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Documents for
Meeting of Consultation
in Washington
December 5, 1955

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Ottawa, November 30, 1955

MEMORANDUM FOR THE MINISTER

Meeting of Consultation - December 5, 1955

As you know, a meeting of consultation is to be held in Washington next Monday, December 5. Hoover, Radford, Grey (Assistant Secretary of Defence for International Security Affairs), Robertson, Elbrick and Miner will be taking part on the United States side. Bryce, Foulkes and I, with Heeney, will be the Canadian participants.

2. The Americans have agreed to our suggestion that the main topics for discussion should be (a) continental defence, (b) Soviet intentions and the effect of the Geneva conferences on Western defence programmes, and (c) the situation in the Far East. We may also refer to the disarmament problem, principally in order to elicit, if we can, some information about the conclusions of the task forces set up under Mr. Stassen.

3. On topics (b) and (c) we shall, of course, try to get some further indication of United States thinking and intentions and I would propose that we should comment along lines which you have already approved. It is topic (a), however, which I expect to occupy most of our attentions, and I should like to outline briefly, for your approval, the approach which we propose to take on this subject.

4. We had thought that we should begin by emphasizing our desire to discuss the general trends in North American defence and to take a long-term view. We would then focus attention on three particular aspects of the problem.

5. First, we would raise the question of anticipated developments and programmes for the North American early warning system during the next five years in the light of

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the probable budgetary situation. We would seek to get their views on the magnitude and nature of continental defence, and would probably hope to get some light on whether any budgetary reductions would affect the United States contribution to it.

6. Second, we would refer to developments in the weapons system in the next five years. This follows directly from our initiative at the last meeting of consultation in September 1954. You may remember that at that meeting General Foulkes suggested that the stage was rapidly being reached where the development of a suitable weapons system for the defence of North America must be a joint operation in almost every respect. He proposed a series of joint studies with a view to finding a joint approach to the implementation of a revised weapons system. Radford later assured Foulkes that as soon as the legal difficulties had been overcome (by the conclusion of an Agreement for Co-operation in the Field of Atomic Defence) such studies could be included in the regular joint machinery for continental defence planning, or could be carried out as a separate operation. I understand that General Foulkes will press at this meeting for an understanding that there will be no restrictions of any kind on the exchange of this sort of information between the forces of the two countries.

7. Third, we intend to discuss the problem of alerts procedures in relation to North American defence arrangements. The general problem, of course, is how to reconcile the necessities of military planning with the ultimate responsibility of governments for decision; specifically, it is how to ensure that the Canadian Government has the information it would need to arrive at independent conclusions in an emergency regarding the operation of the continental air defence system and the deployment into or over Canada of the Strategic Air Command. The meetings of consultation themselves were instituted in 1951 in order to discuss developments in the international situation which might give rise to the necessity for the use of atomic weapons. Though we should certainly continue to make use of this good informal channel whenever occasion demands, the meetings of

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consultation were not designed and would not be suitable to deal with the specific and urgent problems which would arise in an emergency. The technical arrangements which were worked out in 1952, to ensure prompt consideration by the Canadian Ministers concerned of United States requests for overflight of Canada by certain types of military aircraft, also have a limited usefulness but are clearly inadequate to meet Canadian requirements especially in the light of our growing interdependence on air defence. What is needed is an arrangement for the exchange and evaluation of strategic information of a kind which might lead to a decision to take emergency measures or even to go to war, and a firm understanding on the necessity for consultation at the highest political levels of the two governments on the action to be taken as a result of that information.

8. We believe that the time is propitious for raising this matter in Washington. The United States Government has just agreed in principle, after six months consideration, to the procedure which was proposed by the United Kingdom authorities, after consultation with us, for dealing on a tripartite basis with indications of Soviet aggression in the NATO area. The essence of this procedure was, you will recall, that such information would be exchanged automatically, and that the heads of government or foreign ministers of the three countries would then consult as to their assessments of the situation, and discuss possible action, before proposals for action were put to other friendly governments. It was the intention of the United Kingdom authorities, if the United States Government agreed to the principle, to propose working out an urgent or telescoped procedure between the three parties to deal with surprise attacks, and also to propose elaborating later a parallel procedure for other areas of the world such as the Middle East and Far East. The United States reply, however, says that "no decision should be taken at the present time about the possible adaptation of these procedures to other areas of the world", and proposes that there be further exploration between the State Department and the two Embassies in Washington of "the procedures for political consultation".

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9. We would not wish to get involved at the meeting of consultation in a discussion of the tripartite procedure, or to prejudice in any way the talks which we will no doubt wish to have later with both parties on this procedure. It might help to avoid any possible unfortunate impression if we were to explain frankly to the British after the meeting that the question of alerts was discussed in our consultations with U.S. officials in relation solely to our joint continental air defence arrangements.

10. On the other hand, the growing interdependence of Canada and the United States in the air defence field makes it essential, in my view, that we seek to obtain now a firm understanding on the procedures to be adopted in this context, not related (as the tripartite procedure is) to the NATO system of alerts or to any particular set of circumstances. We propose, therefore, if you agree, to put to the Americans for their consideration a formula in the terms set out in the annex to this memorandum.

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1. The United States and Canadian Governments agree that they will invariably and immediately inform each other when they receive information of a kind which, if examined, might cause either to conclude that there was a possibility of hostilities occurring. *Edulhorn*
2. The criterion for passing information of this kind between the two Governments might be defined as the receipt of information which could call for rapid action on the part of the intelligence authorities in Canada or the United States; this could, although not necessarily, coincide with the calling of a "crash" meeting of the United States Watch Committee or Intelligence Advisory Committee, or the Canadian Joint Intelligence Committee.
3. Under such a criterion, the Governments agree that, for the duration of the incident calling for such action, the United States and Canadian authorities, particularly the intelligence authorities, will automatically pass to one another all the relevant information, including the background necessary to understand the problem and their respective assessments of the problem.
4. Where consultation at a higher level, including Ministers, also became necessary, such an arrangement should ensure that Ministers would be fully in possession of the necessary facts upon which to base their consultations.

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

TO: The Under-Secretary

FROM: United Nations Division

REFERENCE:

SUBJECT: Meeting of Consultation of December 5 in Washington: Disarmament

Security

December 1, 1955.

Date

File No.

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As you know, the United States Government has asked eight "Task Forces" to re-examine the whole question of control and inspection. These forces, which are headed by prominent personalities (e.g. General Doolittle, General Bessell Smith, Dr. Lawrence, etc.) are concerned with nuclear control, aerial, naval and ground inspection, and also methods of inspection and reporting on budgets, military industry, power and communications. It was hoped that the forces would have completed their work towards the end of November at which time their reports would be submitted to United States Government departments concerned. In view of the importance of these studies for Western disarmament policy in forthcoming discussions, I would suggest that some inquiry be made during the Washington meeting as to the progress made by the Task Forces and the broad conclusions which may have been reached.

2. It would also be useful to know whether these studies have any bearing on the implementation of the Eisenhower plan for aerial surveys and exchange of military blueprints outside the United States territory particularly on the North American Continent. This, as you are well aware, is of paramount importance to us. Although the United States has tabled a fairly detailed paper in the Disarmament Sub-committee on this subject, it was obvious that the United States' thinking was still in a preliminary stage when this paper was tabled.

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3. As you know, the Russians renewed this week through the Moscow radio their proposal for the discontinuance of nuclear tests which is contained in their disarmament programme of May 10. The Indians first raised this issue in April 1954 and some of us had then hoped that the West might be able to take the initiative in this matter in view of the fact that the United States seemed to be leading at the time in this field. Since then the British have decided to enter the field of thermonuclear weapons and according to a Press report this morning the United Kingdom Government does not intend to agree to any ban on experimentation until Britain's own tests of its hydrogen weapon are completed. ~~Eden~~ Eden told Parliament yesterday that the United Kingdom Government was ready to discuss the ban on experimentation at any time as long as such discussions took into account "the number and nature of tests which each country has already made, as well as the number and nature of the tests proposed". At his Press Conference this week, Mr. Dulles indicated that the United States had been studying this problem for a considerable time but that, so far, they had "not come to any positive conclusion". The United Kingdom has apparently consulted the United States on the Soviet statement. As you know, Indonesia and Syria proposed the cessation of tests during the recent Assembly debate on atomic radiation and it is likely that the Soviet move this week will revive interest in this matter. You may wish to raise this issue during the Washington meeting.

ORIGINAL SIGNED BY
E. P.

United Nations Division

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SOVIET INTENTIONS

The following considerations appear to be the most important ones in an assessment of current trends of Soviet policy:

- (1) The Soviet leaders appear to have accepted the fact that a global war involving thermonuclear weapons would be a war of mutual annihilation. If this is so, their policy like that of the west must be pursued by methods short of global war.
- (2) For this reason, and also because new leadership and the state of the Soviet economy require a period of "relaxation of tension", the Soviet Union will pursue its policy of "normalization" of relations with the non-Communist world. This is not, however, so important for the Russians that they are prepared to pay a heavy price for it. "Relaxation of tensions" can, and may well be, slowed up or increased, in part to confuse Western opinion, and in part because the Russians may feel it is being misinterpreted by their own people. A certain amount of tension, a certain "threat" from the outside world is a basic necessity for the maintenance of the Soviet system.
- (3) The Soviet leaders have re-asserted their major objectives in the West: the dissolution of NATO and the withdrawal of the United States from Western Europe. Although the Soviet Union must realize that it has no alternative but to acquiesce in the continuation of NATO for the time being it is not prepared to accept the inclusion of a re-militarized and united Germany in NATO.
- (4) As it will not tolerate the prospect of a united Germany in NATO, it is prepared to put the German issue (and therefore a European settlement) on ice so far as Four Power negotiations are concerned, and will wait in the hope that the movement for re-unification within Germany will lead to re-unification on Soviet terms. For the present at least, Soviet terms are the preservation of the social and economic structure of Eastern Germany within a unified Germany--and the question arises whether this is possible without the extension of the Communist structure to the whole of Germany, though Kholotov denied any such precondition. Even if the Soviet Union were later to abandon the Pankov regime to obtain a German settlement,-- which now seems less likely than it did in August-- it would do so only on the basis of German neutrality and arms limitations.
- (5) The withdrawal from Porkhala, the Austrian settlement and the reduction in Soviet armed forces contribute to the propaganda picture of a reasonable and peace-loving USSR, without in any way endangering the strategic position of the Soviet Union or striking at the central Soviet position on NATO.

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- (6) The Soviet Union will attempt to exploit any situation which is likely to weaken Western influence in other parts of the world. At the moment, its chief tactic is to promote discord in the Middle East and counteract the Northern Tier Alliance by providing arms to Egypt and Syria. In this connection, it is playing skilfully on nationalist feeling and anti-Western sentiment in the Middle East with little regard to Communist ideology. To a lesser degree, it is seeking the same goal of reducing Western influence by offering economic aid to Afghanistan, India, Burma, etc. Peaceful co-existence in the Soviet vocabulary does not mean that the two blocs will not continue to push their national interests by all means short of open aggression.

In spite of Molotov's rejection at Geneva of the far-reaching Western proposals on East-West contacts, the Soviet Union will continue to promote East-West contacts within its own chosen limits. Its chief purposes are:

- (a) to obtain scientific and technical "know-how" from the West;
- (b) by admitting to the USSR distinguished visitors and organized groups of its own choosing, to impress upon the West the strength of the Soviet Union while at the same time professing entirely peaceful intentions;
- (c) by greater geniality and closer contact with the West, to blur and play down the major issues which divide the West and the USSR, and by so doing to weaken NATO and Western opposition to Communism.
- (d) by offers of trade to foster the idea of "normalization" of relations and perhaps to try to break down our strategic controls.

There seems to be some contradictory thinking about the effect of the "Spirit of Geneva" on the satellites. On the one hand, all our reports indicated that the "Spirit of Geneva" with the aura of respectability which it lent to the Soviet Union, was thoroughly discouraging to the bulk of the non-Communist population in the satellites. They saw in the apparent movement toward a modus vivendi between the USSR and the West an end to all their hopes for Western support for resistance to their Communist regimes. On this basis, they should be pleased with the second Geneva meeting which made crystal-clear the fundamental differences on the major issues. On the other hand, during and after the second Geneva meeting, it has been suggested that one reason for the Soviet "retreat" from its July position is that the Soviet Union was concerned about the restlessness in its satellites which the "Spirit of Geneva" had engendered.

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The disinterest of the Russians at Geneva in promoting the "detente" may be at least in part due to its effect on the Soviet peoples. The latter may have tended to jump to the conclusion that East-West friendship meant they could relax their effort, and if this was having this psychological effect, and also an impact on productivity, then the Russians may have decided it was necessary to remind their people that the threat from the capitalist world still existed.

Department of External Affairs,
Ottawa,
November 23, 1968.

S E C R E T

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, November 29, 1955.

THE GENEVA CONFERENCE OF FOREIGN MINISTERS

AGENDA ITEM I: EUROPEAN SECURITY AND GERMANY

First and foremost, both Geneva Conferences, and particularly the Conference of Foreign Ministers, were about Germany. ~~(A departmental memorandum of November 14 analysing the Foreign Ministers' discussions on European Security and Germany is attached).~~ In the failure of the Foreign Ministers Conference many observers have seen the beginnings of a major international crisis over the future of Germany. The Western Foreign Ministers successfully exposed the Soviet position as a refusal as much for political as for strategic reasons to permit the Germans to have a free choice either of their future alliances or (at least as far as East Germany is concerned) of their social and economic systems. In this sense the Western Foreign Ministers may be said to have won the debating battle at Geneva; but it is arguable that in the long run they may have lost more than they gained in Germany for the following reasons:

- (a) The Western Powers and Chancellor Adenauer's Government sold the Paris Agreements to the German people on the basis that the way towards the reunification of Germany was the creation of a position of strength in which the Federal Republic formed a part of the Western Alliance. Having achieved that position - at least relatively, whether we look ahead or behind - the West has been unable to induce the Soviet Union to budge on reunification even in exchange for security offers which, although far from precise, were unprecedented in terms of United States peacetime policy.
- (b) The USSR alone has it in its power to agree to the reunification of the Federal Republic and the Democratic Republic, and to satisfy German aspirations for the "lost territories" east of the Oder-Neisse.
- (c) German business interest, having approached the limits of their Western markets for industrial production, are open to the idea of expanding new interests in Eastern Germany, Eastern Europe, the USSR and China. The Soviet Union holds the key to this trade.
- (d) The East Germans have now been set up with all the trappings of authority to renew pressure upon West Berlin at any time.
- (e) The Germans - and the Russians - realize that free all-German elections, if held today, would sweep away the Communist regime of Eastern Germany and all its "social and economic achievements", which Mr. Molotov fought so hard to preserve. But they are not so sure what would happen in a few years time when the "achievements" of the Communist regime, their hold on the minds of youth, and their industrial and agrarian policies,

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would be extremely difficult to undo. German opinion is therefore becoming more insistent upon the urgency of reunification before both Germanys become in fact, as well as in politics, separate states.

(f) Reunification on Soviet terms would bring release from the obligations of the Paris Agreements which would not be unwelcome to a large section of German opinion, if we are to judge by their very half-hearted and lethargic reactions to military measures and to the call for volunteers. In recent weeks the Chancellor has reopened his efforts to get rearmament under way. It is doubtful, however, that the impact of the Geneva Conference has made opinion in the Federal Republic more willing to accept the necessity for rearmament; for this is plainly not the road to reunification.

2. When, a month after Germany's accession to NATO, the USSR invited Chancellor Adenauer to come to Moscow, his entourage did not conceal their sense of triumph. They changed their tune when they came back from Moscow; for the walls had not fallen when the Chancellor had blown his trumpet. With the establishment of diplomatic relations early in the New Year, the attractions of the Soviet Lorelei will be all the more apparent to German public opinion because of the failure of the Foreign Ministers Conference, even though thinking opinion will appreciate where the blame rests. It is no doubt on this hypothesis that the Soviet Union felt free to express their position in such blunt terms at Geneva. While the Germans themselves were freely discussing, in the light of the Chancellor's serious illness, who might succeed him, the Russians felt they could afford to wait. For, in Germany at any rate, time could scarcely worsen their position.

3. With the reopening of the "wire to Moscow" and with the apparent dead end on German reunification reached by the Foreign Ministers at Geneva, the Government of the Federal Republic now faces a period of acute and probably increasing difficulty. Judging by the immediate impact of Geneva on the West German press, it would be a mistake to exaggerate the seriousness of the problem. There are disagreements as to whether the Government should talk to the Soviets about possible neutrality terms (as the SPD advocate), or to the East Germans about trade (as the FDP suggest), or to neither (as the Chancellor intends). But in the short run German opinion credits the Western Ministers with doing the best they could in the face of impossible Soviet demands. German opinion is thoroughly anti-communist and alive to the dangers of buying reunification on terms which would leave the whole of Germany wide open to penetration by a trained communist minority from the eastern zone. In the long run, however, it is difficult to see how Germany's alignment with the West is to be preserved and cemented when the USSR controls so many of the levers capable of applying pressure to German public opinion. If Chancellor Adenauer felt himself unable to refuse a Soviet Ambassador in Bonn in exchange for some 9,000 German prisoners, how long will it be possible for his successor to maintain the Western connection with some 18,000,000 Germans in the balance on the other side?

4. If this picture of the situation in Germany is even approximately correct, it is high time that Western policy towards Germany be re-examined in the light of Soviet policy. It may be that there are no possible alternatives for Western (and German) policy. We do not know the answer. But we can see no reason for Western complacency in the belief that at Geneva the Soviet position was successfully "exposed". Indeed, it is difficult on the basis of the Geneva record to criticize the Western

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Foreign Ministers - and the Germans - for the basic position they adopted on Germany and European Security. All NATO countries were agreed on the necessity for avoiding any action on European Security before Germany had been reunified and had acceded to NATO. All acknowledged that the artificial and wishful content of the "Geneva spirit" after the Summit meeting must not be allowed to damage Western cohesion and determination.

5. In this outlook Chancellor Adenauer found himself in complete agreement with Mr. Dulles. As we understand it, it was in deference to the German and United States points of view that the French and United Kingdom Governments agreed to retreat slightly from the Eden proposals advanced at the Summit by:

(a) Withdrawing the proposal for creating on either side of the East-West line in Germany, before reunification, a zone of reciprocal inspection (though his proposal stands before the U.N. Disarmament Sub-Committee);

(b) Moving any eventual zone of inspection and limitation of forces eastwards to the area on either side of the East German-Polish boundary which would become the eastern boundary of a united Germany;

(c) Resisting also any suggestion from the Western side of a possible "fallback" position (discussed in the Foreign Office) whereby all-German elections might be prepared by some kind of Council representing both German Governments (instead of merely technical German experts assisting the Four Powers).

6. Despite these somewhat marginal issues on which the United Kingdom and French Governments might have been prepared to go somewhat further than the United States and German Governments towards opening up the negotiating position of the West on German reunification, there was, so far as we know, no disposition whatever, among any of the Four Powers chiefly concerned to reconsider Germany's defence obligations under the Paris Agreements. It was never suggested - even for the purpose of having it turned down by the Soviet delegations - that the West might agree to the neutrality of a reunified Germany, which could be rearmed only within limits set by the Four Powers. In his closing statement at Geneva, Mr. Dulles did say that the Conference had shown him that the USSR was not prepared to agree to German reunification through free elections even if the Federal Republic abandoned its membership in NATO and the Western European Union. However, this is the closest that any of the Western Foreign Ministers came to calling Mr. Molotov's bluff - if it was a bluff - by offering to consider some kind of neutralization for a unified Germany if it elected to remain outside of their alliance. Had the Western Ministers made the offer, Mr. Molotov's purely political objection to any "mechanical merger" detrimental to the Communist system in Eastern Germany would have stood out like the sorry farce it is.

7. As it was, during the first phase of the Foreign Ministers Conference, the Western Ministers were quite widely criticized in the Western press for taking a position on Germany and European Security which, it was said, the Soviet Union would not and could not accept. Thus the Manchester Guardian wrote that the Western security proposals:

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"were supposed to reassure Russia against the chance of attack by a rearmed Germany, yet they contained only an empty promise to take appropriate action and to seek help through the United Nations in the event of aggression. They jettisoned Sir Anthony Eden's former proposal for a demilitarized zone in Europe; instead, the Russians were asked in effect to leave Eastern Germany and much of Poland while our troops were to stay where they are".

8. Mr. Molotov's calculated misrepresentation of the Western European security proposals would have had less effect on Western opinion if the Western proposals had been presented (as suggested in the Canadian interim paper last July) in terms of the three alternatives open to the Germans, instead of elaborating only on the guarantees offered if Germany as a whole joined NATO. In his conversations with the Minister in the Crimea, Mr. Khrushchev was also able to pretend that Western proposals offered Germany no choice, but amounted to a demand for reunified Germany's inclusion in NATO.

9. Be that as it may, by the end of the Conference even the German Socialists were forced to admit that there was much more flexibility and objective reasonableness in the Western proposals than in anything that Mr. Molotov had been prepared to offer. Indeed, the Soviet position had hardened to such an extent that there was clearly little point in tinkering with the details of Western Security proposals or even with the details of the Eden Plan, when such a gulf separated the positions of the two sides, and when Mr. Molotov's aloof attitude even outside the Conference room convinced participants he was not interested in reaching any kind of agreement.

10. Although Mr. Molotov did not subscribe to every detail of the East German statement of prerequisites to all-German elections and the objectives for a reunified German state, he did table the East German declaration as a conference document demanding that the East and West Germans should themselves reach agreement before free elections were held as to how East Germany's nationalized industries and banks, and her agrarian reforms, should be preserved after reunification. The whole tenor of East German statements in recent weeks has been much more aggressive and self-confident. They have been making demands upon the West Germans instead of wooing them. And they seemed, in their demands, to have been pushing the Soviet Delegation into taking a somewhat more rigid position than it has adopted in the past when individual preconditions regarding the preservation of East Germany's "achievements" have not figured prominently.

11. For some time to come we can assume the competitive co-existence of two Germanys. During the past ten months the Soviet Union has shown a remarkable capacity for reversing itself on important matters of foreign policy. We can probably assume that when they judge the time to be right, the Soviet Union might be willing to settle for the reunification of Germany through some kind of free elections provided that:

- (a) There is Four Power agreement on a European Security Treaty;
- (b) Germany is neutralized;
- (c) German armament and armed forces are limited and controlled;

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- (d) Non-German forces are withdrawn;
- (e) The social and economic "achievements" of the Eastern Zone are safeguarded.

12. From the point of view of NATO, these terms are probably not negotiable. But since they may in the long run appeal to a very large number of Germans, once the hand of Chancellor Adenauer is no longer at the helm, the Western Powers and in particular the NATO Powers will have to examine these terms and consider what attitude they must adopt towards them, when the time comes. If they must be rejected in order to preserve a NATO forward strategy, other than military means should, in our opinion, be sought without delay to cement the Federal Republic more firmly into the Western alliance. The new brand of competitive co-existence implies that the West must be prepared to compete in political and economic as well as in military terms; and no where will the lines be drawn more sharply - or more critically - than in Germany.

13. Chancellor Adenauer and some of his leading advisers think the answer may be found in the much more active development of Western European Union, or of "little Europe" (without the United Kingdom) composed of the six countries willing to move towards a federal structure in terms of economic and foreign policy as well as defence. Given once again some positive aspiration to work for, the German people may, their leaders think, find solace in German leadership of a Western continental federation to counter-balance their disappointment and frustrated sense of nationalism over the failure of the Western Powers to secure the reunification of their country. This is a familiar thesis which we have analysed in previous papers and it is logical to find German leaders turning once again in the direction of a federal solution such as had been the ultimate objective of the unsuccessful movement for a European Defence Community.

14. What is new is to find not only the CDU but the Socialist opposition in Germany advocating federal solutions based on the tacit assumption that reunification is probably not attainable. The SPD leader, Herr Ollenhauer, recently decided to support Monsieur Jean Monnet's Political Action Committee for a United States of Europe. Nor is the new sense of urgency to "relaunch Europe" confined to Germans. Mr. Spaak's dynamism has for the past six months been directed toward the implementation of the Messina Resolution of last June. As Chairman of the Messina Steering Committee, he will shortly be reporting to his colleagues the detailed recommendations of his technical committee studying such questions as the establishment of a common market for Western Europe and of a common facilities for atomic research and development. Within the past week the Italian Ambassador in Ottawa has once again impressed upon us his Government's great interest in moving towards federal institutions for the Messina countries, within the framework of the necessarily looser Atlantic Alliance.

15. If imaginative and far reaching solutions along supra-national lines should once again come within the realm of practical politics in Western Europe, it is of the greatest importance that they should be freely discussed and jointly evaluated in the NATO Council. The failure of EDC showed the difficulty of approaching such questions primarily from the military point of view - particularly when the United States, which so strongly advocated this solution was not itself prepared to take part in the proposed structure. The appeal of the "European" idea is still very much alive - and not only in Western and Central Europe, but we may safely assume, in Eastern Europe as well. At the same time, in the light of our experience

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with EDC, it would certainly be unrealistic to assume that whatever French Government emerges from the next election, anything more than the first small steps towards closer integration of the Western continental members of the Atlantic Alliance will be possible in the foreseeable future. But that possibility has been created - as was the situation that made possible the birth of NATO - by the political consequences of Soviet policy in Europe.

16. At the NATO Ministerial Council next month, we may expect some discussion - how "full and frank" it will be I do not know - of these questions which are of such direct concern to Herr von Brentano, Mr. Spaak and Mr. Martino. Although the Germans at past Councils have tended to tell their NATO colleagues what they thought would please and reassure, the future of the German policy of the NATO alliance must rest primarily upon the Germans themselves. It will be interesting to hear what they have to say, both in public and in private, as to the alternative lines of policy that are politically possible for them.

17. If the German Government decides to push the economic and political integration of the Messina Six, it will be for the other members of the alliance to consider where the balance of advantage lies, for NATO collectively and for each member individually. In each member's judgment there will be elements of political and economic policy which may be difficult to reconcile.

18. The political starting point for such a discussion, it seems to us, is the situation now facing Germany, and what German leaders have to say about it.

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29 Nov 55

MEMORANDUM FOR MINISTERS ATTENDING
NATO COUNCIL MEETING

Priorities within NATO

Returned to original sender by Mr. Brown - December 29, 1955

6 pages and Appendix "A"

Far Eastern/C.J.Small/MB

December 1, 1955.

SECRET

MEMORANDUM FOR THE UNDER-SECRETARY

NOTES FOR THE MEETING OF CONSULTATION

CHINA

Sino-U. S. Negotiations. The Sino-United States negotiations in Geneva appear to have reached an impasse with little immediate prospect of early agreement on any of the points at issue. The American position is that little advance can be made until the remaining United States nationals in Chinese custody have been released. At the same time the American negotiators are endeavouring to reach agreement with the Chinese on a joint declaration renouncing the use of force as a means of settling disputes and, in addition, are seeking information on their service personnel who have been missing since the Korean war. Chinese objectives continue to include the removal of the Seventh Fleet and United States personnel from the Formosa theatre, the abandonment of the embargo on trade with China and a meeting between Mr. Chou En-lai and Mr. Dulles. They are not averse to a joint declaration on the renunciation of force in settling disputes but have made it clear that they regard Formosa as an internal matter which would not be covered by such a declaration.

2. If the Geneva negotiations break down, the Chinese could argue with considerable force that this has happened because the Americans refused to negotiate seriously. Chou En-lai and other prominent Chinese Communist officials have recently expressed impatience with the lack of progress in Geneva and the British Chargé d'Affaires in China has reported a growing impression in Peking that the Americans entered into negotiations with the sole purpose of securing the release of American prisoners and with no thought of negotiating on other problems.

3. Because the failure of negotiations in Geneva might well lead to a renewal of the crisis over the Off-shore islands, we are increasingly concerned about American tactics in their negotiations with the Chinese and think that the following questions might be raised:

- A. What are the prospects of achieving further concrete results from the negotiations with

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the Chinese Communists in Geneva?

