Soviet dedication to the overthrow of Tito's regime. About September 1954, the "normalization" campaign was intensified. Military and political pressures against Yugoslavia were relaxed; trade, which had been completely severed since 1948, was resumed; and the Soviet propaganda line ostentatiously switched from hostility to acceptance and even praise of the Tito regime. In May-June 1955 the campaign reached a high point with the visit, on Soviet initiative, of the top Soviet leaders to Belgrade to confer, on a basis of equality, with those so recently excoriated as apostates and traitors. This visit was marked by (a) a Soviet confession of error in previous policy toward Yugoslavia, (b) a joint communiqué providing a basis for settlement of outstanding differences and showing a substantial identity of views on various international questions, and (c) a rapprochement between the Soviet and Yugoslav Governments and Communist parties, the ultimate extent of which is still unclear. Early in September, the two countries concluded agreements in principle on trade and credit arrangements over the years 1956-8 which are both useful and favorable to Yugoslavia.

7. The ultimate objective of Soviet strategy toward Yugoslavia is probably the reassertion in some effective form of Soviet control over that country. For the shorter term, the Soviet objective is probably the effective neutralization of Yugoslavia, so that it will not maintain security ties with the free world and so that its armed forces and terrain will be denied to the U.S. and its allies.

Development of Yugoslav Policy

8. Consistently since 1948, Tito's main purpose has been to preserve Yugoslavia's independence and his regime. In the period of extreme Soviet pressure, he attempted to assure himself of military support from the West in case of war and found it expedient to obtain Western aid. Yugoslav military talks with the U.S., UK and France in 1953 and conclusion of the Balkan Alliance with Greece and Turkey in 1954 seemed to indicate the possibility of future Yugoslav association with the NATO defense system. Nevertheless, Tito remained cautious and tried to maintain as much independence of policy as his difficult external and internal situation allowed. With the change in Soviet policies, he has been less concerned with the possibility of Soviet attack and has interpreted Soviet moves, including the visit of Soviet leaders, as signaling Soviet acceptance of Yugoslavia's independent position and as contributing to relaxation of tensions.

9. At the same time, Tito has given no evidence of willingness to let Yugoslavia fall under Soviet control; and it is improbable that Yugoslavia will do so, at least so long as he is in power. However, it is not altogether clear what limits Tito has set in his relations with the USSR, how far the accommodation may go, or what its ultimate effects may be, regardless of Tito's personal wishes to keep the rapprochement within safe bounds.

10. Yugoslavia's "normalization" of relations with the Soviet bloc has been accompanied by resistance to ties with the West closer than those already developed, reflecting a desire for freedom of action vis-à-vis both sides. This trend has been strengthened by (a) greater realization of the meaning of the overwhelming nuclear power of the U.S. and the USSR; (b) Tito's attraction to the line taken by such countries as India, Burma and Egypt, and his desire to play a role on the world stage (evidenced by the furnishing of arms to Burma and recently to Egypt); (c) Tito's hope of influencing developments in the satellites, which he thinks Yugoslavia can do better as an independent communist state than as a close associate of the Western powers; (d) Tito's fear lest the swing to the West go too far and become a danger to the maintenance of Communist rule in Yugoslavia.

11. Nevertheless, Tito will wish to continue building up his own armed forces with such American aid as he can get. He also continues to show a desire, as insurance, to retain at least an indirect, if somewhat attenuated, security tie with the West through the Balkan Alliance, and appears to wish to count on military support from the West if the Soviet threat to Yugoslavia should reappear. There is a possibility that he would sacrifice these minimal security ties with the West, including U.S. military aid, if events should cause him to question the continued compatibility of these ties with this foreign policy of non-alignment.

12. Current Yugoslav policy raises the question of current U.S. objectives in Yugoslavia. The original limited objective of keeping Yugoslavia independent of the Soviet bloc has been well served by timely aid. The more far-reaching objective of tying Yugoslavia into the Western system and ensuring its effective contribution to free world power in case of war in Europe, chiefly through a larger-scale military aid program and the growth of U.S. and Western influence, has not been attained and there is no sound indication that it is attainable. In case of general war, Yugoslavia will probably remain neutral as long as the situation permits, and Yugoslav forces will be used as the Yugoslav leadership deems appropriate to ensure the regime's own survival, rather than as a means of protecting northern Italy or carrying out NATO plans. Yugoslavia has recently given the U.S. high-level oral assurances that it will never permit the passage of foreign troops over its soil during any war in which Yugoslavia remains a non-belligerent. Although Yugoslavia appears to recognize a common interest with us in weakening the Soviet hold on the satellites, in its general policy, Yugoslavia can be expected to follow a more neutralist line. It will stress its independence while seeking the benefits of friendly relations with the West and improved relations with the Soviet Union. Accordingly, in pursuit of its own interests, the Yugoslav position will continue to coincide on some matters with that of the Soviets and on others with that of the West.

13. It is in the U.S. interest that Yugoslavia (a) maintain the will and ability to resist Soviet domination, (b) continue to deny its resources to the Soviet bloc and withstand Soviet economic pressures, (c) use its potential for weakening the monolithic front and internal cohesiveness of the Soviet bloc, (d) play a part in deterring Soviet bloc aggressive, (e) maintain sufficient economic strength and stability to enable Yugoslavia to do the above, and (f) continue to hold to its Balkan Alliance with Greece and Turkey. Yugoslavia requires the political and material support of the U.S. more than the U.S. needs Yugoslavia. On the other hand, because of Yugoslavia's peculiar value to the U.S. in Eastern Europe, the U.S. should guard against taking measures which would force Yugoslavia into the Soviet bloc.

The general attitude of the U.S. in dealing with Yugoslavia and U.S. consideration of Yugoslav requests for aid should take into account the above factors.

Objectives

Short-Term Objectives

14. Maintenance of an independent Yugoslavia outside the Soviet bloc.

15. Maximum Yugoslav effectiveness in encouraging separation of the satellites from the Soviet bloc.

16. A Yugoslavia that does not actively further Soviet-Communist cold war objectives.

17. Maximum possible utilization of Yugoslav potentialities on behalf of U.S. and other free world objectives.

18. Without jeopardizing the above objectives, reorientation of the Tito regime in the direction of political and economic liberalization.

Long-Term Objective

19. Eventual fulfillment of the right of the Yugoslav people to live under a government of their own choosing, which maintains peaceful and stable relations with neighboring states, and participates fully in the free world community.

Courses of Action

20. Attempt to influence the Yugoslav Government and people to continue to stand firmly for maintenance of Yugoslavia's independence in the face of Soviet pressures or blandishments. If the Tito regime proves unwilling to do so, revise U.S. policies accordingly.

21. In extending further military assistance:

a. Review and revise the present military assistance program. The goal of such revision should be a more austere aid program, taking into account U.S. willingness to support minimal military requirements for maintaining Yugoslav independence outside the Soviet bloc, and the degree of Yugoslavia's cooperation.

b. Complete the revised program, regulating the rate of delivery of the major undelivered components thereof in a manner calculated (1) to obtain assurance to Yugoslav compliance with its agreements with the U.S. and (2) to stretch out the revised aid program.

c. In so far as is consistent with a and b above, continue in the future to provide minimal training programs, spare parts, ammunition and attrition items as required to maintain U.S. equipment delivered to Yugoslavia in reasonably effective condition.

d. Make any further programming of military aid dependent on the degree to which Yugoslavia provides better information to the U.S. on its defense planning or participates with appropriate NATO countries in joint defense planning.

22. Recognize that political objectives justify the provision of military assistance that would not be justifiable on strictly military considerations.

23. Continue to furnish economic assistance in minimum amounts necessary to assist Yugoslavia in maintaining sufficient economic strength to support its defense effort at a level consistent with U.S. objectives, and in averting any economic deterioration likely to threaten Yugoslav independence.

24. Continue to furnish technical assistance to Yugoslavia directly and through the UN program.

25. In extending military, economic and technical assistance:

a. Avoid actions which could be interpreted as unreserved endorsement of the Tito regime on the one hand or which, on the other hand, would undermine that regime.

b. Exploit the Tito regime's reliance on the West for assistance by seeking to induce it to adopt policies which will contribute to the attainment of U.S. objectives.

c. To the extent possible, seek to influence Yugoslavia to give greater play to free economic forces.

d. Ensure access by the West to whatever strategic materials Yugoslavia may be able to provide.

26. Consider Yugoslavia on the same basis as free European nations in evaluating requests for export licenses so long as its export policies are generally consistent with the objectives of the multilateral trade controls imposed against the Soviet bloc. Continue to permit the Yugoslavs to purchase in the U.S. military equipment and supplies which add to the strengthening of their armed forces, as long as satisfactory U.S.-Yugoslav political relations continue to exist.

27. Continue to deny to Yugoslavia materials and equipment judged to be for use in an advanced atomic energy program. However, give those departments and agencies with export control responsibilities discretionary authority as regards the licensing for export to Yugoslavia of reasonable quantities of materials and equipment obviously intended for:

a. Basic research and instruction in the atomic energy field (including cooperation under any eventually concluded agreement for U.S. assistance in furnishing Yugoslavia with a research reactor and fissionable materials therefor).

b. Source material (e.g., uranium) exploration.

c. Medical or normal industrial use.

Cooperate with Yugoslavia in a peaceful uses program involving the exchange of non-sensitive scientific information and the training in the U.S. of Yugoslav scientists in non-sensitive fields.

28. While avoiding the appearance of encouraging the export of Titoist Communism, use Yugoslavia's unique position as an independent Communist state in Eastern Europe to promote the weakening of the Soviet grip on the satellite countries or their defection from the Soviet bloc.

29. Exploit the existence and encourage the development of the Balkan Alliance as a means of weakening Soviet power in the Balkans and emphasize to the Yugoslavs the importance of effectively coordinating their military planning with Greece and Turkey and otherwise fulfilling the obligations of that Alliance.

30. Encourage closer political, economic, military, cultural, tourist, individual, technical and scientific ties between Yugoslavia and the nations of the free world, particularly those of Western Europe. In the interest of building up influence within Yugoslavia favorable to the attainment of U.S. objectives, explore the feasibility and desirability of establishing both officially and privately sponsored programs for an expanded exchange of U.S. and Yugoslav students, intellectual leaders, military and technical personnel and private individuals. In ways consistent with the internal security of the U.S. seek to expedite procedures to effect entry of suitable Yugoslav non-immigrants into the U.S. and seek to eliminate legal impediments to such entry.

31. Direct information policy toward building Yugoslavia's will to combat Soviet encroachment and to encourage ties to the West, while:

a. Avoiding endorsement of the internal policies of the Tito regime and taking account of the Yugoslav people's hope for eventual attainment of greater political and economic freedom.

b. Avoiding antagonizing the Tito regime to the point of jeopardizing realization of our immediate objectives or inducing political aspirations among the Yugoslav peoples likely to produce disorder, unrest, or internal divisions.

[Numbered paragraph 32 (4-1/2 lines of source text) not declassified]

271. Editorial Note

At the 273d meeting of the National Security Council on January 18, the Council adopted, apparently without discussion, the draft

statement of policy contained in NSC 5601, *supra*. NSC 5601, as adopted and approved by the President in NSC Action No. 1504, was "referred for implementation to all appropriate executive departments and agencies of the U.S. Government, and to the Operations Coordinating Board as the coordinating agency."

At the same meeting, Director of Central Intelligence Allen Dulles reported as follows during his briefing on significant world developments affecting U.S. security:

"The Director of Central Intelligence said that he had a word or two to say with respect to Yugoslavia although what he was going to say was not likely to change the Council's decision on the previous agenda item since it was still the estimate of the intelligence community that Marshal Tito's primary objective was to maintain the independence of Yugoslavia. Mr. Dulles then proceeded to cite the recent trade agreements between Yugoslavia and several of the Soviet Bloc countries. Mr. Dulles estimated that as a result of these agreements Yugoslav trade with the Bloc might rise from 20 per cent at the present time to perhaps 30 per cent in the next few years. He pointed out that before Yugoslavia broke away from the Soviet Bloc, 50 per cent of its foreign trade had been with the Bloc. Mr. Dulles next referred to Marshal Tito's hostile remarks about the Baghdad Pact uttered in the communiqué with Colonel Nasser at the conclusion of Tito's visit to Cairo. [*6 lines of source text not declassified*]" (Memorandum of discussion by Gleason; Eisenhower Library, Whitman File, NSC Records)

272. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, March 23, 1956—7 p.m.

1123. Paris pass Knight and Wallner. Rome pass Maffitt. Embassy telegram 1113, and Department telegram 752.²

1. I have now been able to discuss Khrushchev speech³ with Kardelj, Pijade, Acting Foreign Secretary Prica and Nenad Popovic while Embassy officers have seen Brkic, Kos and other lesser officials. Tito and Foreign Secretary are out of town and Vukmanovic still on Warsaw trip. For these conversations following are main Yugoslav points:

¹Source: Department of State, Central Files, 761.00/3-2356. Confidential. Repeated to London, Paris, and Rome.

²Neither printed.

³Reference is the "secret speech" made by Khrushchev at a closed session of the Twentieth Congress of the Communist Party of the Soviet Union on February 25, 1956, in which he criticized Stalin and his policies.

(a) Yugoslavs have, if not complete text of Khrushchev speech, detailed summary which they are convinced is accurate and complete although they deny that Vidic or any other non-Russian delegate was present on February 25;

(b) They believe summary has been given to all satellite leaders and to most CP leaders outside of bloc with uneven results to date;

(c) Yugoslav Government reaction to speech has clearly been established and is now reflected in all conversations with leaders here;

(d) This reaction embraces great satisfaction with substance of speech, emphasis on its importance both for present and future lines of Soviet policy and a not unnatural pride that Soviets have adopted number of Yugoslav ideas;

(e) General admission that speech showed development in Soviet internal policy that went farther and faster than Yugoslavs had expected;

(f) Yugoslav Government conviction it is impossible to make this strong attack on Stalin without concomitantly attacking entire Stalin system;

(g) Belief that Khrushchev and Bulganin feel strong enough to adopt new line in spite of latent opposition and expressed belief that they will succeed with most far-reaching internal consequences and eventual modification of Soviet foreign policy for establishment of real peace;

(h) Necessity for West not to lose this opportunity to negotiate realistically with Soviets . . . ⁴ not to do so would enable Soviets later to claim they had been rebuffed.

2. In elaboration of foregoing, Kardelj told me he was "astounded" at how far and how fast Khrushchev had gone. Yugoslav Government had expected changes, but not of this magnitude or tempo. Already substance of speech was being given to Soviet Party organization with instructions to spread the word. Prica said Yugoslav Government was sure that 6 to 7,000 persons had been released from prison or rehabilitated, including Maisky, and Soviet commission was working on thousands of other cases with same end. "A number of NKVD personnel were being imprisoned". Kardelj, Pijade and Prica all thought text of speech would eventually be published in USSR, particularly as Soviet leaders now realized Stalin system was contrary to their own interests and Russian people must be convinced that reforms were coming. Larger degree of decentralization was necessary and was clearly indicated by Khrushchev's speech. It was beginning of "democratization" of Soviet system, from which many changes would inevitably follow.

3. All leaders here professed ignorance re developments in Georgia, although Prica compared Georgians to Montenegrins as people who would not relish losing a favored position.

⁴Ellipsis in the source text.

4. Kardelj, Pijade and Prica all said flatly that Yugoslav Government had no foreknowledge that Khrushchev would so sharply attack Stalin. Kardelj said that during visit last May when Yugoslavs criticized Stalin, Soviet leaders still defended him and blamed Beria. Therefore obvious that decisions of paramount importance had been made between last May and CPSU Congress and that eventually full scope of these decisions must be revealed. Kardelj thought we would shortly see more developments, but would not specify nature.

5. In satellites, all agreed that reaction had been uneven. Brkic thought that time was propitious for loosening of control over satellites but was cautious in predicting when any real freedom might develop. There was slight difference of view respecting future of Cominform but all agreed that its importance would greatly diminish. Kardelj thought Cominform would wither away but Prica expressed personal opinion that it would be formally abolished. In Poland and Czechoslovakia there are already indications of liberalization of policy particularly with respect to freer expression of opinion, less rigid party discipline and recognition that other points of view must be given consideration. In Hungary, developments were still uncertain and it would be difficult to predict how matters would go there. Both Kardelj and Prica expressed the firm belief that in one way or another Rakosi would have to go and that he could not survive indefinitely. In Bulgaria, Chervenkov's personal position was somewhat better but he too would have eventual difficulties in surviving the changed situation.

6. Re China, Yugoslav leaders were more uncertain. Brkic thought that it was not clear yet how Mao would deal with Khrushchev speech. In spite of press speculation that Mao was faced with difficult problem, Kardelj expressed opinion that these developments would not embarrass Mao who would readily adapt himself to new line. This was particularly true as he thought Western countries had never fully appreciated extent of Chinese independence from Moscow.

7. In response to my query how in their opinion Western world should react to Khrushchev speech, both Kardelj and Prica strongly urged that US particularly should display a maximum of good will and not neglect this opportunity. Kardelj thought that the three specific fields in which progress could be made were (a) disarmament, (b) increased contacts, and (c) trade relations. Kardelj thought that we would shortly see an improved Soviet attitude re disarmament. Both he and Prica emphasized the high desirability of visits by Soviet leaders to Western countries. Both hoped that the forthcoming visit to the UK⁵ would have good results. They also hoped this

⁵Soviet leaders Bulganin and Khrushchev visited Great Britain, April 17-27.

would be followed by increasing contacts and agreed that Soviet leaders were exceedingly ignorant of Western world. This ignorance could only be overcome by greater contact and knowledge. They hoped the US would take the lead in this connection as it was doing in the disarmament question.

8. While I was primarily a listener in these conversations, I did take occasion with Prica to issue a general caveat respecting the difficulties which the Western world would experience in accepting Soviet statements at their face value in view of our experiences. I said it would not be forgotten that however much we might want to encourage developments in the Soviet Union in a direction which both the US and the Yugoslav Governments wished to see, nonetheless caution was indicated and the West could not lower its guard until more adequate proof of Soviet intentions was forthcoming. It was furthermore necessary that public opinion in the US be convinced of the reality of change in Soviet policy. I said these comments also applied equally to US-Yugoslav relations and that our public opinion was sensitive to Yugoslav decisions which seemed to indicate larger cooperation with Soviet front organizations. I cited the WFTU and the question of enlarged Communist Party relations as cases in point. Prica said that Yugoslav Government was cognizant of these problems but put in a strong plea to the effect that the power and prestige of the US was so great it could afford to adopt an imaginative approach and take chances for the preservation of peace. This was particularly true inasmuch as he thought Soviet leaders had now realized that third world conflict was impossible for any country to sustain.

9. Department pass Moscow as desired.

Riddleberger

273. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 27, 1956—6 p.m.

775. Re: Yugoslavia. It is becoming increasingly apparent in SC meetings that Yugoslavia is consistently following USSR lead. This was clear in yesterday's meeting on Palestine when Yugoslav position was indistinguishable from Soviet, and appeared to have been worked out in advance between them.

¹Source: Department of State, Central Files, 768.00/3-2756. Confidential.

Concurrently they maintain openly an almost boisterous show of friendship and camaraderie with the United States. [2 lines of source text not declassified]

I bring this to attention of Department in belief it should somehow be reflected in our relations with Belgrade.

Lodge

274. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, April 19, 1956—5 p.m.

1277. Pass Defense. Embtel 1152, 1232, and 1271 paragraph 17.²

1. At his request I saw Prica today to discuss future military aid. He was informed of my conversation with Tempo yesterday, and said he realized Yugoslav Government had been slow in responding to our conversation of March 28. He said this resulted partially from his illness but more importantly from complex problems which this question raised in changed circumstances. Viewpoint of Yugoslav Government was as follows:

2. Changes in USSR had undoubtedly made military aid matters less urgent. New possibilities in disarmament were emerging and threat of military aggression had indubitably lessened. This did not mean the Yugoslav Government would give up its military power and it certainly did not want to abandon its military cooperation with US. Nonetheless we would perhaps agree that military aid problems did not have same urgency as before. Yugoslav Government hoped that US would not insist upon linking military to economic aid and that two governments could proceed to discuss latter at early date. Yugoslav Government was definitely interested in future military aid but realized that political overtones existed which would have to be clarified. He remarked that discussions between Yugoslav military and AMAS were now underway which would establish exact status of approved programs. In these circumstances, Yugoslav Government would prefer to postpone a definite answer until present technical talks were concluded.

¹Source: Department of State, Central Files, 768.5-MSP/4-1956. Secret.

²In telegram 1152, March 28, and telegram 1232, April 10, Riddleberger reported on earlier contacts with Prica on the aid issue. In telegram 1271, April 19, Riddleberger reported on a meeting he and Killen had with Tempo on economic matters. In paragraph 7, Riddleberger noted that the Yugoslav Government was reluctant to enter into discussions concerning future military aid. (*Ibid.*, 768.5-MSP/3-2856, 768.5-MSP/4-1056, and 768.5-MSP/4-1956, respectively)

3. I replied that as I had said yesterday to Tempo we were not pressing Yugoslav Government for immediate answer. [Garble] was impelled to observe that Yugoslav Government was now largely formed of items of 1950–55 program, time was passing and future programs had to be prepared well in advance of Congressional action. From our previous discussion, I was certain Prica realized military aid could not be supplied in a vacuum and some basis of planning was required. Prica said these points were understood and would be taken into account by Yugoslav Government.

4. It is clear to General Waters and me that Yugoslav Government does not want to embark upon discussions until it has extracted all available information it can respecting our intentions. Yugoslav Government now informed of all items 1950–55 program expect revalidation Air Force fiscal year 1955 program. Essential elements F-86E delivery program for necessary pre-delivery training have been released with AMAS recommendation to EUCOM to start deliveries in July. No information on fiscal year 1956 as yet given on Army, Navy, or Air to Yugoslav Government. We thought advisable to hold up release of revalidated Air Force fiscal year 1955 program and three fiscal year 1956 programs. Both General Waters and I also believe that political considerations are behind Yugoslav desire to postpone discussions on military aid which would inevitably raise questions of adequate information and planning. If Yugoslav Government is unwilling to engage in realistic discussions at this time, there is probably no point in forcing the issue. Therefore recommend that we leave matters as they are pending further consideration inside Yugoslav Government.

Riddleberger

275. **Telegram From the Department of State to the Embassy in Yugoslavia¹**

Washington, May 9, 1956—6:03 p.m.

904. Dept approves your position Embtel 1368.² Although AMAS staffing not vital matter itself, as Yugoslavs well know, it

¹Source: Department of State, Central Files, 768.5-MSP/5-756. Secret; Priority. Repeated to Paris for CINCEUR, Knight, and Wallner.

²In telegram 1368 from Belgrade, May 7, Riddleberger reported on his meeting with Prica, during which Prica stated that Yugoslavia was not willing to increase the AMAS staff, as agreed to in the October 1955 talks with Murphy, or to enter into discussions on future military aid. Prica's justification was the "policy of Yugoslav

Continued

became during Murphy talks symbol and measuring rod US-Yugoslav military relations. Yugoslavs in renegeing on their commitment seem deliberately to have posed issue continuation present MDAP. Whether Prica statements are final Yugoslav position or merely trial balloon to facilitate formulation Yugoslav position for Moscow talks (as in Tempo statement on MIG's last year),³ Dept believes frank, firm and swift response essential to clarify respective positions before Tito visit Moscow.⁴ You should accordingly seek interview soonest with Prica and stress you are making following points per instruction:

1. Murphy negotiations established overall framework for US-Yugoslav political, military and economic relations, main points of which embodied in confidential memo of understanding. From review of political situation with Tito, Kardelj and Prica, Murphy satisfied himself on bases for future bilateral cooperation, entered into military discussions, and once these questions resolved (including precondition of Yugoslav agreement to AMAS staff minimum of sixty), he proceeded to work out economic problems.

2. US has adhered to October agreement. MDAP shipments are proceeding normally, dispatch of major undelivered end-items already past planning stage, and approach made on possible future MDAP. Full economic assistance given in various forms and collaboration continues. US has noted discrepancy between increasingly pro-Soviet public stance Yugoslav press and leaders on world issues and private remarks of latter aimed at reassuring West, but has until now accepted Yugoslav assertions that delicate situation in USSR requires such dichotomy in overall interests West.

3. Conversations with Prica present disturbing picture. Terms Murphy agreement on AMAS staff are explicit, as Prica himself has admitted in raising issue to political plane. Since world situation and Yugoslav position have not basically changed since October, we cannot accept Yugoslav justification for refusal adhere their commitment. US has no desire force military equipment on unwilling recipients. If Yugoslavs want program continue, they must comply with their undertakings.