B. Do the Americans intend to press for full satisfaction on the release of all U. S. prisoners in China and on their service personnel missing since the Korean war before reaching any compromise understandings with the Chinese Communists on other substantive questions.

3. If so, do they think the Chinese will continue to negotiate indefinitely and would a breakdown in negotiations be of serious concern to them?

B. If negotiations are broken off is there not a risk that the Chinese will step-up their pressures on the Off-shore islands.

4. Strategic Controls on Trade - We have said that we would not take the initiative in the Paris Consultative Committee in re-questioning a review of the China list but we do favour its revision to correspond with the Soviet list. As we consider inevitable a revision of controls to the same level for both areas, we might question the Americans on when they will be willing to discuss such a reduction of the China list to the Soviet level.

5. Declaration on the Renunciation of Force as a Method of Settling Disputes. So far, agreement on a declaration renouncing the use of force in settling disputes has been impossible because the Chinese refuse to include in this category Formosa, which they regard as an internal Chinese affair. In view of this obstruction, we might ask the Americans if they see any prospect of reaching agreement with the Chinese on a joint declaration.

6. High Level Meeting. - The Chinese have consistently sought a meeting between Mr. Chou En-lai and Mr. Dulles through which, they insist, settlement of the Formosa problem is possible. It would be worth knowing if the Americans consider the prospects of settling the immediate points at issue sufficiently hopeful to warrant consideration being given to the holding of such a meeting in the foreseeable future. Are the Americans of the opinion that the Chinese are seeking such a meeting as a face saving device to permit China's acceptance of the status quo on Formosa for the time being?

7. Coastal Islands. - On February 16, 1955, Mr. Dulles informed Mr. Pearson that he thought the United States would be able to persuade the Nationalist Chinese to evacuate the Quemoy and Matsu Islands in due course. However, on May 5th, 1955, he told both

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the United Kingdom and Australian Ambassadors in Washington that in the light of the Robertson-Radford report on Formosa he had concluded it would be impossible to force the Chinese Nationalists to leave the off-shore islands without grave risk. He thought that the passage of time would reduce the importance of the islands to the Nationalists and that they might then be induced to evacuate. He elucidated to the Australian Ambassador that the period he had in mind was six months to one year. As more than six months have elapsed since then with no apparent diminishment in Nationalist China's determination to hold these islands, you could ask what pressures and inducements have been brought to bear on the Nationalists to bring about their evacuation and what is the current U. S. estimate of the time required to accomplish this end.

Long-Term Considerations - Formosa. Leaving aside the question of the Quemoy and Matsu coastal islands, it would be worth while to learn how far American official consideration has gone in connection with the ultimate disposition of Formosa and the Pescadores. Are they thinking in terms of a "Two Chinas" solution or have they an alternative.

A. R. Menzies

FAR EASTERN DIVISION.

TOP SECRET

3 October 1955
JIC 146/3(55)

COPY NO. 114

INTENTIONS OF COMMUNIST CHINA

Returned to original sender by Mr. Brown - December 29, 1955.

8 pages.

SECRET

November 29, 1955.

MEMORANDUM FOR THE UNDER-SECRETARY

Notes for Meeting of Consultation in Washington,
December 5, 1955.

INDOCHINA

Our objectives in Indochina in the next few months are:

- (a) to consolidate the military armistice on the existing truce lines; and
- (b) to avoid crises in relation to the political aspects of the Indochina settlement; and
- (c) to keep the International Commissions in Vietnam and Laos in being for some time yet to bolster with their authority the maintenance of the truce lines.

We assume that in general the United States agrees with these objectives.

2. In Vietnam, the pursuit of these objectives does not pose particularly difficult problems so far as we ourselves are concerned in our position on the International Commission. We have taken the view that the political settlement in Vietnam is not the business of the present International Commission but is the responsibility of the Geneva Conference co-Chairmen and the Geneva Conference Powers; consequently, the Commission has been able to concentrate on the task of consolidating the armistice. It should be possible to continue this task over the next few months if the Indians make no move to withdraw from the Commission. The Indians may be persuaded to stay with the Commission:

- (a) if the State of Vietnam extends to the Commission a fair measure of practical co-operation in connection with the carrying out of the Cease-Fire Agreement;

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- (b) if the State of Vietnam can be persuaded to go through some more convincing motions of (even long distance) consultation with the Viet Minh on elections.

If these conditions can be met, it may be possible to educate the Indians to live with and accept the values of a firmly based military armistice even though a large piece of unfinished business remains on the political side.

3. In Laos, the problem is more complex for ourselves as well as others. This is partly because we have held to the view that the International Commission in Laos is competent to deal with those aspects of the political settlement which are covered by the Cease-Fire Agreement. Up to the present it has not been desirable in Laos to draw a distinction between the achievement of a firmly based military armistice and all aspects of the working out of a political settlement.

4. In a strictly Laotian context there is much to be said for the exploitation of the situation created by Pathet Lao intransigence. For some time we have been manoeuvring for Indian support for Commission action which would reassert the BIC's right to the re-establishment of its administration in the two northeastern provinces and fix the blame for the present deadlock with respect to a political settlement squarely upon the Pathet Lao. The question now is whether this line should be carried a stage further - whether the December 25 elections should be regarded as the political settlement, the achievement of which would remove the basis for Pathet Lao sanctuary in Phong Saly and Sam Neua.

5. Quite apart from the fact that Indian support for the adoption of this attitude by the Commission cannot be counted upon, it is possible that such action by the Commission (or the expression of this view by the Canadian delegation) might not be wholly advantageous in the long run with respect to the achievement of the objectives mentioned in paragraph 1 above. If the BIC were given Commission (or even just Canadian) support for regarding the holding of general elections in the areas it controls as the fulfilment of its obligations under the Geneva settlement, it would be in a position to argue that the terms of Article 14 no longer apply, and so to deny the theoretical

- 3 -

basis for the military status quo, which would have a very unsettling effect on the armistice. Furthermore, the DRV might be tempted to step up military pressure on the Pathet Lao with the objective of asserting its sovereignty over the two northeastern provinces. While any resulting military action might not be on a large scale, on the other hand it would be inconsistent with the idea of a firmly established military armistice and might also be sufficient to bring about greater (and less well concealed) Viet Minh military support for the Pathet Lao.

6. There is also the possibility that in these circumstances either the FIC, or possibly the Thai Government, might make appeal to SEATO. This would face SEATO members with an awkward problem. On the one hand, SEATO members - in order to bolster up the organization's prestige - might not wish to ignore an appeal of this kind. On the other hand, the entry of SEATO into the situation, particularly when combined with an increase in Viet Minh military support to the Pathet Lao, might subject the armistice settlement to a more serious threat than has so far developed.

7. We think it wise for us to stop short of seeking Commission recognition of the December 25 elections as the political settlement envisaged in Article 14 of the Cease-Fire Agreement for Laos, and even for our not recording this view in a minority Canadian interpretation. To achieve the objectives outlined in paragraph 1 above it might be wiser/unfinished political business in Laos as a counter to unfinished business of the same kind in Vietnam.

8. We must recognize that in any case the Indians are unlikely to agree to recognition of the December 25 elections as fulfilment by the DRV of its obligations with respect to a political settlement under the Cease Fire Agreement. Another aspect of the problem therefore is whether it is worth while our parting company with the Indians on this point.

9. We may assume that when India originally accepted responsibilities on the Commission in Indochina it did so on its own assumption that the political watershed between the communist and non-communist worlds in South-east Asia would be along the Vietnam/Cambodian-Lao-tian border. While

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on the one hand some Indians seem still to be thinking in these terms (e.g. Mr. Parthasarathi's conversation with the American Consul General in Madras), on the other hand Mr. Nehru in his interview with Mr. Pearson did not react strongly to the idea that we might have to live with a divided Vietnam and a divided Laos for some time to come. There is no question that the Indians relate the situation in Laos very closely to that in Vietnam. Consequently, if we are to induce them to accept the semi-permanent division of Vietnam at the 17th parallel, with a political settlement to be worked out by peaceful means and the Viet Minh meanwhile restrained by the Cease Fire Agreement, it may be desirable for us in Laos to settle for the military status quo, with a political settlement still to be worked out and the PFG restrained by the provisions of Article 14 of the Laos Agreement. Firm support by western governments for the maintenance of the military armistice on existing truce lines and the settlement in due course by peaceful means of political problems in both Vietnam and Laos should accord well with Indian enthusiasm for Locarno-type security arrangements in South-east Asia. With full scope for future discussion of both the Laotian and Vietnamese political problems, the Indians may be persuaded to accept the military status quo as the most stable type of arrangement now available in Indochina. The Chinese Communists and the Viet Minh will accord far greater respect to the truce lines if Indian moral authority upholds them, than if the Indians were to withdraw from the Commissions.

(signed) A. R. Mungie

Far Eastern Division.

Copy No. 1

TOP SECRET

MEETING OF CONSULTATION
(September 30, 1957)

F. B. Pocket Canadian Brief

So 219-AE-40 Jules Léger

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5. The attached telegrams are all worth reading. I would draw your special attention however to the telegram covering the discussion of continental defence, i.e., telegram 2112 of October 3. As reported in paragraph 5 of that telegram the United States representatives indicated at the meeting on September 30 that the United States Government would be approaching the Canadian Government with a request for approval to station at Goose Bay a squadron equipped with MB-1 air to air rockets equipped with nuclear warheads. The present planning date for the establishment of these squadrons is 1959. While, therefore, there is no immediate action required the matter does raise problems which will have to be given serious consideration by the Government.

6. The use of the MB-1 rocket in Canadian air space was provided for in exchanges of notes between the two Governments, the latest of which was completed on June 28 and which is valid until July 1, 1958. The conditions prescribed in these exchanges set very strict limitation upon the deployment of this nuclear weapon in Canadian air space.

7. The desire of the United States to store the MB-1 nuclear rocket at Goose Bay does not come as a complete surprise. There are storage facilities at Goose Bay for nuclear weapons although no such weapons are stored there now. Construction of these storage buildings by the United States was agreed to in October 1950 by the Canadian Government subject to certain conditions, one of which was that there would be no storage of special weapons at Goose Bay without the express approval of the Canadian Government. These storage facilities are located within an area at Goose Bay which was leased to the United States under an exchange of notes between the two Governments of December 5, 1952.

8. When the subject was raised at the Meeting of Consultation I suggested that there might be merit in delaying the United States approach somewhat until the Canadian Government had been able to give adequate study to the implications of the proposal. I suggested the possible advantages of linking the approach to the Canadian Government with the broader scheme envisaged by the United States regarding the establishment of nuclear weapons stockpiles in NATO countries. This matter is covered in telegram 2096 which is among the attachments. You will recognize that the heart of the problem for the United States is to obtain agreed facilities for storage in other countries with the United States retaining control and responsibility for the weapons.

9. Some preliminary study has already been given by Canadian officials to the problem of what changes, if any, would be required

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in Canadian legislation to permit the storage of nuclear weapons in Canada. While this study has not yet been completed it seems likely that it will result in a finding that there need be no revision of existing legislation in Canada but that certain new orders may be issued under existing legislation. There remains of course the problem presented by United States legislation, which as it exists at the moment, would require the custody of nuclear weapons even on Canadian soil to be kept in the hands of United States personnel.

10. Officials see some advantage from a domestic political point of view in linking any agreement to the stockpiling of atomic weapons at Goose Bay to the more general United States proposals which may be made concerning the possible stockpiling of nuclear weapons in other NATO countries. Any concessions which might be necessary with respect to the control of these weapons might be more palatable if seen in the light of similar concessions made by our NATO allies. You will note from the attached telegrams that United States officials hope to be in a position to outline United States plans with respect to nuclear stockpiling in NATO countries by the time of the December NATO Council meeting.

11. You may wish to discuss this matter with your Cabinet colleagues. A decision of substance is not required at the moment. Until we have firm United States proposals before us we cannot be certain of what exact commitments the Canadian Government might be asked to assume. We can be certain however that the proposal will raise politically important problems of control which have not so far had to be faced so directly.

J.P.H.

DSRG/354

FM WASHDC OCT3/57 TOPSEC
TO EXTERNAL 2112 PRIORITY

FOR UNDERSECRETARY

REF OUR TEL 2091 OCT1

MEETINGS OF CONSULTATION (ITEMS 2 & 3) - CONTINENTAL DEFENCE
THREAT TO NORTHAMERICA

1. THE THREAT TO NORTHAMERICA AS OUTLINED AT THE MEETING CONTAINED NO MAJOR DIFFERENCES FROM CURRENT CANADIAN AND JOINT USA-CANADIAN INTELLIGENCE ESTIMATES. IT WAS EMPHASIZED THAT FOR AT LEAST THE NEXT TEN YEARS THE MAIN THREAT WOULD BE FROM MANNED BOMBERS, SUPPORTED IN THE LATTER PART OF THE PERIOD BY GUIDED MISSILE SUBMARINES AND ICBM'S. THE FIRST OPERATIONAL SOVIET ICBM IS EXPECTED TO BE AVAILABLE IN 1960-61. IN RESPONSE TO A QUESTION FROM GENERAL FOULKES AS TO THE EXACT STATUS OF THE SOVIET LONG RANGE BOMBER PROGRAMME WE WERE INFORMED THAT THE USA INTELLIGENCE COMMUNITY IS PRESENTLY EXAMINING THIS QUESTION AND THE SIGNS ARE THAT PREVIOUS ESTIMATES OF THE SIZE OF THE SOVIET LONG RANGE AIR FORCE WILL BE REDUCED. THIS DOES NOT HOWEVER ALTER THE FACT THAT THE THREAT OVER THE NEXT TEN YEARS OR SO WILL BE MAINLY FROM THE MANNED BOMBER.

WARNING OF ATTACK

2. THE BRIEFING ON INTELLIGENCE WARNING OF ATTACK WAS BASED ON A NATIONAL INTELLIGENCE ESTIMATE ALREADY AVAILABLE TO US AND POINTED OUT THAT THERE WOULD PROBABLY BE NO DEFINITE INTELLIGENCE WARNING PRIOR TO A SOVIET ATTACK. THE QUESTION OF SUCCESSIVE INTELLIGENCE WARNINGS IN A PERIOD OF RISING TENSION WAS NOT DISCUSSED.

3. GENERAL FOULKES RAISED THE QUESTION OF WHETHER MILITARY FORCES WOULD BE ABLE TO ACT ON A WARNING SUPPOSING THAT, AS SHAPE BELIEVED IT MIGHT, THIS CAME 30 DAYS PRIOR TO AN ATTACK. IT WAS HIS VIEW THAT, BECAUSE OF THE DANGER OF PROVOKING THE SOVIET UNION BY MILITARY DEPLOYMENT IN RESPONSE TO A FALSE INTELLIGENCE WARNING, IT MIGHT BE POLITICALLY UNDESIRABLE TO REACT TO ANY WARNING. THEREFORE HE THOUGHT THAT OUR FORCES MUST BE MAINTAINED IN A STATE OF CONSTANT READINESS SO THAT NO OBVIOUS MOBILIZATION ACTION WOULD BE NECESSARY IN ORDER TO MEET AN INITIAL SOVIET ATTACK. GENERAL TWINING, WHILE AGREEING THAT THE AIR DEFENCE FORCES SHOULD BE MAINTAINED IN CONSTANT

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READINESS THOUGHT THAT SOME DEPLOYMENT ACTION COULD BE TAKEN IF THERE WERE A SUBSTANTIAL PERIOD OF WARNING. FOR EXAMPLE, IT WOULD BE POSSIBLE TO DEPLOY CERTAIN AIR DEFENCE AND STRATEGIC AIR COMMAND FORCES AND TO TAKE PREPARATORY LOGISTICAL MEASURES. USA FORCES ARE NORMALLY EXERCISED FREQUENTLY ENOUGH SO THAT SUCH MOVES WOULD NOT BE PROVOCATIVE. GENERAL FOULKES ALSO COMMENTED ON THE TENDENCY TO REGARD WESTERN EUROPE AND NORTHAMERICA AS TWO SEPARATE AREAS FOR THE PURPOSE OF WARNING OF ATTACK AND ALERTS; THIS HE THOUGHT WAS A MISTAKE. THE VARIOUS NATO STAFFS SHOULD THINK IN TERMS OF THE NATO AREA AS A WHOLE SINCE THE WARNING PROBLEM IN EUROPE COULD NOT BE DIVORCED FROM THAT IN NORTHAMERICA. GENERAL BYERS (DEPT OF DEFENCE) REFERRED TO THE COMPLEXITY OF THE NATO ALERT QUESTION, GIVING AS AN EXAMPLE OF CONTRIBUTING FACTORS THE UNWILLINGNESS OF TURKEY AND GREECE TO GIVE UP THEIR ALERT DECLARATION POWERS, WHICH TENDED TO MAKE THE SYSTEM VERY UNWIELDY.

CONTINENTAL AIR DEFENCE

4. THE PRESENT STATE OF THE CONTINENTAL AIR DEFENCE ARRANGEMENTS WAS REVIEWED AND THE VARIOUS SEAWARD EXTENSIONS AND PROGRESS IN OTHER PLANNED FACILITIES DISCUSSED IN SOME DETAIL. REF WAS MADE TO THE FACT THAT THE USA DEFENCE DEPT HAD RECOMMENDED APPROPRIATE WORDING FOR THE USA-CANADIAN AGREEMENT ON CONSULTATION ON ALERTS. THE UNDERSECRETARY LATER WELCOMED THE FACT THAT PROGRESS WAS BEING MADE IN THIS MATTER WHICH WE REGARDED AS BEING OF PARTICULAR IMPORTANCE IN THE ABSENCE IN NORTHAMERICA OF THE POLITICAL CONTROLS WHICH APPLY IN OTHER NATO AREAS. IT WAS REPORTED THAT THE INTEGRATED AIR DEFENCE COMMAND BECAME OPERATIONAL ON SEP 12/57, AND THAT ITS TERMS OF REF WERE TO BE SUBMITTED TO THE CHIEFS OF STAFF IN THE NEAR FUTURE. THE UNDERSECRETARY COMMENTED THAT THESE TERMS OF REF WOULD, OF COURSE, BE SUBJECT TO FINAL GOVERNMENTAL APPROVAL AND WAS GIVEN AN ASSURANCE ON THIS POINT.

STORAGE OF NUCLEAR WEAPONS IN CANADA

5. IN THE COURSE OF THE ABOVE DISCUSSION, IT WAS STATED THAT THE USA GOVT INTENDS TO APPROACH THE CANADIAN GOVT WITH A REQUEST FOR APPROVAL TO STATION A SQUADRON EQUIPPED WITH MB-1 NUCLEAR WEAPONS AT GOOSEBAY. GENERAL FOULKES OUTLINED THE DIFFICULTIES WHICH WOULD FACE THE CANADIAN AUTHORITIES IN COMPLYING WITH SUCH A

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REQUEST IN THE NEAR FUTURE, POINTING TO THE NEED FOR CAREFUL PRIOR STUDY, AND FOR REVISION OF RELEVANT CANADIAN REGULATIONS BEFORE NUCLEAR WEAPONS COULD BE STORED IN CANADA. HE THOUGHT THIS PROCESS WOULD TAKE SOME TIME AND ASKED THAT ANY PROPOSALS OF THIS KIND SHOULD BE DEFERRED. THE USA SIDE THEN EMPHASIZED THAT THIS WAS ONLY A PLANNING PROPOSAL, THAT GENERAL FOULKES' STATEMENT WOULD BE TAKEN FULLY INTO ACCOUNT BEFORE ANY FIRM PROPOSAL WAS MADE, AND THAT THE PRESENT PLANNING DATE FOR THE ESTABLISHMENT OF THESE SQUADRONS WAS 1959. GENERAL FOULKES ALSO REFERRED TO THE EXISTING EXTENSION OF THE AGREEMENT REGARDING THE OVERFLIGHT IN EMERGENCY SITUATIONS OF USA SQUADRONS EQUIPPED WITH NUCLEAR WEAPONS. HE REMINDED THE USA SIDE THAT WE HAD HOPED IT WOULD BE POSSIBLE TO DISCUSS THE OUTLINE OF A PERMANENT AGREEMENT WELL BEFORE THE PRESENT ARRANGEMENTS EXPIRE SO THAT IT WILL NOT BE NECESSARY TO PROCEED ON A SHORT TERM BASIS. ELBRICK (ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS) REFERRED TO USA PROPOSALS FOR DISCUSSIONS IN OTTAWA IN THE NEAR FUTURE ON THE TECHNICAL ASPECTS OF AIR DEFENCE AT WHICH TIME HE WAS HOPEFUL THAT THE GOOSEBAY PROBLEM WOULD ALSO BE EXPLORED. THE UNDERSECRETARY EXPLAINED THAT THE PROBLEM OF EVENTUALLY STOCKPILING NUCLEAR WEAPONS IN CANADA COULD BE MORE SATISFACTORILY DEALT WITH IF IT WERE TREATED AS PART OF THE WIDER PROBLEM OF STOCKPILING NUCLEAR WEAPONS ON A NATO BASIS RATHER THAN SOLELY IN THE CONTEXT OF USA-CANADIAN AIR DEFENCE (THIS SUBJECT IS COVERED MORE FULLY IN SEPARATE TEL).

DEVELOPMENT OF THE AIR DEFENCE SYSTEM

6. IN DISCUSSING THE FUTURE OF THE CONTINENTAL AIR DEFENCE SYSTEM GENERAL FOULKES WARNED AGAINST THE DANGER, PARTICULARLY IN THE PERIOD UP TO 1962, OF MAKING MARGINAL IMPROVEMENTS TO OUR PRESENT AIR DEFENCE SYSTEM AT CONSIDERABLE COST. HE WISHED TO CONFIRM THE PRESENT STATUS OF THE SOVIET BOMBER PROGRAMME IN ORDER TO ESTABLISH WHETHER THE PERIOD BETWEEN THE PRESENT AND 1962 WAS ONE IN WHICH IT WOULD BE POSSIBLE TO TAKE CALCULATED RISKS IN ORDER TO BE IN A BETTER POSITION TO MEET THE RATHER MORE COMPLEX THREAT AFTER THAT PERIOD. HE THOUGHT THAT THE RUSSIANS WERE UNLIKELY TO GO TO

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WAR DELIBERATELY UNTIL THEY HAD COMPLETED DEVELOPMENT OF THE ICBM WITH WHICH THEY WERE APPARENTLY NOW HAVING SOME SUCCESS. HE THEREFORE PROPOSED THAT ALL AIR DEFENCE PROJECTS PUT UP BY THE NEW INTEGRATED COMMAND SHOULD BE REFERRED TO THE JOINT STUDY GROUP BEFORE GOING TO THE RESPECTIVE CHIEFS OF STAFF FOR APPROVAL. IN ADDITION, IT WOULD BE USEFUL IF THE JOINT STUDY GROUP COULD MAKE USE OF THE EXPERIENCE OF THE USA WEAPONS SYSTEM EVALUATION GROUP IN REVIEWING ANY NEW PROPOSALS. HE BELIEVED THAT THERE IS A GOOD DEAL OF POPULAR MISUNDERSTANDING OF THE VALUE AND EFFECTIVENESS OF THE PRESENT AIR DEFENCE SYSTEM, PARTICULARLY SINCE THE RECENT SOVIET ICBM ANNOUNCEMENT WHICH HAS TENDED TO LEAD THE PUBLIC TO BELIEVE THAT THE MANNED BOMBER IS NOW OBSOLETE. HE THEREFORE THOUGHT IT IMPORTANT THAT AN AGREED CONCEPT OF CONTINENTAL AIR DEFENCE SHOULD BE WORKED OUT BETWEEN THE TWO COUNTRIES TO FORM A BASIS FOR FUTURE PLANNING BY THE AIR DEFENCE COMMANDERS. THIS CONCEPT MIGHT ALSO BE USED FOR ANY PUBLIC STATEMENTS BY MINISTERS AND OFFICIALS ON THE PROBLEM.

7. ESSENTIAL FEATURES OF SUCH A CONCEPT WOULD BE RELATED TO THE PRINCIPLES OF UNITY AND FLEXIBILITY. BY THIS HE MEANT THAT THERE SHOULD BE ONE SYSTEM SUFFICIENTLY FLEXIBLE TO MEET ALL THE VARIOUS TYPES OF THREAT WHICH HAD BEEN REVIEWED. HE WAS ANXIOUS THAT THE ANTI-ICBM DEFENCE SHOULD NOT BE APPROACHED AS A SEPARATE PROBLEM BUT AS AN EXTENSION OF THE PRESENT SYSTEM, USING WHEREVER POSSIBLE FACILITIES ALREADY IN EXISTENCE. HE BELIEVED THAT BY PUTTING THE OVERALL CONTROL OF CONTINENTAL DEFENCE UNDER ONE AUTHORITY WE COULD ENSURE THAT THE INTRODUCTION OF NEW FORMS OF DEFENCE AGAINST NEW THREATS WOULD BE MADE IN THE MOST ECONOMICAL WAY. THIS WAS ESSENTIAL IN VIEW OF THE INCREASED COSTS OF EQUIPMENT IN THIS FIELD AND THE PROSPECT OF SERIOUS BUDGETARY TROUBLES OVER THE NEXT FEW YEARS. THE SETTING UP OF THE JOINT AIR DEFENCE COMMAND HAD BEEN A SUBSTANTIAL STEP FORWARD AND IT HAD NOW BECOME ESSENTIAL TO EXAMINE ALL NEW PROPOSALS CAREFULLY AND TO FIT THEM INTO AN INTEGRATED SCHEME THEREBY EFFECTING CONSIDERABLE ECONOMIES.

8. IT WAS CONFIRMED BY GENERAL TWINING OR BY HIS REP THAT THE VIEWS OF THE USA JOINT CHIEFS WERE SUBSTANTIALLY THE SAME AS THOSE OF

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GENERAL FOULKES. NO DIFFICULTY WAS ANTICIPATED IN MEETING THE CANADIAN PROPOSALS, PARTICULARLY THOSE CONCERNING THE USE OF THE USA WEAPONS SYSTEM EVALUATION GROUP AND THE DEVELOPMENT OF AN AGREED AIR DEFENCE CONCEPT. IT WAS UNDERSTOOD THAT GENERAL TWINING ALSO SHARED THE VIEW THAT THERE WAS A REAL DANGER IN MAKING COSTLY MARGINAL IMPROVEMENTS IN OUR PRESENT DEFENCE SYSTEMS, AND THAT HE THOUGHT EVERY EFFORT SHOULD BE MADE TO AVOID THIS SO THAT THE BEST USE MIGHT BE MADE OF OUR JOINT RESOURCES

ROBERTSON

COPY NO. 9 OF 60

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FM WASHDC OCT 1/57 TOPSEC
TO EXTERNAL 2094 PRIORITY

FOR UNDERSECRETARY

MEETINGS OF CONSULTATION-(ITEM V)FAREASTERN SITUATION-OBSERVATIONS
BY MR HERTER ON HIS TOUR

THIS WAS ONE OF THE MOST INTERESTING PARTS OF THE DISCUSSION,
MAINLY BECAUSE OF MR. HERTER'S FRANK AND PERCEPTIVE REPORT OF HIS
PERSONAL IMPRESSIONS. EN ROUTE TO THE FAREAST, HE SAID THAT HE HAD
BEEN BRIEFED BY THE USA MILITARY AUTHORITIES IN HAWAII, WHO WERE
PARTICULARLY CONCERNED AT THE POSSIBILITY OF A DETERIORATION IN
THE POSITION, PARTICULARLY IN KOREA AND IN FORMOSA. DESPITE LARGE
MILITARY FORCES IN BEING IN THESE TWO IMPORTANT AREAS, THERE WERE
OTHER FACTORS AT WORK WHICH COULD ADVERSELY AFFECT THE INTERNAL
SITUATION IN EACH, AND THE MILITARY APPRECIATION HAD POINTED TO THE
DIFFICULTIES IN THE WAY OF HOLDING THE POSITION INDEFINITELY.