4. Prica must have realized issue in presenting Yugoslav position to you. Presume Yugoslavs aware that any US termination MDAP if forced on US by their action would also be taken as "political manifestation" which bound have wide and unfavorable repercussions in West and specifically in US Congress. Cannot assume Yugoslav decision based on determination abandon military defense efforts since 75 percent 1956 budget still allocated for armed forces and Yugoslavs actively trying to acquire military equipment from Western nations which Yugoslavs need but unable produce domestically. Logical de-

Government to promote relaxation of tension, to de-emphasize military programs and to propagandize for non-military cooperation." Riddleberger concluded that the Yugoslavs were willing to risk not implementing the October agreements in the hope that the United States would continue military aid. (*Ibid.*, 768.5-MSP/5-756)

³Not further identified.

⁴Tito was scheduled to visit the Soviet Union in early June.

duction is that Yugoslav govt envisages alternate (Eastern) sources supply.

Presume foregoing démarche to Prica will result in your being summoned by Koca Popovic and/or Tito after their return from Paris, and you should see Tito in any event on issue shortly unless Prica or Popovic backs down. Action is being taken to suspend temporarily two F-86E aircraft scheduled for delivery May 11 until further assessment made by Dept based on your advice whether all deliveries of equipment should be suspended until satisfactory conclusion reached. From terms your approach plus this action should be clear to Yugoslavs US position contains no element bluff. Defense concurs.

Dulles

276. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 11, 1956—7 p.m.

1386. Paris for USCINCEUR, Knight, and Wallner. Deptels 904 and 907.²

1. Simultaneously with my request yesterday for interview acting Foreign Secretary, Vukmanovic (Tempo) asked that Killen and I call today to discuss economic aid. As subject matter of our discussions is interrelated, it was arranged that I see Prica first and then Tempo. We have just come from these lengthy interviews which ranged over whole field of military and economic arrangements based on Murphy negotiations. Although our talks are not yet concluded and I shall probably resume with Prica on Monday, following is preliminary report and impressions.

2. With Prica, I followed paragraphs one to four almost verbatim as I fully concur with this approach.³ Only departure was my own elaboration with examples to buttress directly points made. (In background was information we had conveyed to Yugoslav Government

¹Source: Department of State, Central Files, 768.5-MSP/5-1156. Secret; Priority. Repeated to Paris.

²Telegram 904 is *supra*. Telegram 907, May 9, informed Riddleberger that Beam had met with a Yugoslav Embassy official and informed him of U.S. "inability to understand Tempo's 'angry' attitude and his blaming US entirely without justification for food situation confronting Yugoslav Govt." (Department of State, Central Files, 768.5-MSP/5-956)

³Reference is to telegram 904, *supra*.

yesterday that delivery of F-86s scheduled for May 14 had been temporarily suspended. No allusion was made to this in my interviews today and Yugoslavs seem therefore to be taking it calmly.) Prica took careful notes on what I had to say and said he would have to discuss it within Yugoslav Government.

3. Acting Foreign Secretary then made only brief reply which he said flowed from some of my remarks on May 7.⁴ He contended Yugoslav military had impression US did not intend carry out October 1 memorandum and cited figures of deliveries January-June 1955 of \$73 million as compared with January-May 1956 of \$12 million. Also DFS program was being changed and Yugoslav military encountered difficulty in receiving precise information on schedule of shipment. Therefore Yugoslav Government thought that military program was not going in normal way and US had disturbed spirit of October 1 agreement. I then proceeded to demolish this weak *tu quo que* argument with an array of facts, not omitting to remind Prica I had warned Yugoslav Government throughout last summer that failure to settle our difficulties would inevitably delay deliveries. He then begged off discussing implementation of program on plea he was not technically competent. I replied General Waters and I would be prepared to discuss his complaints with Gosnjak at any time. Prica then said my observations were most important, as would be my interview with Tempo, and Yugoslav Government must study them carefully. He proposed that we resume on May 14 as this would give time for study over weekend, to which I promptly agreed. He was most restrained in his replies and while I may be wrong, I sense sober second thoughts on Yugoslav part.

4. In three hour session held at his request, Tempo emphasized urgency and critical nature of Yugoslavia's wheat situation this coming summer and prior to advent of new harvest. Full report of conversation will follow in separate message over weekend.⁵

5. In view of recent events and earlier statements, Tempo's approach today was reasonably calm, and indicated no firm decision yet taken on wither wheat or Majdanpek. In spite of rather blunt statements by both of us at various points in conversation, Tempo's reaction of restraint and caution.

6. I made a full exposé of the interrelationships existing between various facets of US programs in Yugoslavia and cited October 1 memorandum⁶ as basis for US-Yugoslav relations. With respect to economic affairs for which he has responsibility Tempo confirmed

⁴See footnote 2, *supra*.

⁵Telegram 1391 from Belgrade, May 13. (Department of State, Central Files, 768.5-MSP/5-1356)

⁶The memorandum [1-1/2 pages of source text] was not declassified.

continuing validity that memorandum and volunteered to reflect our views to his colleagues in conversations over weekend.

7. If it is not too complicated to arrange, recommend that suspension of F-86Es be maintained until I can make further comment after May 14 interview. Concur with both DOD message of May 10 to USCINCEUR and CINCEUR to DOD May 10.⁷

Riddleberger

⁷Neither found in Department of State files.

277. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 16, 1956—8 p.m.

1407. Paris pass USCINCEUR, Knight and Wallner. Department pass Defense and DA. Embassy telegram 1392.²

1. In interview with Foreign Secretary today he opened by stating difficulties in military aid program had been fully reviewed with Tito and what he had to say represented latter's considered views. Foreign Secretary thought recent difficulties were really of secondary importance but Yugoslav Government realized after my remarks to Prica³ it owed United States more careful explanation on political plane and how its policy affected military aid. Yugoslav Government was convinced, he said, both governments want to carry out announced military program which it believes is mutually advantageous. United States military aid has been and is of great importance to Yugoslavia and it would welcome [any] assurance United States can give that aid as programmed will be received and would appreciate as much information as we can give of delivery schedule in order it may properly do its part. It is true in history of our military collaboration that United States attaches importance to size AMAS staff for reasons explained and likewise that Yugoslav Government for other reasons has always wished to hold down size. But this attitude has not and does not today indicate any change of basic Yugoslav policy and he hoped we would accept his categorical assurance to the

¹Source: Department of State, Central Files, 768.5-MSP/5-1656. Confidential; Priority. Repeated to Paris.

²Dated May 14. (*Ibid.*, 768.5-MSP/5-1456)

³See telegram 1386, *supra*.

effect. It was on this fundamental postulate that he would later suggest how we would jointly implement October 1 memorandum.

2. On political plane Yugoslav policy vis-à-vis Soviets is obviously difficult. Yugoslav Government considers United States military assistance as positive element in its policy and neither government should underestimate effect of this aid in modifying Soviet policy. Yugoslav Government was convinced that fact itself of United States aid had resulted in changes of Soviet policy of far-reaching consequence. Yugoslav Government also freely admitted United States aid had enabled it to hold its own against East and thereby helped to bring about changes we are now witnessing. Perhaps our respective estimates on Soviet changes could differ, but Yugoslav Government could not underestimate importance of factor of United States military aid and, therefore, it had every interest to work out secondary problems. What Prica had meant was to ask United States not to render present Yugoslav policy vis-à-vis USSR more difficult, and try to settle our joint problems with understanding of Yugoslav position and difficulties. There were obviously difficulties for both sides in implementing military program but he had no wish to revive past controversies and Yugoslav Government wanted to clear the table and adjust immediately our present difficulties. He still thought it wise to defer our proposed conversations of future aid but this should not affect solution of secondary difficulties. In implementation of October 1 memorandum he, therefore, proposed following:

3. Yugoslav Government would approve at once five new personnel for AMAS. As deliveries under programs are resumed, Yugoslav Government will make no difficulty on personnel questions and will work them out with us. He would put in strong plea not to force the pace on new assignments for political reasons explained above, but these personnel questions could and would be worked out as program advanced.

4. Re future military aid, I replied I had only one caveat to avoid future misunderstanding. We had not pressed Yugoslav Government and indeed subject had been raised by Gosnjak. We stood ready to enter into discussions when Yugoslav Government was prepared. I merely wished to observe that as months went by time was lost as we had to prepare estimates well in advance and this type of planning could not be done in a vacuum. We had already witnessed effect of difficulties last year on announced military program. Foreign Secretary said he understood this point.

5. My estimate is that Yugoslav Government, after salutary jolt was received, has now receded in principle from its repudiation of parts of October 1 memorandum and wants to reestablish status quo ante on face-saving device of agreeing to increase in AMAS person-

nel as deliveries increase. Inasmuch as that is what we plan, I think we should not quarrel with it. No doubt we may have arguments in future on exact number of personnel, but I believe interviews with Foreign Secretary and Tempo have established validity of October 1 memorandum. As a part impending request for visas will represent replacement personnel over next three months and as exact composition of AMAS may, from our point of view, depend upon how future military aid develops, it seems to me we have gained our point and can now resume.

6. Recommend, therefore, suspension of delivery F-86-Es be lifted and effort made to deliver them on May 21. Personnel actions be resumed upon receipt advice from AMAS respecting movements scheduled for near future. Shipment support equipment for first-wing F-86-E can likewise be resumed.

7. Waters concurs foregoing.

8. Foreign Secretary then touched briefly on wheat problem expressing hope we could soon give some indication of what could be expected for fiscal year 1957. I explained once again we could not make commitments until Congress concludes action on 1957 MSP and increases ceiling for Public Law 480 sales.⁴ Foreign Secretary asked if in interim we could not begin preliminary discussions on economic aid program and inform Yugoslav Government as legislation progressed through Congress of what we thought possibilities on wheat were likely to be. I said I would inquire. He hoped that as we ironed out difficulties on military aid, we could proceed with economic aid discussions even though firm commitments could not yet be made.

9. If other recommendations this telegram approved, recommend we proceed as outlined Icato 256.⁵

Riddleberger

⁴The administration requested an appropriation of \$30 million for Yugoslavia under the Mutual Security Program for fiscal year 1957.

⁵Icato 256 to Belgrade, May 5, stated that the United States could not provide additional commodities until Congress completed action on the fiscal year 1957 Mutual Security Program, but suggested that discussions on Yugoslavia's needs could begin. (Department of State, Central Files, 768.5-MSP/5-556)

278. Memorandum of a Conversation Between the Yugoslav Ambassador (Mates) and the Deputy Under Secretary of State for Political Affairs (Murphy), Department of State, Washington, June 15, 1956¹

SUBJECT

Current US Efforts in Behalf of Yugoslavia

Mr. Murphy told the Ambassador that he had asked the latter to call so that he might be informed informally of the difficulties which the Department had been experiencing with Congress in obtaining legislative authorization for additional assistance to Yugoslavia. Mr. Murphy said that the situation had been complicated by the press treatment of President Tito's remarks in the USSR which had made the Secretary's task even harder than anticipated and had put the Secretary under pressure by some members of Congress for explanations of current Yugoslav policies. Mr. Murphy also noted that similar trouble had arisen from Tito's statement in Stalingrad which was open to the interpretation that Yugoslavia might side with Russia in any future war.²

Since the Ambassador had not yet obtained the text of this statement, Mr. Murphy read him English translations of the slightly differing Soviet and Yugoslav versions of it, and a discussion ensued about possible errors in translation. The Ambassador then stated, however, that from the context as he had just heard it, it seemed clear that Tito had only referred to Soviet-Yugoslav solidarity during World War II. He could not assume that Tito's remarks implied any pledge of future Soviet-Yugoslav alliance in war, since such a move would run counter to the fundamentals of Yugoslav foreign policy which Tito himself had repeatedly confirmed. Mr. Murphy replied that the Secretary had given the statement the same interpretation which the Ambassador had just made, but the Secretary wanted to be sure that he was correct in so doing. Ambassador Mates assured Mr. Murphy that this had to be the case.

Mr. Murphy went on to repeat that, in any event, such ambiguous remarks compounded an already difficult situation. The Secretary had taken a firm position that the situation was unchanged and that the basic premise of US policy towards Yugoslavia was intact. However, the Secretary hoped that Belgrade understood the conditions with which he was dealing and would find it possible to adopt a more helpful attitude.

¹Source: Department of State, Central Files, 611.68/6-1556. Confidential. Drafted by David E. Mark.

²Tito's statement was reported in telegram 1523 from Belgrade, June 15. (*Ibid.*, 768.11/6-1556)

Mr. Murphy concluded by underlining the importance of the long-range trend of relations between the US and Yugoslavia. These prospects for cooperation ought not be marred by such events as misinterpretations of statements by President Tito. Of course, no one was questioning Tito's right to say what he wished, but it was desirable to avoid difficulties of this nature.

279. Intelligence Brief¹

No. 1952

Washington, June 22, 1956.

TITO'S TRIP TO THE USSR

Tito's visit to the USSR (June 2-20) brought Yugoslav-Soviet relations into closer harmony, but left Yugoslavia a fellow-traveler rather than a committed member of the Soviet bloc. Ideologically, Yugoslavia's ties with the Soviet bloc have been strengthened. Politically, Belgrade appeared still to be occupying the same position of a would-be middleman between opposing blocs that it has long tried to assume and exploit.

Only two new developments emerged from the public statements during the visit:

(1) Reestablishment of party-to-party relations, a development only hinted at during the Soviet visit in Belgrade (May 26-June 2, 1955).

(2) Further Yugoslav alignment with the Soviet position on international questions as Tito for the first time publicly espoused Moscow's view that general disarmament should not be dependent on prior settlement of political issues and seconded the Soviet call for direct negotiations between the two parts of Germany. Tito did not, however, commit Yugoslavia to recognize East Germany, despite reported Soviet pressure to do so.

Otherwise, the joint communiqué and Tito's speeches revealed approximately the same close similarity between the Yugoslav and the Soviet positions as has existed for the past two or three years.²

¹Source: Department of State, PPS Files: Lot 66 D 487, Yugoslavia. Confidential. Transmitted to Secretary Dulles through S/S by Howard Furnas (R) under cover of a memorandum dated June 22. Copies were also sent to S/P and EUR.

²An analysis of the speeches made by both Tito and Khrushchev and of the joint communiqué issued after the conference was sent to the Department of State in despatch 31 from Moscow, July 13, by John C. Guthrie, First Secretary of the Embassy. The despatch reported that in the joint communiqué the two governments expressed agreement on most international issues. (*Ibid.*, Central Files, 768.11/7-1356) Additional

There is no evidence at present that the talks reached any agreement on military matters, although the USSR sought to give the impression that the two countries would be allies in event of war. Yugoslavia thus apparently still looks only to the Western powers for military aid.

The joint communiqué called for a further extension of economic ties, but did not reveal any concrete actions. Economic relations have shown such a marked improvement during the past year, however, that presumably little additional action was necessary.

Both sides hailed the visit as a great success, and there is no evidence yet to indicate that the talks ran into any serious snags. The atmosphere of harmony was not complete, however, since Tito is said to have shown displeasure with Zhukov's statement that the two countries would march shoulder to shoulder in any future war. (Tito denied that he made a similar statement in Stalingrad.)³

The Soviet rulers sought to treat Tito's presence as a happy homecoming to the Communist family, and accorded him a welcome unprecedented in Soviet history. While the family reunion succeeded in reestablishing fraternal relations with a once-errant member, it did not reestablish the same parental authority that had once been defied. It seems unlikely, however, that Moscow had expected that the Yugoslavs could be induced to accept such an authority, since this would be tantamount to asking Tito to throw away much of the prestige and some of the power he had acquired over the past eight years.

At the same time, Moscow felt no restriction against implicitly inviting the West to give up its ties with Tito. Although the Soviet rulers in their speeches disclaimed any desire to injure Yugoslav relations with the West, they all leaned hard to give the impression that Tito's visit had produced the closest possible alignment between the USSR and Yugoslavia. The Yugoslavs appeared aware of this Soviet maneuver, and leaned hard the other way to reassure that Yugoslavia's welcome of the Soviet embrace did not mean the end of friendly relations with the West.

Moscow's emphasis on Tito's return to the family appears also intended for the satellites. Presumably they are expected to view this development as indicating that Tito is willing to acknowledge the correctness of current Soviet policy and to recognize the Soviet bloc as the mainstay of world Communism. Moscow is thus seeking to blur Tito's independent status in satellite eyes. Nevertheless, the fact

analysis of the communiqué is in telegram 2886 from Moscow, June 21. (*Ibid.*, 768.11/6-2156) The text of the communiqué is printed in *Documents* (R.I.I.A.) for 1956, p. 381.

³See *supra*.

remains that the Soviet Union made the first move to heal the breach and has agreed to a special status for its relations with Yugoslavia.

What effect Moscow's acknowledgment of this special role for Yugoslavia will have on Soviet relations with Communist China and the satellites remains to be seen. The Soviet regime has long accorded Peiping special treatment, and the Eastern European satellites are in no position to demand any improvement in their relations.

Since the Yugoslav position on most international issues has long been parallel to that of the USSR, the main visible concrete gain for Moscow from Tito's trip is the agreement to establish party-to-party relations. Khrushchev had unsuccessfully pressed for such an agreement in Belgrade last June to lessen the appearance of Tito's independence and to dramatize Moscow's willingness to support united action with foreign socialists.

The Yugoslavs finally agreed, presumably because the relations were to be reestablished on Tito's terms. These included a Soviet commitment to recognize the equality of the two parties, accept informal bilateral ties rather than a new institution (such as a replacement for the Cominform), and agree that both sides would enjoy freedom of action in contrast to the discipline traditionally required of foreign Communist parties. Under this arrangement, Belgrade could present the ties as no different from its relations with Western Socialist parties.

Moreover, the Yugoslav Communists are sufficiently self-confident to regard the reestablishment of party relations, especially if extended to the satellites, as providing them with a channel for seeking to increase their own influence within the Soviet bloc.

Whether Tito succeeded in inducing the Soviet rulers to complete the rapprochement by agreeing to further personnel changes in Eastern Europe would naturally not be revealed in the joint communiqué. Belgrade has been outspoken in its insistence that Hungary's Rakosi be removed; it has shown displeasure that Albania's anti-Tito leadership still remains in power; and it has apparently not been satisfied by Chervenkov's dismissal in Bulgaria. It seems likely that Tito would have brought up the issue, but Moscow's reaction will probably be revealed only by future developments within the satellites.

Only time will also tell what further impressions of the current Soviet rulers and their policies were acquired by Tito. He has been outspoken in contending that the post-Stalin regime has embarked on a new course, and the present Soviet rulers undoubtedly sought to strengthen his conviction in the expectation that he could serve as an acceptable reference for their claims.

280. Telegram From the Embassy in the Soviet Union to the Department of State¹

Moscow, June 23, 1956—4 p.m.

2906. The negative features of Tito's visit from the point of view Western policies and purposes are so obvious as to require little comment. There was little reason to expect any other result and, as Tito himself pointed out in his *Dynamo* speech,² it represents the logical continuation and development of last year's Belgrade visit. Indeed long before visit it had been apparent that once Soviets were prepared to make confession of "ideological" error and accept Yugoslav position on relationship between Communist states there was literally no barrier to development solidarity in all respects between Yugoslavia and Soviet Union (Embtel 1533, March 12, 1955).³

Yugoslavia has in international affairs indeed rejoined Communist community and we can expect in future on all important international questions to find Yugoslavia lined up with Soviet column. In general, however, Tito has rejoined community on his own terms and there is not slightest indication in communiqué or declaration that Yugoslavia has lost, at least up to the present, its independence or has reverted to satellite status in regard to the Soviet Union, although by adopting publicly Soviet positions he has voluntarily limited his freedom of action. On the contrary, from every indication Soviets were scrupulous in their respect of independent and equal status of Yugoslavia both in governmental and in party discussions, and made no attempt, so far as I can ascertain, to reassert Soviet control or even right of guidance over Yugoslav Government or party. Fact that Tito's return was voluntary and not dictated does not, however, change the basic fact that from Western point of view Yugoslavia has found common positions with Soviet Union on all major international issues and there is no reason to believe unless Soviets change current line or overplay their hand, which I doubt, that this will not continue to develop; and identification of Yugoslavs with Soviet Union will not go even farther.

While Soviets undoubtedly expect that Yugoslav rapprochement with Soviet Union will result in estrangement with West, especially US, there is no evidence that they made any such request or demand on Tito. Indeed, since they themselves are promoting idea of improv-

¹Source: Department of State, Central Files, 768.11/6-2356. Secret. Repeated to London, Paris, Bonn, and Belgrade.

²Reference is to Tito's address delivered at a mass meeting in *Dynamo* Stadium in Moscow, June 19.

³Telegram 1533 from Moscow reported on Tito's recent speech and on the prospects for a Yugoslav-Soviet reconciliation. (Department of State, Central Files, 661.68/3-1255)

ing relations with all countries they were hardly in position to ask Tito to do the opposite. I do not know Tito well enough, nor the situation in Yugoslavia, to judge to what extent results of visit were in accordance with Tito's desires, or whether in some degree he was outmaneuvered by Soviets during this visit. It would hardly seem likely that Tito left to himself would wish to return regardless of changes in Soviet attitude to a state of dependence on Soviet Union which would be natural result estrangement from West.

In sum, I cannot judge whether Tito has deliberately elected to line up with the Soviet Union with the inevitable deterioration of his relations with the US as a conscious act, or whether he still believes that he can enjoy the benefit of playing both sides of the street. I found particularly striking during his visit here fact that in none of innumerable statements and speeches which he made was there any favorable word for the Western powers in general, or the slightest recognition of the assistance he had received from them, especially US. On the contrary, he made no attempt to refute vicious Soviet attacks on the motivation of aid to Yugoslavia from capitalist countries which was particularly noticeable in Khrushchev's Dynamo speech⁴ which, I understand, was submitted before delivery to Tito.

From Soviet point of view they have every reason to be very well satisfied with Tito visit, while wording of declaration on party relations and, particularly inclusion of even non-socialist "progressive" groups as eligible for consultation represents acceptance by Soviet Union of commitment to Yugoslav position on this point.⁵ I do not in the least believe it was forced on Soviets but reflects current Soviet policies in this field.

It has been clear for some time now that Soviets had fully recognized they could no longer continue to rule satellite or Communist world among Stalinist lines without Stalin and, therefore, apparent acceptance of Tito's theories of relations between Communist countries and leftwing parties was done less as a gesture towards him than recognition on the part of Soviet leaders that relationships of this kind best serve Soviet interests in present phase of development. However, Tito's direct involvement in this process may help the furtherance of a process which logically should result in ending of direct Soviet control over satellites and Communist parties abroad. Development of this nature which at best would take considerable period of time may, however, not be an unalloyed advantage to non-Com-

⁴Despatch 31 from Moscow, July 31, reported that Khrushchev charged that Yugoslavia had obtained aid from the West in order to exploit Soviet-Yugoslav differences and to restore capitalism to Yugoslavia. (*Ibid.*, 768.11/7-1356)

⁵For text of the "Declaration on Relations Between Yugoslav League of Communists and the Communist Party of the Soviet Union," Moscow, June 20, 1956, see *Documents* (R.I.I.A.) for 1956, p. 386.

munist world as Tito's regression back in to Communist community reveals. There is in fact no reason to believe that the recapture of considerable measure of independence of action on the part of European satellites (or Communist parties abroad for that matter) would necessarily mean that their policies or attitudes would be more favorable to solution major international problems along acceptable lines, nor to any cessation of effort towards the "victory of socialism" in other countries.

The result of Tito visit, while it should not come as a surprise, or shock to anyone who has been following the main lines of development since the Belgrade visit, nevertheless does obviously pose very difficult problems for Western powers, particularly US. Abrupt cessation of aid, which would be more than justified on many grounds, nevertheless would provide basis to the Yugoslavs and before world opinion for charge that we had "forced" Yugoslavia into even greater intimacy and dependence on Soviet Union. On the other hand, continuance of aid would not, in my opinion, have any material effect in halting or even slowing down this process, since Yugoslavs undoubtedly received assurances from Soviets of large economic assistance. In addition, now that aberrations of Stalin period have been swept aside there is powerful gravitational pull between the two countries sharing as they do in the common Marxist-Leninist doctrine and with social, political and economic systems, whose similarities are greater than their differences. For immediate future I think we can anticipate, as Lederer⁶ forecast (Embtel 2893)⁷ series of gestures from Tito designed to offset the impression created in Western countries by his visit to Soviet Union.

Bohlen

⁶Lajos Lederer, Eastern European specialist and correspondent for the London *Observer*.

⁷Dated June 22. (Department of State, Central Files, 768.1/6-2256)

281. Memorandum of a Conversation Between the Yugoslav Ambassador (Mates) and the Secretary of State, Department of State, Washington, June 29, 1956¹

SUBJECT

Call of Yugoslav Ambassador on Secretary

¹Source: Department of State, Central Files, 611.68/6-2956. Confidential. Drafted by Mark.

Ambassador Mates told the Secretary that he was leaving on July 3 for a month's consultation and leave in Yugoslavia and that before he left, his Government had wanted to let the Secretary know how much it appreciated the Secretary's forthright public stand for the continuance of aid to Yugoslavia. The Secretary replied that he hoped he had been right in taking that stand because he had really stuck his neck out.² Without his several talks to Congressional committees and individual Senators and without his other efforts, the prohibition of any further aid to Yugoslavia would undoubtedly have been adopted by an overwhelming vote. He added that his confidence that Yugoslavia would not take orders or guidance from Moscow or be in the Soviet camp stemmed from his talks with Marshal Tito last November.³ If he were proved wrong on this, his stock in Congress would certainly sink, so that a big risk was involved. He had asked Ambassador Riddleberger to see Tito to get confirmation that the analysis of Yugoslavia's position made by the Secretary was correct.

The Ambassador said that he had not yet received detailed information from Belgrade about what had transpired in Moscow, but from what he knew he believed that the visit to Russia had given Tito a chance to make personal observations of Soviet developments on the basis of which Tito was now satisfied that real and seriously intended changes were in progress. The trip had also strengthened the general position of independence of Yugoslavia. To the Secretary's question about developments in the position of independence of the satellites, Mr. Mates replied that it was the Yugoslav impression, reinforced by what Tito saw in Rumania, that more and more independence was taking hold in both external and internal affairs in those countries.

He continued that U.S.-Yugoslav relations should in no way be affected by all this and referred the Secretary to Yugoslav Vice President Kardelj's article in the latest issue of *Foreign Affairs* for an exposition of Yugoslavia's views about this.⁴ The Secretary stated that it would help if there were some aspect of foreign policy where Yugoslavia agreed with the U.S. instead of with the USSR. Some people held this to be more than a coincidence. The Ambassador observed that the similarity was apparent, but that the Yugoslavs had long held to these positions and that it was the Soviets who had shifted in the Yugoslav direction. The Secretary reiterated that it would never-

²For Dulles' testimony on behalf of aid to Yugoslavia, see *Mutual Security Appropriations for 1957: Hearings Before the Subcommittee of the Committee on Appropriations of the House of Representatives*, 84th Cong., 2d sess.

³See Documents 263-265.

⁴The article, entitled "Evolution in Jugoslavia," was published in the July 1956 issue of *Foreign Affairs*, pp. 580-602.

theless be helpful if the Yugoslavs could review their views and find some little point—not necessarily very important—where they were not in agreement. Mr. Mates thought that since the Yugoslavs formulated their stands on the basis of their own interests, they could not be expected to change them just because the Russians seemed to have joined them. He recalled, moreover, that in the UN, the Yugoslavs had not voted with the Soviets a number of times—most recently when they abstained on the Soviet-backed Arab proposal to inscribe the Algerian question on the Security Council agenda. The Secretary noted that this was the kind of divergence he had in mind and that it was useful, since a pattern of complete coincidence might be interpreted as having been planned in advance.

Ambassador Mates said that he wished to stress that material aid was not the basis of relations between Yugoslavia and the U.S., but the Congressional minority had put the aid question into a political context and wished to sever all friendly relations between the two countries. For this reason, the Yugoslav Government welcomed the Secretary's stand so greatly, for, as he had said, it was incredible that a country (Yugoslavia) which had sacrificed so much for its independence should now voluntarily return to a subservient status. The Secretary repeated that he drew his confidence from what Marshal Tito had said on Brioni.

Mr. Mates observed that this did not mean that the Yugoslavs thought that developments in the Eastern European countries were tending toward American or Western European style governments. The Secretary said that he agreed fully. The post-World War I idea of a cordon sanitaire of hostile states around the Soviet Union was completely outmoded. The USSR was a major power entitled to have friendly governments surrounding it, such as Finland and Yugoslavia. The situation in Europe would be much healthier if there were independent states friendly to Russia around Russia instead of servile or dependent states. The U.S. objected to the extension of virtual Soviet sovereignty to the center of Europe. Soviet frontiers, expanded after World War II, took care of all of Russia's legitimate needs, and Central Europe needed independent governments and not the projection of Soviet sovereignty into the area. After the Ambassador agreed with this and noted that Tito had voiced similar views to the Secretary, the latter continued that he assumed Tito had not changed his feelings on this. A situation could not continue where the USSR used countries long accustomed to independence as pawns for Soviet aims. The Polish uprising was an example of how the Russians are exploiting the satellites so as to be able to make generous offers to the Middle and Far Eastern countries. The satellite peoples took pride in their traditions of independent national existence. Czechoslovakia, Poland and Hungary used to have higher standards of living, and an

unhealthy situation would persist until pride and self-rule were restored to these nations. Tito had shown the way, and the countries of the area should be and, indeed, had to be friendly to Russia if a similarly unhealthy situation in reverse were not to develop.

Ambassador Mates noted that the emergence of hostile states would just create new world tensions. Tito felt that new developments in the Secretary's sense in Eastern Europe were underway, and the world might soon see further signs of this. The Secretary pointed out, however, that if the Soviets did not alter the situation quickly enough, independence might come to the satellites under conditions in which hostility to the USSR was the dominant note. This happened when rulers held on too long and was similar to the same problem in another form, namely, Western colonialism. Britain had known when to leave India, and their relations were now better than ever before. France, however, had tried to hold on too long in Indo-China and, perhaps, in North Africa, too. The British position in Cyprus was also in peril, and the Soviets could suffer the same fate in Eastern Europe if they delayed too long. The Ambassador said that he thought the Soviets were aware of the element of timing and would act in good time.

282. National Intelligence Estimate¹

NIE 31–56

Washington, July 24, 1956.

YUGOSLAVIA'S INTERNATIONAL POSITION

The Problem

To reassess Yugoslavia's present and future international position and to estimate the probable effects of possible US courses of action with respect to Yugoslavia.

¹Source: Department of State, INR–NIE Files. Secret. According to notes on the cover sheet, "the following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff," and was concurred in by the Intelligence Advisory Committee on July 24. NIE 31–56 supersedes NIE 31–2–55, Document 254.

Conclusions

1. Evidence available so far indicates that Yugoslavia has preserved its independent status. We consider it unlikely that Tito has as yet decided that his interests can best be served from a position within rather than outside the Communist orbit or that he has made a covert agreement with Moscow to join the Bloc.² (Paras. 7-8)

2. Despite increased cooperation and the likelihood of even closer ties between Yugoslavia and the USSR, it is unlikely at least for some time to come that Tito will associate himself formally with the Bloc. However, he will almost certainly seek to develop closer ties with the Satellites and will almost certainly side with the USSR on most major international issues. In particular, he will almost certainly be a willing and active exponent of policies designed to promote popular fronts, to woo the neutralist nations, to spread the concept of coexistence, and to gain converts for the Soviet stand on disarmament and European security. (Paras. 18-20)

3. US ability to influence Yugoslav policy—never decisive at its strongest—has sharply declined and will probably continue to do so. It is unlikely that either a continuation of US aid or a threat to cut it off would restrain Tito from continuing to build up his ties with the Communist world. Nevertheless, Tito continues to look to the US for aid (notably substantial amounts of wheat and spare parts for US military equipment) and probably believes that the US will feel compelled to meet these requests in some degree to keep him from moving even closer to the Bloc. If he considered that the loss of US aid were imminent, he might make gestures to mollify the West but would probably not fundamentally alter his policy. (Paras. 25-26)

[Here follows the "Discussion" section of the paper.]

²The Deputy Director for Intelligence, The Joint Staff, believes that this paragraph fails to give sufficient weight to the possibility that a covert arrangement with Moscow for partnership in the Soviet Bloc may have been made. He believes, therefore, that the second sentence should be deleted and the following substituted:

"We consider it unlikely that Tito has come to a decision for overt acknowledgment of a partnership in the Soviet Bloc. However, the existence of a covert arrangement to this end cannot be discounted." [Footnote in the source text.]

283. Editorial Note

The Mutual Security Act of 1956, enacted by the U.S. Congress on July 18, amended the Mutual Security Act of 1954 through the addition of Section 143. Section 143 required that aid to Yugoslavia

be terminated 90 days after enactment of the law, unless the President determined and reported to the Congress that Yugoslavia remained independent of the Soviet Union and was not participating in any Communist plan of world conquest. The President was also required to affirm that continued assistance to Yugoslavia coincided with U.S. security interests. (70 Stat. 556)

284. Memorandum From the Deputy Assistant Secretary of State for European Affairs (Beam) to the Secretary of State¹

Washington, September 4, 1956.

SUBJECT

Your meeting with the Yugoslav Ambassador, Tuesday, September 4 at 4:15 p.m.

It is anticipated that Mr. Mates' interview has been sought in order that he might convey to you a letter addressed by President Tito to the President of the United States.² Since this letter was dispatched by special courier almost one week ago (August 29), and is being delivered after several days delay, it is probable that it will deal with the general subject of US-Yugoslav relations and will deal with US aid only incidentally.

Following are the main specific problems in current US-Yugoslav relationships.

1. *Wheat.* The Yugoslav Government was informed August 22³ that the United States could not reach a decision regarding current Yugoslav requests for 300,000 tons of wheat under PL 480, Title I, until completion of the Presidential determination required by the Mutual Security Act of 1956. The Yugoslavs have since informed us that they are taking steps to secure these needs from the USSR (and possibly from Syria). Yugoslav total wheat import needs for FY 1957 are estimated to amount to 1,300,000 tons. Therefore, when it be-

¹Source: Department of State, Central Files, 611.68/9-456. Confidential.

²Dated August 26 [8 pages of source text], not declassified. (Eisenhower Library, Whitman File)

³In telegram 148 to Belgrade, August 18, the Department of State requested the Embassy to inform the Yugoslav Government that the United States could provide no further assistance, including wheat, until after the Presidential determination required by Section 143 of the Mutual Security Act. (Department of State, Central Files, 768.5-MSP/8-1356) In telegram 260 from Belgrade, August 22, Hooker reported that he had informed Hasan Brkić, President of the Committee for Foreign Trade, that wheat and other aid from the United States would be delayed. Brkić replied that Yugoslavia was exploring the possibility of obtaining wheat from both the USSR and Syria. (*Ibid.*, 768.5-MSP/8-2256)

comes possible to reach a decision on further PL 480 support for Yugoslavia, there will be ample need on the Yugoslav part for a continued wheat-supply program. The Yugoslavs greeted this announcement with concern but have since evidenced a desire not to allow this problem to cause a worsening of relations.

United States inability to meet current Yugoslav wheat requests was the subject of a UP story which was published in the *Washington Post* on Sunday, September 2.

2. *Military Aid.* Delivery of major military supplies such as airplanes and other "end items" has been suspended pending the Presidential finding. The Yugoslavs have taken this development calmly and have not retaliated except to restrict additional assignments to the US Military Assistance staff in Belgrade.

3. *Yugoslav-USSR Aluminum Deal.* The Yugoslavs have announced a long-term agreement with the USSR and the German Democratic Republic (GDR) for the development of 50,000 tons of aluminum capacity over a five-year period starting 1957, with the promise of a subsequent agreement for an additional 50,000 tons. The USSR is to furnish 1,000,000 tons of wheat (and/or other commodities) for local financing while the GDR is to provide most of the foreign credits needed to obtain imported equipment.

The agreement has caused a negative reaction among Western Governments because (1) it moves Yugoslavia close to full recognition of the GDR regime and, (2) it tends to tie an important segment of Yugoslavia's economy (including a fixed schedule of aluminum exports) to that of the Soviet bloc over a long term. The agreement tends to make similar arrangements between Yugoslavia and Western suppliers of capital less attractive than formerly.

4. *Majdanpek Copper Project.* The request for a US loan of about \$10 million to assist the development of a copper mining facility and related plants in Yugoslavia in conjunction with a French financial group is still outstanding. The Export-Import Bank is not favorably inclined to this project, but it will not act, in any event, until the President has made a decision regarding future aid.

285. Report Prepared by the Operations Coordinating Board¹

Washington, September 5, 1956.

**PROGRESS REPORT ON "UNITED STATES POLICY TOWARDS
YUGOSLAVIA" (NSC 5601)²**

(Policy Approved by the President January 24, 1956)

(Period Covered: January 24 through September 5, 1956)

A. Summary of Operating Progress in Relation to Major NSC Objectives.³

1. OCB Judgment on Need for Policy Review.

a. The OCB makes no recommendation at this time regarding a need for review of NSC 5601 by the National Security Council.

b. In view of the rapidly-changing and still obscure Yugoslav situation, and in view of the possibility that the Presidential finding referred to in paragraph c., when made, may alter the terms under which U.S. policy may operate, it will become necessary for the OCB in the near future to consider whether to submit a further report and recommendations to the NSC with respect to a review of NSC 5601.

c. The Mutual Security Act of 1956, however, requires a separate review of Yugoslav policy apart from normal NSC requirements.

(1) Section 5 of the Mutual Security Act of 1956 amends the Act of 1954 as follows: "Sec. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this Act, or under any provision of law repealed by section 542(a) of this Act, shall be furnished to Yugoslav after the expiration of ninety days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3)

¹Source: Department of State, OCB Files: Lot 62 D 430, Yugoslavia 1956–1957. Top Secret. Attached to a covering memorandum from Charles E. Johnson, OCB Executive Assistant, which stated that the progress report was concurred in by the OCB on September 5 for transmittal to the National Security Council. The OCB noted a report by the Department of State that the Presidential determination regarding aid to Yugoslavia would probably be made just prior to October 16 and agreed to suggesting that the OCB report prior to that date. The NSC noted this progress report apparently without discussion on September 25. (Memorandum of discussion by Gleason; Eisenhower Library, Whitman File, NSC Records)

²Document 270.

³NIE 31–56, July 24, 1956—Yugoslavia's International Position. [Footnote in the source text. NIE 31–56 is printed as Document 282.]

that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this Act."

(2) The Department of State will prepare the initial papers and, after the necessary coordination with other interested Departments and Agencies, will present the problem to the President. By the terms of the Act cited above, the Presidential determination is due not later than October 16, 1956.

d. The terms of 5602/1⁴ do not, in themselves, require modification of NSC 5601.

2. *Summary Evaluations.*

a. *Yugoslav Independence.* Despite the prospects of a continuing, and perhaps expanding, Soviet-Yugoslav rapprochement, one U.S. short-term objective—the maintenance by Yugoslavia of its political independence—has been realized up to now. However, Yugoslav willingness to accept and to become dependent on large amounts of Soviet bloc economic aid and to enter into expanding trade relationships cannot be overlooked and presents an increasing danger to Yugoslavia's political independence. Denial of U.S. loan and grant assistance in the economic and, to a lesser extent, in the military fields may force Yugoslavia to turn further to the USSR as the only available alternative source for such help, thereby increasing the threat to Yugoslavia's political independence.

b. *Influence on the Soviet Bloc.* Yugoslav interest appears undiminished in enhancing its own position of political and ideological influence in Eastern Europe, which, in turn, leads the Yugoslavs cautiously but persistently to seek to promote an evolution of the Soviet satellites toward greater independence from Moscow. However, since these efforts are largely cloaked in secrecy and since results can only occasionally be deduced from events, it is still impossible to estimate the extent of Yugoslav success and Western benefits therefrom. An example of this obscurity is furnished by the fall of Rakosi, in which development, according to the American Legation in Budapest, Yugoslav example and behind-the-scenes influence had a part.

When the Yugoslavs deal with bloc developments on an overt basis, their attitude becomes, if anything, harder to evaluate. The first Yugoslav newspaper stories dealing with the Poznan riots followed the Soviet and Polish line that they were caused by "foreign agents." But when the Polish line diverged from the Soviet line—the Poles maintaining that the riots, although not good in themselves, were justified by hardships and shortages, while the Soviets maintained the "foreign agent" theory—the Yugoslavs followed the Polish line. It appears that the Yugoslavs, in supporting the Polish stress on

⁴NSC 5602/1, "Basic National Security Policy," is printed in vol. XIX, pp. 242-268.

the necessity for improvement of Polish living conditions, in opposition to the Soviet line, aimed to encourage the effort of the Polish Communist government to assert some independence and to improve living conditions—within the framework of Communism.

This event tends to illustrate both the strength and weakness of Yugoslav influence on the bloc. Because they are Communists, the Yugoslavs can get a hearing among those Communist ruling groups who desire improved living conditions and greater national autonomy. But because they are Communists, the Yugoslavs dare not espouse causes and movements which would threaten Communism itself.

In comparison with the other objectives set forth in NSC 5601, that of para. 15 appears in a relatively favorable light. The importance of Yugoslavia in the eyes of the Soviet bloc states of Eastern Europe may be measured in part by the inordinate amount of attention and economic aid given Yugoslavia by the Soviet bloc.⁵

c. *Yugoslav Foreign Policies.* Considered in relation to the objectives set forth in paras. 16 and 17 of NSC 5601, Yugoslav foreign policies do not give grounds for optimism. The visit of Tito to Moscow (para. 6) has resulted in a virtual identity of Soviet and Yugoslav foreign policies on many key issues, and there is no prospect for any substantial change for the better. Yugoslavia's "neutralist" line also sets an example for other countries which is contrary to U.S. interests. However, Yugoslavia's aim appears to be to reconcile differences between East and West in the interest of arriving at a less tense and less clearly divided world which may be safer for small powers, such as Yugoslavia.

Perhaps the most significant deterioration shown during the reporting period has been Yugoslavia's willingness—as implied in Tito's Moscow speech⁶ and in the recent Yugoslav-Soviet-East German aluminum deal (para. 4b)—to move close to full recognition of the East German regime (G.D.R.). In doing so it demonstrates a willingness to flout one of the central tenets of Western policy. It seems to do so from a combination of Communist sympathy with the G.D.R. regime, opportunistic economic interest, and a covert desire (shared by many other Europeans, Communist and non-Communist alike) to see Germany remain divided.

d. *Liberalization of the Regime.* No further signs of political or economic liberalization of the regime have been forthcoming in the past half year. However, there has been no marked retrogression from

⁵See Annex A—Soviet Bloc Loans and Credits to Yugoslavia. [Footnote in the source text. Annex A is not printed.]

⁶Presumably a reference to Tito's June 19 speech at Dynamo Stadium in Moscow; see footnotes 2 and 4, Document 280.

such liberalization as did occur in the years 1951–54, except in the field of agriculture where, in an avowed attempt to attack the continuing problem of low food marketings, the regime has increased farm taxes and reemphasized its previous intention of ultimately “socializing” agriculture.

3. *Progress in Meeting Commitments in Program Schedules.* The U.S. has no commitments to the Yugoslav Government except for a possible contingent obligation to supply an additional 2,404 tons of cotton under the FY 1956 PL 480 program. Moreover, all prior agreed economic assistance programs (except for this cotton) have now been carried out or are in the pipeline (para. 8). Military aid programs have been resumed since March, after a stoppage of ten months, at a stretched-out rate per NSC 5601, para. 21.b. Further delivery of jet fighter planes, however, was suspended as of July 19 until the President decides the status of future aid to Yugoslavia.

B. Major Problems or Areas of Difficulty.

4. *Yugoslavia's Attitude on Aid.* The Yugoslav attitude on economic aid from the West, as opposed to complete dependence on the Soviet bloc, is not clear. Many Yugoslav officials claim that they do not want to become further dependent on Soviet aid, but the GDR-USSR aluminum agreement (Para. 4.b.) tends to belie this. Whether the Yugoslavs actually feel that they need anything more than a mere “open door” to the West, to use as a bargaining lever against the Soviet bloc, is not yet clear. However, an outright denial of U.S. loan and grant assistance will probably cause the Yugoslavs to turn further to the USSR for such help.

a. *Yugoslav Wheat Needs.* In the absence of the Presidential finding referred to in para. 1.c., the Department of State has informed the Yugoslav Government that the United States will be unable to meet Yugoslavia's short term urgent needs of wheat out of PL 480, or under other legislative authorities. The Yugoslavs, as a consequence, must make other arrangements, probably with the USSR, to import wheat to meet their immediate requirements.

b. *Yugoslav-USSR Aluminum Agreement.* The Yugoslavs have entered into a long-term agreement with the USSR and GDR for the development of 50,000 tons of aluminum capacity over a 5-year period starting [in] 1957 with the promise of a subsequent agreement for an additional 50,000 tons. The terms and ultimate significance of this agreement are by no means clear. Information on the agreement has been fragmentary and often contradictory. The arrangement seems to call for participation by both the USSR and the GDR, with the USSR furnishing 1,000,000 tons of wheat (and/or other commodities) for local sale and dinar financing of internal costs, and with the GDR

providing most of the foreign credits needed to obtain imported equipment and technical assistance.

Shortly prior to this agreement, the Yugoslavs circulated a prospectus, inviting Western participation with Yugoslavia in the development of a combined hydroelectric and aluminum project. The West Europeans were to supply foreign exchange needs while the U.S. was asked to enter a 5-year wheat supply agreement with the Yugoslavs to provide local currency and to meet Yugoslav food needs. It is not clear now whether the announced Soviet-GDR-Yugoslav agreement is in addition to, or part of, the 165,000 tons of aluminum capacity envisaged in the prospectus. Until this situation is clarified Western consideration of the Yugoslav plan is unlikely.

In addition to the serious policy question of virtually entering into a long-term partnership with the Soviet bloc in developing Yugoslavia's power and aluminum potential involving commitments on both sides over a considerable period, U.S. officials have serious reservations about its claimed future benefits to Yugoslavia's balance of payments position and its implied dismissal of any attempt to create a self-supporting agriculture in Yugoslavia.

c. *Majdanpek Copper Project.* The request for a U.S. loan of about \$10 million to assist the development of a copper mining facility and related plants in Yugoslavia in conjunction with a French financial group is still outstanding. The Export-Import Bank is not favorably inclined to this project, but it will not act, in any event, until the President has made a decision regarding future aid. Alternative Western or Soviet bloc financing may be available to the Yugoslavs.

C. *Listing of Major Developments During the Period.*

5. *Tito's Visit to Moscow.* Tito's visit to Moscow in June 1956 directed world attention once more to his reconciliation with the Soviet Union. The final communiqué,⁷ showing a near identity of Soviet and Yugoslav foreign policy views, the agreement to reestablish bilateral party ties, and the strong and frequent pledges by Tito of his friendship for the USSR and the common goal of socialism have caused many free-world capitals to reassess Yugoslavia's world position and Tito's future role.

6. *U.S. Military Assistance.*

a. A fiscal year 1950-56 program in the total amount of \$874.0 million has been programmed for Yugoslavia, including MDAP equipment and supplies, "excess" stocks, repair and rehabilitation of "excess" stocks, direct forces support, and packing, crating, handling and transportation. Of this amount, \$681.6 million or about 78 per cent was delivered by June 30, 1956.

⁷See footnote 5, Document 279.

b. Following a review of past programs by the Department of Defense from January through March 1956, revised and only slightly reduced programs were approved in March, and MDAP shipments resumed. Yugoslav cooperation on operational matters has been improving, although the recent suspension of F-86E deliveries (para. 3) has resulted in a Yugoslav decision that additional assignments to AMAS should be held up pending determination of the status of military aid to Yugoslavia. The Yugoslavs have not, however, been willing to enter into any discussions with the U.S. (per para. 21 d of NSC 5601) on additional programs of military aid beyond those presently in effect.

c. The FY Mutual Security Appropriations Act forbids the use of new funds for furnishing any military equipment to Yugoslavia, except to maintain equipment already supplied or for spare parts. The Departments of Defense and State have interpreted this also to exclude use of the funds for ammunition. Six F-86E jet fighter planes have been delivered prior to suspension (Para. 3). A schedule of prior deliveries can be found in Annex B.⁸

7. *U.S. Economic Assistance.*

a. Cumulative economic assistance to Yugoslavia through June 30, 1956, amounted to approximately \$605.9 million, while expenditures totalled approximately \$581.4 million, leaving a pipeline of \$24.5 million. Obligations and expenditures are as follows:

	(In millions of U.S. dollars)		
	Obligations	Expenditures	Pipeline
MSP—Defense Support (Inc. TE)	425.5	418.8	6.7
MSP—Direct Forces Support (FY 55)	10.5	10.5	—
PL 480 Title I Sales	123.2	106.3	16.9
PL 480 Title II (CCC prices)	46.7	45.8	.9
Total.....	605.9	581.4	24.5

b. During the period January 1–June 30, 1956, MSP Defense Support obligations were \$30 million (\$25 million Section 402 surplus

⁸Neither Annex B, "Mutual Defense Assistance Programs for Yugoslavia for Fiscal Years 1950 through 1956," nor Annex C, "Financial Annex," is printed.

agricultural commodities, \$2 million coal, \$2 million roadbuilding equipment and \$1 million TE), while expenditures totalled \$24.2 million. A PL 480 Title I program of \$49 million was negotiated during this period and brought total PL 480 program in FY 1956 to \$71.2 million. If the President authorizes continuation of assistance, the \$15 million of Defense Support funds available for Yugoslavia will probably be primarily for surplus agricultural commodities; consideration is also being given to a Direct Forces Program of \$3.8 million from funds carried over from FY 1956.

286. Letter From President Eisenhower to President Tito¹

Washington, September 14, 1956.