2. AS A RESULT OF HIS RECENT AND DIRECT EXPERIENCE, MR HERTER SAID
HE NOW SHARED THIS CONCERN ABOUT THE POSITION IN FORMOSA AND IN
KOREA. HE MADE IT CLEAR THAT IN SO DOING HE BASED HIS VIEWS NOT ONLY
ON AMERICAN MILITARY APPRECIATIONS ON THE SPOT, BUT ALSO ON THE
GENERAL INTELLIGENCE AVAILABLE ABOUT CONDITIONS IN THESE AREAS
THROUGH UK SOURCES IN HONGKONG.

3. IN FORMOSA, ALTHOUGH ARMY MORALE WAS STILL GOOD, AND THE FORCES
(INCLUDING THE AIR FORCES) WELL EQUIPPED, CHIANG WAS GETTING NO
YOUNGER AND HIS POSITION WAS NOT STRONG AMONG THE OFFSHORE CHINESE.
THE LOW WAGE RATES IN THE ARMY (A COMMON SOLDIER RECEIVED 75 CENTS
A MONTH) AND THE CIVIL SERVICE OPENED UP POSSIBILITIES OF CORRUPTION
AND GRAFT, OF WHICH SOME WERE NO DOUBT TAKING FULL ADVANTAGE. THE
COUNTRY WAS HELD TOGETHER BY A SENSE OF MISSION BASED UPON THE
HOPE OF AN EVENTUAL RETURN TO THE MAINLAND, AND THE MAINTENANCE OF
A "FREE CHINA." SINCE THIS, HOWEVER, WAS A DISTANT HOPE, THE SITUATION,
SO FAR AS MORALE IS CONCERNED WAS PRECARIOUS. IN THE MINDS OF THE
NATIONALIST CHINESE THE OFFSHORE ISLANDS WERE COMPLETELY IDENTIFIED
WITH FORMOSA. THEIR LOSS WOULD BE A GREAT BLOW TO THE FORMOSAN
REGIME AND TO THE MORALE OF ITS ARMY, PROBABLY LEADING TO THE LOSS
OF FORMOSA ITSELF TO THE COMMUNISTS.

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4. (A MILITARY BRIEFING WHICH PRECEDED MR HERTER'S REPORT HAD OUTLINED COMMUNIST CHINA'S MILITARY PROGRESS OVER THE PAST FEW YEARS, INCLUDING THE BUILDING UP OF A JET AIRFORCE AND A SMALL NAVY. IN PARTICULAR, CHINESE COMMUNIST MILITARY STRENGTH HAD IMPROVED IN THE TAIWAN STRAITS AREA WHERE THEY HAD CONSTRUCTED SEVEN AIRFIELDS AND A RAILWAY TO AMOY. THEIR ABILITY TO LAUNCH ATTACKS AGAINST THE OFFSHORE HAD THUS BEEN GREATLY IMPROVED. IN VIEW OF THE ABOVE, THE USA SIDE INDICATED THAT THE OFFSHORE ISLAND SITUATION WAS STILL IN THEIR OPINION POTENTIALLY DANGEROUS AND SHOULD BE CAREFULLY WATCHED.)

5. IN KOREA, MR HERTER SAID THE SOUTH KOREANS WERE CLOSER TO THE ENEMY. EVEN HERE, HOWEVER, THE WEAKENING POSITION OF THE AGEING SYNGMAN RHEE AND THE UNCERTAIN CALIBRE OF HIS POLITICAL OPPONENTS MADE IT DIFFICULT TO BE OTHER THAN PESSIMISTIC ABOUT THE FUTURE. THE RECENT LOCAL ELECTIONS IN SEOUL (WHERE THE OPPOSITION HAD WON 40 OUT OF 52 SEATS) SHOWED THE STRENGTH OF THE RHEE OPPOSITION, WHICH HERTER THOUGHT HAD A GOOD CHANCE OF WINNING THE NEXT NATIONAL ELECTIONS.

6. ON THE OTHER HAND, ON THE CHINESE MAINLAND ITSELF, THE COMMUNIST REGIME APPEARED TO BE FACING VERY REAL PROBLEMS. THERE WAS CONSIDERABLE EVIDENCE OF DISCONTENT AMONG THE FARMERS OVER THE MALFUNCTIONING OF THE LAND REDISTRIBUTION AND FARM COLLECTIVISATION, AND REAL SHORTAGES OF FOODSTUFFS OVER WIDE AREAS WERE CREATING SERIOUS PROBLEMS. AS IN OTHER COMMUNIST COUNTRIES, THERE HAD BEEN DISCONTENT AMONG THE INTELLECTUALS, INCLUDING STUDENT GROUPS, AND THERE WAS ALSO EVIDENCE THAT THE OVERCENTRALIZATION OF AUTHORITY LED TO DISCONTENT WITHIN CADRES OF THE CHINESE COMMUNIST PARTY ITSELF.

7. TURNING TO SOUTHEAST ASIA, WITH THE EXCEPTION OF THAILAND AND THE PHILIPPINES WHICH WERE PARTNERS IN SEATO, AND INDONESIA (WHICH HE HAD NOT VISITED) HERTER'S IMPRESSION WAS THAT THE OTHER STATES IN THE AREA, INCLUDING MALAYA, DID NOT WISH TO ALIGN THEMSELVES WITH THE USA IN MILITARY PACTS OR ARRANGEMENTS. THERE WAS SOME FEELING THAT THEY COULD IN ANY EVENT COUNT IN A MAJOR CRISIS ON THE USA DETERRENT AND THEY WERE IMBUEWED WITH A DESIRE TO ASSERT THEIR NEWLY WON INDEPENDENCE. THIS, HE THOUGHT, WAS NOT SO MUCH "NEUTRALISM"

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AS A DETERMINATION NOT TO REVERT TO THEIR OLD COLONIAL STATUS.

8. BURMA, FOR EXAMPLE, FOUND ITSELF IN A VERY DIFFICULT SQUEEZE, WITH A DEARTH OF POPULATION AND A SUBSTANTIAL SURPLUS RICE CROP. YET HE WAS CONVINCED THAT THE PRESENT BURMESE GOVT, ALTHOUGH ANXIOUS NOT TO TAKE UP A PUBLIC POSITION (PRESUMABLY IN ORDER NOT TO OFFEND COMMUNIST CHINA) WAS DEFINITELY ANTICOMMUNIST AND WOULD REMAIN SO.

9. HE HAD TALKED TO PRESIDENT DIEM IN SAIGON WHO HAD BEEN WORRIED MAINLY ABOUT VIETNAM'S BORDERS WITH LAOS AND CAMBODIA. ANY INVASION ROUTE BY THE VIETMINH OR THE COMMUNIST CHINESE TO THE SOUTH WOULD LOGICALLY LIE THROUGH THESE TWO COUNTRIES, AND DIEM, THEREFORE, WAS CONCERNED AT STRENGTHENING HIS INTERNAL ROADS AND BORDERS WITH THESE TERRITORIES. DIEM'S FIRM OPPOSITION TO COMMUNISM NEEDED NO UNDERLINING. IN THAILAND, AS IN MANY OTHER COUNTRIES IN THE AREA, THE PROBLEM OF SUCCESSION WAS A DIFFICULT ONE. MALAYA HAD BEGUN ITS NEW LIFE UNDER GOOD AUSPICES, AND IT HAD A GOOD CHANCE OF MAKING THE GRADE. HERTER MENTIONED THAT MR RICHARD CASEY, WHOM HE HAD SEEN AT SINGAPORE, HAD MADE PRIVATE SOUNDINGS ON MALAYA'S INTEREST IN SEATO MEMBERSHIP, BUT HAD CONCLUDED THAT IT WOULD NOT BE WISE TO RAISE THIS QUESTION AT THIS TIME. THE FIRST THING THE MALAYANS WISHED TO DO WAS TO STAND ON THEIR OWN FEET. THROUGHOUT SOUTHEAST ASIA, MR HERTER THOUGHT THAT THE OVERSEAS CHINESE, WHILE NOT A STRONG POLITICAL FORCE, WERE AN OVERWHELMING COMMERCIAL FORCE, AND WANTED TO BE LEFT ALONE TO THE GREATEST EXTENT POSSIBLE. HE REMARKED THAT THE WORST THREAT WHICH COULD BE MADE TO AN OVERSEAS CHINESE WAS TO SPEAK OF DEPORTATION TO MAINLAND CHINA.

10. REVIEWING THE OVERALL POSITION, MR HERTER SAID THAT WHILE HE HAD UNDERTAKEN THIS MISSION SOMEWHAT IN THE MOOD OF A "DOUBTING THOMAS" (PRESUMABLY WITH REF TO TRADITIONAL USA POSITIONS AND ATTITUDES), HE NOW FELT THAT THE MAINTENANCE OF SUPPORT FOR AN INDEPENDENT FORMOSA WAS VITAL, AND THAT THE USA HAD NOTHING TO GAIN AND A GOOD DEAL TO LOSE BY ANY MODIFICATION OF ITS TRADITIONAL POLICY WITH RESPECT TO RECOGNITION OF THE FORMOSAN GOVT. IT WAS NECESSARY FOR MANY REASONS TO KEEP THE IDEA OF A FREE CHINA ALIVE. HE RECOGNIZED THAT THIS POLICY, WHICH REQUIRED SUBSTANTIAL OUTLAYS BY THE USA MIGHT BE DIFFICULT TO MAINTAIN, BUT HE THOUGHT THE

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EFFORT MUST AND SHOULD BE MADE IN THE PERIOD AHEAD.

11. WE ASKED WHETHER HE WOULD MAKE ANY DISTINCTION BETWEEN THE RECOGNITION ISSUE AND THE LOOSENING OF CHINA TRADE POLICIES. ON THIS HIS CONCLUSION WAS THAT THE EXPECTED INCREASE IN TRADE WITH MAINLAND CHINA WOULD NOT MATERIALIZE, AND HE FOUND PESSIMISM IN PLACES LIKE HONGKONG ON THE SCORE OF WHAT COULD ACTUALLY BE DONE IN THE TRADE FIELD EVEN WITH STRATEGIC CONTROLS RELAXED. ONE ILLUSTRATION HE GAVE WAS OF RECENT ARRANGEMENTS CONCLUDED BETWEEN CEYLON AND COMMUNIST CHINA FOR A RUBBER-RICE EXCHANGE. HERE THE CHINESE DELIVERIES HAD RUN FAR BEHIND SCHEDULE, AND DISILLUSIONMENT IN CEYLON HAD BEEN THE ONLY RESULT. IN THIS CONNECTION, HE ADDED THAT THE UK RECOGNITION OF CHINA HAD NOT BEEN MATCHED BY THE GRANT OF ANY PREFERRED TRADING POSITION, AND HE THOUGHT THAT THE RECENT REVISION OF THE CHINCOM REGULATIONS WOULD NOW ENABLE THE DEBATE BETWEEN THE USA AND ITS ALLIES ON THIS SUBJECT TO BE ASSESSED ON A MORE REALISTIC BASIS THAN HERETOFORE.

12. TRADE DIFFICULTIES WERE OF PARTICULAR CONCERN TO JAPAN WHICH FACED VERY REAL FINANCIAL PROBLEMS. DESPITE THE GOOD EQUALITY OF RECENT RICE CROPS, THE PRESSURE OF POPULATION IN RESOURCES CONTINUED. THE JAPANESE WERE PARTICULARLY WORRIED ABOUT AMERICAN TARIFFS AND HAD BEEN TRYING HARD, ALTHOUGH WITHOUT TOO MUCH SUCCESS, TO WIDEN THEIR MARKETS IN SOUTHEAST ASIA. FINALLY, MR HERTER WAS PESSIMISTIC ABOUT FUTURE ELECTION PROSPECTS IN THE PHILIPPINES, EVIDENCES OF CORRUPTION, AND THE LACK OF ANY ADEQUATE LEADERSHIP TO REPLACE THE LATER PRESIDENT MAGSAYSAY.

13. IN CONCLUSION, MR HERTER SAID HE WAS CONVINCED THAT IF THE USA AND FREE WORLD POSITION SHOULD WEAKEN, THERE WAS A SERIOUS POSSIBILITY THAT THE POSITION IN SOUTHEAST ASIA WOULD DETERIORATE, AND THAT THE REGIMES IN KOREA AND FORMOSA WOULD LOSE HOPE AND TURN TO THE COMMUNISTS. THIS, IN TURN, WOULD HAVE GRAVE CONSEQUENCES FOR THE INDEPENDENCE OF JAPAN WHICH ALREADY HAD A STRONG COMMUNIST PARTY, ALTHOUGH ONE WHICH WAS UNDER CONTROL AT THE PRESENT TIME. HE SAW, THEREFORE, NO REAL ALTERNATIVE TO THE PRESENT POLITICAL AND MILITARY POLICIES NOW BEING PURSUED BY THE USA IN THE FAR EAST. AS HE PUT IT, IT WOULD BE NECESSARY TO MAINTAIN "A STIFF UPPER LIP" IN THAT PART OF THE WORLD FOR SOME TIME TO COME

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MEETINGS OF CONSULTATION-(ITEM 4)DISARMAMENT

ON THE SUBJECT OF DISARMAMENT, IN WHICH THE INTEREST AND CONTRIBUTION OF THE CANADIAN SIDE WAS WELL KNOWN MATTHEWS (POLICY PLANNING) AFFIRMED THAT USA POLICY WAS TO GIVE FIRM SUPPORT TO THE FOUR-POWER PROPOSALS WORKED OUT IN THE SUB COMMITTEE, AND TO THE FOUR-POWER RESOLUTION NOW BEFORE THE ASSEMBLY. THE WESTERN POSITION WAS NOT PERFECT, BUT REPRESENTED A SOUND AND NEGOTIABLE GROUP OF PROPOSALS, AND A USEFUL POINT OF DEPARTURE. IT WAS THE HOPE OF THE USA THAT THESE PROPOSALS WOULD EMERGE FROM ASSEMBLY CONSIDERATION IN PRETTY MUCH THEIR PRESENT FORM. IN PARTICULAR, THE USA COULD NOT ACCEPT AN ISOLATED BAN ON NUCLEAR WEAPONS TESTING; THE VERY REAL ADVANTAGES IN CONTINUING TESTING (EG, THE DEVELOPMENT OF TACTICAL WEAPONS, ETC) COULD ONLY BE GIVEN UP IN EXCHANGE FOR AGREEMENT ON AN EFFECTIVE CESSATION OF NEW NUCLEAR PRODUCTION FOR WEAPONS PURPOSES.

2. ON THE COMPOSITION OF THE SUB COMMITTEE AND THE DISARMAMENT COMMISSION ITSELF, THE STATE DEPT THOUGHT THAT THE PRESENT MEMBERSHIP OF EACH WAS ESSENTIALLY LOGICAL AND REASONABLE, SINCE THESE BODIES INCLUDED THOSE COUNTRIES "MOST DIRECTLY CONCERNED". THE DEPT WOULD MUCH PREFER THAT NO CHANGE SHOULD TAKE PLACE IN MEMBERSHIP, AND IN PARTICULAR WOULD DEPLORE ANY DEVELOPMENT WHICH MIGHT TAKE CANADA OFF THE SUB COMMITTEE. IT WAS CONSIDERED THAT THE COMPOSITION OF THESE BODIES HAD LITTLE TO DO WITH THE CENTRAL QUESTION OF WHETHER THE USSR WOULD BE PREPARED TO PARTICIPATE IN A REAL NEGOTIATION.

3. IN THE SUBSEQUENT DISCUSSION OF DISARMAMENT, THE UNDER SECRETARY REFERRED TO THE PROGRESS WHICH HAD BEEN MADE, PARTICULARLY IN THE LAST SESSION AND TO THE FACT THAT THE INCREASINGLY TECHNICAL CHARACTER OF THE DISCUSSIONS MADE IT MORE DIFFICULT FOR CANADA TO MAKE A USEFUL CONTRIBUTION. WHILE WE DID NOT WISH TO AVOID OUR RESPONSIBILITIES, AT THE SAME TIME WE DID NOT WISH TO STAY ON THE SUBCOMMITTEE IF BY SO DOING WE WERE IN ANY WAY PREVENTING PROGRESS. WE WERE PREPARED TO AGREE THAN AN INCREASE IN MEMBERSHIP WOULD COMPLICATE MATTERS. BUT ON THE OTHER HAND, IT WAS OUR CALCULATION THAT

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THE INDIAN PROPOSALS FOR WIDENING THE MEMBERSHIP OF THE SUBCOMMITTEE HAD A GOOD CHANCE OF GOING THROUGH AT THE PRESENT SESSION AND PERHAPS OF GAINING A TWO-THIRDS MAJORITY. ON DISARMAMENT, OUR FUNDAMENTAL VIEW WAS THAT OUR BEST CONTRIBUTION LAY IN DOING WHAT WAS POSSIBLE TO FACILITATE DIRECT NEGOTIATIONS BETWEEN THE TWO POWERS MOST DIRECTLY CONCERNED. MR ROBERTSON TOOK UP THE DISCUSSION TO POINT OUT THAT THE UN FORUM HAS MADE POSSIBLE USEFUL DIRECT DISCUSSIONS WITH THE RUSSIANS, AND HAS PROVIDED AN UMBRELLA UNDER WHICH NEGOTIATIONS COULD TAKE PLACE. IN THE CANADIAN VIEW, PRIVATE BILATERAL DISCUSSIONS BETWEEN THE USA AND THE USSR MUST HAVE A SPECIAL PLACE, AND THE QUESTION OF MEMBERSHIP OF UN COMMITTEES WAS BASICALLY IRRELEVANT TO THE CENTRAL PROBLEM OF CREATING CONDITIONS IN WHICH AN EFFECTIVE NEGOTIATION IS POSSIBLE.

4. THERE WAS SOME BRIEF DISCUSSION OF THE ROLE OF NATO, AND IT SEEMED TO BE AGREED THAT WHILE NATO CONSULTATION WAS VALUABLE AND NECESSARY IN SOME RESPECTS AND SHOULD BE CONTINUED, IT SHOULD NOT BE PUSHED TO THE POINT OF IMPOSING A BARRIER ON FUTURE NEGOTIATIONS EITHER BILATERAL OR IN THE SUBCOMMITTEE.

5. FINALLY, THE CANADIAN SIDE RAISED A SUGGESTION WHICH WE HAD DISCUSSED EARLIER INFORMALLY WITHIN THE DELEGATION. MR ROBERTSON REFERRED TO THE EARLIER AMERICAN PROPOSALS ON 1956 (TO WHICH THE USSR HAD NOT RESPONDED) FOR THE SETTING APART OF SMALL TEST PILOT AREAS IN THE USA AND IN THE USSR FOR A TRIAL OF INSPECTION TECHNIQUES. HE WONDERED WHETHER IT WOULD NOT BE FRUITFUL TO BEGIN WITH JOINT USA-CANADIAN STUDIES ON A TECHNICAL AND SERVICE LEVEL TO EXAMINE THE PRACTICAL PROBLEMS INVOLVED IN OVERFLIGHT AND INSPECTION SYSTEMS. THUS, CONSIDERATION MIGHT BE GIVEN TO A JOINT PILOT STUDY OF AN INDUSTRIAL COMPLEX IN THE USA, AND POSSIBLY OF SOME APPROPRIATE ZONE IN THE ARCTIC. AT A LATER STAGE, THE OTHER WESTERN PARTNERS IN THE SUBCOMMITTEE MIGHT BE INVITED TO COOPERATE IN THESE PRACTICAL TECHNICAL STUDIES. THIS SUGGESTION WOULD FIT IN WITH AN APPROACH WHICH WE HOPED TO MAKE SHORTLY ON THE MILITARY SIDE FOR A JOINT EXAMINATION OF SOME OF THE PROBLEMS INVOLVED IN ARCTIC INSPECTION. IN THIS CONTEXT, GENERAL FOULKES EMPHASIZED THE CANADIAN VIEW THAT THE MORE EXTENSIVE GROUND CONTROL ARRANGEMENTS ENVISAGED IN CONNECTION WITH A EUROPEAN INSPECTION ZONE DID NOT APPLY TO ARCTIC CONDITIONS.

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6. WHILE THE USA SIDE COULD NOT GIVE ANY DEFINITIVE COMMENT ON THE CANADIAN SUGGESTION, OUR IMPRESSION IS THAT THEIR FIRST REACTIONS, INCLUDING THE FIRST REACTIONS OF SPRAGUE, THE DEFENCE DEPT REP, WERE QUITE FAVOURABLE, AND WE MAY EXPECT TO HEAR MORE OF THIS SUGGESTION. ONE SIDELIGHT ON OUR SUGGESTION, WHICH WAS BROUGHT OUT BY MATTHEWS OF THE POLICY PLANNING STAFF, WAS THE INDICATION THAT, AT PLANNING LEVELS WITHIN THE DEPT, THEY HAD BEEN THINKING OF THE POSSIBILITY OF PROPOSING SOME FORM OF ARMS CONTROL AGREEMENT AND JOINT INSPECTION TO COVER THE CONTESTED BORDER AREAS (PRESUMABLY INCLUDING KASHMIR) BETWEEN INDIA AND PAKISTAN. HE THOUGHT IT WORTH MENTIONING THIS SUGGESTION TO US, (WHICH HAS NOT IN ANY SENSE REACHED THE STAGE OF A FINAL PROPOSAL), BECAUSE OF OUR COMMONWEALTH CONNECTIONS

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MEETING OF CONSULTATION-(ITEM VI)MIDEAST SITUATION

THE DISCUSSION ON THE MIDEAST BEGAN WITH A USA SERVICE BRIEFING ON THE MILITARY SITUATION IN THE AREA. WE HOPE TO SEND YOU A FULLER ACCOUNT OF THE AFTERNOON'S BRIEFING AT A LATER DATE. IN SUBSTANCE, IT WAS POINTED OUT THAT THE ARAB NATIONS TAKEN TOGETHER, AND EVEN EGYPT AND SYRIA ALONE, HAD MORE TROOPS AND BETTER MILITARY EQUIPMENT THAN ISRAEL. HOWEVER THE BETTER TRAINING OF THE ISRAELI FORCES AND THEIR GREATER EFFICIENCY MADE THEM CAPABLE AT THE PRESENT TIME OF DEFEATING ANY SINGLE ARAB STATE OR ANY COMBINATION OF ARAB STATES.

2. IN DISCUSSING ISRAELI AND ARAB INTENTIONS (MATTHEWS, POLICY PLANNING STAFF) IT WAS EMPHASIZED THAT THE MAIN MOTIVATION OF THE ARAB COUNTRIES DERIVED FROM THEIR SOLIDARITY AGAINST ISRAEL. THIS TENDED TO OVERCOME ANY FEARS THEY MIGHT HAVE ABOUT SOVIET PENETRATION. THERE WAS NO EVIDENCE OF THE INTENTION OF EITHER ISRAEL OR ANY OF THE ARAB NATIONS TO INITIATE MILITARY ACTION WITHIN THE NEXT SIX TO TWELVE MONTHS. IT WAS CONSIDERED THAT THE ARAB NATIONS WOULD WISH TO WAIT UNTIL THE ARMS THEY HAD RECEIVED FROM THE USSR HAD BEEN ABSORBED AND UNTIL THEY WERE ABLE TO USE THEM EFFICIENTLY. THE FIRST INDICATOR OF AN ARAB INTENTION TO MOVE AGAINST ISRAEL WOULD BE AN INCREASE OF FEDAYEEN ACTIVITY WHICH MIGHT BE UNDERTAKEN IN AN ATTEMPT TO PROVOKE ISRAEL INTO WAR. A DANGEROUS POSSIBILITY WOULD BE AN ISRAELI DECISION TO DESTROY THE ARAB FORCES BEFORE THEY HAD BECOME SUFFICIENTLY POWERFUL TO DEFEAT THE ISRAELIS.

3. IN THE USA VIEW THE MAIN SOVIET INTEREST IN THE AREA WAS TO EXPLOIT EXISTING TENSIONS AND TO MAINTAIN THEM AT A HIGH LEVEL. THERE WAS NO FORESEEN SOVIET "USER INTEREST" IN MIDEAST OIL (AT LEAST OVER THE NEXT TEN YEARS) ALTHOUGH THE USSR WOULD UNDOUBTEDLY WISH TO PLACE ITSELF IN THE POSITION OF BEING ABLE TO DENY MIDEAST OIL TO THE WEST.

4. IN HIS EARLIER REVIEW OF "WORLD DIPLOMATIC SITUATIONS", MATTHEWS HAD REFERRED TO SYRIA AS AN INSTANCE OF NATIONALISM HAVING GONE TO DANGEROUS EXTREMES. THE DISTANCE TO WHICH THE PRESENT SYRIAN LEADERSHIP

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WAS PREPARED TO GO IN THE DIRECTION OF COOPERATION WITH THE USSR SHOWED HOW FAR THE MOOD OF NATIONALISM COULD GO IN EXTREME CASES. ADMITTEDLY IN THE CASE OF SYRIA, AS WAS TRUE WITH ALL THE ARAB WORLD, THE PROBLEM OF ISRAEL CREATED SPECIAL AND SERIOUS FRICTIONS, AND MADE IT MORE DIFFICULT TO DEVELOP A CONCERTED POLICY.

5. THE UNDER SECRETARY (MR LEGER) SAID THAT THE CANADIAN GOVT HAD WELCOMED THE EISENHOWER DOCTRINE, AND CONSIDER THAT IT CAN PLAY A USEFUL PART IN STRENGTHENING THE AREA. IN APPLYING IT IN PRACTICAL SITUATIONS, HOWEVER, THE USA FACED MANY DIFFICULT PROBLEMS.

6. HE THOUGHT THE DESCRIPTION OF SYRIA AS A NATION WHERE NATIONALISM HAD "GONE WRONG" WAS APT, AND WONDERED WHETHER THERE MIGHT BE SOME ACTION THAT COULD BE TAKEN TO BRING IT BACK TO THE RIGHT ROAD. THE UNDER SECRETARY THEN RAISED THE QUESTION OF WHETHER IT MIGHT BE POSSIBLE OR DESIRABLE TO TRY TO MOVE THE NASSER GOVT AWAY FROM THE SOVIET ALIGNMENT. MR HERTER REPLIED THAT THE USA WOULD INDEED BE ANXIOUS TO HAVE ANY REASONABLE DISCUSSIONS WITH NASSER THAT WERE POSSIBLE. EXPERIENCE, HOWEVER, HAD SEEMED TO SHOW THAT HIS ANTI-WESTERNISM AND AMBITIONS WERE SO DEEP-ROOTED THAT USEFUL DISCUSSIONS LEADING TOWARDS A MODUS VIVENDI WERE IMPOSSIBLE. THEREFORE, THE USA HAD DECIDED THAT ITS ONLY ALTERNATIVE WAS TO TRY TO LIMIT HIS INFLUENCE IN THE AREA. IF NASSER SHOWED ANY INCLINATION TO BE "POSITIVELY NEUTRAL" INSTEAD OF POSITIVELY PRO-SOVIET AND ANTI-WESTERN, THERE MIGHT BE SOME HOPE FOR DIRECT NEGOTIATIONS WITH HIM. THUS FAR THE STATE DEPT DID NOT SEE ANY BASIS FOR HOPE.

7. THERE WAS UNDOUBTEDLY REAL WORRY AMONG THE OTHER ARAB GOVTS ABOUT THE SYRIAN SITUATION. BUT THE BASIC DESIRE FOR ARAB UNITY AGAINST ISRAEL WAS SO STRONG THAT THIS CONCERN WAS EASILY OVERCOME. THE PROSPECTS OF AN ARAB REBUFF TO SYRIA WERE THEREFORE NEGLIGIBLE. THIS WAS TRUE EVEN OF SUCH COUNTRIES AS JORDAN AND LEBANON WHOSE LEADERS WERE CONCERNED ABOUT SYRIAN SUBVERSIVE ACTIVITY. THEIR LEADERS HOWEVER (AS THE RECENT DAMASCUS MEETING ATTENDED BY SAUD INDICATED) WERE RELUCTANT TO TAKE UP A FIRM PUBLIC POSTURE.

8. IN A BRIEF DISCUSSION OF THE UN EMERGENCY FORCE IN THE MIDEAST, THE UNDER SECRETARY POINTED OUT THAT IT WAS A POLICE FORCE AND NOT A FIGHTING FORCE. THEREFORE IN THE EVENT OF HOSTILITIES IN THE AREA,

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AND PARTICULARLY IN THE EVENT OF AN ATTACK AGAINST THE FORCE, THE CANADIAN GOVT WOULD FEEL OBLIGED TO WITHDRAW THE CANADIAN COMPONENT. GENERAL FOULKES POINTED OUT THAT, IN VIEW OF THE FACT THAT THE CANADIAN CONTINGENT PROVIDES ADMINISTRATIVE SUPPORT FOR THE UNEF, THIS WOULD MEAN THE END OF UNEF. THERE WAS A BRIEF DISCUSSION AND GENERAL AGREEMENT ON THE IMPORTANCE OF PERSUADING ISRAEL TO ACCEPT UNEF ON THE ISRAELI SIDE OF THE DEMARCATION LINE.

9. THE UNDER SECRETARY ALSO MENTIONED BRIEFLY THE PROBLEM POSED FOR CANADA LAST YEAR BY THE ISRAELI REQUEST FOR F-86'S. THIS REQUEST HAD NOT BEEN RENEWED, BUT IF IT WERE THE GOVT'S REACTION WOULD NO DOUBT BE A CAUTIOUS ONE.

10. THE UNDER SECRETARY THEN REFERRED TO THE STATUS OF THE TRIPARTITE DECLARATION OF 1951 WHICH APPEARED TO BE NO LONGER EFFECTIVE, AND WONDERED WHETHER, SINCE THE USSR IS OBVIOUSLY NOW A POWER IN THE AREA, AND WOULD CONTINUE TO BE SO, IT MIGHT BE USEFUL TO ENVISAGE SOVIET PARTICIPATION IN A DISCUSSION OF THE AREA WITH THE OBJECTIVE OF FORMULATING A QUADRIPARTITE DECLARATION OR GUARANTEE. THIS HE THOUGHT MIGHT TEND TO INHIBIT THE MORE HARMFUL SOVIET ACTIVITIES IN THE AREA AND FORCE UPON THE SOVIET GOVT SOME SENSE OF RESPONSIBILITY. MATTHEWS, IN REPLYING, SAID THAT THE USSR HAD MADE IT CLEAR THAT THEY WOULD ENTER INTO NO AGREEMENT IN THE AREA WHICH DID NOT INCLUDE THE ABOLITION OF THE BAGHDAD PACT. ALTHOUGH NOT A MEMBER OF THIS PACT, THE USA WAS MOST ANXIOUS THAT IT SHOULD CONTINUE IN EXISTENCE AND THE SOVIET DEMAND IN THIS REGARD WAS THEREFORE QUITE UNACCEPTABLE. FURTHER, HE SAW NO REASON TO BELIEVE THAT THE USSR, WITH ITS HISTORIC AMBITIONS IN THE MIDEAST, WOULD AGREE TO A "NEUTRALIZATION" OF THE AREA WHICH WOULD BE IMPLICIT IN SUCH A DECLARATION. FINALLY, THERE WAS THE FACT OF WESTERN EUROPE'S DEPENDENCE ON MIDEAST OIL. AS HAD BEEN SAID BEFORE, THE MAIN SOVIET INTEREST WAS TO KEEP THE TROUBLE BREWING.

11. THE AMBASSADOR, WHILE AGREEING THAT IT WOULD BE EXTREMELY DIFFICULT TO REACH AN AGREEMENT COVERING ALL THE POINTS OF THE TRIPARTITE DECLARATION SUGGESTED THAT IT MIGHT BE POSSIBLE TO ACHIEVE AN ACCEPTABLE AND USEFUL MINIMUM. WHILE THE ARMS CONTROL PROVISIONS WOULD BE DIFFICULT TO APPLY ON A FOUR-POWER BASIS, A REVISION MIGHT TAKE THE FORM OF A JOINT UNDERTAKING TO OPPOSE AGGRESSION IN THE AREA. MR HERTER THEN

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REVIEWED THE COMPLEXITY OF THE PROBLEMS INCLUDING THE FACT THAT NEITHER SIDE ACCEPTED THE PRESENT ISRAELI BORDERS, THAT THE ARABS WERE UNIFIED IN THEIR OPPOSITION TO ISRAEL AND THAT ISRAEL HAD MADE FURTHER STATEMENTS, AS FOR EXAMPLE ON THE NEED FOR 2,000,000 MORE IMMIGRANTS, WHICH TENDED TO GIVE SUBSTANCE TO THE VIEW THAT ISRAEL WOULD SEEK TO EXPAND ITS BORDERS. HE THOUGHT THEREFORE THAT THE JOINT UNDERTAKING OF THE KIND REFERRED TO BY THE AMBASSADOR WOULD DO LITTLE TO SOLVE THE FUNDAMENTAL TROUBLES. THE AMBASSADOR THOUGHT THAT THE COMPLEXITY OF THE PROBLEMS AND THE INTRANSIGENT ATTITUDE OF THE MIDEAST NATIONS MADE IT ALL THE MORE ESSENTIAL THAT FURTHER EFFORTS SHOULD BE MADE TO ASSOCIATE THE POWERS WITH PERMANENT SEATS ON THE SECURITY COUNCIL IN A GUARANTEE AGAINST AGGRESSION FROM ANY QUARTER. MR HERTER SAID HE THOUGHT THIS WOULD BE DIFFICULT SINCE THE USSR WAS ONLY INTERESTED IN KEEPING THE POT BOILING, TO WHICH THE AMBASSADOR REPLIED "YES, BUT NOT BOILING OVER"

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MEETINGS OF CONSULTATION-(ITEM VII)NATO MATTERS

THE UNDER SECRETARY(MR LEGER)REFERRED TO THE FACT THAT WHILE IN NATO, THE RECOMMENDATIONS OF SACEUR WERE CONSIDERED BY THE PERMANENT COUNCIL REPRESENTING NATO GOVTS,IT HAD STRUCK HIM THAT IN CONNECTION WITH THE NEW INTEGRATED AIR COMMAND,THE ULTIMATE RESPONSIBILITY OF THE TWO GOVTS WAS PERHAPS LESS CLEARLY DEFINED.HE, THEREFORE, WELCOMED THE ASSURANCE (WHICH WAS GIVEN BY THE USA REPS)THAT THE TERMS OF REF OF THE TWO COMMANDERS NOW IN PREPARATION WOULD BE SUBMITTED TO THE RESPECTIVE CHIEFS OF STAFF,AND THROUGH THE CHIEFS,TO GOVTS FOR FINAL APPROVAL.

2.MR LEGER ALSO RAISED THE QUESTION OF THE STATE OF USA STUDIES MENTIONED BRIEFLY BY MR DULLES AT THE NATO COUNCIL IN MAY,AND LATER AT HIS PRESS CONFERENCE ON JUL16,CONCERNING THE ESTABLISHMENT OF STOCKPILES OF ATOMIC WEAPONS THROUGHOUT VARIOUS NATO COUNTRIES.THE DISCUSSION (IN WHICH GENERAL TWINING PARTICIPATED)INDICATED THAT USA PLANS WERE PROCEEDING FAIRLY RAPIDLY IN THIS FIELD.GENERAL TWINING HOPED THE PICTURE WOULD BE CLEARER"IN THE NEXT FEW WEEKS",AND THAT IT WOULD BE POSSIBLE TO OUTLINE USA PLANS BY THE DEC MEETING OF THE NATO COUNCIL.IT WAS MADE CLEAR THAT NO CHANGE IN EXISTING USA LEGISLATION WAS ENVISAGED,THAT STOCKPILING WAS ENVISAGED NOT FOR WESTERNEUROPE ALONE,BUT FOR THE" NATO AREA"(INCLUDING NORTHAMERICA),AND THAT THE ESSENCE OF THE PROBLEM WAS TO OBTAIN AGREED FACILITIES FOR STORAGE, WITH THE USA RETAINING CONTROL AND RESPONSIBILITY AND"HOLDING THE KEYS".

3.IN INDICATING THAT WE WOULD WELCOME FURTHER DETAILS,THE UNDER SECRETARY MENTIONED OUR CONCERN OVER THE"FOURTH COUNTRY"PROBLEM.IF IT WERE POSSIBLE,FOR EXAMPLE,TO CONVINCED THE FRENCH THAT THEY WOULD PARTICIPATE IN A SCHEME FOR STOCKPILING NUCLEAR WEAPONS,THEY WOULD BE LESS LIKELY TO EMBARK ON AN INDEPENDENT NUCLEAR ARMS PROGRAMME.

MR LEGER ALSO REFERRED TO THE RECENT CONCLUSION OF NEGOTIATIONS WITH WESTGERMANY FOR THE SALE OF 500 TONS OF UNPROCESSED CANADIAN URANIUM DURING THE NEXT FIVE YEARS,SUBJECT TO THE CONCLUSION OF ADEQUATE ARRANGEMENTS GUARANTEEING ITS USE FOR PEACEFUL PURPOSES.

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WHILE WE WISHED TO FIND SUITABLE MARKETS FOR OUR URANIUM PRODUCTION FOR PEACEFUL USE, WE RECOGNIZED THE DEFENCE NEEDS FOR SOME SAFEGUARDED PLAN FOR NUCLEAR WEAPONS STOCKPILING.

4. ELBRICK, (ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS) EXPRESSED THE VIEW THAT THE ESTABLISHMENT OF A NATO NUCLEAR WEAPONS STOCKPILE WOULD NOT NECESSARILY INDUCE THE FRENCH, FOR EXAMPLE, TO FOREGO THEIR OWN PROGRAMME, ALTHOUGH IT WOULD BE A STRONG ARGUMENT FOR SO DOING. GENERAL TWINING ADDED THAT THE CONTROL POINT OF FRENCH ANXIETY WAS THE FEAR THAT THE GERMANS MIGHT AT SOME POINT START THEIR OWN WEAPONS PROGRAMME. IT WAS RECOGNIZED THAT THESE WERE ADDITIONAL CONSIDERATIONS IN SUPPORT OF A PLAN FOR NUCLEAR WEAPONS STOCKPILING UNDER NATO AUSPICES.

5. FURTHER DISCUSSION CONCERNING USA PLANS FOR NUCLEAR WEAPONS STOCKPILING AS THESE MIGHT SPECIFICALLY RELATE UNDER AGREEMENTS TO CANADA AT SOME FUTURE TIME IS REPORTED IN OUR SEPARATE MSG DEALING WITH CONTINENTAL DEFENCE.

6. FINALLY ON NATO MATTERS, THE UNDER SECRETARY REFERRED TO THE INCREASED IMPORTANCE OF POLITICAL CONSULTATION IN THE NATO COUNCIL, AND TO OUR VIEW THAT THIS SHOULD BE ENCOURAGED, PARTICULARLY THROUGH THE ACTIVE EFFORTS OF THE MAJOR POWERS. IT WAS RECOGNIZED THAT MUCH HAD BEEN DONE SINCE THE REPORT OF THE THREE WISE MEN, AND MORE COULD BE DONE IN FUTURE. ELBRICK RAISED A CURIOUS POINT AS TO WHETHER IF WORD OF THE MEETING OF CONSULTATION WERE MADE PUBLIC, IT MIGHT NOT BE NECESSARY TO MAKE A BRIEF REPORT TO COUNCIL. THERE WAS LITTLE ENTHUSIASM FOR THIS COURSE, MAINLY ON GROUNDS THAT CANADA-USA CONSTITUTED A RECOGNIZED REGIONAL GROUP IN NATO AND HAD COMMON PROBLEMS TO DISCUSS.

7. THERE WAS UNFORTUNATELY LITTLE OPPORTUNITY FOR A DISCUSSION OF THE IMPLICATIONS OF MR DULLES' RECENT ARTICLE IN "FOREIGN AFFAIRS", AND IN PARTICULAR THE ASPECT OF HIS VIEWS PUT FORWARD IN ITS SECTION IV ON USA STRATEGIC AND TACTICAL DOCTRINE

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MEETINGS OF CONSULTATION

THE MEETINGS OF CONSULTATION WERE HELD YESTERDAY IN THE STATE DEPT UNDER THE CHAIRMANSHIP OF THE UNDER SECRETARY, MR CHRISTIAN HERTER. THE MEMBERS OF THE USA GROUP WERE AS INDICATED IN MY REF TEL. THE MEETINGS WERE CONDUCTED ON AN INFORMAL AND FRIENDLY BASIS, BUT WERE INTERSPERSED WITH MORE FORMAL BRIEFINGS BY REPS OF THE JOINT INTELLIGENCE GROUP OF THE CHIEFS OF STAFF. THESE SERVICE BRIEFINGS PRODUCED A MASS OF DETAILED FACTS AND FIGURES WHICH CAN BEST BE REPORTED WHEN, AS WE HOPE, WE CAN ARRANGE WITH THE STATE DEPT TO RECEIVE COPIES OF THE PAPERS ON WHICH THEY WERE BASED. IT MAY BE USEFUL, HOWEVER, IN ADVANCE OF THE MORE COMPLETE RECORD WHICH WE ARE PLANNING TO SEND YOU, TO FORWARD A SERIES OF SUMMARY REPORTS OF THE HIGHLIGHTS OF THESE DISCUSSIONS, AND THESE SUMMARY REPORTS ARE CONTAINED IN AN IMMEDIATELY FOLLOWING GROUP OF TELS.

2. AFTER A WARM WELCOME BY MR HERTER, THE FOLLOWING ITEMS WERE DISCUSSED, ROUGHLY IN THE ORDER GIVEN:

- I) WELCOME BY UNDER SECRETARY.
- II) THE EXTERNAL MILITARY THREAT TO NORTH AMERICA
- III) DEVELOPMENTS IN CONTINENTAL AIR DEFENCE
- IV) OUTLINE OF USA OBJECTIVES IN WORLD'S MAJOR DIPLOMATIC SITUATIONS, INCLUDING DISARMAMENT
- V) THE FAREASTERN SITUATION
- VI) MIDEAST SITUATION
- VII) NATO MATTERS.

3. WHILE WE HAD HOPED THAT THE MEETING COULD PASS OFF UNNOTICED BY THE PRESS, AS HAS GENERALLY BEEN THE CASE IN PREVIOUS MEETINGS OF THIS KIND, YOU WILL HAVE SEEN FROM OUR TEL 2074 SEP30 THAT, ARISING INADVERTENTLY OUT OF THE STATE DEPT'S PRACTICE OF PUBLICIZING THE UNDER SECRETARY'S CALENDAR, IT WAS NECESSARY FOR THE DEPARTMENTAL "SPOKESMAN" TO CONFIRM THAT THE MEETING HAD BEEN HELD AND THAT IT WAS ONE OF A PERIODIC SERIES OF REVIEWS OF INTERNATIONAL PROBLEMS THAT THE TWO
..2.

PAGE TWO 2091

NEIGHBOURING GOVTS HELD ON AN OFFICIAL LEVEL FROM TIME TO TIME.

4. WE ARE ADDRESSING THIS AND SUCCEEDING MSGS TO THE UNDER SECRETARY,
SO THAT MR LEGER MAY HAVE THE OPPORTUNITY OF REVIEWING THESE MSGS
BEFORE THEY ARE GIVEN A WIDER DISTRIBUTION. IN PARTICULAR, IT
WOULD BE HELPFUL IF GENERAL FOULKES COULD LOOK AT THE MSG DEALING
WITH CONTINENTAL DEFENCE BEFORE IT IS DISTRIBUTED FURTHER

ROBERTSON

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COPY NO...9...OF...10
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FOR UNDERSECRETARY

MEETINGS OF CONSULTATION--(ITEM 4)OUTLINE OF USA OBJECTIVES IN WORLD'S
MAJOR DIPLOMATIC SITUATIONS(SOVIET POLICIES)

THE ACTING HEAD OF THE POLICY PLANNING STAFF,ELBERT MATTHEWS,LED OFF
THE DISCUSSION UNDER THIS VERY BROAD SUBJECT.SOME OF THE SUBJECTS
TOUCHED ON,EG THE MID EAST AND DISARMAMENT,ARE TREATED,FOR CONVENIENCE,
IN SEPARATE MSGS.

2.MATTHEWS EMPHASIZED THEIR RECOGNITION THAT THE FREEDOM AND SECURITY
OF THE USA WERE DEPENDENT UPON THE FREEDOM AND SECURITY OF OTHERS.
THIS REQUIRED THE DEVELOPMENT AND STRENGTHENING OF COLLECTIVE
SECURITY TO WHICH THE USA WAS PLEDGED.

3.THE CENTRAL THREAT GREW FROM THE ECONOMIC AND MILITARY POWER OF THE
USSR TO WHICH THE VAST MANPOWER OF COMMUNIST CHINA MUST BE ADDED.
DESPITE THE CHANGES IN THE COMMUNIST LEADERSHIP WHICH HAD TAKEN PLACE
SINCE THE DEATH OF STALIN,THE USSR WAS STILL COMMITTED TO THE
DOCTRINE OF INEVITABLE CONFLICT,AND TO THEIR FAITH IN THE ULTIMATE
VICTORY OF COMMUNISM.

4.ANOTHER VITAL CONSIDERATION IN THE POLICY PLANNING OF THE USA WAS
THE"NUCLEAR EQUATION"WHICH MEANT THAT TO THE THREAT TO FREEDOM MUST BE
ADDED THE THREAT TO SURVIVAL.STILL A FURTHER FACTOR IN THE CONTEMPO-
RARY WORLD WAS THE FERMENT NOW ACTIVE THROUGHOUT ASIA AND AFRICA,A
FERMENT WHICH HAD CREATED EMERGENT AND NEW STATES AND ALSO NEW TEN-
SIONS.THE MIDEAST AREA,AND IN PARTICULAR THE PRESENT SYRIAN CRISIS,
SHOWED HOW NATIONALISM COULD GO TO EXTREMES AND PLAY INTO THE HANDS
OF THE USSR.

5. IN GENERAL,IT WAS THE VIEW OF THE STATE DEPT THAT THE USSR DID NOT
NOW HAVE ANY INTENTION TO PRECIPITATE A WAR.THERE WAS,HOWEVER,REASON
TO BE CONCERNED AT THE PROMINENT ROLE BEING PLAYED BY KHRUSHCHEV,WHO
WAS DESCRIBED AS AN IMPETUOUS AND FOOLHARDY INDIVIDUAL.WITH HIS GREA-
TER ROLE ON THE SOVIET SCENE,THE POSSIBILITIES OF RISK AND MISCALCU-
LATION HAD INCREASED.THE SOVIETS HAD ALTERNATED BETWEEN THREATS OF
FORCE AND"SWEET TALK",AND HAD CONTINUED TO EXERCISE THEIR INFLUENCE
THROUGHOUT THE WORLD THROUGH VARIOUS FORMS OF SUBVERSION,FOLLOWING A
...2

PAGE TWO 2092

POLICY LINE IN EFFECT HARDER THAN THAT OF A YEAR OR TWO AGO.

6. TO DETER THE SOVIET THREAT, CONSIDERED BOTH FROM THE POINT OF VIEW OF THE POSSIBILITIES OF A TOTAL WAR AND OF LOCAL CONFLICTS, WAS A FIRST AIM OF THE USA. IT WAS ALSO NECESSARY TO SEEK TO INDUCE THE SOVIET LEADERSHIP TO PURSUE POLICIES WHICH WOULD HAVE THE EFFECT OF MAKING WAR LESS LIKELY, AND WHICH WOULD SERVE GRADUALLY TO BREAK DOWN THE BARRIERS BETWEEN THE SOVIET AND THE FREE WORLD. THE USA HOPED TO SEE A LOOSENING OF THE TIES WITHIN THE COMMUNIST EMPIRE, SUCH AS APPEARED TO HAVE TAKEN PLACE IN YUGOSLAVIA AND POLAND, JUST AS IT HOPED TO AVOID ANOTHER TRAGEDY ON THE HUNGARIAN MODEL. IN REFERRING TO THE RECENT DEVELOPMENTS IN YUGOSLAV-SOVIET RELATIONS, INCLUDING THE TITO-GOMULKA COMMUNIQUE, MATTHEWS INDICATED THAT THE DEPT WAS "STUDYING CAREFULLY" THE EXTENT TO WHICH A RAPPROCHEMENT BETWEEN TITO AND THE KREMLIN APPEARED TO BE UNDERWAY, ALTHOUGH THEY HAD COME TO NO FIRM CONCLUSION. A FURTHER AIM WAS TO STRENGTHEN THE AWARENESS OF THE SOVIET THREAT TO THE FREE WORLD, AND TO STRENGTHEN RESISTANCE TO IT. TO ACHIEVE THESE AIMS CALLED FOR THE MAINTENANCE WITHIN THE USA OF A HIGH DEGREE OF POLITICAL UNITY AND ECONOMIC STABILITY, COUPLED WITH THE MAINTENANCE OF THE NECESSARY MILITARY STRENGTH, INCLUDING GIVING PRIORITY TO RESEARCH AND DEVELOPMENT.

7. CENTRAL TO AMERICAN POLICY WAS THE COMPLEX SYSTEM OF COLLECTIVE SECURITY ARRANGEMENTS SLOWLY FORGED OVER THE LAST TEN YEARS. THE IMPORTANCE OF THESE ARRANGEMENTS WAS NOT REDUCED BY THE PROSPECTS OF THE DEVELOPMENT OF THE ICBM. FOR EXAMPLE, ALTHOUGH THE MILITARY STRENGTH OF SEATO WAS NOT VERY GREAT, THE PSYCHOLOGICAL VALUE OF THIS ASSOCIATION WAS OF REAL IMPORTANCE FOR THE COUNTRIES IN THE AREA. COUPLED WITH THESE MILITARY REGIONAL ARRANGEMENTS, WAS THE WORLD-WIDE SYSTEM OF ECONOMIC AID, AND THE INFO AND CULTURAL PROGRAMMES, DIRECTED TO STRENGTHENING THE FREE WORLD AND, TO THE EXTENT POSSIBLE, TO ENCOURAGING THE SATELLITES TO DEVELOP A GREATER MEASURE OF INDEPENDENCE.

8. IN THIS BROAD CONTEXT, THE UN HAD SIGNIFICANT FUNCTIONS TO PERFORM. IT COULD ACT, AS IN THE CASE OF HUNGARY, TO FOCUS ATTENTION ON COMMUNIST MISDEEDS. SECONDLY, IT COULD PROVIDE A PLACE WHERE TENSIONS WITHIN THE FREE WORLD MIGHT BE REDUCED. MATTHEWS REFERRED PARTICULARLY TO THE PRESENCE OF AN "AFRO-ASIAN" BLOC. WHILE ON COLONIAL ISSUES THIS GROUP

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OF STATES TENDED TO VOTE AS A UNIT, ON BROADER ISSUES THERE WAS LESS SOLIDARITY THAN WAS FREQUENTLY THOUGHT. IN THE STATE DEPT VIEW, IT WAS WISER NOT TO ASSUME THE RIGIDITY OF THE AFRO-ASIAN BLOC, SINCE THIS ASSUMPTION WAS NOT WHOLLY JUSTIFIED, AND SINCE ACTING ON THIS ASSUMPTION WOULD ONLY SERVE TO STRENGTHEN THE BLOC TENDENCY. THIS WAS ONE REASON, AMONG OTHERS, WHY THE STATE DEPT WAS SKEPTICAL OF TOO CLOSE OR TOO OVERT NATO COOPERATION IN UN MATTERS. FINALLY, THE UN WAS A FORUM IN WHICH LIMITED NEGOTIATIONS WITH THE RUSSIANS MIGHT BE POSSIBLE. THE STATE DEPT WAS GIVING SOME ATTENTION TO ITS POLICY ON EXCHANGES WITH THE USSR, RECOGNIZING THAT THIS WAS A DIFFICULT PROBLEM, SINCE EXCHANGE ARRANGEMENTS HAD ALWAYS TO BE MEASURED AGAINST SECURITY CONSIDERATIONS. EXCHANGE ARRANGEMENTS WHICH WOULD WORK FOR COUNTRIES LIKE THE USA AND CANADA MIGHT CAUSE REAL DIFFICULTIES IN OTHER AREAS OF THE WORLD.

9. IN REPLYING BRIEFLY TO THIS GENERAL OUTLINE, THE UNDER SECRETARY REFERRED TO CANADA'S GEOGRAPHICAL POSITION BETWEEN THE TWO GREAT WORLD POWERS, AND TO THE FACT THAT WE WERE INEVITABLY AFFECTED BY THE POLICIES OF OUR POWERFUL NEIGHBOURS. A THREAT TO THE SECURITY OF THE USA INVOLVED CANADA AT ONCE, AND WE THEREFORE WELCOMED THIS OUTLINE AND WOULD COMMENT ON THE SITUATION ON PARTICULAR PROBLEMS AND IN PARTICULAR AREAS IN THE COURSE OF THE DISCUSSION

ROBERTSON

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TOP SECRET

September 24, 1957

File - 50219 - AE - 40

MEMORANDUM FOR THE PRIME MINISTER

Meeting of Consultation--
Senior Canadian and United States Officials

A recent United States invitation extended through the United States Embassy in Ottawa to a Meeting of Consultation on September 30 in Washington has been accepted. I plan to attend the meeting myself. The Canadian Government will be represented in addition, by ~~The Secretary to the Cabinet~~, our Ambassador in Washington, and the Chairman, Chiefs of Staff. It will be a one-day meeting to which absolutely no publicity will be given.

2. This Meeting of Consultation stems from arrangements made in 1951. In January, 1951, a United States request was made for a "canopy" agreement, giving blanket approval for the deployment over Canadian territory of aircraft carrying atomic weapons subject only to routine flight clearances through USAF-RCAF channels. At the same time, the State Department offered to arrange special discussions with the Department of External Affairs on developments in the international situation which might give rise to the necessity for use of atomic weapons. The Canadian Government in reply accepted the offer of special discussions but indicated that the deployment of aircraft carrying atomic weapons over Canadian territory would have to be considered case by case on a government-to-government level. The substance of the agreement reached between the two governments was included in an Agreed Minute of June 14, 1951.

3. The understanding concerning Meetings of Consultation was set out in the Agreed Minute in the following terms, "Frequent consultations shall take place in Washington between the Canadian Ambassador and the Secretary of State and such other officers of the United States Government as may be designated by him. The purpose of these consultations is to exchange views on developments in the world situation which might necessitate the use of atomic

weapons. The consultations are informal and exploratory and are not to be regarded as involving or implying any commitment on the part of either government as to the action it will take or the position it will adopt in particular circumstances yet to arise. It would be the hope that by such consultations it will be possible to arrive at common appreciations of situations which may necessitate the use of atomic weapons."

4. The Meetings of Consultation were initiated in 1951 and have been held intermittently since that time. The United States carries on similar consultations with United Kingdom officials but has resisted suggestions that the discussions should be conducted on a tripartite basis on the grounds that any such arrangement might be misunderstood by the French.

5. Prior to 1954 the discussions tended to be generalized, touching on trouble spots all over the world. The March, 1954, Meeting of Consultation dealt with the subject of direct and immediate importance to Canada, i.e., continental defence. Since that time subjects of direct Canada-United States concern as well as more general subjects have been discussed at Meetings of Consultation. The last such Meeting of Consultation took place in December, 1955.

6. The Meetings, designed as they are to provide for an informal and free exchange of views without commitment among senior officials of both governments, have served a useful purpose. Officials concerned are all agreed that they should be continued. It has been the custom for these Meetings to draw up a very general agenda which will allow for wide-ranging discussion. There is attached for your information, the proposed agenda for the forthcoming Meeting of Consultation.

7. A record of the discussion is kept by both sides. There is no agreed record, but the notes compiled by the two sides are compared to prevent gross discrepancies.

JULES LÉGER

TOP SECRET

Proposed Agenda

MEETING OF CONSULTATION

- I Welcome by Governor Herter, Under-Secretary of State.
- II Outline of United States objectives in world's major diplomatic situations. (Including disarmament.)
- III Soviet Intentions.
- IV Continental Defence.
- V The Middle Eastern situation.
- VI The Far Eastern situation.
- VII NATO matters.