DEAR MR. PRESIDENT: I was happy to receive your letter of August twenty-sixth² in which it is clear that you are raising issues basic to the relations between our two countries. We are studying your views most carefully, and I am sure that I shall have a number of comments and observations to make in my reply.

I appreciate your motives in renewing our correspondence at this time on these matters, and I believe that your initiative will prove to have been a useful step in strengthening the good relations and cooperation between our nations.

With every good wish,
Sincerely,

Dwight D. Eisenhower³

¹Source: Eisenhower Library, Whitman File. Secret. In a memorandum to the President, dated September 13, Secretary Dulles advised that a definitive answer to Tito's letter of August 26 could not be made until the President had decided whether to continue aid to Yugoslavia under the terms of the Mutual Security Act, as amended. Dulles therefore suggested that an interim reply be sent and suggested the text printed here. (*Ibid.*) The text of the letter was sent to the Embassy in Belgrade in telegram 218, September 18, with instructions that the letter be delivered promptly to Tito. (Department of State, Central Files, 611.68/9-1856)

²See footnote 2, Document 284.

³Printed from a copy that bears this stamped signature.

287. **Memorandum of Discussion at the 298th Meeting of the National Security Council, Washington, September 27, 1956¹**

[Here follow a paragraph listing the participants at the meeting and discussion of subjects unrelated to Yugoslavia.]

General Cabell then said he had a few remarks on the alleged split among Soviet policy makers regarding the problem of Marshal Tito. To everyone's surprise we had learned that Tito had flown back to Moscow with Khrushchev who had been Tito's guest for a few days in Yugoslavia.² Following this development there had been a flood of intelligence material alleging new and serious rifts over the Yugoslav problem among the Soviet leaders. It was the burden of many of these reports that Khrushchev was now completely isolated in support of the new and more liberal approach to Yugoslavia. Certain Yugoslav sources were insisting that Khrushchev's opponents are arguing that Tito's policies are dangerously weakening the control of the USSR over its satellites. Whatever the precise truth of all these rumors, General Cabell said that the CIA believed that recent Soviet policy toward the satellites had given rise to concern and that the Soviet leaders believed they will now have to shift their course and again tighten their controls. On the other hand, General Cabell pointed out that Bulganin and Mikoyan had been at least as closely associated with the new policy of liberalism toward the satellites as Khrushchev himself. Accordingly, General Cabell was inclined to doubt if there existed any genuine crisis in the top Soviet leadership.

[Here follows discussion of a subject unrelated to Yugoslavia.]

Secretary Humphrey informed the Council apropos of General Cabell's comments on Yugoslavia, that the Yugoslav Finance Minister had informed him yesterday of the details of the recently announced Soviet loan to Yugoslavia. It developed in point of fact that there was not a single dime of cash in the loan. It all consisted of goods and services. Accordingly, the Yugoslavs expect to turn to the United States and the Western Powers for a loan in hard cash.

At this point General Cabell announced to the Council that the press ticker carried the news that all the top Soviet leaders had flown to the Black Sea area to meet with Tito and Khrushchev. Governor Stassen thought it was possible that Tito would either have to sign

¹Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on September 28.

²Reference is to the talks held between Tito and Khrushchev in Yugoslavia September 19-27, and in the Crimea September 27-October 5. An analysis of the Khrushchev visit is contained in Intelligence Brief No. 2007, September 25. (Department of State, PPS Files: Lot 66 D 487, Yugoslavia) Reports on the meetings from the Embassy in Belgrade are *ibid.*, Central Files 003.6168 and 661.68. Micunović's account of the meetings in the Crimea is in *Moscow Diary*, pp. 112-117.

up with the Soviets or else be unable to make his return to Yugoslavia.

[Here follow the remaining agenda items.]

S. Everett Gleason

288. Memorandum of a Conversation Between the President and the Secretary of State, White House, Washington, October 11, 1956, 9 a.m.¹

I recalled that the President was expected to make his "findings" under the Mutual Security legislation by the 16th. I said that the Department had been intensively studying the matter for some time, and I had been giving it much thought and that there was a unanimity of view that the President's findings should be affirmative.

I said that we did not know as much as we would like to know about the recent talks of Tito and Khrushchev. However I remained convinced that the Government of Yugoslavia was independent in the sense of not being subject to dictation by the Soviet Government or the Soviet Communist Party; that Tito jealously safeguarded this independence and that this view was shared by a majority at least of the Yugoslav Communist Party; that there was perhaps not the same need for building up Yugoslav military strength as had been the case heretofore, but that Tito was determined as a matter of pride to have some jet planes and would get them from Russia if not from us; and finally that the food situation in Yugoslavia was so desperate that unless we could quickly supply them with grain, they might have to go on their knees to Moscow and then might indeed lose their independence.

I went on to say it seemed to me that in the main our policy of backing Tito was paying off in terms of an increasing desire on the part of the satellites for independence from Moscow. There was evidence of considerable strains in this respect and of differences between Tito and Moscow and as between the Soviet leadership themselves. It would, I felt, be a great misfortune to our whole policy for Eastern Europe if Tito was forced to capitulate to Moscow under economic pressures. Mr. Hoover pointed out that the present legislation was so drastic that unless the President made an affirmative finding, everything in the pipeline would have to be cut off and even

¹Source: Department of State, Secretary's Memoranda of Conversation, Lot 64 D 199. Secret. Drafted by Dulles. The source text indicates that Under Secretary Hoover was also present.

our assistance to a number of Yugoslav students who are in this country under an exchange program—they would be left stranded.

Mr. Hoover and I pointed out that there had been some suspension of any important military aid since Congress had acted last July and that this suspension could probably be continued for the time being without dangerous consequences, although the same was not true of the economic aid.

The President said he quite agreed that the facts justified affirmative findings. Commenting on the military aid, he said that the great importance of our giving that aid was that then the recipient became dependent upon United States ammunition and spare parts, and it would be much better if Yugoslavia had that relation with us rather than with Soviet Russia. Mr. Hoover also pointed to the value of our having a MAAG in Yugoslavia which of course would be cut off if we cut off all military aid.

I said that we were drafting findings along the line we had discussed, and I would expect to transmit them formally very soon. I thought it desirable that his report to Congress be finalized within the next day or two so that some of the Congressional leaders could be told of it in advance.

John Foster Dulles²

²Printed from a copy that bears this typed signature.

289. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, October 12, 1956—4:54 p.m.

282. This telegram solely for your information except as otherwise indicated. Following general discussion subject with President, Secretary has sent to White House suggested finding and report to Congress re Section 143. At news conference Oct 11² President stated he would make decision at last minute on basis latest data but that some announcement would be made on issue Oct 16. In brief, proposed text refers to Congressional criteria and then states that "I (President) hereby find and report to Congress affirmatively with re-

¹Source: Department of State, Central Files, 768.5-MSP/10-1256. Secret; Priority; Limit Distribution. Repeated to USUN in New York for Secretary Dulles who was attending the U.N. Security Council debate on Suez.

²For transcript of the news conference, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1956*, p. 88.

spect to the three matters". First reason given for President's decision is that our Yugoslav policy has been based not on approval of or affinity with internal policies of regime but on our decision that US interests required support for independence Yugoslavia in face Soviet threat. Balance available evidence indicates that Yugoslavia still independent of Soviet control and wishes remain so, that Soviets still trying compromise that independence, and that some American aid still needed and wanted by Yugoslavs. This is true despite fact that Soviet designs against Yugoslavia are now more subtle and perhaps not adequately appreciated or defended against by Yugoslavia.

Second reason relates to finding that ideology and doctrine of Yugoslav Communist Party seem to follow concept that each nation should decide for self nature of own society and that there should not be interference by one nation in affairs of other. Third reason states that there is danger that without US aid Yugoslavia will be unable maintain independence. Moreover US policies begun 1949 to enable maintenance independence remain valid.

Report then notes that President's action while meeting statutory requirement will have primary immediate effect of clearing way for conversations with Yugoslavs to examine various possibilities for bilateral cooperation in economic field. In military field US has since enactment Section 143 followed policy of permitting only small, routine and long-planned deliveries of equipment. "I (President) intend that this attitude, which implies non-delivery of jet planes and other items of heavy equipment, shall be maintained until situation can be more accurately appraised during days to come." However it is now prudent and wise proceed with economic aid for people of Yugoslavia primarily in form foodstuffs.

Paper concludes with acknowledgement that it does not definitely settle US-Yugoslav relations which will remain under constant review with periodic reference to criteria of Section 143 to ensure present decision remains justified in future. Furthermore this determination is not mandate for expenditure of funds but restores discretion to Executive Branch to act in accord with national policy and interest. This approach will serve foreign policy interests and simultaneously protect against unwise expenditure public funds. (*End of summary of report*)

Preliminary work already underway prepare framework and negotiating position for PL 480 program with aim of being ready for early approach to Yugoslavs. Subsequent to Oct 16 announcement, provided President approves Secretary's recommendation, you may state to Yugoslavs that we expect be ready discuss foodstuffs prob-

lems with them shortly. No study yet undertaken on other economic questions.

[2 paragraphs (1 page of source text) not declassified]

Hoover

290. Editorial Note

On October 16, the President released his decision relative to Section 143 of the Mutual Security Act of 1954, as amended, which provided for the suspension of aid to Yugoslavia pending the evaluation by the President of Yugoslavia's attitude toward the West. The President's findings were sent in identical letters to the President of the Senate and to the Speaker of the House of Representatives. In these letters, the President stated that he had decided to resume assistance to Yugoslavia because of his conviction that Yugoslavia remained independent of the Soviet Union, and was not participating in any program for Communist conquest of the world. The President also remained convinced that it was in the national security interests of the United States to continue to assist Yugoslavia. Accordingly, the President ordered that economic aid, in the form of shipments of foodstuffs, be resumed. The policy of non-delivery of jet planes and other heavy equipment items would be maintained, pending further clarification of Yugoslav policies. The President cautioned that these determinations merely restored discretion to the President on the matter of aid to Yugoslavia, and that aid would be continued only if it remained in the interest of the United States. For text of the President's letter, see Department of State *Bulletin*, October 29, 1956, pages 664-665. Yugoslav Minister Franz Primozić was given a copy of the President's letter on October 15 by Jacob Beam. Their meeting is described in a memorandum of conversation, October 15. (Department of State, EUR Files: Lot 59 D 233)

291. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, October 19, 1956—7 p.m.

508. Pass Army, Navy, Air. Embassy telegram 500.²

1. Have just concluded 2-hour session with Prica where as not unexpected Foreign Office press release October 17 was subjected to considerable interpretation. He said he would like my comment on press release first, particularly as it represented Yugoslav Government viewpoint on President's report which while welcome in some respects had given certain shock in others. I then spoke along following lines.

2. Press release in my opinion could be criticized primarily on grounds inconsistency and inaccuracy on certain points. If Yugoslav Government found certain sections letter unpalatable or even unacceptable, it should recall first that President had made affirmative response to three points. In view highly generalized information hitherto given us re Yugoslav-Soviet relations and recent developments it was not unnatural United States should have some reserves on ultimate Soviet aims. Seriousness of developments at Brioni and apparent Soviet intention to reverse line laid down in Moscow declaration had been emphasized to us only by Yugoslav Government and in particular by Prica in our conversation October 1 (Embassy telegram 437, paragraphs 3 and 4).³ Subsequently little information had been offered how this "wide gap" had been bridged at Yalta and we were still unaware what compromise had been arrived at. I said threats to independence could take various forms and Tempo, in course of wheat discussions, had underlined danger for Yugoslavia in becoming too dependent on USSR in trade relations. Therefore I found lack of logic in contention of no threat to Yugoslav independence by Soviet Union. Yugoslav Government desire for long-term economic arrangements was of course well-known to us but this raised several problems which we had discussed lengthily with Tempo. I reminded Prica we had extended under authorization stipulated by law and further I had told Tempo only recently question of long-term credits would naturally raise same type political issues with which we now concerned. Furthermore generalized Yugoslav proposals to date envisaged sale of surplus agricultural products under long-term credits

¹Source: Department of State, Central Files, 768.5-MSP/10-1956. Secret. Repeated to London, Paris, and Moscow.

²In telegram 500 from Belgrade, October 18, Riddleberger reported on a press release issued by the Yugoslav Government on October 17 in reaction to the resumption of U.S. aid. (*Ibid.*, 768.5-MSP/10-1856)

³Telegram 437, October 2, reported on an October 1 conversation between Riddleberger and Prica. (*Ibid.*, 768.5-MSP/10-156)

eventually payable "in dollars or some other currency". Emphasis seemed to be on latter which raised host of problems. Perhaps next year administration would have new proposals to present to Congress but at present we must operate under existing laws.

3. Re statement on military aid, I could only remark release was inaccurate and quoted figures mentioned Embassy telegram 500, paragraph 4 amplifying these with numerous illustrations on variety of deliveries in addition to spare parts.

4. Prica said would try explain Yugoslav Government position in existing circumstances. Difficult accept President's report without comment; although Yugoslav Government knows aid given under United States laws, it thinks situation now greatly changed. President had in effect repeated what was formerly true but it no longer corresponds to facts, i.e., danger from Soviet Union has lessened or is disappearing. Yugoslav Government is attempting to find balance between East and West which is different from Presidential formulation which implies Yugoslavia in same danger as five years ago. Yugoslav Government does not want to be bound to one side and would be difficult for it to admit it accepting aid on basis danger from Soviet Union. These formulations therefore offensive to Yugoslav Government which is striving for good economic relations with both sides. Also mention of possibility of cutting off aid worries Yugoslav Government as it places it in position insecurity for future while its duty must be provide food for its people. Yugoslav Government hopes US will therefore understand its motives in accepting aid, and its standpoint is set forth in press release.

5. Prica then said Yugoslav Government in difficult position on wheat. It wants to plan for more than one year's supply and with United States it cannot be certain in view of President's letter whether it can count on more than one year. (I interrupted to say our record of covering deficits spoke for itself and Prica admitted this was true.) He said he would be entirely frank about present status of negotiations with USSR. Soviet system was rigid as was based on state planning and Soviets were demanding to know Yugoslav requirements for 4 to 5 years ahead before concluding agreements. Yugoslav Government had postponed and was still postponing decision on this because it wanted to investigate again possibility of longer term arrangements with United States for agricultural surpluses. He referred to our recent agreement with India as example of what Yugoslav Government had in mind and it hoped very much we would examine some such possibilities for them. He entered strong plea on basis necessity Yugoslav Government plan future economic development, assure food supply over next 4 to 5 years, remove friction from our economic relations and put them on some loan or credit basis as not to cause such criticism in Congress. Although he

understood limitations under which we worked he hoped we could give some indication of our attitude when we commenced discussions of wheat needs which were urgent. I replied I would submit his observations and would be in position to discuss immediate wheat needs within few days.

6. Discussion re military aid and comment will follow in separate telegram.⁴

Riddleberger

⁴Telegram 508 from Belgrade, October 19. (*Ibid.*, 768.5–MSP/10–1956)

292. Letter From President Eisenhower to President Tito¹

Washington, November 12, 1956.

DEAR MR. PRESIDENT: I am indeed grateful for your message of August twenty-sixth² expressing your views on various questions which directly concern both of our countries. Events have moved rapidly since then and it does not seem appropriate to discuss in detail the concrete problems of our bilateral relations in the economic and military fields about which you wrote me. This is not because these matters are not important to both our countries, but because I think they are, or soon will be, on their way to a mutually satisfactory solution through negotiations or conversations in regular channels between our Governments.

I am sure we can agree that the cordial relations between our two countries are due, above all else, to our common stand in favor of national sovereignty, independence and non-interference in the internal affairs of other nations. Our two countries have also supported international cooperation in an increasingly interdependent world. Because we both adhere to these principles, we have seen that our relations can serve as proof that dissimilar governments can not only respect each other but also work together.

With respect to the dramatic yet tragic events in Eastern Europe, I am reminded of what Secretary of State Dulles told me of his conversations with you a year ago³ and I have observed how well those

¹Source: Eisenhower Library, Whitman File. Secret. The text of the letter was sent to the Embassy in Belgrade in telegram 385, November 13, with instructions that it be delivered to Tito as soon as possible. (Department of State, PPS Files: Lot 66 D 487, Yugoslavia)

²See footnote 2, Document 284.

³See Documents 263–265.

discussions anticipated current trends. Many of the favorable developments can be credited, I am sure, to the personal efforts which I understand you made in Belgrade in 1955 and in Moscow in 1956 to persuade the Soviet leaders to engage themselves not to interfere in the internal affairs of other countries.

Until set back by ruthless full-scale Soviet intervention in Hungary, this trend seemed to open up the possibility of creating better conditions in Eastern Europe. Much now depends on the course of action adopted by the Soviet Union. Our concern at conditions in Eastern Europe in the last decade has been caused not alone by social and economic conditions there or by ideological practices. Our greatest concern has arisen from the Soviet domination exercised over most of the area and from the totalitarian rule of suppression of freedom which has accompanied it. This extension of Soviet power into the heart of Europe poses a grave threat to the security of the whole world.

Tensions in Europe cannot really and permanently be relaxed until the Soviet Union has retired to its frontiers and released Eastern Europe from its grip. The events in Hungary show that desperation may lead a defenseless people to rebel against an oppressive regime which they know has the means for forceful suppression. But I want to assure you that our policy has never been to encourage or induce such revolt by any people. Independence for these nations does not preclude the Soviet Union's having friendly neighbors on its frontiers, but should facilitate this result. It seems to me inevitable that the area will develop into one of hatred for Russia instead of one of peace unless the Soviet Union makes a constructive contribution conforming with the true desires of the people.

You may be assured that the United States does not seek to derive any special benefit or to impose its concepts on these lands. As I announced in my broadcast to the American Nation on October thirty-first,⁴ we have, with respect to the Soviet Union, sought to remove any fears that we would look upon any government in the Eastern Europe countries as potential military allies. I said that we had no such ulterior purpose and that we see these people as friends and wish simply that they be friends who are free. I have also made it clear, with the Yugoslav example in mind, that the United States stands ready to furnish assistance without political conditions to those people in Eastern Europe who have started on the path to true national independence.

I believe these views accord with your own. While very much regretting that Yugoslavia in the United Nations was unable to take a

⁴For text of the President's address, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1956*, p. 1060.

stand on some phases involved in Soviet repression of the Hungarian people, we welcome your Government's support for the United Nations' action requesting immediate withdrawal of Soviet troops from Hungary. I also think you can take satisfaction from the fact that your efforts have consistently been in the direction of greater independence for the Eastern European countries. Efforts of this kind will be needed all the more because of the consequences produced in Hungary by a reversal of this trend and because of Soviet pressures being exerted on the new Polish Government. I believe I appreciate something at least of the difficulties the current situation has created for your Government.

I have been happy to note the appreciation shown by your Delegation at the United Nations of the role the United States has been playing with respect to the Middle East crisis. I hope we may be able to count upon your country's support of action by the United Nations which will restore peace to the area.

It has occurred to me that although we have exchanged views on developments on a number of occasions through letters between us, this has hardly been an adequate substitute for a personal contact. It would give me great pleasure if you could find it convenient and agreeable to visit me in Washington sometime during the coming year. I would suggest that a suitable date could be arranged by our respective ambassadors through diplomatic channels.

With every good wish,
Sincerely,⁵

⁵Printed from an unsigned copy.

293. Letter From President Tito to President Eisenhower¹

Belgrade, November 20, 1956.

DEAR MR. PRESIDENT: I appreciate highly your letter of November 11th [12th]² in which you have expressed your view on some current international problems. I intend to reply to your letter more extensively as soon as possible and to present our point of view. I wish, however, to avail myself of this opportunity to thank you for your

¹Source: Department of State, Central Files, 768.11/11-2156. Secret. This letter, the text of which was sent by telegram to the Yugoslav Embassy, was delivered by Ambassador Mates to Acting Secretary Hoover on November 21. (*Ibid.*, 768.11/11-2156)

²*Supra.*

invitation to visit your country in the course of the coming year. I fully share your belief that we could in direct conversation much better and more thoroughly compare views on the questions which were the subject of our correspondence. I hope that I shall be able to pay this visit in the course of the next year.

With all the best wishes

Sincerely yours,

Josip Broz Tito³

³Printed from a copy that bears this typed signature.

294. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, December 24, 1956—7 p.m.

893. 1. Re Deptel 505,² was unable reach Foreign Secretary or Defense Minister December 22 but made presentation suggested to Popovic this morning. I also mentioned subject to Tito during hunting party yesterday and he quickly responded that he might later want to talk to me personally about it. In view conversation with Tito reported Embtel 892³ which indicates Tito's intervention with Soviets, resumption military aid now may raise problem of timing for Yugoslavs and I was not surprised to find Popovic somewhat reserved in his comments.

2. Foreign Secretary said he fully realized it impossible to avoid publicity if regular shipments resumed. While he thought it unfortunate shipments had been suspended, there had been a difference of political appreciation and we had to deal with facts as they are. He would not try to give me definite answer today as in such important matter he must consult both Gosnjak and Tito. He had three personal observations which he would present re present situation.

(A) Yugoslav Government does not think there will be a general war.

¹Source: Department of State, Central Files, 768.5-MSP/12-2456. Secret; Limit Distribution.

²Telegram 505, Decemberr 21 [*1 page of source text*], was not declassified.

³In telegram 892 from Belgrade, December 24, Riddleberger reported on a conversation he had with Tito concerning Hungary. Tito informed Riddleberger that he had written a letter to the Soviet Government concerning the situation in Hungary and that he thought he could influence Soviet decisions there. (Department of State, Central Files, 768.11/12-2456)

(B) Yugoslavia does not feel immediately menaced by USSR and
(C) US policy in recent crises has wholehearted Yugoslav approval.

3. With these points as background Foreign Secretary said he was happy for opportunity to consult re military aid. He said that in spite of remarks of Yugoslav military to Waters there was growing feeling in top military circles that Yugoslavia should henceforth rely more on own efforts and less on foreign aid, although he was first to pay tribute to great assistance US had given in critical days. Difficulties which had arisen in execution of MDAP and uncertainties of deliveries (although he recognized there were many technical difficulties involved) had created great planning difficulties for Yugoslav defense. Questions such as licenses and future spare parts deliveries had never been resolved and our frequent inability to give definite information on deliveries had led to growing inclination in Yugoslav Government to look for different solution.

4. I made appropriate replies to this not forgetting to mention fact that Yugoslav Government had never replied to our proposal for conference to discuss future military aid and indeed Prica had suggested that whole subject be held in abeyance.

5. Foreign Secretary did not contest this but remarked there was another approach. Yugoslav Government attached greatest importance to its proposals for long-term economic aid which he sincerely hoped we would view favorably. If it were possible to be assured of this kind of support, which involved largely agricultural surpluses for us, that would free other resources for defense purposes, would eliminate past friction and would hasten solution of pressing economic problems. He thought that thanks to arrangements concluded in November, we now had time to consider these proposals. He concluded by reiterating he was speaking personally and he would revert to question of military aid after he had opportunity for high-level consultation within Yugoslav Government.

6. I reminded Foreign Secretary that only existing authority for long-term economic arrangements was PL 480 on which there was a ceiling and under which many requests were already pending. As he knew there were exhaustive studies now under way re future aid and I anticipated administration would make recommendations to Congress where final decision would lie. It was impossible now for me to make any firm predictions, but importance of such groups as Fairless Committee³ was obvious and I was happy to note he and Tito would receive them.

³Reference is to the the President's Citizen Advisers on the Mutual Security Program (Fairless Committee), chaired by Benjamin F. Fairless. The committee was commissioned to examine U.S. foreign assistance programs.

7. I find it difficult to believe Yugoslav Government losing interest MDAP in spite Foreign Secretary's remarks. Certainly there has been no indication this from military side. Two theories are possible:

(A) Hungarian revolt has impressed upon Yugoslav Government necessity raising living standards to assuage growing discontent and therefore less emphasis (and less money) will be given to defense and more to civilian production thereby reducing interest in military aid.

(B) Resumption of deliveries presents at this stage, particularly if Tito is engaged in serious negotiations with Soviets on Hungary, very real problem of timing for Yugoslavs. Soviets may be insisting on some loosening Yugoslav military ties with US as price for concessions in Hungary. I think we agree here and in Department loosening ties has been primary target of USSR since Khrushchev visit,⁴ and in spite of press polemics, Soviets may be pressing again for some gesture. Convergence of (A) and (B) may make Tito hesitant to have resumption MDAP announced following closely on news his visit to US. Now that we have opened subject, think best posture for us is relaxed attitude while awaiting clearer formulation Yugoslav position.

Riddleberger

⁴Khrushchev visited Yugoslavia September 19-27.

**295. Memorandum of a Conversation, White House,
Washington, December 26, 1956¹**

SUBJECT

Official Visits for 1957

PARTICIPANTS

The President
Mr. John Foster Dulles, Secretary of State
Brigadier General Andrew J. Goodpaster, The White House
Mr. Robert Murphy, Deputy Under Secretary of State

[Here follows discussion of subjects unrelated to Yugoslavia.]