Elaboration of Topics

- I United States responsibility.
- II While the initial outline under this heading will be a United States responsibility, we would wish to discuss in general terms where disarmament negotiations go from this point.
- III Estimate of external threat to the continent.
- IV
 - (a) Developments in continental air defence against the background of budgetary considerations.
 - (b) Joint operational control of Canada-United States air defence forces.
 - (c) The development of long-range missiles and their effect on continental air defences.
 - (d) Consultation on alerts.
- V Consideration might be given to Soviet intervention in the Middle East; Arab-Israeli tensions; possible effects of these develop-

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COPY NO-11, OF 12

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TO WASHDC DL819 PRIORITY

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REF OUR TELS DL803 AND DL804 SEP23

MEETING OF CONSULTATION

YOUR ARE AWARE FROM CONVERSATIONS WITH THE UNDER-SECRETARY OF CERTAIN CHANGES IN PLANS FOR THE MEETING OF CONSULTATION ON SEP30. THIS TEL IS MEANT TO CONFIRM THOSE CHANGES.

2. MR BRYCE WILL NOT BE GOING TO WASHDC BECAUSE HE MUST ATTEND THE MONT TREMBLANT CONFERENCE. THE UNDER-SECRETARY AND GENERAL FOULKES WILL GO TO WASHDC BY MILITARY AIRCRAFT LEAVING OTTAWA AT 2 PM SAT SEP28. THEY WOULD EXPECT TO ARRIVE IN WASHDC BETWEEN 5-5:30 PM AND LAND AT THE MATS TERMINAL. WE ASSUME THAT ARRANGEMENTS WILL BE MADE TO PROVIDE TRANSPORT FROM THE TERMINAL.

3. AS INDICATED IN OUR REF TELS, WE GAVE OUR SUGGESTED AGENDA TO THE US EMBASSY HERE ON SEP23. WE HAVE NOT HEARD FURTHER FROM THE EMBASSY AND ASSUME THAT THE AGENDA SET OUT IN TEL DL804 IS ACCEPTABLE TO THE USA SIDE. YOU WILL NOTE THAT THERE HAS BEEN ONE CHANGE IN THE PLACEMENT OF TOPICS, IE THAT DISARMAMENT HAS, ON THE SUGGESTION OF THE USA EMBASSY, BEEN MOVED UNDER ITEM II OF THE AGENDA RATHER THAN III.

4. IT HAS BEEN SUGGESTED BY THE CHAIRMAN, CHIEFS OF STAFF, THAT THE SUBJECTS WITH A MORE PARTICULARLY MILITARY CAST MIGHT BE DISCUSSED EITHER IN THE MORNING OR IN THE AFTERNOON. WE HAVE NO OBJECTION TO THIS SUGGESTION IF IT IS SATISFACTORY TO THE USA SIDE. THAT WOULD MEAN THAT ARRANGEMENTS MIGHT BE MADE TO DISCUSS ITEMS III, IV AND PERHAPS VII IN WHICHEVER HALF OF THE DAY IS MOST CONVENIENT TO THE USA SIDE. WOULD YOU DISCUSS THIS SUGGESTION WITH THE STATE DEPT AND MAKE WHATEVER ARRANGMENTS SEEM MOST SATISFACTORY. THERE IS NO NEED TO INFORM US SINCE THE INFO CAN BE PASSED DIRECTLY TO THE UNDER-SECRETARY OVER THE WEEKEND IN WASHDC.

5. THE LENGTHY RECORDS KEPT OF PREVIOUS MEETINGS OF CONSULTATION, EG THAT FORWARDED WITH YOUR DESP2047 DEC1/55, HAVE BEEN MOST USEFUL HERE. WE WOULD HOPE THEREFORE THAT THE OFFICER FROM THE EMBASSY RESPONSIBLE FOR KEEPING THE RECORD OF THIS FORTHCOMING MEETING WOULD FIND IT POSSIBLE TO PROVIDE US WITH A DETAILED REPORT SIMILAR TO EARLIER REPORTS ON THE SAME SUBJECT.

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TO EXTERNAL 2036 PRIORITY

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REF YOUR TEL DL804 SEP23

PROPOSED MEETING OF CONSULTATION

WE UNDERSTAND FROM NUGENT THAT AGREEMENT HAS BEEN REACHED ON THE AGENDA, VERY LARGELY ON THE BASIS OF THE OUTLINE GIVEN IN YOUR REF TEL, SUBJECT TO POSSIBLE REVISION OF THE ORDER OF ITEMS TO BE DISCUSSED. THE PRESENT INTENTION IS TO TAKE UP CONTINENTAL DEFENCE IN THE MORNING SESSION, FOLLOWING GOVERNOR HERTER'S MSG OF WELCOME. THIS WE UNDERSTAND IS IN LINE WITH GENERAL FOULKES' PREFERENCE. WE GATHER THAT THE AMERICANS ARE NOT CONTEMPLATING FORMAL BRIEFS OR PRESENTATIONS IN CONNECTION WITH THE DISCUSSION UNDER "NATO MATTERS", OR ON THE DISCUSSION OF THE MIDEASTERN SITUATION, BUT HOPE IN THESE TWO AREAS TO EMBARK DIRECTLY INTO AN EXCHANGE OF VIEWS. 2. THE LIST OF USA REPS IS THE SAME AS THAT GIVEN IN PARA 6 OF OUR TEL 1989 SEP 19, WITH THE ADDITION OF LT. GEN. BYERS, WHO IS MILITARY ADVISER TO MR SPRAGUE. THE MEETINGS WILL BE HELD BEGINNING AT 9.30AM IN ROOM 5100 OF THE STATE DEPT, LUNCH WILL BE SERVED IN THE SECRETARY'S DINING ROOM, AND THE MEETINGS WILL CONTINUE AFTER LUNCH FOR THE PERIOD REQUIRED

ROBERTSON

COPY NO. 14 OF 20

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FM WASHDC SEP19/57 TOPSEC
TO EXTERNAL 1989 PRIORITY
INFO CANDELNY(FOR UNDER SECRETARY)

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REF YOUR TEL DL788 SEP17

PROPOSED MEETING OF CONSULTATION-CANADA-USA

IN OUR TEL 1976 SEP18, OUR COMMENTS WERE GIVEN ON THE AGENDA ITEMS SET FORTH IN YOUR TEL DL789 SEP17.

2. WE HAVE BEEN IN TOUCH INFORMALLY WITH JULIAN NUGENT OF THE CANADIAN DESK, WHO HAS GIVEN US THE FOLLOWING OUTLINE OF TOPICS INTENDED FOR PRESENTATION BY USA REPS AT THE PROPOSED MEETING OF CONSULTATION NOW SCHEDULED FOR SEP30: (1) WELCOME BY UNDER SECRETARY.

(2) OBSERVATIONS BY UNDER SECRETARY CONCERNING HIS FAR EASTERN TOUR.

(3) DEVELOPMENTS IN CONTINENTAL AIR DEFENCE AND ESTIMATE OF EXTERNAL THREAT.

(4) REVIEW OF MILITARY ASPECTS OF MID AND FAR EASTERN SITUATIONS.

(5) OUTLINE OF USA OBJECTIVES IN WORLD'S MAJOR DIPLOMATIC SITUATIONS.

3. THE PAPER SUMMARIZING THESE PROPOSED POINTS INCLUDED A BRIEF SECTION OF COMMENTS AS FOLLOWS: "AS IN THE PAST, THE ROLE OF USA REPS DURING MEETING WILL BE LARGELY EXPOSITORY OF GLOBAL PROBLEMS AND THEIR BEARING ON USA-CANADIAN DEFENSE COOPERATION. THIS APPROACH SHOULD INSPIRE INFORMAL BUT BENEFICIAL EXCHANGE OF THOUGHTS CONCERNING TRENDS AND CRITICAL POINTS THEREIN.

"CONSIDERING THE NATURE OF THE MEETING, WHICH IS NOT INTENDED TO INCLUDE NEGOTIATIONS OR RESULT IN RECOMMENDATIONS, THE USA REPS ARE NOT PROPOSING SPECIFIC SUBSTANTIVE ITEMS FOR THE AGENDA. HOWEVER, THERE IS NO DESIRE ON THE USA SIDE TO ESTABLISH ANY RIGID LIMITS FOR DEVELOPMENT OF DISCUSSION, AND, CONSEQUENTLY, NO DESIRE TO DISCOURAGE THE CANADIAN REPS FROM AIRING ANY IMPORTANT BILATERAL SUBJECTS THAT MAY OCCUR TO THEM.

"SOME OF THE ABOVE TOPICS MAY BE SLIGHTLY CHANGED IN TITLE, BUT THE LIST PROVIDES A GOOD IDEA OF THE PROPOSED USA CONTRIBUTION TO THE MEETING."

4. WITH REGARD TO ITEMS (3) AND (4), NUGENT HAS TOLD US THAT ALTHOUGH GENERAL TWINING WILL, OF COURSE, BE PRESENT, IT MAY BE THAT, BECAUSE OF ...2

PAGE TWO 1989

THE FACT THAT HE HAS JUST TAKEN OVER HIS NEW APPOINTMENT, THE BURDEN OF EXPOSITION ON THESE TWO ITEMS WILL FALL PRIMARILY ON AN EXPERT FROM THE JOINT CHIEFS OF STAFF. (PRESUMABLY UNDER ITEM 4 YOU WOULD WISH POLITICAL AS WELL AS MILITARY FACTORS TO BE CONSIDERED.)

5. SINCE WE UNDERSTAND, AS DOES NUGENT, THAT THE AGENDA IS TO BE FINALIZED IN OTTAWA, AND IN VIEW OF THE FACT THAT YOUR OWN PRELIMINARY LIST HAS NOT YET BEEN DISCUSSED WITH THE CHAIRMAN, CHIEFS OF STAFF, OR THE SECRETARY TO THE CABINET, WE DID NOT MENTION TO NUGENT IN SPECIFIC TERMS THE ITEMS SUGGESTED IN YOUR TEL DL789 SEP17. WE DID, HOWEVER, INDICATE THAT WE HAD ALSO BEEN THINKING IN TERMS OF ITEMS (3) AND (4), AND THAT YOU WOULD NO DOUBT HAVE OTHER SPECIFIC SUBJECTS TO SUGGEST, INCLUDING THE PROBLEM OF CONSULTATION ON ALERTS (A SUBJECT ON WHICH WE HAVE BEEN DEALING WITH THE DEPT FOR SOME TIME.) WHEN YOUR OWN LIST IS FINALIZED, WE WOULD BE GLAD IF YOU WOULD AUTHORIZE US TO DISCUSS IT WITH THE STATE DEPT, SO THAT THEY CAN BE ADEQUATELY PREPARED IN ADVANCE.

6. FROM NUGENT ALSO WE LEARNED THAT ALTHOUGH A FINAL DECISION HAS YET TO BE TAKEN, THE USA SIDE HAS BEEN PROPOSED AS FOLLOWS: THE UNDER SECRETARY, MR CHRISTIAN HERTER; GENERAL TWINING, THE CHAIRMAN OF THE CHIEFS OF STAFF; MD SPRAGUE, (DEPT OF DEFENCE); ELBERT MATTHEWS, ACTING ASSISTANT SECRETARY FOR POLICY PLANNING IN THE STATE DEPT (GERARD SMITH, THE NEWLY APPOINTED ASSISTANT SECRETARY WILL NOT HAVE TAKEN OVER HIS FUNCTIONS AT THAT TIME); BURKE ELBRICK, ASSISTANT UNDER SECRETARY FOR EUROPEAN AFFAIRS IN THE STATE DEPT; AND POSSIBLY ONE OR TWO OTHER OFFICIALS FROM THE CANADIAN DESK. NUGENT DOUBTED THAT MR MERCHANT WOULD BE AVAILABLE FOR THE MEETINGS.

7. ON PARA 4 OF YOUR REF TEL, IF SEP30 IS FINALLY AGREED, WE WOULD BE GLAD TO SEE THE PARTY ON THE 28TH HERE SO THAT THERE COULD BE PRIOR CONSULTATIONS. PLEASE LET ME KNOW THE EXACT COMPOSITION OF THE CANADIAN GROUP. IN ADDITION TO MYSELF, AND IN ACCORDANCE WITH PREVIOUS PRACTICE, I THINK IT WOULD BE USEFUL, FOR PURPOSES OF CONTINUITY, IF RAE WERE TO ATTEND, WITH POSSIBLY THE ADDITION OF ANOTHER OFFICER TO ASSIST IN KEEPING THE RECORD STRAIGHT

ROBERTSON

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FM EXTERNAL OTT SEP23/57 TOPSEC
TO WASHDC DL804 PRIORITY

DOWNGRADED TO SECRET
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REF OUR TEL DL803 SEP23

PROPOSED MEETING OF CONSULTATION

FOLLOWING IS OUR REDRAWING OF THE AGENDA FOR THE MEETINGS ON
SEP30 WHICH WE WILL BE GIVING TO THE USA EMBASSY TODAY. THE
"ELABORATION OF TOPICS" SHOULD BE READ IN THE LIGHT OF OUR REF TEL.

I WELCOME BY GOVERNOR HERTER, UNDER SECRETARY OF STATE.

II OUTLINE OF USA OBJECTIVES IN WORLD'S MAJOR DIPLOMATIC SITUATION.
(INCLUDING DISARMAMENT)

III SOVIET INTENTIONS.

IV CONTINENTAL DEFENCE.

V MIDEASTERN SITUATION.

VI FAREASTERN SITUATION.

VII NATO MATTERS

ELABORATION OF TOPICS

I USA RESPONSIBILITY.

II WHILE THE INITIAL OUTLINE UNDER THIS HEADING WILL BE A USA
RESPONSIBILITY, WE WOULD WISH TO DISCUSS IN GENERAL TERMS WHERE
DISARMAMENT NEGOTIATIONS GO FROM THIS POINT.

III ESTIMATE OF EXTERNAL THREAT TO THE CONTINENT.

IV (A) DEVELOPMENTS IN CONTINENTAL AIR DEFENCE AGAINST THE
BACKGROUND OF BUDGETARY CONSIDERATIONS.

(B) JOINT OPERATIONAL CONTROL OF CANADA-USA AIR DEFENCE FORCES.

(C) DEVELOPMENT OF LONG-RANGE MISSILES AND THEIR EFFECT ON
CONTINENTAL AIR DEFENCES.

(D) CONSULTATION ON ALERTS.

V CONSIDERATION MIGHT BE GIVEN TO SOVIET INTERVENTION IN THE
MIDEAST, ARAB-ISRAELI TENSIONS; POSSIBLE EFFECT OF THESE
DEVELOPMENTS ON THE POSITION OF UNEF.

VI (A) OBSERVATIONS BY GOVERNOR HERTER CONCERNING HIS FAREASTERN
TOUR.

(B) THE MILITARY ASPECTS OF THE FAREASTERN SITUATION.

(C) RECENT DEVELOPMENTS IN USA-CHINA POLICY.

(D) THE INDOCHINA COMMISSIONS.

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VII (A) PROBLEMS WHICH WOULD BE RAISED BY ANY PROPOSAL TO STOCK-
PILE ATOMIC WEAPONS IN NATO COUNTRIES.

(B) THE DESIRABILITY OF INCREASED POLITICAL CONSULTATION IN
THE NATO COUNCIL ON ALL MATTERS OF CONCERN TO NATO GOVTS.

COPY . / . . . OF 15

DS2/342
FM EXTERNAL OTT SEP23/57 TOPSEC
TO WASHDC DL803 PRIORITY

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REF YOUR TEL 1989 SEP19

PROPOSED MEETING OF CONSULTATION

WE SHALL INFORM USA EMBASSY HERE TODAY OF OUR VIEWS ON A POSSIBLE AGENDA FOR THE PROPOSED MEETING OF CONSULTATION. WE SHALL INDICATE THAT SEP30 IS AN ACCEPTABLE DATE AND EXPRESS THE HOPE THAT THE MEETING CAN BE CALLED TO BEGIN EARLY IN THE DAY SO THAT THERE WILL BE A FULL DAY FOR DISCUSSION.

2. ALTHOUGH ARRANGEMENTS ARE NOT YET COMPLETED WE HOPE THAT IT WILL BE POSSIBLE FOR THE UNDER SECRETARY, MR BRYCE AND GENERAL FOULKES TO GO BY MILITARY AIRCRAFT TO WASHDC TO ARRIVE AROUND MIDDAY SUN, SEP29. WE SHALL LET YOU KNOW WHEN FINAL ARRANGEMENTS IN THIS RESPECT HAVE BEEN MADE.

3. WE HAVE ATTEMPTED TO MARRY THE IDEAS FOR AN AGENDA PROPOSED BY THE STATE DEP (YOUR REF TEL) AND OUR OWN (OUR TEL DL789 SEP17). INCIDENTALLY, THE USA EMBASSY HERE GAVE US ON SEP20 A SIMILAR OUTLINE TO THAT CONTAINED IN YOUR REF TEL. OUR RE-ARRANGEMENT OF THE AGENDA IS SET OUT IN A FOLLOWING TEL.

4. THE ELABORATION OF THE TOPICS IS MAINLY FOR CANADIAN CONVENIENCE ALTHOUGH WE PLAN WHEN SPEAKING TO THE EMBASSY HERE, ESPECIALLY WITH RESPECT TO ITEMS III, IV AND VI, TO MENTION BRIEFLY THE KIND OF TOPICS WHICH WE WOULD EXPECT WOULD NATURALLY BE DISCUSSED UNDER THE MAIN AGENDA ITEMS. WE PLAN TO SPEAK IN SOMEWHAT MORE GENERAL TERMS CONCERNING ITEMS V AND VII. SO FAR AS ITEM V IS CONCERNED, WE DO NOT PLAN TO SAY ANYTHING TO THE EMBASSY ABOUT UNEF. WE PLAN TO BE DELIBERATELY VAGUE AS WELL CONCERNING THE DEVELOPMENT OF THE DISCUSSION UNDER TOPIC VII IE NATO MATTERS. WE SHALL INDICATE THAT WE WOULD BE HAPPY TO HAVE AN INDICATION OF THE MOST RECENT USA THINKING WITH RESPECT TO THE POSSIBLE STOCK PILING OF ATOMIC WEAPONS IN NATO COUNTRIES. WE ARE NOT SO CERTAIN, HOWEVER, AS TO HOW THE MATTER OF THE "GRADUATED DETERRENT" AND ITS POSSIBLE EFFECT ON POLITICAL CONSULTATION WITHIN NATO CAN BEST BE HANDLED. WE KNOW THAT MR DULLES HAS RECENTLY HAD SOMETHING TO SAY ABOUT THE MATTER OF THE "GRADUATED DETERRENT" IN HIS ARTICLE IN THE CURRENT

PAGE TWO DL803

ISSUE OF "FOREIGN AFFAIRS". WE DO NOT AS YET HAVE A COPY OF THAT ARTICLE, BUT EXPECT TO SEE IT IN THE NEXT DAY OR TWO. IT MAY PERHAPS PROVIDE A SUITABLE PEG UPON WHICH TO HANG THE THOUGHTS WHICH WE WOULD LIKE TO EXPRESS ON THIS GENERAL TOPIC. IN ANY CONVERSATIONS CONCERNING THE AGENDA WHICH YOU MIGHT HAVE WITH THE STATE DEPT, YOU MIGHT BE GUIDED BY THE OBSERVATIONS SET OUT ABOVE.

5. BRIEFS WILL BE PREPARED IN THE DEPT FOR THE UNDER SECRETARY'S USE. YOU MIGHT, HOWEVER, WISH TO ASSEMBLE AS WELL FOR DISCUSSION ON SEP29 WITH THE UNDER SECRETARY, THE LATEST INDICATIONS IT IS POSSIBLE TO GET OF USA THINKING WITH RESPECT TO SUBJECTS ON THE AGENDA.

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FM WASHDC SEP18/57 TOPSEC
TO EXTERNAL 1976 PRIORITY
INFO CANDELNY(FOR UNDERSECRETARY)

REF YOUR TEL DL789 SEP17

PROPOSED MEETING OF CONSULTATION-CANADA-USA

WE ARE GLAD TO LEARN THAT A MEETING OF CONSULTATION WITHIN THE FRAME-
WORK OF THE PREVIOUS SERIES IS PLANNED FOR THE END OF THIS MONTH.
AS YOU KNOW,WE HAVE RAISED THIS SUBJECT WITH THE USA AUTHORITIES
SEVERAL TIMES IN RECENT MONTHS(SEE,FOR EXAMPLE,OUR TEL 1337 JUN10),
AND THERE IS NO DOUBT THAT,IF PROPERLY ORGANIZED,SUCH A MEETING CAN
BE OF VALUE AT THIS TIME.

2.IT MIGHT BE USEFUL,AS A BACKGROUND TO THE PROPOSED MEETING,TO
SUMMARIZE OUR UNDERSTANDING OF THE ORIGIN AND PURPOSES OF THESE
MEETINGS OF CONSULTATION BETWEEN REPS OF THE TWO GOVTS.AS WE UNDER-
STAND IT,THESE MEETINGS OF CONSULTATION ORIGINALLY DEVELOPED FROM
AN AGREED MINUTE INITIALLED BY MR ACHESON AND MR PEARSON ON JUN
14/51.THIS MINUTE PROVIDED FOR FREQUENT CONSULTATIONS BETWEEN CANADA
AND THE USA AT A HIGH LEVEL IN WASHDC(WITHOUT COMMITMENT TO EITHER
GOVT)ON DEVELOPMENTS IN THE WORLD SITUATION WHICH MIGHT GIVE RISE
TO THE USE OF ATOMIC WEAPONS.THE BACKGROUND WAS,OF COURSE,THE KOREAN
WAR,AND OUR CONCERN AT THE POSSIBILITY OF THE USE OF ATOMIC WEAPONS
IN THIS THEATRE OR OTHERS WHERE A SERIOUS THREAT OF WAR MIGHT
EXIST.AS A RESULT OF PROPOSALS MADE IN 1953,THE CONSULTATIONS HAVE
GRADUALLY BEEN BROADENED IN SCOPE TO INCLUDE CONSIDERATION OF THE
THREAT OF WAR GENERALLY,AND TO NORTHAMERICA IN PARTICULAR,IN THE
LIGHT OF THE LATEST DEFENCE AND POLITICAL DEVELOPMENTS.

3.THE COMPOSITION OF THESE MEETINGS HAS BEEN FLEXIBLE.IN THE EARLIER
PERIOD,THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS AND THE SECRETARY
OF STATE ATTENDED,BUT OVER RECENT YEARS THE MEETINGS HAVE TAKEN PLACE
AT A HIGH OFFICIAL LEVEL(EG ON THE USA SIDE,THE UNDERSECRETARY OF
STATE,CHAIRMAN OF THE USA JOING CHIEFS OF STAFF,AND APPROPRIATE
STATE DEPT OFFICIALS,AND THEIR CANADIAN COUNTERPARTS.)IN

COMPARATIVELY RECENT YEARS,THE FOLLOWING MEETINGS HAVE BEEN HELD:

OCT,1953:THIS MEETING PROVIDED FOR JOINT DISCUSSION OF THE
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PAGE TWO 1976

FOLLOWING TOPICS:USA ESTIMATE OF SOVIET POLICY AND THE RISKS OF WAR;AN APPRECIATION OF SOVIET ATOMIC CAPABILITIES;AND AN EXPOSITION OF USA VIEWS ON ACTION WHICH THE ADMINISTRATION BELIEVED SHOULD BE TAKEN TO STRENGTHEN CONTINENTAL DEFENCE.

NOV,1953:AT THIS MEETING THE CANADIAN GROUP TOOK THE INITIATIVE ARISING FROM THE PREVIOUS SESSION IN RAISING CERTAIN ASPECTS OF CONTINENTAL DEFENCE,AND THE QUESTION OF PARTICIPATION OF PERSONNEL FROM THE CANADIAN ARMED FORCES IN USA EXERCISES INVOLVING ATOMIC WEAPONS IN THE LIGHT OF USA LEGISLATION AND PROCEDURES.

MAR,1954:THE MAIN POINTS ON THE AGENDA INCLUDE A REVIEW OF THE BERLIN CONFERENCE AND ITS IMPLICATIONS,ESTIMATES OF SOVIET INTENTIONS,AND THE"NEW LOOK"IN USA MILITARY STRATEGY AND ITS IMPLICATIONS,PARTICULARLY REGARDING CONTINENTAL DEFENCE.

SEP,1954:AT THIS MEETING,THE MAIN TOPICS DEALT WITH WERE FORMOSA, EUROPE AFTER EDC,THE SOVIET THREAT,AND CONTINENTAL DEFENCE.

DEC,1955:A SIMILAR AGENDA,TO WHICH THE PARTICULAR PROBLEM OF ALERTS WAS SUBSEQUENTLY ADDED.

4.THERE HAS BEEN NO MEETING OF CONSULTATION SINCE THAT TIME.THE EMBASSY'S REPORT TO THE DEPT(DEC21/55)INDICATES THAT MR HEENEY RECOMMENDED THE CONTINUANCE OF THE PRACTICE OF MEETINGS OF CONSULTATION.

5.THERE SEEMS LITTLE DOUBT THAT MEETINGS OF THIS KIND HAVE SERVED A USEFUL PURPOSE,PARTICULARLY WHEN THEY HAVE BEEN DEVOTED TO STOCK-TAKING AND REVIEW,RATHER THAN TO SPECIFIC POLICY PROBLEMS AND PRACTICAL MATTERS WHICH MAY BE BETTER DEALT WITH THROUGH EITHER THE PJBD OR DIRECT DIPLOMATIC CHANNELS.IN VIEW OF THE LENGTH OF TIME WHICH HAS ELAPSED SINCE THE LAST MEETING,THE MANY CHANGES IN PERSONNEL WHICH HAVE OCCURRED,AND THE PACE OF INTERNATIONAL DEVELOPMENTS AFFECTING CONTINENTAL DEFENCE CONSULTATIONS,IT WOULD APPEAR THAT THE NEXT MEETING HAS PARTICULAR IMPORTANCE.

6.ON THE SPECIFIC PROBLEM OF THE AGENDA,WE HAD MADE A LIST OF ITEMS WHICH CORRESPONDS VERY CLOSELY TO THOSE PROPOSED IN YOUR TEL DL789 SEP17.OUR MAIN SUGGESTIONS,THEREFORE,RELATE TO EMPHASIS.IT SEEMS TO US THAT THE MIDEAST IS OF SO GREAT IMPORTANCE AT THE

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PAGE THREE 1976
PRESENT TIME, AND THAT THE TENSIONS IN THE AREA ARE SUCH THAT, YOUR
ITEM II(B) MIGHT BE MADE A SEPARATE ITEM IV, AND INSERTED UNDER THE MAIN
TOPIC HEADINGS BETWEEN ITEM III "NATO MATTERS" AND ITEM IV "THE SITUATION
IN THE FAR EAST". WHILE THE HEADING MIGHT SIMPLY BE "THE MIDEAST", THE
DISCUSSION COULD BE DIRECTED TO BOTH SOVIET INTENTIONS IN THE AREA,
AND TO USA POLICY, UNDER THE ITEM I(A), AND RELATED ALSO TO ITEM II(A),
IT WOULD BE WORTHWHILE TO PROBE AMERICAN THINKING ON THE DEGREE TO
WHICH AN AGREED AND EFFECTIVE SYSTEM OF AERIAL INSPECTION IN THE ARCTIC
WOULD PERMIT THE TWO GOVTS TO REDUCE FURTHER COMMITMENTS ON RADAR AND
EARLY WARNING NETWORKS. IN THIS CONNECTION, THE IDEA OF A POSSIBLE EX-
CHANGE OF RADAR SITES WITH THE USSR (AN IDEA WHICH WE UNDERSTAND HAS
BEEN PRIVATELY CANVASSED IN NATO FOR EUROPEAN RADAR SYSTEMS) MIGHT BE
DISCREETLY EXPLORED. OUR ONLY OTHER OBSERVATION RELATING TO THE ITEM
DEALING WITH THE SITUATION IN THE FAR EAST WOULD BE TO SUGGEST THAT THE
ROLE OF THE INDOCHINA COMMISSIONS, AND THE POSSIBILITY OF SOME ALTERNATIVE
INTERNATIONAL SYSTEM, THROUGH UN OBSERVATION, BEING SUBSTITUTED
FOR THE PRESENT ARRANGEMENTS, COULD BE CANVASSED. FINALLY, ALTHOUGH WE
HESITATE TO SUGGEST CUTTING THE ITEMS LISTED, YOU ARE NO DOUBT AWARE
OF THE DIFFICULTY OF COVERING SO WIDE A GROUND IN THE TIME WHICH IS
LIKELY TO BE AVAILABLE. PROVIDING THE DISCUSSION OF MACHINERY AND
PROCEDURES CAN BE REDUCED TO A MINIMUM, IT MAY BE POSSIBLE TO GET
THROUGH THE LIST.