There was considerable discussion regarding the projected visit of President Tito. The Secretary outlined the reasons for the visit, mentioning the opposition on the part of Catholic elements in the United States which has been aroused by recent publicity on the

¹Source: Eisenhower Library, Whitman File, Dulles-Herter Series. Secret. Drafted by Murphy. A note by Joseph N. Greene, Jr., attached to the source text, states that a copy of the memorandum was sent to Ann Whitman at the White House on December 28.

subject. He mentioned that he had heard that Cardinal Mooney² for example was outspoken in this regard. Mr. Murphy mentioned a message sent to him recently by the Catholic Bishops of America meeting in Washington, who expressed concern.

The Secretary stressed that the suggested state visit was not sentimental in character but designed to further American objectives and policies. Tito represents a force in the satellite area which has been working in a direction desired by us and causing a deterioration of the Soviet stranglehold in that area. Inviting him obviously does not mean we approve of all things that the Yugoslav Government stands for. Mr. Murphy said that an explanation along these lines had been given to the Catholic Bishops.

The President thought that we might stimulate through our Ambassador in Belgrade some gesture favorable to Catholics on the part of Tito before he comes here. The Secretary mentioned Cardinal Stepinac³ and it was explained that Stepinac had been in prison, although he is now restricted to his native village where he is allowed to function as a priest, but not to carry on his duties as Cardinal. The President said with some asperity that Tito should make some gesture improving this condition as the President understood there was strong feeling in this country on the part of the Croatian and Slovene groups in this respect. Perhaps our Ambassador in Belgrade could discuss this at a suitable occasion and Mr. Murphy might refer to the problem in conversation with Mates. The President said he felt we should not be too squeamish in explaining to Tito that we have our own problems in this country and that while we would defer to him on matters of strictly internal concern, it would be best for him to understand the actual situation prevailing in this country. The President referred to the fact that there are from 30 to 40 million Catholics in the United States and that our views on the subject of freedom of religion are well known to everybody. Both the President and the Secretary expressed reservations regarding Tito's visit and the President said he did not mind if Tito was told that these difficulties exist, and unless he were willing to make some effort to cooperate, the President said in effect we might have to reserve action on this item.

It was agreed that after our Ambassadors notify us in each case that the visits can be made at a certain specified time, we would then make a public announcement including a list of names of those who had been invited to visit the United States during 1957. It would be added that the exact dates are being worked out.

[Here follows discussion of subjects unrelated to Yugoslavia.]

²Edward Cardinal Mooney, Archbishop of Detroit.

³See footnote 2, Document 265.

296. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, January 5, 1957—1:46 p. m.

546. This message intended for action by Ambassador following his return and departure Fairless Committee.² Ambassador should make approach noted below either to Tito, Vilfan or Koca Popovic, in his discretion. If Ambassador has serious doubts about utility of approach, he should delay action and report views to Dept.

FYI. Premature leak to press of plans for Tito visit has as anticipated aroused considerable opposition domestically, most important but not sole source of which is American Catholic organizations and their adherents. Following discussion of details of trip by President and Secretary, they agreed visit suitable around end March or start April. However they believed that US domestic political situation should be explained Tito and that he should show understanding our position by making appropriate move on Yugoslav domestic scene (perhaps on behalf Cardinal Stepinac) which would mollify American opposition groups. At same time, in view well-known Tito recalcitrance in face foreign pressures and necessity for Tito take account of hostility felt by dominant Serbian population group towards Stepinac, it is clear that unless delicately handled such approach could cause serious deterioration US-Yugoslav relations and damage to US policy Eastern Europe. End FYI.

Suggest following line for approach:

President and Secretary Dulles have discussed specific timing and program of Tito visit. They suggest Tito arrive Washington about March 26, remain three days, and then [spend] up to about week traveling around country, especially West Coast. This time most convenient here and strongly hope Tito could conform this schedule.

At same time both consider it desirable apprise Tito in all frankness of domestic US reaction to unfortunate premature leak of story to press. As Tito indicated in his August 26 letter to President,³ he is aware of long history of opposition by certain members of Congress who represent sizable number of citizens to our policy towards Yugoslavia. These groups particularly lay Catholic organizations have raised loud cry against visit. They have alleged Yugoslav regime discrimination against Catholic Church and have especially contrasted

¹Source: Department of State, Central Files, 768.11/1-557. Secret; Limit Distribution; No Distribution Outside Dept. Drafted by Mark, cleared with Beam, and signed for Dulles by Murphy.

²See footnote 3, Document 294.

³See footnote 2, Document 284.

recent Polish developments in this field (such as new status Cardinal Wyszynski)⁴ with conditions Yugoslavia.

US has of course followed policy of scrupulously avoiding official mention these matters which pertain to Yugoslav internal affairs. However President and Secretary both anxious have visit proceed smoothly and successfully as possible. They certainly would want avoid mass picketing and protests which have been threatened in certain major cities where Catholics and citizens of East European descent make up important element of population. While such demonstrations would not be allowed involve safety of Tito party, while they could be kept away from his line of travel (particularly if he did not visit sensitive cities), and while we would seek discourage them by official statements and actions, their occurrence in lawful manner might not be wholly preventable and they would tend mar visit in way we would consider most unfortunate.

Accordingly and without any thoughts of own on subject, President and Secretary suggest that Yugoslavs might examine situation to see whether it feasible for Tito or regime make some gesture at appropriate time between now and visit which would tend mollify American opposition groups and create atmosphere good feeling throughout this country. We would be happy discuss this further with FonOff during conversations on detailed planning for visit.

Dulles

⁴Stefan Cardinal Wyszynski, Primate of Poland. His ecclesiastical functions were suspended by the Polish Government in 1953, but restored in 1956.

297. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, January 17, 1957—8:36 p.m.

590. Secretary today informed Mates United States now proposes April 24 through 26 as dates Tito visit Washington. Also he pointed out developments here require that visit be limited to official business in Washington and that it was not now practical to plan

¹Source: Department of State, Central Files, 768.11/1–1757. Secret; Priority. Drafted by Dulles and cleared with Murphy. Also published in *Declassified Documents, 1987*, 333. Earlier in the day, Dulles had discussed Tito's visit with the President who agreed with his line of reasoning and stated "that he was disappointed that Tito had not been willing to indicate a more liberal approach to some of his internal problems." A memorandum of this discussion is *ibid.*, 1982, 1975.

any United States tour because of the mounting opposition and certainty of demonstrations and possibility of danger. Perhaps this will die down and permit some visit to be arranged at the last [minute] but Secretary told Mates neither we nor they should count upon this.

We realize it is possible that Tito may not want to come under these circumstances but breadth and intensity of opposition not only in Catholic groups but in anti-Communist groups generally, both in the country and in Congress, are causing us serious concern.

FYI: Mates remarked "This suggests our relations not on very solid basis."

We regret Tito seems unwilling to make any gesture to mitigate the opposition and make him more acceptable but this is of course his affair and we should not press him.

Dulles

298. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, February 6, 1957—3:04 p.m.

1104. No distribution outside Department.

1. Although I am not fully conversant with final Washington developments on Tito's trip, it nonetheless seems clear that for reasons of its own, Yugoslav Government decided to cancel visit and blame it on unfavorable publicity.² Unfavorable publicity for Tito in United States is certainly nothing new and has occurred concomitantly with aid debates every year. This could not have come as any great surprise to Yugoslav Government although vigor of reaction to trip may have been more than anticipated. When Foreign Secretary informed me of decision on January 28, he implied very clearly it would be postponement and made no mention of any publicity and in fact, on January 11³ he had deplored United States press leaks

¹Source: Department of State, Central Files, 768.11/2-657. Secret; Limit Distribution.

²In telegram 1070 from Belgrade, Riddleberger reported that Popović had told him that the Yugoslav Government had instructed Mates to inform the U.S. Government that such a short visit by Tito would not be useful and that in view of conditions in the United States it might be better to postpone the trip. (Department of State, Central Files, 768.11/1-2857)

³In telegram 994 from Belgrade, January 11, Riddleberger reported that Popović had informed him that Tito was suffering from rheumatism and that treatment would be continued into April. Popović expressed the hope that further press leaks could be avoided until the time of the visit was determined. (*Ibid.*, 768.11/1-1157)

until time was fixed. When it is remembered that almost year elapsed between Tito announcement of his visit to USSR (June 1955) and his trip (June 1956), there seems to have been no necessity for such sudden publicity cancelling trip. We cannot therefore exclude possibility there was some ulterior motive, although growing intensity of ideological clash between Yugoslavs and Soviets would seem to militate against likelihood there any collusion between the two.

2. Yugoslav exceeding sensitivity at unfavorable United States publicity would seem illogical and inconsistent when compared with their attitude toward anti-Yugoslav propaganda from Moscow. Only recently when I made some passing reference to virulence of Soviet radio propaganda against United States, I received long lecture from Foreign Secretary how those who work for peace and relaxation of tension should rise above such attacks and should pursue their mission without regard to vituperation. And certainly Yugoslav publicity and official attitude on United States Near East policy has not been characterized by any inhibitions. Therefore as I regard manner in which Yugoslav Government forced cancellation, I am impelled to conclusion Tito did not desire to make visit at this time. I have subsequently found out that following hunting party on January 27 when both Tito and Popović had earnest conversation with Soviet Ambassador, Tito kept his principal collaborators until 3 a.m. and I suspect decision to publicize cancellation of trip was taken that night. This was followed by return to Belgrade of Yugoslav Ambassador to Moscow following conversation with Khrushchev, and Italian Ambassador is informed Khrushchev gave him message that there is in Kremlin no significant group with closed mind on reconciliation with Belgrade.⁴ When I saw Prica at a dinner on January 29 he told me economic negotiations with Soviet Union were going fairly well and Tempo subsequently told United Kingdom Ambassador that Soviets had promised sufficient coking coal under trade agreement. (While these two comments are superficially in conflict with report submitted Toica 301,⁵ thread of Soviet willingness and desire placate the Yugoslavs is present in each.) At the same time Yugoslav press is commencing to emit hints that "Yugoslav-American cooperation" (read economic aid) will not be affected. [1-1/2 lines of source text not declassified]

3. Viewing situation as seen from Belgrade, it seems to me that best attitude to adopt at present juncture is one of reserve. I assume Tito visit is off for indefinite period but should welcome confirma-

⁴Micunović makes no mention in *Moscow Diary* of returning to Belgrade with such a message.

⁵Toica 301 from Belgrade, May 8, 1956, contained an evaluation of Yugoslavia's wheat needs and agricultural production schedule. (Department of State, Central Files, 768.5-MSP/5-856)

tion. Cancellation of trip has caused great sensation here and NATO colleagues are naturally curious of our ultimate intentions. Pending information from Washington, I have adopted cautious line and am giving no comfort to hints that visit may be only postponed.

Riddleberger

299. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, March 12, 1957—1 p.m.

1258. 1. As two months have now elapsed since receipt of Deptel 556² (whose last paragraph indicated imminent decision resumption of military aid) and Foreign Secretary's reply set forth in Embtel 987 of January 10,³ I should be grateful for information on how this question stands in Washington. Our detailed recommendations first went forward in Embtel 711 of November 23 and were amplified in message from AMAS to Pentagon of January 14⁴ in response to instructions. I assume no further information is required from Belgrade. AMAS figures show deliveries in last three months have reached absolute low and are well below 500 tons per month.

2. At present all military aid is suspended except training, local OSP, and spare parts and maintenance items necessary to ensure continued effectiveness of previously delivered equipment. This suspension which commenced last summer has without doubt led to confusion, uncertainty and misunderstanding on part of Yugoslavia military, particularly in view of favorable presidential determination in October.⁵ An example is case of three [garble] now ready for delivery and being held in French shipyards. Continuation of suspension not only imposes necessary US financial obligations for security and maintenance of craft that deteriorate rapidly through prolonged

¹Source: Department of State, Central Files, 768.5-MSP/3-1257. Secret; Limited Distribution.

²The last paragraph of telegram 556 to Belgrade, January 9, indicated that the question of the resumption of military aid would shortly be referred to Secretary Dulles for final decision. (*Ibid.*, 768.5-MSP/1-1057)

³In telegram 987 from Belgrade, January 10, Riddleberger reported that Popovic had said that the Yugoslav Government favored completing the established aid program. He urged that a fixed delivery schedule be provided by the United States. (*Ibid.*, 768.5-MSP/1-1057)

⁴In telegram 711 from Belgrade, Riddleberger discussed tentative delivery schedules for military items. (*Ibid.*, 768.5-MSP/11-2356) The AMAS message has not been found in Department of State files.

⁵See Document 290.

non-use but it confuses the Yugoslavs. The Yugoslav military does not understand the US position on delayed delivery of these ships while continuing work on four OSP MSI's under construction in Yugoslav yards which in effect indicates to Yugoslav Government planned delivery both types. Yugoslav military has, for several years, looked forward to acquisition of these new fleet units since they represent vast improvement over standard Yugoslav ships. The most useful training months for shaking down these ships with Yugoslav crews in local waters are ahead and further suspension in delivery tends to retard training.

3. Turning to the Yugoslav air force it is noted that the benefit of their successful F-86-E training program wherein 227 pilots and 711 technicians were produced is being lost. The 5 flyable aircraft are insufficient to provide proficiency training for more than 15 pilots and 50 technicians, because of complexity and high performance type of aircraft. While not as acute problem, same situation exists with respect to F-84G aircraft where 109 are now flyable of the 132 delivered. YAF reports and AMAS has verified the number of qualified pilots and technicians available in excess of those required to activate the three remaining fighter-bomber (F-84G) squadrons to bring YAF up to the planned 9 fighter-bomber squadrons contained in the force goal. Spare parts and equipment are available in Yugoslavia for one wing of 75 F-86E and are not interchangeable with other YAF aircraft. Deterioration of spares and equipment in storage is not a serious problem but follows a normal course and must be expected. The delivery of these spares to YAF has been interpreted as an indication of future deliveries of F-86E aircraft. Storage of programmed but undelivered aircraft is another problem, however, in that this "flyable storage" would be at great expense to the US. Yugoslavia has approximately eight months of good flying weather per year, most of which lies immediately ahead. The present lack of aircraft denies YAF that training which could be executed during the March-October period and pushes further into the future the ultimate attainment of the planned force goal of providing Yugoslavia with an equipped and trained fighter-bomber and day fighter capability to support its conventional ground and sea forces. Over the MAP years YAF has provided funds and worked in an orderly fashion to have adequate ground facilities (seven modern jet aircraft fields), pilots and technicians prepared to receive the programmed aircraft. YAF is now capable of absorbing aircraft and equipment deliveries at the maximum rate of delivery believed attainable by USAF.

4. With respect to the ground forces the problems are neither as acute nor as distressing to the YNA. They exist in the fields of suspended delivery of ammunition with its resultant fall-off of weapons training and in establishment of crystal repair and maintenance fa-

cilities for some 250,000 MAP provided crystals. Neither is in the magnitude of the air or navy problems. However, Yugoslavs continue to press unceasingly for delivery of vehicles and weapons as well as ammunition.

5. Foregoing description of technical problems facing US and Yugoslavs by continued suspension of deliveries represents considered views of General Waters and me. We have not discussed cost to US of storage and related problems issuing from suspension because we are not fully informed, but we understand they are considerable. Pentagon no doubt has this information.

6. Although we recognize this problem of resuming deliveries presents difficulties in Washington, I note from Deptel 701, February 26,⁶ that Department expects include request DS funds in presentation to Congress and expects opposition will be less than last year. If Congressional situation is so improved, perhaps moment is favorable to take decision on military aid. Certainly current and growing Soviet-Yugoslav rift presents us with opportunity consolidate Yugoslav military ties with West. If we decide to lift suspension it would enable us to move toward completion of planned program to provide small, balanced, defensive force which has been mutually developed by US and Yugoslavia. Completion of program would at that time provide strong contrast to Soviet refusal to fulfill commitments in economic field and strengthen Yugoslav determination to resist Soviet pressure—a determination reaffirmed by Tito to Kline on March 9.⁷ If it is our desire to strengthen US influence in Yugoslavia, to demonstrate to non-bloc countries that we are prepared to help maintain their independence by material aid, and to take advantage of Soviet-Yugoslav discord (as exemplified by violent *Pravda* attack March 10 on Popovic), it seems to us moment has come to resume deliveries.

7. Department please discuss foregoing as appropriate with Defense with request to inform CINCEUR.

Riddleberger

⁶Not printed. (*Ibid.*, 411.6841/2-2157)

⁷In an interview with Allen Kline, Special Consultant to the Senate Foreign Relations Committee, on March 10, Tito stated that Yugoslavia would not rejoin the Soviet bloc, even though the refusal would cause economic difficulties for Yugoslavia. A summary of the conversation is in telegram 1250 from Belgrade, March 11. (*Ibid.*, 033.1100-KL/3-1057)

300. Editorial Note

At a meeting held on April 1 with Murphy, Hill, Beam, and Mark to discuss Riddleberger's recommendations, Secretary Dulles decided that only 60 aircraft, at the rate of 10 per month from May to October, be delivered to Yugoslavia. He requested that the Bureau of European Affairs draft a statement explaining the resumption of deliveries and emphasizing the training aspects of the aid to minimize any domestic criticism of the shipments. (Memorandum of conversation, April 1; Department of State, Central Files, 768.5–MSP/4–157)

301. Report Prepared by the Operations Coordinating Board¹

Washington, April 24, 1957.

PROGRESS REPORT ON "UNITED STATES POLICY TOWARD YUGOSLAVIA" (NSC 5601)²

(Policy Approved by the President January 24, 1956)

(Period Covered: September 6, 1956 through April 24, 1957)

A. Summary of Operating Progress in Relation to Major NSC Objectives³

1. *OCB Recommendation Regarding Policy Review.* The OCB notes the NSC directive for a review of NSC 5601, contained in paragraph 24 of NSC 5616/2,⁴ but considers that in the light of operating experience to date, and of anticipated future developments, there is no urgency for a review from the OCB standpoint.

2. *Summary Evaluations.* On October 15, 1956 the President issued the finding with regard to continued aid to Yugoslavia required by

¹Source: Department of State, OCB Files: Lot 62 D 430, Yugoslavia 1956–1957. Secret. A financial annex regarding U.S. assistance to Yugoslavia for fiscal years 1956 and 1957 and Mutual Security Program aid for fiscal years 1950–1956 is not printed. According to a letter attached to the source text by Charles E. Johnson, the OCB concurred in the progress report and approved it for transmittal to the NSC on April 24. The NSC noted the report on June 15 in NSC Action No. 1732.

²Document 270.

³NIE 31–56, July 24, 1956—Yugoslavia's International Position. [Footnote in the source text. NIE 31–56 is printed as Document 282.]

⁴For text of NSC 5616/2, "Interim U.S. Policy on Developments in Poland and Hungary," see vol. xxv, pp. 463–469.

Section 143 of the Mutual Security Act of 1954 as amended. This action was based on a determination that Yugoslavia remained independent of Soviet control and that U.S. objectives would, on balance, continue to be served by U.S. support of Yugoslavia. The finding permitted economic aid to Yugoslavia to go forward, but deferred a decision with regard to military aid with the exception of spare parts and maintenance items. (See paragraphs 3.a. and 6.)

a. *Yugoslav Independence.* U.S. officials now feel more confident of the Yugoslav will and ability to maintain independence than they did in the period when the Yugoslavs were eagerly reciprocating the Soviet-initiated rapprochement. In the last six months the Soviet threat to Yugoslav independence has changed its character. It now is exerted through economic pressures and "ideological" polemics instead of taking the form of economic inducements and other blandishments, as it had after late 1954. The Soviets have blamed the events in Poland and Hungary in part on Yugoslav influence. The result has been a mounting Soviet bloc pressure on the Yugoslavs for ideological (and, hence, political) subservience to Moscow. This pressure was first manifested on an ideological level and exercised through speeches and editorials, but it now gives clear signs of being extended to the state level, where it is evidenced by the refusal of the USSR and East Germany to implement fully previously-granted credits and development loans. The Yugoslavs have indicated clearly that they do not intend to submit to this pressure.

b. *Yugoslav Encouragement of Separatist Tendencies in the Soviet Bloc.* Recent events in Eastern Europe and the strong anti-Yugoslav Soviet reaction thereto have provided evidence of the extent of Yugoslav influence. Polish nationally-minded Communists have been influenced by the Yugoslav example and advice in their so-far successful bid for greater independence and, moreover, from all reports, have been greatly heartened by the fact of U.S. support for Yugoslavia and the nature of U.S.-Yugoslav relations. The Yugoslav example had an important role in encouraging those in intellectual elements which first instigated the Hungarian revolt with their demands for greater national and intellectual freedom.

c. *Yugoslav Foreign Policies.* Considered in relation to the NSC objectives that Yugoslavia not actively further Soviet-Communist cold war objectives and that Yugoslav potentialities be developed on behalf of U.S. and other free world aims, Yugoslav foreign policies seem to call neither for great concern nor for enthusiastic approval. Yugoslavia has not recognized the (East) "German Democratic Republic," but remains willing to accept economic relations with it not leading to recognition. In general, the neutralist bent of Yugoslav foreign policy continues as before and seems to be dictated by the Yugoslavs' view of their country's needs as a small country balanced between East

and West. Yugoslavia has supported United Nations actions in the Middle East, but its attitude in regard to UN action on Hungary has been somewhat ambiguous. While disapproving of Soviet intervention there in principle, Yugoslav officials have explained their abstention on most General Assembly votes condemning the Soviet Union by claiming that UN action could only exacerbate the situation, would not influence the USSR, and could not help Hungary in any case. Besides this rationalization of their position, the Yugoslavs indicated to the United States last November their apprehension about possible Soviet military actions against them or other nearby countries.

d. *Liberalization of the Regime.* No concrete measures toward liberalization of the regime took place during the reporting period. On the contrary, the arrest and conviction of Djilas for his criticism of the basic tenets of Communism, whether of the Yugoslav or Soviet variety, points up the lack of political freedom which prevails. There are signs, however, that Djilas' message and the impact of events in Hungary and Poland were not lost on Yugoslav leaders. Although Yugoslav Communists have been realistic enough, apparently, to recognize the desires of the people for improvement in living standards and for some measure of freedom, such recognition has not yet resulted in any material improvement in the conditions of life in Yugoslavia.

3. *Status of and Progress on U.S. Commitments for Funds, Goods or Services and Other Programs.*

a. *Military Aid.* Military assistance to Yugoslavia is still limited to spare parts and maintenance items in accordance with the policy set by the Presidential determination on aid of October 15, 1956. Pending a decision by the executive branch, deliveries of ammunition, major items, and aircraft remain suspended. (See Section B, Paragraph 6)

b. *Defense Support.* Defense support for Yugoslavia for FY 1957 amounts to \$15 million, of which \$1.5 million has been approved for technical assistance and \$13.5 million approved for wheat and cotton, bringing total non-military MSP assistance to approximately \$445 million since 1950.

c. *PL 480.* A PL 480 agreement for FY 1957 in the amount of \$98.3 million was signed on November 3, 1956, and is being carried out on schedule. This will bring total PL 480, Title I, assistance to Yugoslavia to a cumulative total since 1954 of approximately \$221.5 million. In response to a Yugoslav request, the Department of Agriculture agreed in January to shift \$5 million from wheat to ocean freight, and the Yugoslavs were promised that the U.S. would consider the problem of additional wheat when supplementary PL 480 funds are voted by Congress.

d. *Estimated Cumulative Total.* Commitments for military, economic and technical aid have totalled about \$1.5 billion from 1949 to the present.

4. *New U.S. Commitments for Funds, Goods or Services Entered Into During the Reporting Period.*

No new commitments except as in 3.b. and 3.c.

B. Major Operating Problems or Difficulties Facing the United States

5. *Hungarian Refugees.* As of March 1, 1957, there were over 17,000 Hungarian refugees in Yugoslavia. UN observers have reported that conditions of housing and feeding provided by the Yugoslavs are roughly comparable to Austrian standards. New refugee flow has been reduced to a trickle and it is unlikely that the number in Yugoslavia will exceed 20,000. To date, about 400 have settled permanently in Yugoslavia, over 250 have gone from Yugoslavia to Western countries other than the United States, and almost 1,800 have voluntarily returned to Hungary. The Yugoslavs complain that the refugees represent a heavy economic burden to them, and continue to press the West for financial and material assistance in caring for the refugees, as well as for action to remove some of the refugees to the countries of second asylum. No refugees will be taken directly into the U.S. from Yugoslavia on parole, at least until the proposed amendments to the Immigration and Nationality Act have been acted upon. However, the Department of State is seeking to work out a plan (for which \$2 million has been allocated) for helping the Intergovernmental Committee for European Migration to move 10,000 Hungarians from Yugoslavia to countries of permanent resettlement or secondary asylum. Some U.S. assistance for interim care and maintenance of the refugees is also being considered.

6. *Military Aid.* The resumption in March 1956 of previously programmed deliveries, following a 10-months' suspension, continued for less than four months before another partial suspension was instituted on the basis of Congressional hesitancy about aid for Yugoslavia. In October 1956 this partial suspension was extended to all items except spare parts and maintenance equipment. The Departments of State and Defense have reviewed this situation a number of times in recent months, and an early decision on a resumption of relatively normal shipments appears probable. Such a decision is required to avoid expensive prolonged storage of jet aircraft incorporated in prior programs. On the political level the Yugoslavs have requested a decision and on the working level Yugoslav military officers have made it apparent to American Military Assistance Staff officers in Belgrade that the present stoppage is materially affecting the tactical efficiency of the Yugoslav Air Force. A similar problem exists concerning three OSP minesweepers which have been completed for

the Yugoslavs in French yards and which are now using up urgently needed harbor space.

7. *Tito Visit.* After premature reports of a possible visit to the United States by Tito began circulating publicly, Congressional and press opposition mounted rapidly. In the face of the unfavorable atmosphere building up here, the Yugoslav press announced Tito's unwillingness to visit the U.S. under such conditions, at least for the time being. Yugoslav officials have since expressed their disappointment at the foregoing incident and have pointed out that recent attempts by the Soviets to pressure the Yugoslavs into ideological conformity have been encouraged, in part, by the Soviet belief that Yugoslavia has become relatively isolated in relations with the United States. Nevertheless, a visit is now unlikely this year in the absence of a renewed high-level U.S. initiative.

8. *Yugoslav Request for Long-Term Aid.* The Yugoslavs, on November 30, 1956, formally requested a five-year agricultural commodity aid program of about \$100 million per year, consisting mainly of wheat. As yet, no inter-agency consideration has been given to this proposal. The prospect now for a multi-year agreement of this kind for Yugoslavia is not very good. Consideration of this request will be affected by the magnitude of new PL 480 authority which may be voted by Congress, general policy regarding future multi-year agreements of this kind and the specific political problem of Yugoslavia.

9. *Majdanpek Copper Project.* A request for a U.S. loan of about \$10 million to assist the development of a copper mining facility and related plants in Yugoslavia as part of an over-all project in which the Yugoslav Government is greatly interested is still outstanding. The Yugoslavs continue to press for support on this matter.

C. Listing of Additional Major Developments During the Period

10. *Summary of Yugoslav-Soviet Relations.* The instability of the supposedly equal and bilateral relationship between the Yugoslav and Soviet Communist parties created by the declaration of June 20, 1956 during Tito's visit to Moscow, began to manifest itself soon thereafter. A secret letter was dispatched from the Soviet Communist Party to the satellites and some West European parties warning them against Yugoslav influence tending to splinter the Soviet orbit and "proletarian international solidarity." In September 1956 Khrushchev flew to Yugoslavia to visit Tito, with the apparent intention of securing his acquiescence in the continuation of Soviet control in the satellites. These talks were extended by a flight of Tito and Khrushchev to Yalta, but were only a limited success from the Soviet point of view. The Yugoslavs seem to have agreed to accept such Stalinist figures as Gero in Hungary, but did not agree to cease intimate party

relations with the satellites, nor, apparently, to cease trying to influence the satellites in the direction of "national Communism."

a. The outcome of the Polish crisis and the Hungarian revolt seems to have convinced the Soviet Union that "national Communism" was fraught with danger for their control of Eastern Europe. Soviet and Soviet-inspired polemics against the Yugoslavs have sought to prove the Tito regime's ideological weaknesses and anti-Leninist tendencies. The Yugoslavs, however, have tended to enunciate theories which, if adopted, would seriously weaken the cohesion of the Communist world. The most complete formulation of this ideological line can be found in Kardelj's speech of December 7, 1956 which maintains that communism, in Yugoslavia as elsewhere, cannot have a future unless it proves itself able to better the lot of its people, and to avoid becoming a harsh bureaucratic apparatus distant from the people.

b. It is too early to estimate the meaning of this development from the point of view of U.S. policy. The new estrangement between Moscow and Yugoslavia must mean, for the present, that Yugoslav influence in Eastern Europe, with the exception of Poland, is now at a low ebb. But, in the long run, the ability of the Yugoslavs to criticize Soviet-style Communism where it is vulnerable, in its own terminology, remains a divisive and demoralizing factor. As such, it may have continued effects on the ability of the Soviet Union to maintain stable control over the largely disaffected population of the nations in the Soviet orbit in Eastern Europe.

11. *Trade With the Sino-Soviet Bloc.* Yugoslav trade with the Sino-Soviet bloc expanded somewhat during the period under review. It represented 22 per cent of total Yugoslav trade during 1956. Exports amounted to \$74 million, while imports totalled \$105 million. The excess of imports was financed primarily by drawings of more than \$26 million on Soviet and satellite credits and loans during this same period. Exports to the bloc were comprised mainly of meats, fruits, tobacco, chemicals, lead, hemp, and wool. Imports were mainly cotton, petroleum, coal, iron and steel, some machinery and paper. During recent weeks difficulties encountered both in concluding trade agreements with the USSR and Eastern Germany and in obtaining Soviet agreement on the utilization of various promised credits, indicate a reversal of the present trend of increased Yugoslav-Soviet bloc economic relationships.

302. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, May 14, 1957—6:30 p.m.

2186. USRO pass CINCEUR. Dept announced May 14² that executive branch with approval of President has modified restrictions imposed last October on military aid deliveries to Yugoslavia, and that Defense has been authorized resume shipments of various items including jet planes procured under prior programs but temporarily suspended. At same time deliveries will be at “more modest rate” over next few years than planned earlier.

Letter from Dept to Defense³ informs latter that no items remain specifically embargoed, but requests that plane shipments be limited to ten planes per month between now and November when question of further plane deliveries will be reviewed at high level. Neither public nor Yugoslavs are being informed this limitation, but newsmen have been told there will be no attempt make up for lost time regarding deliveries.

Defense will issue specific instructions on program and shipments shortly.

Dulles

¹Source: Department of State, Central Files, 768.5–MSP/5–1457. Secret; Priority. Drafted by Mark and signed by Henry P. Leverich for Dulles. Repeated to Paris for USRO.

²For text of the press release, see Department of State *Bulletin*, June 10, 1957, p. 939. In a memorandum of a conversation he had with Ambassador Mates on May 12 at the home of Eleanor Dulles, Secretary Dulles recorded that he had informed the Yugoslav Ambassador that the United States would soon be announcing a change in policy regarding the supply of weapons to Yugoslavia. (Department of State, Central Files, 768.56/5–1257)

³Letter from Murphy to Mansfield D. Sprague, Assistant Secretary of Defense for International Security Affairs, May 14. (*Ibid.*, 768.5–MSP/5–1457)

303. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 17, 1957—6 p.m.

1585. Following is summary prepared statement read today by Foreign Secretary spokesman concerning resumption US military aid:

¹Source: Department of State, Central Files, 768.5–MSP/5–1757. Official Use Only. Also sent to Moscow, London, and Paris.

State Department communiqué gives grounds on which decision carry out previously approved military deliveries to Yugoslavia is based. Approval includes interpretation of state of relations between Yugoslavia and third countries. No doubt that Yugoslav Government will examine this question from standpoint political interests and practical needs of Yugoslavia. Question is raised whether aid can be made dependent on appraisal Yugoslav relations with third countries. Is practice periodic re-examination previously approved delivery programs on political grounds in conformity our interests? Finally do method and rate implementation of deliveries correspond to our needs? Yugoslav Government's attitude was set by Defense Minister Gosnjak before Peoples Assembly on December 27.²

Spokesman refused to elaborate in response to questions. Statement interpreted here as Yugoslav effort put the record straight from their basic viewpoint in same manner as similar statements which followed President Eisenhower's October 16 determination on resumption economic aid, that is, that no real reason for suspension ever existed.³ Yugoslav sources privately interpret US decision to resume military aid as recognition of "correctness" and "consistency" Yugoslav foreign policy which, they argue "does not vacillate as do policies toward Yugoslavia of great powers."

After this face-saving declaration of "independence," Yugoslavs undoubtedly will gladly accept deliveries.

In discussing matter with General Waters today, Yugoslav military expressed satisfaction and merely requested more precise information on meaning of announcement.

Riddleberger

²An account of the speech was sent to the Department in telegram 918 from Belgrade, December 28, 1956, with additional analysis provided in telegram 921, December 29. According to that telegram, Gosnjak related the difficulties Yugoslavia had encountered in obtaining aircraft from the West, and stated that in the future Yugoslavia would purchase its needed military equipment, rather than relying on grants. (*Ibid.*, 768.5-MSP/12-2856 and 768.5/12-2956)

³See footnote 2, Document 291.

304. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, May 21, 1957—4:49 p.m.

1598. Paris for West and CINCEUR. Department pass Defense. In conversation last night with Under Secretary of Foreign Office, Ivekovic, latter informed Embassy officer and General Waters that Yugoslav authorities intended within short time open in Belgrade conversations with us on political as well as military level concerning US military assistance to Yugoslavia. Ivekovic expressed his government's displeasure over the Department's communiqué on resumption of military assistance,² in complaining that Yugo authorities had not been consulted either in Belgrade or Washington. He questioned whether communiqué of this nature was necessary "for the Senate" and opined that it "would have been much wiser simply to have quietly resumed deliveries." When it was pointed out that communiqué had been prepared by those who wished to help Yugoslavia he shrugged his shoulders in doubt.

Turning to aid itself Ivekovic said that judging by communiqué tempo of deliveries of "small amount" involved was "not interesting" to Yugoslavia especially if deliveries were paced over one or two years; the manner in which announcement was made was "humiliating." He explained that Yugoslavia did not like being given from time to time certificate of good conduct when everyone knew that his country was and would remain independent. He pointed out especially that treatment of this kind "hurt Yugoslav relations with Soviet satellites like Poland and that it did not encourage the satellites to turn to US for aid."

Yugoslav attitude no doubt reflects strong desire to receive more specific information on rate of military deliveries. General Waters is under pressure from Yugoslav military to provide soon as possible plan for forthcoming deliveries. So far AMAS and Embassy have avoided giving any specific information on timing of deliveries in accordance with State and Defense instructions. However, suggest consideration be given informing us what information we can give Yugoslav Government re schedule of deliveries so that we can respond at least partially to questions being submitted. General Waters and I believe effort should be made to give such information as we possibly can to enable Yugoslav Government to plan orderly receipt

¹Source: Department of State, Central Files, 768.5–MSP/5–2157. Secret. Repeated to Paris.

²See footnote 2, Document 302.

and handling of forthcoming shipments. General Waters reporting separately to Pentagon with specific suggestions in which I concur.
Riddleberger

303. National Intelligence Estimate¹

NIE 31-57

Washington, June 11, 1957.

YUGOSLAVIA'S POLICIES AND PROSPECTS

The Problem

To review Yugoslavia's internal situation and external policies, and to estimate probable developments in these respects.

Conclusions

1. The Yugoslav Communist dictatorship remains strong and apparently cohesive. Although there are chronic economic difficulties, widespread anti-Communist sentiments among the populace, and antagonistic attitudes among various nationality groups, these do not now pose a threat to political stability. The regime has successfully resisted Soviet pressures and maintained Yugoslavia's independence on the international scene. A serious challenge to its control is improbable unless party unity should break down, and this development appears unlikely except possibly in the event of Tito's death. (Paras. 7, 9-10, 32, 34-37)

2. We believe that Yugoslavia will continue to maintain its independent foreign policy, avoiding alignment in the East-West struggle. While continuing to criticize the inflexible attitudes which it perceives in the two blocs, Yugoslavia will nevertheless continue to recognize the bargaining power it gains from the struggle and would view with anxiety any drastic changes in the power balance. (Para. 44)

3. Barring the improbable event of substantial new Soviet concessions to Yugoslav views on national independence, the Yugoslavs are unlikely for some time to develop relations with the USSR as

¹Source: Department of State, INR-NIE Files. Secret. According to a note on the cover sheet: "the following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff." The report was concurred in by the Intelligence Advisory Committee on June 11.

close as those prevailing in the 1955–56 period. However, they will continue to moderate public expression of differences and will seek opportunities to expand economic and political contacts with the Sino-Soviet Bloc, hoping to exercise some influence toward the emergence of national Communist regimes. (Paras. 46–47)

4. In the face of Moscow's campaign to impose ideological orthodoxy on the Satellites, the Yugoslavs are giving particular attention to their relations with Poland and Communist China. Tito will continue to cultivate these and any other Bloc states that demonstrate some ability to determine policy without complete Soviet dictation. He will also seek to establish special relations with the neutralist powers and with a wide variety of Socialist parties and organizations in the interest of his personal prestige and in an effort to make Yugoslavia a leader of political forces uncommitted to either Bloc. (Paras. 30, 50, 53)

5. Yugoslavia's continuing need for outside economic aid and political support will make friendly relations with the West, and particularly the US, an important concern, though cooperation with the Western powers in the military sphere will remain limited. Present levels of US aid enable the Yugoslavs to carry on development programs that they would be loath to abandon. Were US aid to be curtailed, the Yugoslavs would be receptive to greater assistance from Bloc sources, though not at the price of surrendering their independent position. (Paras. 54–56)

6. There is no figure of Tito's stature to replace him, and a crisis in party leadership could arise after his death, particularly if this coincided with an international crisis or major internal difficulties. However, we believe it likely that there will be a relatively peaceful emergence of a national Communist successor regime which will continue the policy of nonalignment rather than risk a renewal of domination by the Soviet Union. (Paras. 37–43)

[Here follows the "Discussion" section, comprising paragraphs 7–56.]

306. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, August 9, 1957—noon.

210. Department pouch EE posts and PRU's. Embtel 200.²

1. While interview with Acting Foreign Secretary yesterday was largely reaffirmation on his part that Yugoslav policy unchanged result Tito-Khrushchev meeting,³ some of his comments may be of interest. He clearly confirmed our earlier impression Yugoslavia wishes improve its relations with Soviets although stoutly maintaining his government's intention adhere principles of Belgrade and Moscow Declarations.⁴ Yugoslavia did not expect meeting would solve outstanding issues between it and Soviet Government, but Tito returned from Rumania encouraged by "open-minded and receptive attitude" of Khrushchev toward Yugoslav policy.

2. Reiterating that Yugoslav viewpoint was unchanged on major issues, Prica said that following Moscow events⁵ Khrushchev was obviously in position to revive his earlier policy of friendship with Yugoslavia which indeed he must develop if his commitments under Belgrade and Moscow Declarations were to have any real meaning. This did not mean Khrushchev was prepared to abandon his thesis that all Communist countries should be in "socialist camp" but his approach was more flexible. Prica stated Tito had made it plain Yugoslavia had no intention joining "socialist camp" as this [was] bloc and Yugoslavia was opposed to blocs. In spite of this firm attitude, Khrushchev had appeared more receptive to Yugoslav ideas and this was reflected by reference in communiqué to "peaceful and progressive forces of whole world and unity of international workers movement". This in Yugoslavia's view comprised all socialist parties and in no sense implied joining an alliance. In brief, Prica said, there

¹Source: Department of State, Central Files, 661.68/8-957. Confidential. Repeated to Moscow, London, Paris, and Bonn.

²In telegram 200 from Belgrade, August 7, Riddleberger provided an analysis of Yugoslavia's relationship with the Soviet Union. His conclusion reads in part: "that fundamental elements dividing Belgrade and Moscow remain, that both sides for their own reasons desire improve relations to the maximum point possible and maintain public attitudes minimize insoluble differences." (*Ibid.*, 661.68/8-757)

³In telegram 188 from Belgrade, August 4, Riddleberger reported that Tito, Khrushchev, and their respective delegations met in Romania on August 1 and 2. Riddleberger also provided a summary of the communiqué issued after the meeting. (*Ibid.*, 661.68/8-457)

⁴Regarding the Belgrade Declaration, see footnote 2, Document 251. Regarding the Moscow Declaration, see footnote 5, Document 280.

⁵Reference is presumably to the announcement on July 3 in Moscow of the removal of the "anti-party" group of Malenkov, Molotov, Kaganovich, and others from the Presidium of the Communist Party of the Soviet Union.

is wide difference between “international workers movement” and “socialist camp”.

3. Prica revealed there had been considerable argument over substance and form of communiqué, stating Soviets had presented lengthy document which Yugoslav delegation could not accept as it seemed to be at variance in several respects with basic Yugoslav policy, or at least created that impression. Eventually it was decided to issue short communiqué to press which admittedly was vague in its formulation, was signed neither by Tito nor Khrushchev, and while it indicated some progress clearly showed many problems were left unsolved.

4. In response my question whether any particular significance use of word “permanent” re party relations in last paragraph communiqué,⁶ Prica firmly rejected any idea of Yugoslav participation revived Cominform.

5. Somewhat to my surprise Prica while admitting Zhukov had been influential in gaining support for Khrushchev during Moscow crisis tended to deprecate his importance and remarked his power may have been overestimated in some quarters. When I asked what he meant, Acting Foreign Secretary advanced explanation along following lines. In Yugoslav view, situation in USSR went far beyond explanation in terms of personalities. Soviet Union was in state of ferment flowing both from de-Stalinization and pressure from below for reforms. No one could be sure today how far de-Stalinization had gone or what final outcome would be but fall of such figures as Molotov and Kaganovich was measure of depth of ferment in USSR. Yugoslav Government had impression this ferment was so widespread and internal pressures so great that Soviet leaders could not stop developments, which he would describe as “positive”, even if they wished. Evidence of this could be found in the “confusion and uncertainty” in satellite leadership which was particularly noticeable in Albania and Bulgaria. In Rumania Yugoslavs discerned some signs of improvement and willingness to recognize necessity for change. Although he would not specify how liberalization of Soviet policies toward satellites would be manifested, his expectation was that developments would occur perhaps sooner than was anticipated in West. He would not go so far as to say that Khrushchev’s policy was entirely correct in Yugoslav Government opinion but he was moving in right direction and justification was slowly emerging for Yugoslav tenacity in sticking to principles of Belgrade Declaration.

⁶According to Riddleberger’s account in telegram 188, the communiqué called for “maintenance of permanent relations by way of exchange of party delegations, mutual information and publications.”

6. In reply my query what Yugoslav Government really expected under revived credit arrangements Prica expressed guarded optimism that this time Soviets will grant concrete assistance and not just make paper promises. He would not predict however when some of larger projects would actually be started. He was uncertain whether Yugoslavia would receive wheat from Soviet this year but promised inquire.

7. Re Germany, he pleaded ignorance on whether there had been discussions, and likewise for Near East situation.

8. In conclusion, Prica said he had just read account of Secretary's press conference of August 6⁷ and he fully agreed with latter's analysis of Yugoslav position.

Riddleberger

⁷In his press conference on August 6, Secretary Dulles, in response to a question concerning the Soviet-Yugoslav meeting, stated that the United States had no reason to believe that Tito had abandoned his policy of maintaining his independence from the Soviet Union. For the transcript of the press conference, see Department of State *Bulletin*, August 26, 1957, p. 344.

307. Memorandum of a Conversation, Department of State, Washington, October 2, 1957¹

SUBJECT

US-Yugoslav Relations

PARTICIPANTS

The Secretary
 Mr. Avdo Humo, Yugoslav State Secretary for Finance
 Mr. Leo Mates, Yugoslav Ambassador
 Mr. C. Douglas Dillon, Deputy Under Secretary of State
 Mr. James Riddleberger, United States Ambassador to Yugoslavia
 Mr. Henry P. Leverich, EE

The Secretary welcomed the Yugoslav Secretary of State for Finance and the hope was expressed on both sides that the forthcoming economic discussions here would be useful in furthering mutual understanding.²

The Secretary then spoke in substance as follows:

¹Source: Department of State, Central Files, 611.68/10-257. Confidential. Drafted by Leverich.

²The discussions took place October 2-4. The minutes of the meetings are *ibid.*, EE Files: Lot 67 D 238, Miscellaneous Papers.

We have been very admiring of Marshal Tito's courage in establishing the independence of his country. In the past, the United States has made large contributions, in both military and economic spheres, to assist the Yugoslav Government in maintaining its independence, despite the fact that we do not entirely agree with the type of governmental system in Yugoslavia. It is not, however, our official responsibility to interfere in internal matters as long as any given country maintains its independence and conducts itself internationally in an acceptable manner. In view of the rapidity with which news is now spread throughout the world, the public in every nation has become increasingly interested in domestic developments in other countries. These domestic matters have thus become news and are read with interest by the American people. Their reactions are duly reflected in our Congress.

This development is relevant to the economic talks on which we are about to embark. There is growing concern in responsible quarters here and abroad as to whether Yugoslavia's independence is being maintained to the same degree as heretofore. As Stalin himself once said, in a one-party state the party and the government are separate entities but the government can take no action without party consent. It seems that a greater degree of unity—perhaps subservience on Yugoslavia's part—between the Yugoslav and Soviet Communist Parties, is taking place which seems to impair the independence of the Yugoslav Government. We have no means of knowing the precise relationship between the two parties, but we have to draw the necessary inferences from certain facts, and the degree to which the Yugoslav Government is consolidating its policies with those of the USSR gives concern with respect to the former's independence. The most disturbing event is that the only countries to vote against the most recent UN resolution on Hungary comprised the Soviet bloc plus Yugoslavia. This is the first time that Yugoslavia has voted with the Soviet bloc when no other independent country was voting that way. The only Yugoslav departure from the Soviet line is the withholding of recognition from East Germany and there are indications that recognition is now being contemplated by the Yugoslav Government. Such a development would obliterate the last difference between the Yugoslav and Soviet foreign policy lines. It would seem that were Yugoslavia really independent there would be at least one time just under the laws of chance when the Yugoslavs would find the West right and the Soviets wrong.

The Secretary would say that he personally still holds the view that Yugoslavia is maintaining its independence and that the US is justified in attempting to nurture and support this independence. But, he would have to say that he is becoming increasingly isolated in this view not only as far as the executive branch and the Congress

of the United States are concerned but also with respect to our allies in their attempts to evaluate the current situation as regards Yugoslavia.

When it comes to the question of economic assistance, we are facing a year when our resources are limited and when we failed by considerable majority to obtain the authority in the economic field which we sought. Hence, our available resources must be rationed between many deserving claimants. He ought frankly to say that in order to carry along our present policies we are going to need more cooperation than we have been getting from the Yugoslavs to validate our position before Congress and the American public and to explain to other countries why they are being cut down in the matter of economic aid. As far as the next year is concerned, we have already been put on notice by powerful figures in the Congress that there will be greater effort than ever before to eliminate aid to Yugoslavia, if things continue as they are going now.

The Secretary wished to make it perfectly clear that nothing he was saying should be interpreted as an effort to coerce Yugoslavia in the formulation of its policies. We want Yugoslavia to be absolutely independent, not only of the USSR but of the US and any other country. But, no other independent state in the world, including the various neutral states, has so completely aligned itself with USSR in the international field as has Yugoslavia. This cannot help but raise doubts in the minds of American people and its representatives in the Congress. This is the problem we face. It is proper to state it frankly at the beginning of these economic talks. We would welcome anything which can be said to reassure us and to enable us to reassure others. We are pretty much lacking evidence to refute those saying that because of closer relations between the Yugoslav and the Soviet Communist parties, which control the governments in both countries, Yugoslav independence is being compromised.

The Secretary indicated that he was addressing his remarks both to the Ambassador and to Mr. Humo since perhaps the latter, as Minister of Finance, was not primarily concerned with essentially political matters.

Mr. Humo responded to the Secretary's statement along the following lines:

He thanked the Secretary for his exposition of US views and for his statement of the problem as seen here. He was indeed happy to hear of the Secretary's belief in Yugoslavia's independence. He wished to reaffirm categorically Yugoslavia's determination to maintain its independence and to state that this determination will remain unshaken in future.

No one has better insight into the developments in the USSR than the Yugoslavs. They fully realized the evils of the Stalinist

system with its emphasis externally on preparation for war and internally on the ruthless repudiation of all freedoms. Hence, it is the Yugoslav belief that everything possible should be done to assist in the evolution now in progress away from this system in the USSR. The Yugoslav Government is convinced that even the modest advances toward the defeat of Stalinism must be fostered since its elimination will influence Soviet foreign and domestic policies and will have favorable repercussions on the international scene. Soviet society is still fraught with contradictions. There are still grave internal difficulties being encountered in achieving stabilization in the sense of evolution away from the bad conditions which used to prevail in the USSR. Mr. Humo trusted that recent developments have justified the Yugoslav view, repeatedly expressed in the last several years, of this evolutionary trend in the Soviet Union. The ouster of Molotov and other Stalinist leaders was an important turning of this page in Soviet history but its impact cannot yet be fully felt. Some time must elapse before its full importance can become manifest.