7. YOUR ATTENTION IS DRAWN TO THE FACT THAT, IN REPORTING ON THE LAST
MEETINGS OF CONSULTATION, MR HEENEY EXPRESSED THE FOLLOWING VIEWS:
(1) THAT WHAT WE GET OUT OF THESE MEETINGS OF CONSULTATION BEARS
DIRECT RELATIONSHIP TO THE STRENGTH OF THE VIEWS WE BRING TO THE
MEETING; (2) THAT IT IS NOT ESSENTIAL THAT THE CANADIAN PARTICIPANTS
ATTEMPT TO SUPPLY NEW INFO ON SPECIFIC TOPICS OF INTERNATIONAL
CONCERN; (3) THAT IT IS IMPORTANT, HOWEVER, THAT THE CANADIAN SIDE HAVE A
DEFINITE AND LOGICALLY ARGUED VIEW ON A SPECIFIC SUBJECT IF WE HOPE
TO GET A SIGNIFICANT RESPONSE FROM THE USA SIDE; (4) THAT THOUGH THE
MEETINGS THEMSELVES ARE BRIEF, THEY CAN PROVIDE A SOUND GROUNDWORK
FOR FURTHER DISCUSSION OF TOPICS THROUGH DIPLOMATIC OR OTHER
CHANNELS. THEIR IMPORTANCE RESTS LESS IN THE REACHING OF SPECIFIC
AGREEMENTS THAN IN THE OPPORTUNITY AFFORDED EACH SIDE TO EXPOSE

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FULLY TO THE OTHER THE CONSIDERATIONS WHICH PROMPT IT TO ADOPT
PARTICULAR COURSES OF ACTION.ABOVE ALL,IT HAS SEEMED DESIRABLE TO
SEEK,SO FAR AS POSSIBLE,AN INFORMAL AND FREE EXCHANGE OF VIEWS,
RATHER THAN SIMPLY A MEETING WHERE FORMAL BRIEFS ARE READ OR
TABLED

ROBERTSON

COPY NO... 6... OF 6

S44/332
FM EXTERNAL OTT SEP17/57 TOPSEC
TO WASHDC DL789 PRIORITY
CANDELNY(FOR UNDER SECRETARY)

DOWNGRADED TO SECRET
REDUIT A SECRET

REF OUR TEL DL788 SEP17

MEETING OF CONSULTATION

THE FOLLOWING ARE POSSIBLE TOPICS FOR DISCUSSION AT THE PROPOSED
MEETING OF CONSULTATION IN WASHDC:

I CONTINENTAL DEFENCE

II SOVIET INTENTIONS

III NATO MATTERS .

IV THE SITUATION IN THE FAR EAST

THESE GENERAL TOPICS LEND THEMSELVES TO SUBDIVISION, AND MIGHT
INCLUDE DISCUSSION OF THE FOLLOWING ITEMS,

I(A) THE EFFECT OF BUDGETARY CONSIDERATIONS ON CANADA'S DEFENCE
PROGRAMME--THE USA AUTHORITIES WOULD PROBABLY WELCOME WHATEVER
INDICATION CAN BE GIVEN THEM OF ANY NEW LOOK WHICH MAY HAVE BEEN
TAKEN BY THE CANADIAN GOVT AT THE DEFENCE PROGRAMME SINCE THE
LAST GENERAL ELECTION. WE ARE AWARE AS WELL THAT BUDGETARY CONSID-
ERATIONS ARE LOOMING LARGE IN WASHDC INsofar AS THE DEFENCE PRO-
GRAMME IS CONCERNED. A DISCUSSION BEGUN IN THIS VEIN MIGHT LEAD TO
GENERAL TREATMENT OF FUTURE PROJECTS IN CONTINENTAL DEFENCE; EG
EXTENSION OF THE PRESENT RADAR COVERAGE, INTRODUCTION OF AUTOMAT-
ICITY IN THE AIR DEFENCE SYSTEM AND DEVELOPMENT OF NEW WEAPON
SYSTEMS.

(B) JOINT OPERATIONAL CONTROL OF CANADA-USA DEFENCE FORCES--IT IS
HIGHLY UNLIKELY THAT THIS NEW DEVELOPMENT IN OUR DEFENCE RELATIONS
WITH THE USA COULD BE OVERLOOKED AT A MEETING OF THIS SORT WHETHER
OR NOT WE TOOK THE INITIATIVE. A GENERAL DISCUSSION OF WHAT WAS
INVOLVED IN THE NEW ARRANGEMENTS MIGHT GIVE US AN OPPORTUNITY TO
EXPLORE IN GENERAL TERMS WHAT KIND OF INTER-GOVERNMENTAL AGREE-
MENT ON THE SUBJECT WOULD BE ACCEPTABLE TO BOTH SIDES.

(C) CONSULTATION ON ALERTS--THIS SUBJECT FORMED AN IMPORTANT PART
OF THE DISCUSSION AT THE LAST MEETING OF CONSULTATION IN DEC/55.
SINCE THAT TIME THERE HAS BEEN AN EXCHANGE OF LETS ON INDICATIONS
INTELLIGENCE. WE ARE STILL HOWEVER NEGOTIATING AN EXCHANGE OF LETS... 2

PAGE TWO DL 789

ON THE GENERAL QUESTION OF CONSULTATION AND AN ATTEMPT MIGHT BE MADE AT THE MEETING TO SPEED THESE NEGOTIATIONS TO A SUCCESSFUL CONCLUSION.

II(A)DISARMAMENT.IT MIGHT BE USEFUL TO SOUND OUT HIGH LEVEL AMERICAN THINKING AS TO WHERE DISARMAMENT NEGOTIATIONS GO FROM THIS POINT.ESTIMATES OF SOVIET INTENTIONS IN THIS RESPECT COULD BE EXCHANGED.

(B)THE MIDEAST.THE PROBLEM FOR THE FREE WORLD OF SOVIET MISCHIEF-MAKING IN THE MIDEAST IS ONE OF THE MAJOR CONCERNS OF OUR TWO GOVTS AND A DISCUSSION OF THE MATTER IN THIS FRAMEWORK WOULD FIT THE PURPOSE OF THE MEETINGS OF CONSULTATION.THE DISCUSSION HOWEVER COULD BE DIRECTED NOT ONLY TO SOVIET INTENTIONS IN THE AREA BUT ALSO TO NEXT MOVES BY THE USA AND TO ARAB-ISRAELI TENSIONS IN THE AREA.

(C)MISSILES.THE SOVIET ANNOUNCEMENT CONCERNING SUCCESSFUL TESTING OF A LONG-RANGE MISSILE MIGHT SERVE AS A USEFUL JUMPING-OFF POINT FOR A GENERAL DISCUSSION OF THIS NEW STAGE IN WAR-MAKING CAPABILITY.THE EFFECT OF THE USE OF MISSILES BOTH OFFENSIVELY AND DEFENSIVELY ON OUR CONTINENTAL DEFENCES MIGHT ALSO BE EXAMINED.

III(A)PROBLEMS WHICH WOULD BE RAISED BY ANY PROPOSAL TO STOCK-PILE ATOMIC WEAPONS IN NATO COUNTRIES.

(B)THE FORM AND METHOD OF POLITICAL CONSULTATION IN NATO REGARDING THE USE OF ATOMIC WEAPONS PARTICULARLY INSOFAR AS IT RELATES TO THE CONCEPT OF THE"GRADUATED DETERRENT"TO MEET VARYING DEGREES OF "LOCAL CONFLICTS".

(C)THE DESIRABILITY OF INCREASED POLITICAL CONSULTATION IN THE NATO COUNCIL ON ALL MATTERS OF CONCERN TO NATO GOVTS.

IV(A)AT THE LAST MEETING OF CONSULTATION WE WERE GIVEN THE USA APPRECIATION OF THE SITUATION IN THE FAR EAST AND ESPECIALLY OF THE CHINESE COMMUNIST THREAT.ALTHOUGH TENSIONS IN THE AREA ARE NOT PERHAPS AS HIGH AS IN DEC/55 IT MAY BE USEFUL TO HAVE THE CURRENT USA ESTIMATE.

(B)THE CHINA POLICY OF OUR TWO GOVTS WAS DISCUSSED AT THE LAST MEETING OF CONSULTATION SINCE THAT TIME THERE HAVE BEEN SOME DEVELOPMENTS IN UNITED STATES POLICY.THERE MAY BE SOME MERIT IN SOUNDING OUT THE USA AUTHORITIES ON THESE DEVELOPMENTS.

DS22/333
FM EXTERNAL OTT SEP17/57 TOPSEC
TO WASHDC DL788 PRIORITY
CANDELNY(FOR UNDER-SECRETARY)

REF OUR TEL DL533 JUN13

MEETING OF CONSULTATION

YOU ARE AWARE THAT THE USA AMBASSADOR RAISED WITH THE UNDER-SECRETARY ON SEP12 THE MATTER OF AN EARLY MEETING OF CONSULTATION AND THAT HE SUGGESTED SEP30 AS A POSSIBLE DATE. THE CHAIRMAN CHIEFS OF STAFF IS AGREEABLE TO THIS DATE BUT WE ARE NOT CERTAIN AS YET THAT IT WILL BE ACCEPTABLE TO THE SECRETARY TO THE CABINET. WE WOULD HOPE TO BE ABLE TO SET A FIRM DATE WITHIN THE NEXT FEW DAYS. IT IS UNDERSTOOD THAT YOU WILL BE ABLE TO ATTEND THE MEETING IF IT IS HELD AT THE END OF SEP. IT WOULD BE APPRECIATED IF AS IN THE PAST AN OFFICER OF THE EMBASSY COULD BE MADE AVAILABLE TO MAKE A RECORD OF THE MEETING.

2. THERE IS INCLUDED IN A FOLLOWING TEL, A PRELIMINARY LIST OF TOPICS WHICH MIGHT BE SUITABLE FOR DISCUSSION AT THE FORTHCOMING MEETING OF CONSULTATION. FOLLOWING

THE PRACTICE OF EARLIER MEETINGS OF CONSULTATION, THE TOPICS HAVE BEEN PUT IN MOST GENERAL TERMS IN ORDER THAT THE DISCUSSION MAY NOT BE TOO CLOSELY BOUND TO SPECIFIC ITEMS. WE HAVE SET OUT IN OUR TEL CONCERNING THE AGENDA, THE KIND OF QUESTIONS WHICH MIGHT BE DISCUSSED UNDER THE INDIVIDUAL AGENDA TOPICS. THIS PRELIMINARY LIST HAS NOT AS YET BEEN DISCUSSED WITH THE CHAIRMAN CHIEFS OF STAFF OR THE SECRETARY TO THE CABINET. WE HOPE TO ARRANGE A MEETING WITH MR BRYCE AND GENERAL FOULKES FOR FRI MORNING SEP20. I SHOULD BE GRATEFUL, THEREFORE, IF WE COULD HAVE ANY COMMENTS WHICH OCCUR TO YOU IN TIME FOR USE AT THAT MEETING.

3. WE SHALL NO DOUBT BE IN TOUCH WITH THE USA EMBASSY HERE AGAIN BOTH ON THE TIMING AND THE CONTENT OF THE PROPOSED MEETING. THERE WOULD NOT SEEM TO BE ANY REASON, HOWEVER, WHY YOU SHOULD NOT TAKE ADVANTAGE OF ANY OPPORTUNITY WHICH MIGHT PRESENT ITSELF TO OBTAIN FROM THE STATE DEPT ANY VIEWS OFFICIALS MAY WISH TO OFFER ON THE PROPOSED MEETING.

4. THE UNDER SECRETARY SUGGESTED BEFORE HE LEFT FOR NEWYORK

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PAGE TWO DL788

THAT IF SEP30 WAS AGREED UPON AS A DATE FOR THE MEETING HE WOULD LIKE THE PARTY FROM OTTAWA TO GO TO WASHDC ON SEP28 SO THAT THERE WOULD BE TIME FOR CONSULTATION WITH YOU BEFORE THE MEETING. WOULD SUCH A PLAN BE CONVENIENT FOR YOU?

5. THE UNDER-SECRETARY WILL BE IN NEWYORK UNTIL SOME TIME NEXT WEEK. IT WOULD BE USEFUL, THEREFORE, IF YOU COULD REPEAT ANY MSGS ON THIS SUBJECT TO NEWYORK MARKED FOR HIS ATTENTION.

TOP SECRET

Meeting of Consultation

September 30, 1957

A G E N D A

- DOWNGRADED TO SECRET
REDUIT A SECRET**
- I Welcome by Governor Herter,
Under-Secretary of State.
 - II Outline of United States objectives in
world's major diplomatic situations.
(Including disarmament.)
 - III Soviet Intentions.
 - IV Continental Defence.
 - V The Middle Eastern situation.
 - VI The Far Eastern situation.
 - VII NATO matters.

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DEPARTMENT OF THE ARMY
WASHINGTON, D.C.

MADE IN CANADA



U.S. Objectives
II Inc. Disarmament

*no one would expect to read
discussions in disarmament*

TOP SECRET

September 26, 1957

MEMORANDUM TO THE UNDER-SECRETARY
(Through D.L. (1) Division)

Meeting of Consultation with United
States Authorities: Disarmament -
Soviet Intentions

The attitude assumed by Zorin during August in the Sub-Committee of the Disarmament Commission and the immediate rejection of the Four-Power proposals on the date of their presentation has not led us to abandon the view that the Soviet Union seriously desires to negotiate some form of disarmament agreement. That view has as its essential bases the evident recognition by the Soviet authorities of the probable devastation of the Soviet Union which would result from any major war (we are unaware of any reason for supposing that the concept of a "limited nuclear war" is considered realistic by Soviet military or political authorities); the attendant policy of avoiding any major war and a consequent absence of purpose in maintaining indefinitely a military establishment of dimensions required only with a major war in view; their growing manpower problem in agriculture and industry, which they have started to solve unilaterally at the expense of the armed forces; and the basic desirability of the new regime "giving the consumer a break" by lightening the burden on the economy which a large establishment entails. That there is a limit below which the Soviet Union would not wish to risk going outside of an agreement which would answer its security requirements appears to be clear, despite their advocacy of unilateral action, and it seems reasonable to suppose that this is so because they are not confident of the peaceful intentions of the United States in particular, among others, if not as a potential initiator of war, at least as an opportunist prepared to enlarge and intensify the kind of unplanned incident which might, for example, embroil the two Germanies. One of the

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unknown quantities is the extent to which the Soviet Union may carry out defence economies outside an agreement; another is the amount of disarmament which they would positively seek to achieve within an agreement; a third is the amount they are prepared to pay to secure such an agreement; and a fourth is how soon they need the agreement.

2. Direct and indirect evidence suggests that the Soviet Union is anxious to reduce the money and manpower it has committed to the services and their armaments, to remove the threat of nuclear weapons not only legally but physically and the danger of the emergence of a "fourth power", and to be free from the necessity of continuing to devote extensive technical resources to the development of nuclear weapons. Their most persistent propositions have been concerned with the prohibition of use of nuclear weapons and their elimination from national arsenals. It can hardly be doubted that they regard nuclear weapons as the main danger to Soviet security, especially since intermediate range missiles are becoming operational. The whole conventional field contains little room for bargaining and their unilateral action there suggests that they had no serious hope that they could strike a deal in which they could secure the elimination of or even significant restrictions on nuclear weapons in return for cuts in the Red army. They can be presumed to see clearly that the essence of the ultimate deal will be a balance between inspection on the one side and nuclear disarmament on the other.

*reduced
manpower
will not reduce
only amount
etc.*

3. The reluctance on the Soviet Union side to consider far-reaching controls in the first stage may, if there is validity in the foregoing presumption, be attributable to the relatively small advances in nuclear disarmament contemplated by the West for the first stage. If it is reasonable to suppose that the Soviets wish to keep in hand means for exerting pressure towards the goal of eliminating nuclear weapons, the present Western approach to aerial inspection by progressive stages may provide the key if the progression is calculated in

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relation to successive measures leading to substantial nuclear disarmament. It may be expected that the Soviet planners have never considered that the West attached as great importance as was publicly stated to controls which would verify with great precision reductions in conventional forces and armaments. The indications recently given by the West to that effect may have suggested to the Soviet Union that we were making proposals which were seriously intended to be negotiable. Their recognition of the relatively great significance of systems to provide warnings of preparations for surprise attack after all ante-date the Eisenhower proposals: their control post scheme was presented more than two months earlier in what for once looked like a serious proposition. (Their "early warning" system, however, is a little different from that now conceived in the United States: the latter seems increasingly directed towards procedures for alerting defences when an attack is about to be launched; the Soviet scheme seemed to presume that that stage would not be reached because the control posts would so militate against preparations for attack that none would be planned.) And in their proposals of April 30 of this year they began to haggle over the timing of the establishment of some control posts -- they would relate their positioning at airfields to the elimination of nuclear weapons.

4. There seems no reason to doubt that they will complete the announced cuts in manpower and perhaps advertise further defence economies, possibly in the form of a budget reduction, both for economic reasons and as part of political pressure tactics and because such action would be acceptable from the security point of view. It is for the military intelligence and the experts on Soviet internal matters to estimate the size and nature of the forces which would provide them with acceptable security once they have decided upon the necessity of avoiding a major war. However, it does not seem unlikely that in the context of their present general military reorganization there may be significant unilateral steps which can still be taken without prejudice to security. In this connection the United States intention to reduce its forces to 2.6 million is illuminating.

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5. In assessing how much disarmament the Soviet Union would like to achieve in an agreement one runs into the prior question of the over-all Soviet objectives. Whether or not one regards the more blood-thirsty and revolutionary writings of Lenin as the best guide to future Soviet policy, it would appear safe to conclude that at this stage there is no master plan for precipitating a general war in order to secure Communist dominance. Even if there should be a prohibition of nuclear weapons in all their aspects this would appear to remain the case since a conventional war of any extensive duration and scale would almost certainly become a full-scale nuclear war eventually. Since it would seem that Soviet policy is likely to be based essentially on the use of methods short of war, which might nonetheless be provocative, their forces would logically be redesigned on the basis of the requirements to deter and, if necessary, to cope with localized conflicts and to inhibit their extension. Without attempting to go into details it seems reasonable to suppose that they would be satisfied with a substantially reduced conventional establishment at the stage of a disarmament agreement which ruled out nuclear weapons. Their own figure is 1.5 million men which can be rationalized along the above lines.

6. To achieve the kind of agreement they appear to wish, the Soviet Union is evidently prepared to pay in terms of inspection concessions. Last November they accepted the principle of aerial inspection as an essential part of a disarmament agreement; their counter proposals this year comprehended a very large if somewhat vacant area in Siberia; and they have stated that the problem of aerial inspection should be solved by broadening rather than by narrowing its scope. What their present position on the control of nuclear production may be is difficult to assess in the absence of a clear Western policy for them to respond to, but if it should represent any advance over their 1947 proposals the problem may be in the realm of negotiability. They seem to have recognized the nature of the main concessions they must make. However, they will doubtless wish to get their money's worth in the way of nuclear disarmament.

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7. Rejection of the Western proposals need not mean that the price demanded for agreement was regarded as unduly high. Circumstances to be expected in September were such as to suggest to a "liberal" administration that with the need to justify action in Hungary it was not the time to admit the possibility that the Soviet Union was not the object of hostile capitalist plots. There may also have been some hope of undermining Adenauer by charges of a "German veto" on disarmament. And the prospect of the General Assembly opening with Western proposals in an ascendant position would as a matter of course be unattractive. Moreover, the state of their missile development programme may have suggested the possibility of improving their bargaining position. Rejection and denunciation would appear to have been the logical course for the Soviet Union at that juncture for there is no evidence of such a sense of urgency as would inhibit them from using disarmament as a diplomatic counter.

8. This general line of reasoning suggests that the Soviet Union has serious intentions concerning disarmament, that it has certain minimum terms, that it recognizes the nature of the necessary Soviet concessions and that it is in no great hurry. It also suggests that the Soviet Union will wish in due course to resume serious negotiations. It does not rule out the possibility that something like the Western proposals might provide a framework for such negotiations. All evidence seems to point to a strong Soviet propaganda effort in the Assembly, along relatively sophisticated lines to judge by Gromyko's opening address. They may be able to create a situation in which there would be strong pressures for concessions by the West in the nuclear field which would enable them to secure their aims while yielding less on the side of controls. If that effort attracts support away from the Western proposals there would appear to be little early prospect of Soviet concessions in the direction of the present Western position with respect to either nuclear disarmament or measures to assist in guarding against surprise attacks.


United Nations Division

*Orlando
V.S. - W.S.R.
diffusion*

TOP SECRET

September 27, 1957

MEMORANDUM FOR THE UNDER-SECRETARY

(Through D.L. (1) Division)

Meeting of Consultation with United
States Authorities: Disarmament (II)
- United States Policies

The apparent desire of the United States, is to resume negotiations with the Soviet Union without delay and they have indicated readiness to have the Sub-Committee reconvened before the conclusion of the session of the General Assembly. From this it may be deduced that they do not contemplate any modifications in the Four-Power proposals of August 29 of such significance as to require extensive consultations. However, as we have suggested in our memorandum relating to Soviet intentions on disarmament, the course of the debate in the General Assembly may have an important bearing on the readiness of the Soviet Union to modify its stand. The corollary seems to be that Soviet propaganda success in the Assembly would make it desirable to consider whether some adjustment in the Western position is advisable in order to make the early resumption of detailed negotiations a useful exercise. The United States attitude towards possible adjustment might well be of interest.

2. One area where conspicuous pressures are almost certain to exist is nuclear tests. Undoubtedly a good case can be made for a link between test suspension and the cessation of production of nuclear materials for weapons purposes. We are actively engaged in advocating the merits of that link (Mr. Ritchie's statement on August 29 in the Sub-Committee, the Prime Minister's press release of the same date and the Prime Minister's statement in the Assembly on September 23) and have in mind continuing to do so in the Commission on September 30 and subsequently in the First Committee.

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However, it does not seem wise to discount the possibility that there may be a large body of opinion in the United Nations which would remain unconvinced of the merits of that position. In this context the strength and security basis of the United States objections to a suspension, with suitable controls, with a somewhat less direct connection with other aspects of disarmament are not altogether clear. Technicalities no doubt are involved, notably the progress they have made on defensive interception weapons with minimized fallout. Perhaps the question is whether they might at a certain foreseeable stage of development be prepared to envisage a more tenuous link between tests and other aspects of disarmament or whether a close connection would be a matter of continuing principle for which they have satisfactory grounds which are more than tactical.

3. Another point on which there is a possibility of some variation is the formula for the conditional prohibition of the use of nuclear weapons. We have the impression that Stassen was not entirely pleased with the provision in the August 29 proposals ("Each party assumes an obligation not to use nuclear weapons if an armed attack has not placed the party in a situation of individual or collective self-defence."), not because it is likely to affect adversely the value of the deterrent, but because it does not convey adequate reassurances against avoidable or unnecessary use. We have in the past attempted to evolve a practical approach to this problem, based on the kind of circumstances in which the use of nuclear weapons would not be contemplated. The main opposition to a more reassuring formula appears to be among the European members of NATO, including the United Kingdom. However, the attitude of the United States towards further attempts at revision might be illuminating.

4. Connected with the foregoing is the policy relating to transfers of nuclear weapons as expressed in the August 29 proposals. That text satisfied the Department of National Defence that our interests relating to the future defence of North America were met. However, it may be that the degree of discretion implicitly left to the receiving governments is somewhat wider than is

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necessary, with particular reference to Soviet concern over Germany. In this matter, as in the case of the prohibition of use, the problem is perhaps more editorial and semantic than of basic policy. However, the Western proposals might be made less susceptible to attack if the text were revised.

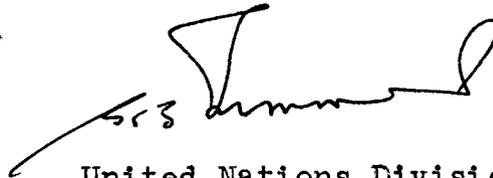
5. Perhaps the largest potential area for review is in aerial inspection. We have never taken the view that the Arctic zone was likely to be attractive to the Soviet Union and have regarded the kind of scheme considered by Cabinet in April as more negotiable (an area astride the Pacific going well into Siberia and including Alaska, the Yukon, most of British Columbia and parts of Washington and Oregon). Stassen did not present that suggestion to Zorin, offering instead a more limited zone which did not touch the continental United States. We were never clear as to Stassen's reasons for not proceeding with his earlier plan. Perhaps the United States has some thought of reviving it or some variant as the initial stage of an expanding scheme which would progressively cover the whole of North America and the whole of Siberia in orderly sequence. As advocates of progressive development, we might find our position improved if the nature of the progression could be envisaged from the nature of the first stage, which is not easy when the present Arctic zone is the starting point. *by minutes*

6. A connected matter is, of course, the composition of the Sub-Committee. In the past we have been opposed to its enlargement in principle and continue to have some doubts that negotiations are likely to be facilitated by additional members. However, it is not easy for Canada to defend the present membership and it does not seem unlikely that there will be a majority in favour of expansion. There accordingly seems to be some merit in adopting a sympathetic attitude towards the advocates of enlargement. Moreover, the Prime Minister's statement has largely committed us to such an attitude. Pursuing it actively not only might enable us to exert influence upon the nature of any enlargement but also might put us in a more favourable position to

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- 4 -

seek support, especially from India, for the substance of the Four-Power proposals. As to the expansion of the Commission itself, we have not been inclined to regard it as an issue of importance, having regard to the minor role the Commission has been playing. Moreover, we have favoured the enlargement of other United Nations bodies, on which action has been impeded because of the need to amend the Charter to effect the changes. All our information indicates that the United States is opposed to enlargement of the Sub-Committee, but we are not aware of their attitude regarding the Commission.

A handwritten signature in black ink, appearing to be 'S. S. D. ...', written over a horizontal line.

United Nations Division

III
Soviet
Intentions

TOP SECRET

Recent Activities in Soviet Foreign and Defence Policy.

In view of the recent Soviet announcement of the firing of an inter-continental ballistic missile and other aspects of Soviet activity in the political and defence fields, an examination was undertaken of recent Soviet moves with a view to coming to a decision as to whether or not there had been any substantial changes in recent months in Soviet foreign and/or defence policy.

The following matters were discussed:

1. The reasons for the Soviet announcement of the firing of an inter-continental ballistic missile.
 2. The increasing Soviet capacity to produce operational nuclear weapons and the continuation of Soviet nuclear tests.
 3. Soviet naval activity which has included in recent months a large number of naval exercises, greater movement and showing of the flag by Soviet naval vessels, the recent public warnings of large naval manoeuvres in the Kara-Barents Sea area and a substantial increase in submarine activity.
 4. Soviet air activity including the increased capability of the Long-Range Air Force, increased training in Arctic flying, and recent large air defence exercises.
 5. Soviet military activity including the present re-organization of the Soviet Army in East Germany designed to reduce numbers while at the same time increasing fire power and mobility, as well as the recent exercise in East Germany in which for the first time Soviet and East German forces participated together.
 6. The recent breakdown in the London disarmament talks.
 7. Soviet policy in the Middle East including the recent note to the Western Powers, the Soviet attitude towards events in Syria, and the continuation of Soviet Bloc arms shipments to Egypt, Syria and the Yemen.
 8. Soviet Policy in Europe including the warnings to various of the NATO powers, the recent note concerning Germany and Khrushchev's visit to East Germany.
2. It was considered that with regard to:

Defence Activities

It was agreed that the activities in the defence field were in line with expected developments and indicated the increase in Soviet capabilities in defence and defence research.