Considered in the foregoing light, the crux of the matter insofar as the improvement of relations between Yugoslavia and the USSR is concerned is, in Mr. Humo's view, not that Yugoslavia has shifted its position but that the USSR has changed. It cannot be said that the Yugoslav Government or party has become subservient to the Soviets. On the contrary, the Yugoslavs have exerted an important influence toward change in the USSR. Without going into details about the question of the Yugoslav position regarding various international issues, the closer coincidence of Yugoslav-Soviet positions should be examined from the point of view of determining whether this was the result of a change in Yugoslav or Soviet attitudes. Yugoslavia did not change its position on Hungary. Its vote in the United Nations was not on the substance of the resolution but was determined "in the context of contemporary international relations".

With respect to the Communist Party in Yugoslavia, there can be no foreign influence permitted in the sense of subservience in the development of its actions and policies. This same principle applies to Yugoslav party relations with the parties in the other countries of Eastern Europe, and Yugoslav influence in this respect is helpful to the Communist parties in those countries.

Two episodes demonstrate Yugoslavia's equanimity in international affairs and the purposeful course which it is pursuing. When Khrushchev was in Prague he declared that Yugoslavia was a satellite of the United States. When Mr. Humo was in Moscow last year he was asked how many US military bases there were in Yugoslavia. These two incidents demonstrate the continued existence of grave internal conflicts in the USSR and show that Yugoslavia is fully aware of these difficulties in the USSR. But the Yugoslav Government be-

believes that the trend in the USSR cannot be turned back to the ugly past and that the future being shaped there will benefit the whole world. The Yugoslav Government has this in mind in building its relations with the USSR.

Regarding US assistance for Yugoslavia, Mr. Humo wished to stress its value and importance in Yugoslavia's development and recovery and his Government's recognition of this fact. He understands that it is in US interests to see Yugoslavia economically strong and independent. As has several times been stated, the Yugoslav Government does not intend to alter its friendly relations with the US and the West because of the friendly relations which it maintains with the USSR.

In responding to Mr. Humo, the Secretary said that although it was clearly impossible to settle in this talk all matters alluded to thus far, he would comment on one or two of Mr. Humo's remarks. The United States shares the Minister's opinion that there are evolutionary signs in the USSR which may indicate that some of the worst features of what is called Stalinism are being removed. He took note of Mr. Humo's statement that while there have been important changes in the Soviet leadership there may be some time before their full import becomes clear. He hoped that there would be a change for the better, but this has yet to be seen as far as Soviet international policies are concerned. Not since 1950, when Soviet aggressive attitudes reached their high point in Korea, has there been as aggressive a Soviet foreign policy as now seems to be the case today. Gromyko's press conference before leaving for the UN was one of the most vicious statements ever made by any Soviet Foreign Minister. The most recent Soviet Note on the Middle East was so rude in its expressions and false accusations that it is questionable whether it was a proper diplomatic note between countries at least at peace with each other. The designs of the Soviet Union in the Middle East were displayed in the massive shipments of armaments in amounts quite beyond the capability for use of the countries in the Middle East for which ostensibly they were destined.

In the case of Germany, the Secretary observed that Khrushchev and Bulganin agreed at the Summit Conference to free elections. Yet the Soviet Government has made no pretense to uphold this commitment and frankly says that no reunification of Germany can take place except under a system enabling the extension of Soviet control to all Germany. The Secretary doubted whether Stalin would have been as brutal in his repression of the heroic Hungarian uprising as his successors were. So, while we do not lament the departure of some of the old Stalinist leaders, we have difficulty in taking hope from the behaviour of those replacing them. We can understand the satisfaction of Marshal Tito and his Government over the denuncia-

tion within the Soviet Union of Stalinism which Tito himself had so vehemently denounced in the past. But, the Secretary suggested that the disappearance of one hated and distrusted symbol does not automatically mean satisfaction with its replacement.

The Secretary said that perhaps he had gone beyond the intended scope of this conversation in which he desired merely to explain the genuine difficulties confronting us. He regretted that the Yugoslav Government had thus far been unable to do a little more to facilitate our task when we want to help Yugoslavia. Nevertheless, we hope that we shall be able to do something helpful for Yugoslavia and that Yugoslavia can do something to help us to help Yugoslavia.

Speaking for himself and for Mr. Humo, the Yugoslav Ambassador declared that we are now living through a hazy and fluid period in international affairs, in Eastern Europe and elsewhere. Consequently he was confident that mutual relations between the US and Yugoslavia could not properly be considered on the basis of a short period of time and trusted that future developments will show the genuineness of Yugoslav independence and Yugoslavia's desire for peace. Since the US also cherishes these principles, the natural development of US-Yugoslav relations must be mutually beneficial.

308. Editorial Note

At the Secretary's Staff Meeting on October 7, Dillon reported that the Central Intelligence Agency had information indicating that Yugoslavia planned to establish diplomatic relations with East Germany, but was delaying because of the possible effect on the current Yugoslav-U.S. aid negotiations. According to the minutes of the meeting, Secretary Dulles replied that Tito had told him as much at their meeting in November 1955. The Secretary directed that the reaction of the West German Government be ascertained before the matter was discussed with the Yugoslav Government. (Department of State, Secretary's Staff Meetings: Lot 67 D 75)

At a meeting on October 14 with Acting Secretary Christian Herter, Robert Murphy, and Edward L. Freers, Ambassador Mates announced Yugoslavia's decision to recognize East Germany the following day. According to the memorandum of the conversation, Mates said that recognition was not a move against West Germany, but was Yugoslavia's contribution to a peaceful settlement of the German problem. Herter replied that Yugoslavia's action would be seen as an abandonment of its policy of non-alignment, and as a

concession to Soviet pressure. Mates assured Herter that this was not the case. (*Ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199)

**309. Memorandum of a Conversation, Department of State,
Washington, October 15, 1957¹**

SUBJECT

Yugoslav Recognition of East German Regime

PARTICIPANTS

Mr. Selwyn Lloyd, British Foreign Secretary
Sir Harold Caccia, British Ambassador to the United States
Lord Hood, British Minister to the United States
Mr. Denis Laskey, Private Secretary to Mr. Lloyd
Mr. John Foster Dulles, Secretary of State
Mr. C. Burke Elbrick, Jr., Assistant Secretary of State for European Affairs
Mr. William N. Dale, Officer in Charge, UK and Ireland Affairs

The Secretary stated that we have been told by the German Embassy here that, subject to US, UK and French views, the German Government has decided to terminate relations with Yugoslavia in retaliation for Yugoslavia's recognition of the East German regime. The Secretary said that we are not disposed to dissuade the Germans since, in our opinion, the Yugoslavs have already proceeded too far into the danger zone in their relations with the USSR. He stated that by siding with the Soviets in the UN vote on the Hungarian Resolution, the Yugoslavs have eliminated the last point of difference between themselves and the Russians in the foreign policy field. The Secretary added that our intelligence sources have reported that the Soviet slogans designed for consumption in Yugoslavia are now identical with those used for the Eastern European satellites.

The Secretary also stated that our feelings about the Yugoslav action in recognizing the East German regime will be reflected in the attitude we take in our current economic negotiations with the Yugoslavs. While we are not disposed, he said, to cast the Yugoslavs into "outer darkness" we would expect to curtail the military, economic and PL 480 aid which they have been receiving.

Mr. Lloyd expressed agreement with this policy and pointed out that during his September visit to Belgrade² he had warned the

¹Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Dale.

²Lloyd visited Belgrade September 4-8 for talks with Tito and other Yugoslav leaders.

Yugoslavs that they are becoming too involved with the Russians. He said that they had replied that Khrushchev is very different from Stalin and that their eyes are wide open in their dealings with the USSR. [2 lines of source text not declassified]

Secretary Dulles stated that the Yugoslavs do not realize yet that Khrushchev is more versatile and actually more dangerous than Stalin. He said the Yugoslavs consider that with Stalin's death and Molotov's demotion they have won a great victory and are now safe.

Mr. Lloyd repeated his agreement with the proposed German action in breaking relations stating that it would be a real slap in the face to Tito. Mr. Elbrick said that the Germans were quite prepared to make their own decision to break relations but would like to know in advance that they would have our support.

Mr. Dulles said that he believed that we were all agreed in this matter.

310. Memorandum From the Assistant Secretary of State for European Affairs (Elbrick) to the Secretary of State¹

Washington, October 18, 1957.

SUBJECT

US Policy toward Yugoslavia

In view of the Yugoslav recognition of East Germany and the break in diplomatic relations with the Federal Republic which is expected momentarily, we have considered what new courses of action might appropriately be adopted with respect to Yugoslavia.

We believe some adjustment in our assistance programs is desirable but the manner in which this would be done is of the utmost importance. Abrupt cessation of all aid, especially if accompanied by wide publicity, might well drive Yugoslavia almost irretrievably into the Soviet bloc. It could also be misinterpreted as an acceptance of the failure of our policies, and might thus serve to undermine the basis for the US program in Poland and ultimately perhaps in other countries of Eastern Europe. On the other hand, we realize that through recognition of East Germany the Yugoslavs, by alteration of their own policy, have virtually completed the total alignment of their foreign policies with those of the Soviet Union. As we have made clear to them on several occasions in recent weeks, this align-

¹Source: Department of State, Central Files, 611.68/10-1857. Secret. Sent to the Secretary through Murphy and Dillon both of whom initialed the memorandum.

ment makes it difficult to justify continuing our aid programs unchanged. Some curtailment of these programs would therefore appear to be desirable in order to underline the concern with which we regard this positive move on the part of the Yugoslavs in the abandonment of an independent, non-alignment policy. Moreover, this action by the Yugoslavs particularly concerns the US as one of the Four Powers with special responsibilities in Germany.

The continuing although modest flow of spare parts and supplies which now constitutes the major part of our military assistance program in Yugoslavia serves the useful purpose of maintaining the equipment already furnished and thus reduces the effectiveness of Soviet pressures to replace us as suppliers. Jet aircraft, however, now being furnished at a rate of only 10 a month with over 300 yet to be delivered, have long been a target for critics of our policy, while the rate of delivery and the increasing obsolescence of the types being provided has reduced their effectiveness as a deterrent to Yugoslav interest in finding other suppliers. On balance, therefore, we believe it would be desirable to suspend² the jet aircraft program, while continuing, however, to supply all other military items as programmed. It might be noted that the Department of Defense has already requested guidance from us for purposes of logistics and planning on deliveries after November, in accordance with our understanding last May that the aircraft program would be previewed at this time.

As for economic assistance, we believe we should suspend negotiations on the PL-480 programs and on MSA Special Economic Assistance as inopportune in the recent circumstances. We would indicate that while negotiations may be undertaken later there can be no assurance that the outcome will be that envisaged during the recent talks with Finance Minister Humo. With respect to the Majdanpek copper project, on which we promised an early reply during the talks, we should inform the Yugoslavs that US participation in this project is not feasible at this time.

With respect to the important question of timing, we believe no action should be taken until the break in diplomatic relations has been announced by the Federal Republic and until public opinion on the matter has had an opportunity to manifest itself. Moreover, when we inform the Yugoslavs of our actions, we should make it clear that we have not interpreted their recent actions as a relinquishment of their independence and that we fully respect their right, as a sovereign state, to pursue the course of action they deem to be in their own best interest. The US desires to maintain good relations with Yugoslavia, and believes that a basis for mutual cooperation and understanding exists. As we have pointed out on three occa-

²Murphy crossed out the word "terminate" and wrote "suspend" above it.

sions recently, however, the choice they appear to have made in aligning their policies with the USSR renders it difficult for us to continue to support an aid program for Yugoslavia before the US Congress and tends to undermine the basis on which such a program can be justified.

Recommendations

1) That notification to the Yugoslavs of any change in US programs be deferred for a few days³ after the Federal Republic has announced a break in diplomatic relations in order to avoid any appearance of precipitate action and to provide an opportunity to observe the Yugoslav reaction;

2) That you authorize Mr. Murphy to advise the Department of Defense that, effective in November, further deliveries of jet aircraft to Yugoslavia should be suspended;⁴

3) That you authorize Mr. Murphy and Mr. Dillon jointly to inform the Yugoslav Ambassador in due course that:

a) the jet aircraft program for Yugoslavia has been suspended;⁴

b) we consider it inopportune at this time to negotiate the PL-480 and MSA Special Economic Assistance programs;

c) US participation in the Majdanpek project is not considered feasible at this time.⁵

³Secretary Dulles crossed out the words "period of about ten days" and wrote "few days" above it.

⁴Murphy crossed out the word "terminated" and wrote "suspended" above it.

⁵Secretary Dulles initialed his approval of all the recommendations.

311. Memorandum From the Deputy Assistant Secretary of State for European Affairs (Jandrey) to the Deputy Under Secretary of State for Political Affairs (Murphy)¹

Washington, October 22, 1957.

SUBJECT

US Course of Action with Respect to Yugoslavia

In carrying out the courses of action approved by the Secretary with respect to Yugoslavia we believe it is important, particularly in view of Ambassador Mates' remarks yesterday,² that we avoid giving

¹Source: Department of State, Central Files, 611.68/10-2257. Secret.

²Not further identified.

the impression we are motivated primarily by a desire to support the Federal Republic in its present stand. The Germans themselves have not asked for any gesture of support, and do not apparently expect one at this juncture. The Yugoslavs, on the other hand, may well be prepared, in their present mood, to interpret any untoward action on our part as confirmation of their suspicion that we "pressured" Germany into breaking relations. We therefore believe the present situation calls for careful and deliberate action on our part in order to impress upon the Yugoslavs that it is the almost complete alignment of their policies with those of the USSR that has obliged us to change our programs, and not merely their attitude on any issue. This is, of course, consistent with the position taken in our various contacts with the Yugoslavs in recent weeks; you will recall that it was also discussed briefly in the paragraph on timing and presentation in our memorandum to the Secretary of October 18,³ a copy of which is attached.

Recommendation:

1) That you advise the Department of Defense to suspend further shipment of jet aircraft upon completion of delivery of those scheduled for November. This means, in effect, that our understanding with Defense will be allowed to run its course, and that Defense will not be required to take any extraordinary steps to stop delivery of the November aircraft, which we understand are already in the pipeline.

2) That meanwhile Mr. Dillon call in Ambassador Mates this week or early next week to inform him

a) that US participation in the Majdanpek project is not considered feasible at this time;

b) that we are now prepared to negotiate the supplemental PL-480 program (a \$7.5 million program concerning fulfillment of commitments from previous years); but

c) that we are not now prepared to negotiate the PL-480 program for FY-1958.

These are items on which we were committed in the recent economic talks to act shortly. On MSA Special Economic Assistance for FY-1958 Mr. Dillon might simply maintain our position during the talks, i.e., that we are not yet ready to discuss the allocations with Yugoslavia.

3) That you call in Ambassador Mates to inform him of the aircraft suspension but do so only after two or three weeks have passed, when we will have had an opportunity to observe the further Yugoslav reaction to the present situation, and particularly to watch

³*Supra.*

Yugoslav activity in the forthcoming UN debate on the Middle East question and disarmament (both of these are points on which the Yugoslavs have claimed in the past they differ from the USSR). This also has the effect of delaying the impact of the aircraft suspension, removing it further from the German question.⁴

⁴Murphy initialed his approval of all the recommendations.

312. Telegram From the Department of State to the Embassy in Yugoslavia¹

Washington, October 22, 1957—8:14 p.m.

418. In light Yugoslav recognition East Germany which virtually completes total alignment Yugoslav positions on major international issues with Soviet Union we have concluded some adjustment aid programs desirable. Department has therefore decided on course action involving informing Yugoslavs 1) jet plane deliveries will be suspended effective November, 2) negotiation PL 480 and MSA programs for FY 1958 considered inopportune at this time, 3) US participation Majdanpek project considered infeasible at this time.

Military items other than jets will be delivered as programmed. Have not determined whether suspend negotiation supplemental PL 480 agreement as well as FY 1958 agreement.

Believe manner adjustment carried out of utmost importance. Wish avoid abrupt cessation all aid which especially if accompanied by publicity may impair our freedom of action in future not only respecting Yugoslavia but other Eastern European countries.

Intend therefore when informing Yugoslavs make clear we have not interpreted their recent actions as relinquishment their independence and that we respect their right as sovereign state pursue course action they deem in their best interest. US desires maintain good relations with Yugoslavia and believes basis for mutual cooperation exists. However, as we have pointed out on three recent occasions, choice they appear to have made in aligning their policies with USSR makes it difficult for us to continue support aid program for Yugo-

¹Source: Department of State, Central Files, 768.5-MSP/10-2257. Secret. The proposals contained in this telegram were discussed at a White House Staff Meeting on October 24. The minutes of the discussion were initialed by the President. (Staff Notes No. 223; Eisenhower Library, Whitman File)

slavia before Congress and tends undermine basis for justifying such program.

Timing above action under consideration.

Dulles

313. Telegram From the Embassy in the Soviet Union to the Department of State¹

Moscow, October 24, 1957—noon.

822. Paris for USRO. While I am unable to judge the domestic considerations which may have prompted policy on aid to Yugoslavia set forth in Depintel October 23,² I am sure this action will be pleasing to Soviets since it will doubtless greatly facilitate their efforts to tighten their hold on Yugoslavia. (In this connection it is assumed here that Tito will visit Moscow November 7.) Suggest any public statements should be carefully worded to mitigate harmful effects. This action will lend credence to Soviet propaganda that US was responsible for German action in breaking relations, that our aid program is based on political conditions, and that we are unwilling to allow Yugoslavia to follow an independent policy but are forcing them to join one camp or the other. In view of our action will be extremely difficult for Yugoslavs to make any pro-Western moves since these would be considered as a result of our economic pressure. Since Yugoslavia unlikely at any time break relations with East Germany would appear difficult for us in the future to renew aid, should this become desirable, if we go as far at this time as is indicated in reference telegram. In any event I would urge that so far as possible we refrain from specific public explanations. Also hope we could avoid spelling out difficulty to Yugoslavs as proposed last sentence reference telegram. Could we not merely tell them that embarking on any new aid programs at this time likely provoke congressional legislation barring any further aid to Yugoslavia?

Thompson

¹Source: Department of State, Central Files, 611.68/10-2457. Secret; Priority. Repeated to London, Paris, Belgrade, and Bonn.

²In telegram 419 to Belgrade, repeated to Moscow, October 23, the Department of State provided instructions regarding the slowdown in economic assistance. (*Ibid.*, 411.6841/10-2357)

314. Notes of the Secretary of State's Staff Meeting, Department of State, Washington, October 24, 1957¹

[Here follows discussion of unrelated subjects.]

Aid to Yugoslavia

5. In reply to the Secretary's question Mr. Dillon said he plans to see the Yugoslav Ambassador later in the day to discuss the question of economic aid. He understood that Mr. Murphy plans to confer with Mates in a few weeks regarding military aid aspects. He said he plans to tell the Ambassador that, in view of the still closer alignment of Yugoslav policy with the USSR and the resulting adverse congressional and public opinion in this country, the time is not opportune to start PL-480 negotiations. He also intends to say that the prospects of finding funds for the Majdanpek copper project are not good at present and the Yugoslav Government may wish to seek financing elsewhere. Mr. Murphy noted that certain carryover PL-480 funds in the amount of \$7.5 million are still available to Yugoslavia and that the US will continue to supply military spare parts for Yugoslav land forces. Mr. Murphy also said Ambassador Riddleberger has been instructed to return to post immediately.

The Secretary stressed the need for a complete and thorough examination of US policy toward Yugoslavia, commenting that we should not take impulsive actions on this subject. He cited the large investment we have in the policy that Tito, because of his personal ambition and personal influence within the Soviet Bloc, could be the one to lead the satellite states to a greater degree of independence. He said that although the US should clearly indicate its displeasure at the Yugoslav recognition of the East German regime, we should also be careful not to push Tito into the arms of the USSR unless we are satisfied that he has surrendered this personal ambition.

In the light of the Secretary's remarks, Mr. Dillon said he would inform Ambassador Mates that we find it necessary to restudy the timing of the proposed economic negotiations with Yugoslavia in view of the effect of the recent actions of that government on public and congressional opinion in the US; and, therefore, it will be impossible for economic aid negotiations to commence next week as had been planned because the study is taking longer than had been anticipated. The Secretary authorized Mr. Dillon to make remarks in this vein.

¹Source: Department of State, Secretary's Staff Meetings: Lot 63 D 75. Secret.

Action: Authorized Mr. Dillon to restudy the timing of the proposed economic negotiations with Yugoslavia in view of the effect of recent actions of that government on public and congressional opinion in US; and *to inform* the Yugoslav Ambassador that it will be impossible for the PL-480 negotiations to commence in the near future as previously planned.

[Here follows discussion of unrelated subjects.]

315. Memorandum of a Conversation Between the Yugoslav Ambassador (Mates) and Deputy Under Secretary of State for Economic Affairs (Dillon), Department of State, Washington, October 24, 1957¹

SUBJECT

Call of the Yugoslav Ambassador

Mr. Dillon stated that he had asked the Ambassador to call in order to clarify certain unfortunate newspaper accounts appearing in the last day or so which indicated that a decision had been reached to suspend US aid programs to Yugoslavia. These stories, he said, were not entirely accurate. As is often the case, newspapermen obtain a kernel of fact upon which they build, producing an exaggeration of the true situation.

Mr. Dillon recalled, however, the conversation between the Secretary of State and Mr. Humo in which the Secretary pointed out that Yugoslavia's closer, if not total, alignment with Soviet positions on major international issues created a very difficult problem for us in providing aid to Yugoslavia.² As a result of what has happened since this conversation took place, it has become necessary for us to reexamine the situation, particularly as regards timing. It will be necessary for us to study the effects of the present situation on attitudes in Congress, bearing in mind our need to go before the Congress again for next year's program. Therefore, while no decision has been taken on the aid program for Yugoslavia, one result of this present situation is we cannot now proceed with negotiation of the PL 480 program for this year as early as was indicated during the Humo talks. Mr. Dillon made it clear that the present problem would not

¹Source: Department of State, Central Files, 611.68/10-2457. Confidential. Drafted by Julius C. Katz.

²See Document 307.

affect the smaller PL 480 program on which negotiations had begun in Belgrade.

Ambassador Mates expressed appreciation for this clarification, saying that he would, of course, communicate it to his Government immediately. He felt obliged to state, however, that reexamination by the US of its Yugoslav policy was not an unfamiliar occurrence, having happened on a number of occasions in the past and even several times in one year. He found it regrettable that situations continually arise requiring study and reappraisal by the US of subjects on which the Yugoslav Government has frequently made itself clear. The Ambassador maintained that he didn't object to an examination of the Yugoslav foreign policy which considered this policy as a whole. He did object, however, to concentration on specific acts. Foreign policy, he believed, is a matter of continuity and specific acts have to be examined in the light of the more general policy over a period of time.

The Ambassador believed also that friendly relations between countries could not imply agreement on all questions. The important thing, however, was the way positions were taken. He pointed out here that in those cases where Yugoslavia has differed with the US, the Yugoslav position has been expressed in line with its general foreign policy. Yugoslavia, he emphasized, has made no hostile statements or engaged in hostile acts.

Ambassador Mates then launched into a defense of Yugoslavia's foreign policies, covering familiar ground with respect to Syria, Germany, and Hungary. He maintained throughout that Yugoslavia has not joined in any hostile alignment against the US and, in this connection, alluded to the fact that Yugoslavia had not echoed the recent Soviet charges concerning threats to the peace in the Middle East.

The Ambassador emphasized that Yugoslavia's positions on international issues have been consistent with its policy of non-alignment. Despite this, Yugoslavia, he stated, was subjected to the most hostile propaganda in the US, directed at its internal system and foreign policy, especially by the Congress and the Press. It was not enough that the Secretary of State and the Department of State understood Yugoslavia's policies. Relations between two countries must be looked at as a whole. This basic hostility, he insisted, was responsible for the constant reexamination of policy. If there was something wrong with our relations it was not the fault of Yugoslavia, but the hostile attitude in the US, which has been offset only in part by the Secretary of State.

Again arguing that Yugoslavia was not aligned with the East, the Ambassador cited as evidence the efforts made by Yugoslavia to develop its economic relations with the West and create permanent ties.

If a country wished to align itself with a bloc it would do so on such a basic matter as economic relations. Yugoslavia, he maintained, has been rebuffed by the West on a number of proposals which would have the effect of tying it to the West. Yugoslavia is thus being driven to the East. Notwithstanding these rebuffs, however, Yugoslavia has refused offers from the East to develop basic areas of its economy such as minerals and power. Another example cited by the Ambassador was the rejection of Soviet offers to establish television in Yugoslavia. Yugoslavia did not wish to tie itself in with the television standards of the East and was therefore paying hard cash to buy transmitters and other equipment in the US and Western Europe. The Ambassador hoped that these facts would be given due consideration in our reexaminations.

Mr. Dillon said that, of course, these matters are [being] given consideration. He explained that in a democracy there is a lot of discussion with many points of view expressed, and from these a balance is reached. The conclusions reached in past years have certainly not been unfavorable to the Yugoslav Government. Yugoslavia's recent actions, however, have upset the balance of forces. The Department has to try to maintain the balance of forces in the way we think best. We think we understand the general outline of Yugoslavia's policy, but the events of recent weeks have, as the Secretary has said, made the situation much more difficult. The Department will, of course, examine the matter calmly, looking at the whole problem, and not just a few issues. While we cannot predict the outcome, Mr. Dillon said, we hoped for the best.

Ambassador Mates commented that after five years in the US, he was not inclined to be so optimistic. Regardless of what Yugoslavia does, he said, short of alignment with the West or abandonment of socialism, both of which are clearly impossible, it could not stop the hostile propaganda against it. This basic hostility in the US, which actually represents efforts to subvert Yugoslavia, come to the fore from time to time, forcing the State Department constantly to review its policy. The prime example of this hostility, the Ambassador said, was the treatment of the proposed visit by Tito to this country.²

Another example of hostility mentioned by the Ambassador was our visa policy as applied to Yugoslav newspapermen and students. He stated that although no obstacles were put in the way of American newspapermen going to Yugoslavia, Yugoslav journalists could come to the US only under false pretenses, i.e., as Yugoslav government officials. He also cited the example of six scholarships having

²Regarding Tito's visit to the United States, which was cancelled, see Documents 295-298.

been set aside for Yugoslav students, the students being selected by the American Embassy in Belgrade, and then visas could not be obtained. The scholarships subsequently lapsed.

The Ambassador concluded, saying that our relations were a patchwork, which has held together for some time and may hold together for some time in the future. He felt much less optimistic now, however, than when he first came to this country.

Mr. Dillon commented that he did not share the Ambassador's pessimism. The majority of Americans believe that each country is entitled to adopt any system of government it wished so long as it didn't try to force that system on other countries. He thought that there was considerable understanding of Yugoslavia's position in the US, and therefore was optimistic as to the future course of our relations.

316. Staff Notes No. 227, Prepared in the White House¹

Washington, October 30, 1957.

1. *Clarification on US Aid to Yugoslavia.*²—State has informed our Embassies concerned that no decisions have yet been taken with respect to ultimate action on the main P.L. 480 program for FY 1958 or on special economic assistance for Yugoslavia. Meanwhile, programs for technical cooperation, exchange [of] visitors and military assistance are going forward as programmed. Aircraft scheduled for November delivery will also go forward; a formal request for the suspension of future deliveries has not yet been sent to Defense. The negotiations which began in Belgrade on October 11 on a supplemental P.L. 480 program are being continued. We informed the Yugoslav Ambassador last week that we wished to clarify recent unfortunate press statements to the effort that a decision had been

¹Source: Eisenhower Library, Whitman File. Secret. The source text bears the President's initials.

²The President and Secretary of State Dulles discussed the question of cessation of aid to Yugoslavia at a meeting on October 28. Dulles' memorandum of the conversation reads in part: "The President said that he had noticed reports in the papers that we were planning to cut off assistance to Yugoslavia. He suggested that we should go slow about this as we did not want to force the Yugoslavs against their will into a greater dependence upon the Soviet Union. I said that at least some of the stories in the press seemed to have derived from Italian sources which were always hostile toward Yugoslavia. I said that while we felt that it was useful to give the Yugoslavs a sense of our dissatisfaction of their recognition of East Germany, we had not in fact decided to cut off aid, and this whole topic was under advisement." (*Ibid.*, Dulles Papers, Meetings with the President)

made to cut off aid to Yugoslavia. We said that as a result of recent developments, we needed to review the Yugoslav aid situation, particularly as to timing, and noted that while no decision had been reached, the immediate result was that we could not proceed with P.L. 480 negotiations for FY 1958 as soon as we had previously indicated to the Ambassador. (S)

[Here follows discussion of subjects unrelated to Yugoslavia.]

317. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Secretary of State¹

Washington, October 30, 1957.

SUBJECT

US Policy Toward Yugoslavia

You will recall that you recently approved certain modifications of US aid programs in Yugoslavia including 1) a delay in negotiation of the PL-480 program for FY 1956 and 2) suspension of deliveries of jet aircraft.² Mr. Dillon subsequently called in the Yugoslav Ambassador to inform him of the PL-480 delay, and took the occasion to clarify certain press reports alleging that virtually all US aid was to be stopped.³ A copy of a memorandum of conversation is attached (Tab A).⁴ Mr. Dillon did not give notification of the aircraft suspension, as you will recall we planned to delay this until we had an opportunity to observe Yugoslav reaction to the break in diplomatic relations announced by the Federal Republic on October 19.

Our recommendation for modification of US aid programs had been prompted by Yugoslavia's persistence in aligning itself with the USSR on virtually all important international issues despite clear warnings from us of the consequences of such a course. The Yugoslavs maintained, on the other hand, however, that they had not abandoned their policy of non-alignment, while on the other they claimed that where their positions did coincide with those of the USSR, this was desirable in order to support Khrushchev, who was regarded by the Yugoslavs as the Soviet leader most responsive to liberating forces and hence most deserving of support. On *Hungary*, for example, they pointed out that Yugoslavia's condemnation of the

¹Source: Department of State, Central Files, 611.68/10-3057. Secret.

²See Document 310.

³See Document 315.

⁴Not attached to the source text.

first Soviet intervention still stands and that Yugoslavia's recent vote in the UN does not indicate any change in their appreciation of the Hungarian situation. On *disarmament*, they proposed a resolution in the UN which incorporates a number of provisions at variance with the current Soviet position, although it appears on balance still more favorable to the USSR than it is to the US. As for *Germany*, there are numerous indications that Yugoslavia miscalculated the force of the West German reaction, and wishes now to avoid any further deterioration of relations with Bonn. For its part, the Federal Republic has now indicated that it intends 1) to maintain consular representation in Yugoslavia, and 2) to continue full economic relations, including implementation of the long-term "reparations" credit extended last year. *Tito's illness*, announced yesterday, seems to indicate a reluctance on his part to project himself into the power struggle in Moscow, and may also reflect an awareness that he may have gone too far in his rapprochement with the USSR. Moreover, with respect to *US military aid*, the Soviet power struggle may well have increased Yugoslavia's appreciation of its value while US press speculation over possible cuts may increase their apprehension and cause them to move now with greater caution. In short, some of the major objectives of the modifications in US aid which we proposed may already have been at least partly realized.

Ambassador Riddleberger's return to Belgrade at this time provides an unusual opportunity for clarifying the present state of our relations with Yugoslavia, as reflected in the recommendations listed below:

Recommendations:

1) That Ambassador Riddleberger be instructed to seek a meeting with President Tito immediately upon his return to Belgrade in which he would:

- a) reemphasize the concern with which we have regarded Yugoslavia's apparently almost complete alignment with the USSR notwithstanding our admonitions on the difficulties this presents for us;
- b) write clarification of Yugoslavia's present position vis-à-vis the USSR;⁵

2) That we delay suspension of the jet aircraft deliveries for one more month, to enable us to assess Tito's reply to the Ambassador and any other indications of Yugoslav reaction;⁶

⁵Secretary Dulles crossed out the words "ask for" and "US" and wrote in "write" and "USSR" above them.

⁶Secretary Dulles wrote in: "But continue spare parts in any event" in the margin next to this paragraph.

3) That similarly we defer opening PL-480 negotiations until after the Ambassador's return;⁷

4) That arrangements be made for Ambassador Riddleberger to call briefly on the President before his return to Belgrade (the fact that such a call has been made would in itself strengthen further the Ambassador's position in his meeting with Tito).⁸

⁷This paragraph originally read: "That similarly we defer a decision on opening PL-480 negotiations until after we have the Ambassador's report." Secretary Dulles made the changes by hand.

⁸Secretary Dulles initialed his approval of all the recommendations.

318. Editorial Note

At the Department of State-Joint Chiefs of Staff meeting on November 1, Murphy informed the Joint Chiefs that the Department of State had at first decided to terminate aid to Yugoslavia, but that the President and Secretary Dulles had instead decided against any precipitous action. The United States had informed the Yugoslav Government that negotiations for Public Law 480 agreements and for development loans would be delayed. The suspension of jet aircraft deliveries, however, was being deferred. (Memorandum on the substance of discussions at State-JCS meeting, November 1; Department of State, State-JCS Meetings: Lot 66 D 70)

On November 13, the OCB transmitted to the NSC a Progress Report on NSC 5601 (Document 270). The Progress Report covered the period April 24 through November 13 and recommended that, in view of developments during that period, the NSC should undertake a review of NSC 5601, a review which, it was noted, had already been scheduled by the NSC Planning Board in accordance with paragraph 24 of NSC 5612/2 (volume XXV, pages 463-469). A copy of the November 13 Progress Report, to which was appended a Financial Annex and a "Pipeline Analysis" of the Mutual Security Program, is in Department of State, OCB Files: Lot 62 D 430, Yugoslavia 1956-1957.

The NSC noted the Progress Report, apparently without discussion, at its meeting on December 24. (Memorandum of discussion by Gleason; Eisenhower Library, Whitman File, NSC Records) The review of NSC 5601 led to the preparation of a new report on Yugoslavia, NSC 5805, "U.S. Policy Toward Yugoslavia," which was adopted by the NSC on February 28, 1958. NSC 5805 is scheduled for publication in *Foreign Relations, 1958-1960*, volume X.

319. Special National Intelligence Estimate¹

SNIE 31–1–57

Washington, November 19, 1957.

YUGOSLAVIA'S INTERNATIONAL POSITION²

Summary and Conclusions

1. The Yugoslav leaders have appeared convinced that the USSR under Khrushchev is willing to live with Yugoslav independence and with gradually increasing autonomy among the Satellite regimes. They hope to insure the security of their country and the maintenance of their own regime and to increase their influence in the Communist world by supporting Khrushchev and what they believe to be Khrushchev's anti-Stalinist policies. As long as Belgrade assesses Soviet policies favorably, we believe that Yugoslavia will maintain its rapprochement with the USSR and may gradually move toward a somewhat closer alignment within limits which would safeguard its independence.

2. However, we see many possibilities of an interruption in the trend toward closer alignment. A Soviet reversion to tough Stalinist policies, such as undue pressure on Yugoslavia or a tough line in the European Satellites, or a variety of other possible developments could lead again to strained relations or even to another break. The Zhukov ouster, for example, apparently has already prompted Belgrade to take another look at its policy toward the USSR.

3. Moreover, we believe that there are distinct limits on how far Tito feels he can safely go toward Moscow. We believe that he will not be willing to make himself militarily or economically dependent on the USSR, or to join the Warsaw Pact or the Council of Economic Mutual Aid. Within the general trend of his policy, moreover, we think that Tito will be alert to any Soviet attempts to assert control over him, and to any other Soviet actions or policies which appear dangerous to Yugoslav interests; if he feels that such developments

¹Source: Department of State, INR–NIE Files. Secret. According to a note on the cover sheet: "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff." This estimate was approved by the Intelligence Advisory Committee on November 19.

The estimate was discussed at the IAC meeting on November 19 and approved with a few minor changes. The estimate was approved for release to USIA. According to the notes of the meeting, the Secretary commented that the United States might be tempted to overlook the role of the Yugoslav people, as opposed to the Tito regime. (*Ibid.*, INR Files: Lot 58 D 77)

²This estimate supersedes NIE 31–57: Yugoslavia's Policies and Prospects, 11 June 1957, insofar as Yugoslav foreign policies are concerned. [Footnote in the source text. NIE 31–57 is printed as Document 305.]

are occurring he will almost certainly desire to turn away from a close Soviet alignment.

4. In any event, the Yugoslavs will probably remain sufficiently suspicious of Soviet intentions and concerned enough over possible reversals in Soviet policy to strive to keep a door open to the West. By themselves, Western policies regarding the Yugoslav-Soviet rapprochement probably could not decisively influence Yugoslav policies, but they could lead Belgrade to limit its pro-Moscow moves. For example, US aid, while probably not so vital as to cause Tito to alter his basic policy to ensure it, is probably sufficiently important to lead him to take some pains to retain it, at least in part. Hence:

a. Postponement or the threat of further reductions in US aid might cause the Yugoslav regime to make some political gestures favorable to the West, and to be more cautious in its approach to the USSR.

b. Complete withdrawal of US aid and moral support would not only weaken his ability to maintain his independence but would also seriously reduce the US's leverage on Tito's future moves.

c. Continuation of substantial US aid, irrespective of Tito's attitude toward Moscow, would probably reinforce Tito's confidence that the West was committed to his support, and that he could maintain his independent position even while he aligned some policies more closely with those of the Soviet Union.

[Here follows the "Discussion" section, comprising paragraphs 5-40.]

320. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, December 6, 1957—6 p.m.

934. Pass White House.

1. In hour and half conversation with Tito in presence Foreign Secretary and Vilfan on Brioni this morning, I opened with President's message of sympathy and wishes for rapid recovery.² Tito said he is much better, that treatment is effective and he thinks operation can be avoided. He asked that I convey his most sincere thanks to the President and his hope that he in turn is now fully recovered to health. I also gave Tito the President's personal opinion that Yugoslav recognition of East Germany represented retrogressive step.

¹Source: Department of State, Central Files, 611.68/12-657. Secret; Limit Distribution.

²This was apparently an oral message.

2. After having expressed our admiration for Tito's courage in establishing and maintaining Yugoslavia's independence under most difficult circumstances and recalling extent to which we had given material support to this Yugoslav policy, I described reasons why US is now concerned that Yugoslav independence is not being maintained as heretofore. In this I followed closely Secretary's remarks to Humo³ (and therefore do not repeat argumentation here) adding that since that conversation Yugoslav Government had recognized East Germany, an action which we regretted. Recalling Secretary's conversation with Tito on Brioni in November 1955⁴ when former had outlined agreement on Germany that heads of states had arrived at and how we hoped to proceed, I pointed out that Yugoslav recognition was in effect support for Soviet Government which had promptly violated its own commitment. This Yugoslav action together with others mentioned had so aligned Yugoslav policy with Soviet that it raised legitimate concern in American opinion respecting continuation of independent policy, particularly when relationship between CPSU and UCY was taken into account. In conclusion, I said that while US had no intention or desire to interfere in internal Yugoslav affairs, there was no sentiment in US for support of Yugoslav regime per se and that support we had been able to give found its justification in the independent line Yugoslavia had followed until recent months.

3. Tito said he would begin his reply by referring to letter he had sent Eisenhower several years ago.⁵ In that letter he had tried to explain how he looked at our relations and particularly aid questions. Yugoslavia, he was convinced, did have an independent policy but its application gave rise to so many difficulties in US and had led to such suspensions that they interfered with our good relations. He had expressed opinion in his letter to President that he would prefer to cease military aid entirely if it gave rise to such difficulties and today situation was worse than ever. As military aid seemed to cause such difficulties for us (to the extent of embittering our relations) and as it affected ability of Yugoslavia to carry out what it had judged to be truly independent policy, his government had now decided to propose discontinuance of military aid and suggested that our representatives convene to decide quietly how this could be best accomplished. He said this was considered decision of his government and he thought it was best way out. I replied that I would of course submit it promptly to Washington and that, speaking person-

³See Document 307.

⁴See Document 263.

⁵Apparently a reference to Tito's letter of August 26, 1956; see footnote 2, Document 284.

ally, it might provide solution. I remarked there would be number technical questions involved in closing up the program as it had continued over so long a period. Tito agreed and Foreign Secretary remarked it should be kept absolutely secret until both governments had worked out procedures for discontinuance,

4. Referring to the President's remarks on recognition of East Germany, Tito said he wished to clarify certain points. His action was not hasty or ill-considered and had been in the air for over a year. It would have been done sooner had it not been for Soviet attacks early in 1957 against Yugoslavia. It was not planned as move to make things more difficult for Adenauer nor, as had been suggested in Western press, result of deal between him and Khrushchev. It represented logical continuation of independent foreign policy based upon principles long enunciated. Until recognition was accorded Yugoslavia could not have free hand in its relations with Eastern European states and its influence would diminish. He would ask us to realize that it was logical development given Yugoslavia's middle position and should be accepted as based upon principle that way must be found to settle great issues between blocs. I inquired if these principles implied that Yugoslav recognition could therefore be expected of other divided countries such as Korea, China, and Indochina, if his principles implied acceptance of situations of fact followed by attempts to final solution. Tito got out of that query, with some help from Foreign Secretary, by somewhat rambling reply to general effect recognition of East Germany was decided on its merits alone and represented "positive" step. Yugoslav decision was based on its own appraisal and recognition of other countries would have to be similarly decided as Yugoslavia did now want to "subordinate its foreign policy to bloc considerations" (whatever that may mean).

5. In seeking further clarification of Yugoslav position vis-à-vis US and USSR, following emerged. When I commented upon increasingly hard line of Soviet policy (Gromyko press conference, note on N.E. to US and declarations at launching of satellite), Tito said he is convinced present Soviet declarations do not represent long-term intentions. He said West should not react so sharply to Soviet declarations and remarked some of our Generals indulged in bellicose speeches as well. We should by now be accustomed to sharp speeches and not become too alarmed. I recalled that circumstances should not be overlooked when aggressive declarations were made, attended as they were by fall of Zhukov. Tito replied he was convinced Zhukov's fall was not result of foreign policy considerations but was purely internal. I asked him how he interpreted removal of Zhukov to which he replied it was internal matter and therefore he could not properly comment. He would say, however, that West should deal "with whole complex of Soviet policies" and not worry too much

about personalities. I said given type of government in USSR this was not so simple as our experience with violated agreements fully demonstrated. Tito did not deny this but said he was still convinced process of liberation in Soviet Union will continue. Russian people expect and await such development and pressure for it will continue, It would be wrong to assume that Soviet foreign policy is purely matter of internal developments and personalities. It represents foreign policy of powerful Socialist country developed as result of many interests.

6. I said we had possibly seen reflection of this in recent party declaration in Moscow⁶ which, however, seemed to repudiate some earlier postulates embodied in Belgrade Declaration of 1955 and Moscow Declaration of 1956⁷ which Tito had signed. Tito said anyone who read recent Party Manifesto in Moscow could readily see why Yugoslav delegation had not signed. Too many conclusions, however, should not be drawn from speculation in Western press. Yugoslavia stuck to positions it had enunciated although it was clear from Party Manifesto that there were differences of principle between it and USSR. Perspectives for Yugoslavia are somber, Tito said, caught as it is between two blocs. He thought basic principles of Yugoslav foreign policy, seeking as it does a relaxation of tension, were right. Failure to make progress on disarmament was discouraging. Had West shown more confidence in Khrushchev earlier things might have been different. He though present international situation was extremely dangerous and hoped West would make renewed efforts to reach agreement with USSR. Yugoslavia would continue to work for solution on basis of its independent judgment and will continue its efforts to have good relations with both blocs. CP Manifesto should not be over-dramatized and it will take time for process in Soviet Union to become manifest.

7. Returning to question of US-Yugoslav relations Tito said he hoped economic relations could continue as before. He recalled hope he expressed last year that eventually he could get away from grants and move toward credit and loan basis. He said Yugoslav Government intends to do everything it can to intensify agricultural production so that it will not perpetually ask for grant aid. He was hopeful that within several years our economic relations would be expanded but on altered basis which would make it easier for both.

⁶Reference is to Declaration of the Communist and Workers' Parties, issued in Moscow on November 16, 1957.

⁷Regarding the Belgrade Declaration, see footnote 2, Document 251. Regarding the Moscow Declaration, see footnote 5, Document 280.

8. Comment and recommendations will follow shortly.⁸

Riddleberger

⁸Telegram 938 from Belgrade, December 8, [3-1/2 pages of source text], was not declassified. (Department of State, Central Files)

321. Memorandum of a Conversation Between the Yugoslav Ambassador (Mates) and the Deputy Under Secretary of State for Political Affairs (Murphy), Department of State, Washington, December 9, 1957¹

SUBJECT

US Military Aid to Yugoslavia

The Yugoslav Ambassador called on Mr. Murphy at his own request to discuss the conversation last Friday between Ambassador Riddleberger and Marshal Tito.² He explained that he had come under instructions from his Government to repeat President Tito's remarks to Mr. Riddleberger on the question of US military aid. Mr. Mates observed that this particular aid had in the past given rise to unfortunate statements, particularly in the US Congress, which did not contribute to good relations and had resulted generally in an "unpleasant atmosphere". He recalled his meeting with Mr. Murphy on January 8³ when, he said, he had pointed out in connection with the then anticipated resumption of deliveries that it would be desirable if these deliveries could be effected at the rate originally contemplated and without further interruption. After deliveries were resumed in May of 1957, he said, he had pointed out that the stretch-out was in his personal view unfortunate. Since that time, his Government has given further consideration to the question, the Ambassador said, and has concluded that the political difficulties caused by

¹Source: Department of State, Central Files, 768.5-MSP/12-957. Confidential. Drafted by R.B. Hill of the Office of Eastern European Affairs. In a memorandum dated December 9, Elbrick suggested that in his scheduled meeting with Mates, Murphy question Mates on whether the termination of the aid program applied to spare parts, whether it involved an abrogation of the Mutual Security Act of 1951, whether the Yugoslav Government would insist on the rapid withdrawal of AMAS, and how the Yugoslav Government would now supply their military needs. (*Ibid.*, 768.5-MSP/12-957)

²See *supra*.

³Telegram 556 to Belgrade, January 9, summarized the Murphy-Mates discussion the previous day. (Department of State, Central Files, 758.5-MSP/12-2456)

military aid now outweigh the value of the military equipment involved.

In order that the termination of military aid may be carried out smoothly and without irritation on either side, Mr. Mates said, President Tito had proposed that US and Yugoslav representatives meet in Belgrade to make necessary specific arrangements.

Mr. Murphy observed that he saw no occasion for irritation, and that he appreciated the motivation for the Yugoslav proposal. He pointed out, however, that we had been surprised at the publicity which the whole question had received, particularly as this appears to have originated in Belgrade. This was difficult to understand, Mr. Murphy said, since it was our understanding that the Yugoslavs had specifically requested that their proposal be kept secret. Mr. Mates replied, however, that he knew nothing about the publicity, that he too had been surprised, and that he had in fact intended to ask Mr. Murphy whether he knew anything about it.

In closing the conversation on this topic Mr. Murphy asked, as he had once earlier in the conversation, whether we were correct in taking the Yugoslav decision to apply to all US military aid program, including end items, spare parts, training, etc. In his reply Mr. Mates made no distinction between end items and spare parts and training. He said it was his understanding that the decision extends to all military aid, all "military hardware" as he put it, that is, the entire military aid program.

322. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, December 13, 1957—1 p.m.

959. Reference: Deptel 569, December 11.² I called on Foreign Minister today and talked to him along lines of reference telegram and also left aide-mémoire with him, copy of which being forwarded by pouch.³

Popovic's attitude seemed friendly and cooperative. He said this action was being taken by mutual consent and that this aspect should be stressed in any public discussion or announcement on the subject. He also mentioned the fact that this represented a step toward putting our relations with Yugoslavia on a "broader basis"

¹Source: Department of State, Central Files, 768.5-MSP/12-1357. Secret; Priority.

²Not printed. (*Ibid.*, 768.5-MSP/12-857.)

³No copy of the aide-mémoire has been found in Department of State files.

and referred to the difficulties which had been engendered by specific programs. He seemed rather vague on the steps necessary to implement this decision but promised to designate someone in the Foreign Office to follow the matter up. I pointed out to him some of the possible difficulties, chiefly those involving reassignment of AMAS personnel and the moving of some 100 families. He assured me that he could foresee no difficulties in this respect.

Riddleberger

323. Telegram From the Embassy in Yugoslavia to the Department of State¹

Belgrade, December 14, 1957—11 a.m.

964. Subsequent to my conversation with Foreign Secretary yesterday reported in Embassy telegram 959,² he telephoned to suggest desirability of issuing immediate press statement to confirm decision of two governments to terminate military aid and then proceeded to read rapidly in French proposed draft statement. I replied that while I saw no objection to official confirmation of decision, I thought it might be preferable if both governments issued parallel statements at about same time in order to avoid misunderstanding. Foreign Secretary agreed and said he would send me proposed statement which Yugoslav Government would like to issue. Text of draft statement as follows:

“Subsequent to the talks which were recently held between the representatives of the Government of the United States of America and the Government of the Federal People’s Republic of Yugoslavia concerning the United States military aid to the Government of the Federal People’s Republic of Yugoslavia, the two governments have agreed to terminate this aid. The two governments have also agreed that a meeting should be held in the near future in order to solve technical questions involved in the cessation of military aid.”

This draft corresponds to the facts and we see no objection to its early issuance.

Would appreciate immediate reply.

Riddleberger

¹Source: Department of State, Central Files, 768.5-MSP/12-1457. Confidential; Niact.

²*Supra.*

324. Editorial Note

On December 23, negotiations on the termination of the U.S. military aid program began in Belgrade. In telegram 1011 from Belgrade, December 23, Riddleberger reported that the Yugoslav attitude was cooperative, and he summarized the proceedings of the first session. (Department of State, Central Files, 768.5-MSP/12-2357) The negotiations continued into 1958.

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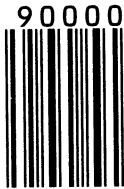
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