Disarmament

The Soviet Union were probably serious about attempting to come to some agreement when the talks began, but there had been a change at least in Soviet tactics sometime between early July and mid-August, the reasons for which might become clearer during the debate in the General Assembly of the United Nations.

Middle East

Soviet policy in this area could be described as a resolute and skilful determination to exploit any development to improve the Soviet position at the expense of the Western Powers. The situation in the Middle East was so fluid that this flexible Soviet policy was yielding good results.

TOP SECRET

Europe

The Soviet Union seemed at present to be content with the status quo in Europe, now that the situation in Eastern Europe had been restabilized, and there seemed little likelihood at present of any change in its policy with regard to Germany.

3. The general conclusion was that recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the situation that existed in Europe before the Polish and Hungarian crises.

D. L. (2) Div./E. P. Black/rh
DEPARTMENT OF EXTERNAL AFFAIRS
MEMORANDUM

TO: DEFENCE LIAISON (1) DIVISION
FROM: DEFENCE LIAISON (2) DIVISION
REFERENCE:
SUBJECT: Briefs for Meeting of Consultation

Security TOP SECRET

Date September 26, 1957

File No.

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I am enclosing six copies of the following briefs for the Meeting of Consultation in Washington.

- (1) A Survey of the Threat to North America from Soviet Attack During the Next Five Years.

This survey is based on agreed Canadian intelligence.

- (2) Soviet Likely Courses of Action During the Next Five Years.

This brief is based on a JIC paper on this subject dated March 1957, six copies of which are enclosed for background purposes

- (3) Chinese Communist Likely Courses of Action During the Next Five Years.

This brief is based on a draft JIC paper which is now before the JIC for approval. Six copies of the draft paper are enclosed for background purposes.

- (4) Recent Activities in Soviet Foreign and Defence Policy.

Not included
This brief is based on a recent meeting on this subject which was held between members of Defence Liaison (2), European, Middle Eastern and United Nations Divisions.

CIRCULATION

Ext. 66 (6/56)

T O P S E C R E T

The Threat to North America from Soviet Attack
During the Next Five Years

Nuclear Attacks

1. The Soviet Union has a substantial and rapidly growing stockpile of fissionable material, and the capability of producing weapons in the range from a kiloton or less to as much as 20 megatons.

2. For attacking North America with these weapons, the Soviet Union will have the capability of various methods of delivery. These will include:

- (a) Manned aircraft (medium and heavy bombers), operating either as bombers or towards the end of the period as launching platforms for air-to-surface missiles;
- (b) Intercontinental ballistic missiles (towards the end of the period) and short or medium range missiles (for use against Alaska and the Aleutians);
- (c) Missiles launched from submarines operating offshore.

3. The nature of the attack will change as the development of missiles advances, and its scale will depend upon a variety of factors, including base capacity, crew proficiency, and the Soviet assessment of North American defensive capabilities. In particular, at present, it is difficult to assess future Soviet long-range aircraft production programmes in relation to the programmes for the production of inter-continental and other missiles.

4. The JIC is satisfied that the Soviet Union successfully carried out two firings on August 21 and September 7 of an inter-continental ballistic test vehicle. This does not mean that the Soviet Union has a prototype of an inter-continental ballistic missile but rather that an important step has been taken in developing the ICBM.

2/3
U.S.F.
Canada

5. However, present estimates suggest that the number of heavy bombers that could be launched against North America will vary from about 200 in mid-1958 to over 600 in mid-1961, of which about 150 and 500 aircraft respectively could arrive in target areas, not considering combat losses. Those missions directed at the most distant targets would, if launched from home bases have to employ range-extension techniques.

6. Current estimates suggest that the following numbers of submarines could be available for missile-launching and other operations off the coasts of North America: Some of the submarines will be nuclear-powered towards the end of the period.

Mid-1958:	Atlantic coast:	10	Pacific coast:	7
Mid-1961:	Atlantic coast:	28	Pacific coast:	15

Other Operations

7. A threat exists of airborne operations against lightly-defended targets in Alaska and the Aleutians, and of small-scale raids against targets in Northern Canada such as bridges on the Alaska Highway.

8. The Soviet Union could launch amphibious operations against the Aleutians or commando-type raids from submarines against Canada and the continental United States.

9. Mining and torpedo attacks could be undertaken in North American coastal waters.

10. Soviet-organized attempts at sabotage against selected targets cannot be ruled out, and a programme of subversion can be expected.

T O P S E C R E T

Soviet Likely Courses of Action During the Next Five Years

1. Soviet objectives for the next five years will be:
 - a. to increase the unity, economic strength and military capabilities of the Soviet Bloc;
 - b. to disrupt NATO, divide the West and undermine the leadership of the United States throughout the world;
 - c. to disrupt the Baghdad Pact, and SEATO, to weaken Western influence and to extend their own particularly in the Middle East, Asia and Africa;
 - d. whenever disruption occurs, to force the withdrawal of Western, particularly U.S., power from forward positions around the Soviet periphery.
2. Of the various methods available for the pursuit of these objectives, it is clear that all rests in the last analysis, on the formidable power of the Soviet Armed Forces. It is probable that Soviet leaders would consider the overt use of armed force as being inconsistent with their overall policy of "peaceful coexistence". In keeping with this general policy it is probable that the Soviet Government will continue to employ the more flexible methods they have adopted since their accession to power, even though they might be forced, as in Hungary, to take measures that did not square with their overall policy.
3. In the Satellites it is probable that the Soviet Union will attempt to follow a policy between the two extremes of a return to Stalinist tactics of control and the development of independent national communist regimes.
4. In Europe the Soviet Union will probably attempt to continue its efforts to lessen international tension, divert attention from Hungary and create an atmosphere of peace in which the maintenance of Western defence efforts would become untenable. Soviet policy toward Germany, which they probably regard as the key stone of their European policy, will be designed to resist pressures for reunification in the hope that time will see the emergence of a new Government in West Germany - one more willing to bargain Western alignment against reunification on Soviet terms. The recent election results in West Germany are unlikely to bring about any fundamental change in Soviet policy towards Germany.
5. The Soviet Government is probably more aware than in the past of the dangers of becoming involved in hostilities in the Middle East. Even so Soviet leaders probably believe that they can avoid any conflict that may develop in the area. It is probable therefore that Soviet policy will continue to be one of undermining Western influence by supporting Arab nationalism, encouraging neutralism and selling arms to susceptible Arab countries.
6. It is probable that the Soviet Government will continue to follow in the Far East a policy designed to appeal to anti-colonial and neutralist sentiment. The main aim of this policy will be to maintain a strong measure of Soviet influence and the main targets of this policy will be India and Japan.
7. Soviet policy toward the United States during this period will be based on an appreciation that the Soviet Union can not risk a frontal attack against U.S. power. The Soviet Government therefore will probably limit its policy to a campaign to weaken U.S. influence and isolate her from her allies.

Internal Developments

8. For a fuller discussion of general internal developments within the Soviet Bloc, see Paras 16 - 21 and 32 - 41 of the enclosed JIC paper.

COPY NO. 20

TOP SECRET

JIC 203/2(57)
dated 5 Mar 57

SOVIET LIKELY COURSES OF ACTION

UP TO 1962

1. The purpose of this paper is to estimate the courses of action short of a global war which the Soviet Union is likely to pursue up to 1962.

INTRODUCTION

2. The policies pursued by the Soviet Union to the end of 1961 will undoubtedly be influenced by the dogmas of Communist ideology, considerations of a more traditional or purely Russian nature, and the vested interests of the ruling hierarchy. The extent to which the choice of Soviet long-range objectives will be influenced by one rather than another of these forces is difficult to determine at any time and virtually impossible to predict. We believe that no one of these forces can be regarded as the sole motivating factor to the exclusion of the others. In the day-to-day conduct of the government, Soviet leaders will undoubtedly be influenced primarily by pragmatic considerations.

3. We cannot consider Soviet future courses of action in isolation. In all parts of the world outside the Soviet Union, and on all major world problems, other powers and groups have independent objectives and will take independent action to which the Soviet Union will need to adjust its own courses of action. This paper is not, therefore, concerned with forecasting a set pattern of Soviet activities, but with deducing what Soviet objectives are likely to be and the principal considerations which would influence them, and the Soviet ability to achieve them.

SUMMARY

4. The policies pursued by the Soviet Union are influenced by Communist ideology, considerations of a more traditional or purely Russian nature, and the vested interests of the ruling hierarchy. The extent to which the choice of Soviet long-range objectives will be influenced by one rather than another of these forces is impossible to predict. The daily conduct of Soviet policy will undoubtedly be influenced primarily by pragmatic considerations.

5. Soviet leaders must view the present world situation with a mixture of satisfaction and concern. The tremendous growth of the USSR, both internally and as a world power, since 1917, has inspired the Soviet Government with considerable confidence. If they can maintain this growth, they will improve their economic and military capabilities vis-a-vis the United States. They probably believe that time is on their side, provided they can avoid the consequences of a global nuclear war.

6. The growth of Soviet power has placed the Soviet Government in a position where their every move is regarded with deep suspicion and carefully scrutinized by the West. Because the truculence of the Stalin era produced

an atmosphere of international tension which seriously limited their freedom of action, the Soviet Government has followed a policy designed to lessen fears of Soviet intentions.

7. While this new policy met with considerable success initially, it has released forces, especially in the Satellites, which are proving very difficult to control. Despite these difficulties the Soviet leaders probably believe that they do not need to make any fundamental changes in this policy. They are undoubtedly aware that the greatest danger lies in their inability to control the pace of their own policies and will probably exercise greater caution in the future than was the case prior to the summer of 1956.

8. Soviet objectives for the next five years will be:

- a. to increase the unity, economic strength and military capabilities of the Soviet Bloc;
- b. to disrupt NATO, divide the West and undermine the leadership of the United States throughout the world;
- c. to disrupt the Baghdad Pact and SEATO, to weaken Western influence and to extend their own particularly in the Middle East, Asia, and Africa;
- d. whenever disruption occurs, to force the withdrawal of Western, particularly U.S., power from forward positions around the Soviet periphery.

9. Of the various methods available for the pursuit of these objectives, it is clear that all rests in the last analysis, on the formidable power of the Soviet Armed Forces. It is probable that Soviet leaders would consider the overt use of armed force as being inconsistent with their overall policy of "peaceful coexistence". In keeping with this general policy it is probable that Soviet Government will continue to employ the more flexible methods they have adopted since their accession to power, even though they might be forced, as in Hungary, to take measures that did not square with their overall policy.

10. In the Satellites it is probable that the Soviet Union will attempt to follow a policy between the two extremes of a return to Stalinist tactics of control and the development of independent national communist regimes.

11. In Europe the Soviet Union will probably attempt to continue its efforts to lessen international tension, divert attention from Hungary and create an atmosphere of peace in which the maintenance of Western defence efforts would become untenable. Soviet policy toward Germany, which they probably regard as the key stone of their European policy, will be designed to resist pressures for reunification in the hope that time will see the emergence of a new Government in West Germany - one more willing to bargain Western alignment against reunification on Soviet terms.

12. Yugoslavia will continue to present a difficult problem for the Soviet Union. Tito's insistence on a rapid development of independence in the Satellites has produced a decided coolness in Soviet/Yugoslav relations which is likely to continue, although not to the extent of the open rupture that occurred in 1948.

13. The Soviet Government is probably more aware than in the past of the dangers of becoming involved in hostilities in the Middle East. Even so Soviet leaders probably believe that they can avoid any conflict that may develop in the area. It is probable therefore that Soviet policy will continue to be one of undermining Western influence by supporting Arab nationalism, encouraging neutralism and selling arms to susceptible Arab countries.

14. It is probable that the Soviet Government will continue to follow in the Far East a policy designed to appeal to anti-colonial and neutralist sentiment. The main aim of this policy will be to maintain a strong measure of Soviet influence and the main targets of this policy will be India and Japan

15. Soviet policy toward the United States during this period will be based on an appreciation that the Soviet Union can not risk a frontal attack against U.S. power. The Soviet Government therefore will probably limit its policy to a campaign to weaken U.S. influence and isolate her from her allies.

THE SOVIET VIEW OF THE WORLD SITUATION

16. Soviet leaders must view the present world situation, as well as the developments of recent years, with a mixture of satisfaction and concern. They can see around them the results of forty years of Communist rule, during which Russia has grown from a semi-feudal state to a modern industrial nation, and is now the only world power, other than the United States, whose views must be considered by everyone on all major international questions.

17. Soviet leaders have been obsessed with the idea of overtaking and surpassing the United States in per capita production. By rigidly and ruthlessly subjecting the Russian people to requirements of the state, they have forced the pace of economic development. It must be apparent to them that if they can continue to maintain their advantage in the rates of economic growth, they will in time improve their economic and military strength vis-a-vis the United States. It will also increase their capability to use economic and technical aid to extend their influence in underdeveloped countries and to take a more important part in world trade. To ensure a continuing high rate of economic growth, the new leadership have taken positive steps to improve productivity in both agriculture and industry by organization, and training.

18. In so far as their ability to overtake the U.S. economically is dependent upon the maintenance of their control over the Russian people they probably feel little concern. By maintaining the Iron Curtain intact they can ensure that the Russian compares his lot with that of his father rather than with the rest of the world. The present form of "collective leadership" appears to be working fairly well and is likely to be continued for the next five years.

19. All of this is a measure of the success they have achieved and accounts for the confidence which has been so evident in the words and actions of the new Soviet "collective" leadership. Paradoxically perhaps, it is also a measure of the dangers which now face the Soviet Government.

20. Within the USSR itself the difficulties involved in maintaining a high rate of economic growth have already led to a consideration of a reduction in the overly-ambitious goals set in their present 5 year Plan.

One aspect of Soviet efforts to increase productivity has been a lessening of coercion in favour of an increase in incentives. Incentives have taken the form of greater individual freedom and the prospect of an increasing standard of living. It is possible that this process will prove to be an irreversible one, especially since the power of the secret police has been curtailed. Any increase in living standards which appears to have been granted as a concession to popular pressure, when coupled with a decline in fear of the police and a general increase in education, could lead to demands which the Soviet Government could not meet. Soviet leaders would then be faced, as they were in Hungary, with the difficult and dangerous decision to resort to open force to maintain their regime.

21. To date however, Soviet leaders appear to have encountered little difficulty in suppressing the criticism and unrest that has been evident in certain areas since the XXth Party Congress. They probably feel confident of their ability to retain control over internal developments during the next 5 years.

22. Difficulties have also increased for Soviet leaders in the international scene. Their very success in building the power of the Soviet Union has brought with it, in the post-war years especially, the inevitable reaction of the West. Whereas in the past they were able to make considerable international gains by playing off rival powers against one another, they are now in a position where their every move is regarded with deep suspicion and carefully scrutinized.

23. The narrow intransigence that characterized the "hard" policy of the Stalin era produced a general fear of Soviet intentions which made easy the maintenance of Western unity in support of a policy designed to frustrate every Soviet move - in short, the theory of containment, and the series of regional military alliances which resulted. At the same time the destructive power of nuclear weapons has made global war unacceptable as an instrument of policy, except in the most desperate circumstances.*

24. While they are undoubtedly aware of, and to some extent afraid of the predominant economic strength and military potential of the United States, present Soviet leaders probably believe that the U.S. is not now deliberately planning to launch a nuclear war against them. As long as they can avoid the destruction of a global war, they probably believe that time is on their side.

25. It seems clear that the present Soviet leaders have realized that all of these factors were combining to produce an atmosphere of international tension in which their freedom of action was seriously limited. The steps which the Soviet Government has taken during the last three years to reduce international tensions have resulted in substantial gains for their policy both in terms of confusion and disunity in the West and the weight given to Soviet influence in the "uncommitted" countries of the Middle East and Asia. Soviet leaders are undoubtedly well aware of the vulnerability of the West to adverse developments in the Middle East and Asia and appear to believe, with Lenin, that the domination of these areas will ultimately tip the balance of world power in their favour.

26. The recent Soviet policy of relaxing internal and international tensions has released forces which the Soviet Union is not always able to control. This has been amply demonstrated by recent events in Poland and Hungary. During the post-war Stalin era, when all the Satellites were subjected to the same rigid control, the maintenance of a uniform policy

* In JIC 105/5(55) we considered this problem at length and concluded that the USSR would not embark on a course of action intentionally designed to precipitate a global war during the next five years.

was relatively simple. The liberalization of Soviet policy toward the Satellites has led to the emergence of very different regimes ranging from the puppet government in Hungary, through the strongly pro-Soviet government of Czechoslovakia to the nationally minded communist government of Gomulka in Poland. While this development has undoubtedly greatly complicated their problems, both within the Bloc and in Soviet relations outside the Bloc, Soviet leaders are probably reasonably confident of their ability to pursue a cautiously liberal policy toward the Satellites even though force might be required, as in Hungary, to maintain the unity of the Bloc.

✓ 27. Soviet leaders probably believe that ultimately the development of China as a great modern industrial power will present them with one of their greatest dangers. They are likely to consider however that for the next five years, China's dependence on Soviet political and economic support will ensure good relations at least on all major issues.

28. On balance, therefore Soviet leaders probably believe that there is nothing in the present world situation which would require any fundamental change in their policy, despite the difficulties involved in maintaining control over such dynamic policies as "de-Stalinization" and "peaceful coexistence". Soviet leaders are now undoubtedly aware that the greatest danger lies in their inability to control the pace of their own policies and a greater caution will probably be evident than was the case prior to the summer of 1956.

GENERAL OBJECTIVES OF SOVIET POLICY

29. In view of the above, Soviet objectives now and for the next five years would appear to be:

- ✓ a. to increase the unity, economic strength and military capabilities of the Soviet Bloc;
- b. to disrupt NATO, divide the West and undermine the leadership of the United States throughout the world;
- ✓ c. to disrupt the Baghdad Pact and SEATO, to weaken Western influence and to extend their own particularly in the Middle East, Asia and Africa;
- d. whenever this disruption occurs, to force the withdrawal of Western, particularly U.S., power from forward positions around the Soviet periphery.

30. It is almost axiomatic that the basis of Soviet foreign policy rests, in the last analysis, upon the formidable power of the Soviet Armed Forces. It seems clearly apparent that the Soviet Government has no intention of allowing this power to weaken, indeed all available evidence points to the contrary. It is probable that Soviet leaders would consider that the overt use of this power would be inconsistent with their policy of "peaceful coexistence", not to mention the greatly increased risks of global warfare that the use of force would entail. They might however risk "armed intervention" in a given area if they appreciated that there would be no reaction from the Western Powers and that such a course would not lead to a general war. The very existence of the Soviet Armed Forces will continue to add great weight to Soviet diplomacy and it can be expected that, when suitable occasions arise, the threat of the use of these forces will be employed as a weapon for political blackmail.

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TOP SECRET

31. In keeping with the spirit of "peaceful coexistence" it is probable that Soviet leaders will continue to employ the more flexible and profitable methods they have adopted during the post-Stalin era. In the Middle East, Africa and Asia, Soviet propaganda has made effective use of such issues as colonialism and nationalism. The top Soviet leaders have all engaged in extensive personal diplomacy with increasing contacts with the Diplomatic Corps and visitors within the Soviet Union and extensive visits in Europe and Asia. A widespread programme for cultural exchange, tourists and technical visits have also served to support their claim of a return to normal peaceful relations between peoples and thereby to lessen distrust and fear of Soviet intentions. The granting of considerable economic and technical aid has been world-wise in scope and well calculated to produce the maximum political effect. Soviet influence has been extended by the discreet manipulation of national communist parties and their various front groups. The policy of "peace, goodwill and limited economic assistance" probably continues to appear to Soviet leaders as offering the best prospects with the least risks even though they might have to, in certain circumstances, take measures similar to the recent intervention in Hungary that did not square with their overall policy.

LIKELY COURSES OF ACTION
IN PARTICULAR AREAS

A. The Satellites

32. Probably the greatest danger to the achievement of Soviet objectives by the policy outlined above, lies in the reactions that policy will continue to produce in the European Satellites. Certainly the difficulty of reconciling a more liberal policy abroad with the maintenance of Soviet control within the Bloc was made clear by recent events in Poland and Hungary. It is possible that Soviet leaders believed that concessions to national, cultural and religious sentiment were inevitable, but that these could be kept within limits.

33. It seems apparent that in enunciating the policy of "different roads to socialism" at the XX th Party Congress, Soviet leaders were attempting to evolve a policy towards the Satellites which was consistent with their broader internal and foreign policies of "de-Stalinization" and "peaceful coexistence". By adopting a policy designed to remove the more obnoxious and obvious evidence of Soviet control, the Satellites regimes were given cautious encouragement to slowly adopt the form, if not the substance, of national communism.

34. Soviet leaders possibly believed that a more liberal policy would stimulate local initiative for greater efforts in pursuit of an economically strong and politically united Bloc. It is clear however that at least in Poland and Hungary, they seriously underestimated the depth of national sentiment and the antipathy toward Russia prevalent in varying degrees throughout Eastern Europe.

35. There were certain quite significant differences between the revolts which took place in Poland and Hungary. The Polish revolution was a peaceful one and Poland remained communist, although the new regime in Poland might be too independent for Soviet tastes. The events in Hungary, on the other hand, were a clear threat to Soviet control over all the Satellites and Soviet leadership in the international communist movement.

36. Soviet leaders must have seen in the events in Hungary the start of a process which could easily have undermined their position on the reunification of Germany and might even have brought the frontiers of the West right up to the borders of the USSR itself. The Soviet stake in Eastern Europe - politically, economically and militarily - is too vast to be given up without a struggle and the very extent of the Hungarian revolt foredoomed it to Soviet intervention.

37. The Soviet Government is clearly faced with a major dilemma. The earlier riots in East Germany and recent events in Poland and Hungary have amply demonstrated the small degree of popularity that local Communist parties enjoy. This must reinforce their conviction that the methods of Stalinism produced hate and dull acceptance rather than loyalty and enthusiasm. A general return now to Stalinist repression in the Satellites with all its implications within the USSR and abroad, cannot appear as a workable long-run solution despite the short-run necessity to use force in Hungary.

38. On the other hand, Soviet leaders are equally unlikely to calmly sanction the development of an independent spirit in the Satellites which would probably lead to the formation of Titoist regimes at best or an outright return to capitalism at worst.

39. The development of such a wide variety of regimes in the Satellites will make the pursuit of any uniform policy by the Soviet Union very difficult. There may already be a tendency to treat the strongly pro-Soviet communist government of Czechoslovakia with greater favour than the more independent Poland. On the other hand concessions that might be necessary to stem the tide of nationalism in one Satellite could easily lead to demands for equal treatment from the others. The effects of these difficulties are felt outside the Bloc as well. The disruption of Soviet plans for the economic integration of the Bloc may be extensive, while Soviet policy towards the Satellites is already having considerable impact on Communist parties throughout the world, particularly in Italy.

40. It is probable however that the Soviet Union will attempt to follow a course somewhere between the two extremes of rapid liberalization and Stalinist repression. They may well rely upon the fact that the spectacle of their intervention in Hungary will have had a salutary effect on nascent tendencies towards rebellion in other Satellites. It is now clear that, whatever the extent of independence permitted, the Soviet Union is not prepared to see the abandonment of communism nor a denial of Soviet leadership in all important questions between the Bloc and the non-communist world.

41. As soon as they feel confident of their control over Hungary and, consistent with their minimum requirements for "socialist unity", it is probable that Soviet leaders will attempt to return to a more liberal policy toward the Satellites, involving a general slowing down of the forced pace of industrialization and the stimulation of a great initiative on the part of local Communist Parties in their own internal affairs. In the long run this policy may create great dangers to the USSR, for as regimes like that in Poland become accustomed to following a more independent course internally, they will become increasingly confident of their own strength and will probably wish to obtain an even greater measure of freedom in foreign policy. It is impossible to predict whether the further development of independence along these lines will occur in the next five years but in view of the rapidity with which recent events in Hungary and Poland took place it can by no means be ruled out.

B. Europe

42. It was the creation of NATO and the ratification of the Paris agreement which represented most clearly to Soviet leaders the failure of Stalinist tactics. Seeing the unity of the West under NATO as the most serious obstacle to any further extension of their influence, the Soviet Government set out to undermine this unity. The policy of "peaceful coexistence" took the following forms:

- a. The promotion of united fronts with non-communist parties in countries like France and Italy.
- b. A more active propaganda drive directed toward the weaker members of NATO.
- c. Proposals on disarmament and the proposal of a European security treaty to replace NATO and the Warsaw Pact, designed to weaken the military effectiveness of NATO and delay the rearmament of West Germany.
- d. A more reasonable attitude on political issues and a campaign for broader trade and cultural relations designed to foster a climate more favourable to the development of natural differences of opinion among Western countries.

43. All of this has suffered a severe set-back by the revolt in Hungary and the subsequent armed intervention there. It is probable however that the Soviet Union will attempt to ride-out the storm in Hungary, and revive their efforts to develop an atmosphere of peace in which the maintenance of Western unity and defence efforts would again become increasingly difficult.

44. It is probable that the future of Germany appears to Soviet leaders to be the key stone of their whole European policy. A reunited rearmed Germany allied to the West would have immeasurable political and military consequences for the Soviet Union throughout Europe in general and the Satellites in particular. It was for these reasons that, when they failed to prevent the ratification of the Paris agreements in the spring of 1955, the Soviet Government attempted to undermine Adenauer's position on reunification by creating a "sovereign" German Democratic Republic.

45. The revolts in Poland and Hungary showed clearly the weakness of their position in East Germany and strengthened the West German Government's policy of alignment with the West. The Soviet Union is faced with the difficult problem of strengthening the East German Government, within the framework of the new situation in the Satellites, to the point where it can be relied on to control East Germany without the necessity of using Soviet troops.

46. The Soviet policy towards Germany will depend upon their assessment of their ability to maintain their position in East Germany until the course of events brings a different government into power in West Germany - a Government more willing to bargain Western alignment against reunification on Soviet terms. Provided unforeseen events in the Satellites do not force the pace, the outlook is for a continuation of the status quo.

47. In the growing struggle to maintain Soviet primacy over national communism, the position of Yugoslavia has been a constant irritant quite out of proportion to the importance which Yugoslavia exerts in questions of power politics. Stalin's expulsion of Yugoslavia from the Communist world has proven itself to be not a measure of Soviet strength but rather a measure of its weakness. The inability of the USSR to force an undeniably communist Yugoslavia into line, has shown to the leaders of the other Satellites, the many advantages of national communism.

48. It was for this reason, as well as for the support which Tito could render in encouraging "neutralism", that the new Soviet leadership undertook the bitter task of winning Tito back into the Bloc with blandishments, concessions and economic aid. At first their policy met with considerable success for Tito went a considerable distance toward supporting Soviet policies.

49. It soon became evident however, that Tito expected the USSR to go a lot further in granting independence to the Satellites than Soviet leaders were prepared to go. Also as troubles mounted in Poland it became apparent that Soviet leaders had seriously underestimated the influence which Yugoslavia was exerting. The early drive for rapprochement cooled considerably as the Soviet Government began to talk of "socialist unity" rather than "separate paths to socialism".

50. The coolness that has marked Soviet/Yugoslav relations since the armed intervention in Hungary is likely to continue for the next few years, since it is now apparent that the Soviet Union is not prepared to pay Tito's price of Satellite independence in return for complete Yugoslav realignment with the Bloc. Already there are signs that the Soviet Union will not carry out some of the agreements on economic matters that were signed before the Hungarian uprising. It is unlikely however that the new estrangement will be allowed to reach the point of an open break comparable to that of 1948.

C. The Middle East and Africa

51. The Soviet Union has followed a much more active policy in the Middle East and Africa, as well as in Asia since the death of Stalin, in order to increase its influence with the uncommitted and new countries in those areas and in order to weaken the position of the Western Powers. The Western Powers on the other hand were divided over the policy they should follow in such contentious issues as Arab nationalism, Egypt's position in the Arab world, the dispute over the Suez canal, the Arab/Israel dispute and the liquidation of colonialism in North Africa.

52. By offering arms and diplomatic support to Egypt, the Soviet Union increased its influence among some Arab countries at the expense of the West. This coupled with Anglo-French intervention led to a further deterioration of British and French influence in the area. While the Soviet Union was undoubtedly satisfied by the loss of Anglo-French prestige in the Middle East, they must have viewed with some alarm the prospect of becoming involved in a major conflict because of their commitments to Egypt and the Arab world.

53. Despite the evident danger, it seems likely that the Soviet Government is fairly confident of its ability to avoid any hostilities that may develop in the Middle East. While they probably do not want to see a major conflict break out, they are undoubtedly well satisfied by the great increase in their influence in the Middle East. The armed intervention in Hungary will probably have discredited them to some extent, but Soviet leaders probably believe that in time the issues there will not survive

in the face of the more immediate problems of Arab nationalism. Any cut-back in the forced pace of industrialization in the Satellites will, effect to some extent their ability to offer further economic assistance on any substantial scale to underdeveloped countries. It will not affect their ability to offer military equipment, still the most sought-after commodity in the Middle East.

54. Soviet policy toward the rest of Africa has been limited to diplomatic and propaganda support for nationalism and limited amounts of economic and technical aid. The emergence of new states will provide the Soviet Union with increasing opportunities to extend their influence.

55. The Soviet Government is now probably more aware than it has been in the past of the dangers of becoming involved in hostilities in the Middle East. Despite these dangers, it is likely that Soviet policy will continue to be one of undermining Western influence by fostering neutralism, encouraging nationalism, supplying arms and some economic assistance to susceptible countries and supporting the Arabs against Israel.

D. Asia and the Far East

56. Soviet policies in Asia have been similar to those they have pursued in the Middle East, namely an appeal to nationalism and anti-colonialism and offers of economic assistance. While this policy is designed to increase their own influence at Western expense, it is naturally coloured throughout by the need for coordination with Chinese aims and objectives, where their interests coincide, and possibly in some areas, such as India, Japan and Korea, in competition with the Chinese Communists.

57. It is probable that, in this area, Soviet leaders regard India and Japan as most important. In India, Soviet leaders see a country which had laid claim to the moral leadership of South Asia, and whose declared policy is neutrality in the cold war. The USSR had adopted a pose of peace and reasonableness coupled with substantial offers of economic assistance and recently Zhukov's offer of military aid. Soviet propaganda is designed to emphasize the war-like nature of Western policies, particularly U.S. policies, by portraying the US/Pakistan military agreements, SEATO and the Baghdad Pact as belligerent and aggressive.

58. Soviet progress, which has been considerable, has undoubtedly suffered by events in Hungary, although how deeply the significance of Russian intervention has penetrated the consciousness of Asian leaders is still difficult to assess. It is probable that the Soviet Government will see in the present situation no reason to change what has proven to be a profitable and inexpensive policy.

59. In Japan, Soviet tactics, in conjunction with China, have been to hold out the prospect of greatly increased trade with the mainland as the solution to Japan's critical need for markets, in return for neutrality. The principal objective of this policy is to secure the withdrawal of U.S. forces from Japan and a general weakening of American influence. It is probable that the Soviet Government will continue to pursue its present policy in the expectation that time will increase popular pressures in Japan for less reliance on the U.S. and a more nationalistic and independent policy.

E. North America

60. The United States is the only power that is capable by itself of effectively opposing Soviet policy and frustrating the achievement of Soviet long run goals. Soviet leaders can be under no illusions about their

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ability to exert any appreciable influence on U.S. policy by fostering developments within the United States which would make the U.S. Government sympathetic toward their cause. At the same time they are likely to appreciate that, for the next five years at the very least, American power will be such as to make a frontal attack against it unnecessarily risky.

61. As long therefore as these conditions apply, it is likely that the Soviet Government will content itself with a more limited approach. They will attempt to weaken U.S. influence by trying to instill fear and mistrust of U.S. intentions. Their ultimate objective will be the isolation of the United States in "fortress America".

62. Their policy toward Canada will probably be subject to considerations of their policy toward the U.S. Whenever they or the Canadian Communist Party believe that they can exploit differences between Canada and the U.S. over international issues, they will do so. Attempts will continue to be made to instill fear of the dangers of cooperating too closely with the U.S. in questions of defence, e.g. the establishment of SAC bases on Canadian soil. In general however they will continue to regard Canada as a willing ally of the United States.

S E C R E T

Chinese Communist Likely Courses of Action During the Next Five Years.

1. The Chinese Communists are likely to continue to experience some internal difficulties over the next five years in their efforts to transform China into an industrial power and because of their policy of collectivisation of agriculture. Despite these difficulties the present regime is likely to maintain full control over the Chinese mainland.
2. The Sino-Soviet alliance will remain the corner stone of Chinese policy as it is only from the Soviet Bloc that China can expect the required economic, military and technological help necessary to establish an industrial base and maintain a large military establishment. Chinese policy will be designed to maintain the security and cohesion of the Sino-Soviet Bloc, to support some measure of increased independence from the Soviet Union within the Bloc and to increase her own ability to influence Soviet policy.
3. Chinese Communist policy towards the West will be designed to lessen Western influence in Asia and bring about the withdrawal of Western and particularly United States armed forces from positions around the Chinese periphery. At the same time the Chinese will continue to seek international recognition as a Great Power.
4. As long as the West maintains its current military position in the Pacific, China can be expected to maintain a high degree of military preparedness. Chinese leaders, however, are unlikely to risk any action that might lead to a general war. Nevertheless if they appreciated that there would be no effective retaliation on the part of the United States, they might undertake "armed intervention" in a limited area such as the Off Shore Islands.
6. Chinese policy in Southeast Asia will seek to extend both Chinese influence and Communist doctrine in the area at the expense of the West. To carry out these aims China will use the anti-colonialist and strongly nationalist feeling that now exists in Asia, and will at the same time exercise her influence by discreet manipulation of national communist parties and the employment of the overseas Chinese communities.

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Chinese Communist Likely Courses of Action
up to 1963

1. The purpose of this paper is to estimate the courses of action, which the Chinese Communist Government is likely to pursue up to 1963 unless a global war occurs during the period.

Conclusions

2. The Chinese Communists are likely to continue to experience some internal difficulties over the next five years in their efforts to transform China into an industrial power and because of their policy of collectivisation of agriculture. Despite these difficulties the present regime is likely to maintain full control over the Chinese mainland.
3. The Sino-Soviet alliance will remain the corner stone of Chinese policy as it is only from the Soviet Bloc that China can expect the required economic, military and technological help necessary to establish an industrial base and maintain a large military establishment. Chinese policy will be designed to maintain the security and cohesion of the Sino-Soviet Bloc, to support some measure of increased independence from the Soviet Union within the Bloc and to increase her own ability to influence Soviet policy.
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6. Chinese policy in Southeast Asia will seek to extend both Chinese influence and Communist doctrine in the area at the expense of the West. To carry out these aims China will use the anti-colonialist and strongly nationalist feeling that now exists in Asia, and will at the same time exercise her influence by discreet manipulation of national communist parties and the employment of the overseas Chinese communities.

The Chinese View of the World Situation

7. The attitude of the Chinese Communist Government towards the outside world is greatly influenced by its own internal political, economic and security problems. Since 1949 the Peking Government has brought the mainland under increasingly effective control and during that time has maintained an unusual degree of unity amongst its leaders. Despite the

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effectiveness of the political leadership, the regime does face considerable internal dissatisfaction. This dissatisfaction has been engendered by rigid controls, enforced social changes and imposed austerity, necessary to accomplish the Chinese Communist ambitions. The Chinese leaders have however, taken a remarkably pragmatic approach to their internal difficulties and despite the growing pains that are inherent in a policy of industrialization and collectivization the present regime is likely to maintain full control over the Chinese mainland during the period of this estimate.

8. One of the prime objectives of the Chinese Communists is the eventual transformation of China into a major industrial power. To achieve this aim the regime can be expected in the next five years to concentrate its efforts on expanding industrial capacity and communication facilities and increasing the size of the socialized sector of the economy. This policy will require continued reliance on the Soviet Union as a source of heavy industrial equipment and technology. The rate of industrial growth, however, is likely to be slower than expected as shortages of raw material and capital funds, faulty planning, lack of sufficient technicians, and continuing heavy military expenses have all contributed to an over-extension of the economy. There is every likelihood therefore that the goals set by the second Five Year Plan for 1962 will have to be revised downward.

9. China depends and will continue to depend in the next five years on the Soviet Bloc for economic and military aid. Therefore, it must co-ordinate its international policies to a large extent with those of the Soviet Union. China, however, occupies a special place in the Communist world, a position that has recently been enhanced by Mao Tse Tung's pronouncements on ideology and the Chinese attitude towards recent Soviet difficulties in Poland and Hungary. Both the Soviet Union and China are aware of their need for each other and any conflicts over the next five years are likely to be subordinated to this common need. Chinese policy, however, will continue to be directed towards ultimate industrial self-sufficiency and a lessening of the present dependence on the Soviet Union.

10. The Chinese Communists must regard the military, economic and political policies of the West and particularly of the United States as the main external danger to their regime and the principal deterrent to the successful implementation of Chinese foreign and to a lesser extent domestic policies. The existence of SEATO, United States support for the Chinese Nationalists on Formosa, the presence of the US Seventh Fleet with nuclear weapons in the Formosa Strait, United States troops in South Korea, and US air bases around the periphery of China must all contribute to this attitude. To the Chinese the Western strategic trade embargo has not only made the task of industrialization more difficult but has increased China's economic dependence on the Soviet Union. The general Western policy of non-recognition and refusal of entry to the United Nations must be regarded by the Chinese as an affront to their sovereignty and as part of a deliberate policy to keep China from playing her part in world affairs. The Chinese Communists therefore, can be expected in the next five years to follow a policy designed either to frustrate or change Western policy towards China.

11. At the same time as long as the West maintains its current military position in the Pacific, China will continue to maintain her high level of military preparedness. China has the largest standing army in Asia, a modern jet equipped air force, and a small but growing navy and is constantly improving her military capabilities with Soviet assistance.

12. To China the other countries in Asia seem at one and at the same time as the source of an external threat to the regime and the nations most susceptible to Chinese Communist influence and expansion. The presence close to China's borders of United States armed forces, with

nuclear weapons and the existence of strongly anti-Communist Asian countries such as South Korea, Nationalist China, Thailand, the Philippines, and South Viet Nam are a threat and a deterrent to the Chinese and one of their main objectives in the next five years will be the weakening of the position of the United States vis-a-vis its Asian allies. At the same time the current wave of nationalism and anti-colonialism in Asia and the desire of many Asian states to remain uncommitted in the "cold war" must seem to the Chinese leaders to provide ideal grounds for their ambitions in Asia. In the next five years therefore, China can be expected to use methods running the gamut from increased economic and cultural ties to subversion in order to increase her influence in Asia.

13. On balance we consider that the Chinese leaders are unlikely to consider that any startling changes need be made in their domestic and foreign policies before 1962. Internal problems and the establishment of an industrial base will be the main preoccupations of the regime. Foreign policy will be directed towards lessening Western and increasing Chinese influence in Asia. Insofar as Sino-Soviet relations are concerned, the Chinese are likely to realize that in economic, technological and military matters they must continue to depend on Soviet aid, while in foreign policy both countries are likely to have more or less identical objectives. Within the Sino-Soviet Bloc itself, however, the Chinese can be expected to play an important and on some occasions a decisive role on matters affecting Communist ideology and relations between the different countries in the Bloc.

General Objectives of Chinese Policy

14. In view of the above, major Chinese Communist objectives now and for the next five years would appear to be:

- (a) to maintain the present strongly centralized political control over the mainland and at the same time to increase economic and military capabilities;
- (b) to continue the present alliance with the Soviet Union and the other countries of the Soviet Bloc while at the same time improving China's position of influence within the Bloc;
- (c) to weaken Western influence in Asia, to reduce the effectiveness of SEATO, and wherever possible to bring about the withdrawal of Western and especially United States Armed Forces from positions around the Chinese periphery;
- (d) to seek international recognition of China's position as a Great Power by obtaining general diplomatic recognition and a seat in the United Nations;
- (e) to extend Chinese influence and Communist doctrine throughout the Far East by all means possible provided this does not entail risk of general war.

15. In the last analysis the basis of present Chinese foreign policy rests upon the Sino-Soviet alliance which has helped to provide China with a formidable military force and is the only foreseeable source of aid in China's search for economic self-sufficiency. The Chinese leaders can for the next five years be expected to do their utmost to ensure that the alliance works and for this reason in the field of foreign policy they will be likely to follow closely the lead of the Soviet Union. The Chinese therefore, are not likely to risk any action that might lead to a general

war though they might risk "armed intervention" in a given area such as the Off Shore Islands if they appreciated that there would be no reaction on the part of the United States.

16. There is every likelihood that China will use flexible methods in carrying out her policies, particularly in Asia. Effective use will continue to be made of strong Asian feeling against colonialism, and the rise of Asian nationalism. Cultural exchanges, visits of Government delegations and technicians, the granting of facilities for study in China by foreigners and particularly foreign-born Chinese, and even the granting of limited economic and technical aid to other Asian states with all form part of Chinese policy. Chinese Communist influence in Asia will also be exerted by discreet manipulation of national communist parties and the employment of the overseas Chinese communities. The main theme of China's foreign policy will be the promotion of the "Bandung Spirit" which with its neutralist, anti-colonialist and nationalist overtones is popular in Asia and is the policy most likely to succeed in weakening the position of the Western powers.

Likely Courses of Action in Particular Areas

The Soviet Bloc

17. The tone of authority in recent Chinese pronouncements on ideology, Chinese support for the Soviet Union during the Hungarian crisis, and tacit Chinese support for Poland during the emergence of the Gomulka regime have increased China's position of influence within the Communist Bloc and weakened the concept that Moscow is the only interpreter of Marxist ideology. However, in the next five years China will continue to depend on the Soviet Bloc for economic aid, technical assistance and military equipment. The Sino-Soviet alliance is likely therefore to remain in existence for at least the next five years and Chinese policy vis-a-vis the Bloc will be designed to maintain the security and cohesion of the Bloc, to support some measure of increased independence from the Soviet Union within the Bloc, and to increase China's ability to influence Soviet policy.

South and South East Asia - General

18. The progress being achieved by China in its industrialization and development programmes is being watched with great interest by the other countries of South and South East Asia, who are wrestling with similar problems. The Communist nature of the Chinese Government is not necessarily of itself repugnant to anti-colonialist Asians who have long equated "imperialism" with "capitalism". The Communist experiment in China is looked upon with both interest and fear by many Asians who on the one hand see in it a faster way to reach industrial self-sufficiency, but on the other hand regard it as a potential threat to the existence of their own non-Communist regimes. China can be expected to play upon this atmosphere of admiration and fear to the utmost in attempting to achieve its own objectives in South East Asia.

19. An important element in Chinese policy towards South East Asia is the presence within the countries of the area of large minorities of overseas Chinese. These communities are generally wealthy, closely knit and in control of the commercial life of their adopted country. These Chinese are disliked by the local inhabitants for their wealth, their refusal to become integrated, and the danger they pose as a potential fifth column. They are therefore, both an advantage and an embarrassment to the Chinese Communist Government. Because of their unpopularity official Chinese policy is likely to encourage the nominal integration of the overseas Chinese into the communities in which they are resident. However, unofficially, the Chinese are likely to use these communities to further their own objectives in South East Asia.

Burma

20. Burma is one of the most vulnerable countries in South East Asia to Chinese military attack. The Burmese Government has shown itself susceptible to Chinese pressure and anxious to avoid quarreling with its large neighbour. There has been long drawn out border disputes between China and Burma, and the Peking regime, even though it might well agree to temporary settlements in these disputes, is likely to continue its subversive activities amongst the ethnic tribes in the border areas as a means of maintaining pressure upon Burma.

Indonesia

21. Chinese influence on the Indonesian Communist Party (PKI), which is the strongest indigenous Communist Party in South East Asia, is likely to be directed towards preventing the emergence of a strong anti-Communist Government in Indonesia. The PKI is already giving strong support to President Sukarno in his attempts to establish a "guided democracy". The Communists will probably continue to support the policy of centralization in opposition to federalist sentiments as Communist Cabinet Ministers whenever they attain office will have more power in a unitary state based on Djakarta. Also Communist strength lies in centralist Java rather than in the federalist outer islands. Altogether Indonesia presents the Chinese with one of the most promising fields for the emergence of a Communist state in South East Asia.

Vietnam, Laos and Cambodia

22. It is probable that the Chinese Communists will continue to provide North Vietnam with both technical and military assistance, encourage efforts to infiltrate and subvert South Vietnam and press for the holding of elections for a united Vietnam. The Chinese will continue to offer technical assistance to Cambodia and Laos. The Chinese policy in Cambodia will be directed towards strengthening the "neutralist" tendencies of the Cambodian Government while in Laos the Chinese will encourage the formation of a coalition government in which members of the Pathet Lao would participate.

Malaya and Singapore

23. China has considerable influence upon the Malayan Communist Party, 90 per cent of the members of which are of Chinese origin. During the period of this estimate, the Chinese will try to extend Communist control over the Chinese youth in Singapore and the labour movements in both Malaya and Singapore. The accession to power of an independent Malayan Government may result in less Communist emphasis on guerrilla activities and more on the formation of a "legitimate" Communist Party with the objective of eventually forming a "popular front" government under Communist control.

Hong Kong and Macao

24. The return of Hong Kong and Macao to Chinese sovereignty is undoubtedly one of the long-term objectives of the present Chinese regime. However, the Chinese Communists will probably not seize either of these two colonies by force in the next five years as the two ports constitute useful points of contact between Communist China and the outside world and are the centres of dissemination of Chinese Communist propaganda throughout South East Asia.

India

25. Both Peking and New Delhi are aware that China and India are the two poles of attraction for other Asian countries. Both countries are trying to establish that their form of government is the most effective for under-developed countries and it is virtually certain that competition between the Chinese and Indians for the predominant influence in South East Asia will increase. In the immediate future, Sino-Indian relations should continue to be at least outwardly friendly. However China will continue its efforts to maintain and improve its position in Tibet and is also likely to make efforts to expand its influence in Nepal which has long been considered an Indian preserve.

SEATO

26. One major aim of Communist Chinese policy in South East Asia during the next five years is to undermine the support given to SEATO by its three Asian member countries, Pakistan, Thailand and the Philippines. The Chinese Communists will at the same time encourage sentiments of apathy and futility amongst the Western supporters of the alliance.

Formosa

27. Although the Chinese Communist leaders are determined to annex Formosa, they are unlikely to launch a military attack on the island as long as the U.S. is committed to its defence. Nevertheless, they will continue to strengthen their military forces opposite Formosa and will remain capable of defeating the Nationalist forces alone. In the immediate future, their efforts will, we think, be directed towards reducing the morale of the Nationalists on Formosa in the hope that negotiations between Nationalists and Communist Chinese will eventually lead to the assimilation of Formosa without military conquest.

28. A Communist attack on the Offshore Islands is within the realm of possibility, particularly if the Communists were of the opinion that the Islands could be taken before U.S. support could be brought to bear.

Japan

29. The Chinese may be expected to increase their efforts to lessen Japan's dependence on the United States and to prevent Japan's re-emergence as a major military and political power. The Chinese will seek to establish formal and informal ties with the Japanese Socialist Party which is opposed to Japanese rearmament in alliance with the United States. Trade inducements will be offered Japan to increase the feeling of irritation with U.S. inspired restrictions on trade with China. The Chinese Communists will also attempt to persuade the Japanese that it would be in their interest to exchange diplomatic missions. All these manoeuvres will be designed to generate a climate of opinion within Japan against the close alliance with the United States and the presence of United States troops and bases on Japanese soil.

Korea

30. The complete withdrawal of all United States forces and the re-unification of Korea under Communist influence remain the major objectives of Communist China. However, the Chinese leaders probably realize that the best that can be hoped for in Korea in the near future is the maintenance of the status quo. They probably consider that under the present circumstances their best chance of attaining their objectives would be to wait until they could exploit the uncertain situation that is likely to arise from the death

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of Dr. Syngman Rhee. In the meantime the Chinese will continue to strengthen military capabilities in North Korea, by continuing the modernization of both Chinese Communist and North Korean troops. This will probably not make any significant changes in the total numbers of these troops.

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Deference

Terms of reference should be revised until liaison for exchange of notes.

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MEETING OF CONSULTATION--SEPTEMBER 30, 1957

AGENDA ITEM IV - Continental Defence

A. Joint Operational Control, Canada-United States Air Defence Forces

1. In a joint press release on August 1 by the Minister of National Defence and the United States Secretary of Defence it was announced that the two governments had agreed to the setting up of a system of integrated operational control of the Canadian and United States air defence forces. The integrated headquarters at Colorado Springs (NORAD) is commanded by a United States officer with a Canadian deputy. While the Chairman, Chiefs of Staff will undoubtedly mention the setting up of NORAD, you may wish to introduce into the discussion the desirability of an intergovernmental agreement on this matter. You are aware that the Chairman, Chiefs of Staff is not convinced that there is any need for an intergovernmental agreement.

2. Our main arguments for the desirability of an intergovernmental agreement are the following:

- (a) It is a matter of orderly practice for governments to record in diplomatic exchanges, important decisions affecting their relations. We have many defence agreements with the United States on matters which are far less important than the matter under discussion.
- (b) The establishment of NORAD is a decision for which there is no precedent in Canadian history in that it grants in peace-time to a foreign representative operational control of an element of Canadian security forces in Canada. It would seem desirable, therefore, to record in an intergovernmental agreement, the reasons for the decision and the principles upon which the decision is based.
- (c) An intergovernmental agreement outlining the important features of the integration which could, perhaps, be tabled in the House, would make easier the answering of parliamentary questions which may be asked when the House reconvenes.
- (d) An exchange of intergovernmental notes would give us another formal opportunity to record United States recognition of the need for adequate consultation with Canadian authorities on matters which might lead to the alerting of the air defence system.

3. There is set out in the attachment, a number of excerpts from the Military Study Group Report recommending the establishment of NORAD. These cover points which might suitably be included in an intergovernmental note. We are not certain, however, that the Chairman, Chiefs of Staff would be prepared to agree. You might wish to discuss these points as well as those outlined in paragraph 2. above with General Foulkes prior to your meeting with the United States authorities in order that there will be an agreed Canadian point of view to put to the United States side if discussion at the meeting should turn to the possible content of an intergovernmental exchange on the subject.

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o.k. by Foulkes

AGENDA ITEM IV - Continental Defence (Cont'd)

B. Alert Measures

4. The establishment of an integrated Canadian-United States air defence command for operational purposes makes even more important the necessity for close consultation between the two Governments on situations which might lead to the institution of alert measures or the declaration of a national emergency. Indeed, General Foulkes pointed out last week that this ultimate objective is the achievement between the two Governments of a degree of uniformity regarding alert procedures compatible with national requirements. Geography and our willingness to cooperate effectively in joint continental defence efforts give us a special right to demand that United States consultation with Canada be adequate at all times. Adequacy in this context means essentially that the consultation should precede the institution of alert measures by the United States. Since the last Meeting of Consultation, agreement has been reached on automatic and rapid exchange of indications intelligence in situations which might indicate that there is a likelihood of hostilities threatening the NATO area. A special agreement on consultation regarding alert measures is under current negotiation with the United States and the satisfactory outcome of these negotiations is now in sight.

5. There are no specific problems pending therefore insofar as we are concerned but it might nevertheless be desirable to take advantage of this Meeting of Consultation to express satisfaction that it has been possible to conclude intelligence agreements and over the fact that negotiations of the alert measures agreement are proceeding satisfactorily. Our purpose in doing so is that we should keep before the United States authorities the requirement for close cooperation with Canada regarding these matters. Paper agreements will mean little unless there is a climate of opinion created in Washington's official circles which would ensure an almost automatic consultation with the Canadian authorities on all matters affecting the continental air defence system.

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Excerpts from Military Study Group Report of December, 1956, the substance of which might be suitable for inclusion in intergovernmental exchange on the establishment of NORAD

The references in the following are to paragraphs of the Military Study Group's Report.

1. "Operational control is defined as the power of directing, coordinating and controlling the operational activities of deployed units which may or may not be under the command of the authority exercising operational control." (para 27)
2. "Command of forces of one nationality which include the logistic training and personnel functions should be exercised by national commanders responsible to their national authorities for these aspects of their command." (para 30)
3. "The organization for operational control should be based on geographical subdivisions of the area to be defended and operational control should be exercised through commanders of geographical areas..... When considering the requirements for geographical boundaries the international boundary should be used whenever operationally and technically feasible." (paras 43 & 45)
4. "NORAD and his deputy should not normally be from the same nation. His staff should be a joint staff composed of officers of both nations." (para 46)
5. "Plans prepared by NORAD should be reviewed and approved by both the Canadian Chiefs of Staff Committee and the United States Joint Chiefs of Staff. Plans and procedures outside the purview of the military service should be referred..... to the appropriate agencies of the respective governments....." (paras 48 & 49)

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BRIEF FOR
MEETING OF CONSULTATION

ITEM I - CONTINENTAL DEFENCE

A long step was taken last July in reaching agreement to set up the North American Air Defence Command.

General agreement has been reached by the Chiefs of Staff of both countries on the terms of reference for the Commander and Deputy Commander, and some thought should be given now as to how this command will operate and how it will present its projects for implementation by both countries.

The Canadian Chiefs of Staff consider that we have achieved a great deal in solving some of the very complex and difficult problems of air defence through the use of the Joint Study Group with its joint scientific team.

We believe that the Study Group would be a very useful medium to use for the screening of new projects put forward by the new overall Air Defence Command.

The Air Defence Commanders would of course be looking at their projects from the standpoint of creating the most efficient and most adequate air defence system.

However we consider that the projects of the Air Defence Command will have to be looked at, assessed and placed in order of priority along with all the other requirements for the defence dollar; and therefore these air defence requirements will need to be carefully screened and assessed by a group which contains both operational and planning officers and scientific personnel of both countries, who have full knowledge of the other activities which are making demands on the defence budget.

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Therefore we suggest that we should continue to use the Joint Study Group to examine these projects and make reports to the Chiefs of Staff of both countries.

We have found in the past, when dealing with some of these complex air defence problems such as the warning lines, etc., that at the same time as the Study Group was studying these problems, the United States Weapons System Evaluation Group (WSEG) was working on a similar problem for the Joint Chiefs of Staff.

We would like to avoid this duplication.

We realize full well that the Weapons System Evaluation Group deals with a great many subjects not related to air defence and not of a joint nature, and for security reasons it may not be possible to make the Weapons Evaluation Group a joint group.

We suggest, however, that the Joint Chiefs of Staff might give consideration to allowing the Joint Study Group to refer any of the projects put forward by the Commander of the Air Defence Command to the Weapons System Evaluation Group for an assessment which could be used by the Chiefs of Staff of both countries.

Therefore we would suggest that this matter be given consideration to see whether there could be a close tie-in between the Joint Study Group and the WSEG.

I cannot emphasize too strongly the need for the careful screening of all new projects, especially projects for making marginal improvements on our present early warning and interceptor systems.

These marginal improvements between now and 1962 may give us a greater degree of security.

However in view of the budgetary troubles which we anticipate in the next few years because of the increased costs of development in this field, we are going to have to take calculated risks.

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We would like to hear the views of our partners on this question of taking calculated risks between now and 1962 in order that we may be in a more ready position after 1962.

We will be in a very sad position if we have to abandon certain projects on which we have spent considerable amounts of money, because events have overtaken the projects.

It would be a major embarrassment for the Canadian Chiefs of Staff if we had to abandon projects on which we have spent some millions of dollars because they have become obsolete.

Therefore I would urge that in dealing with further developments in the air defence system these should be very carefully screened.

We consider that definite instructions should be given to the commanders concerned regarding marginal improvements.

It would also be helpful I think for similar instructions to be given to the Joint Study Group which we hope to use for screening these projects and placing them in order of priority.

I have mentioned that we feel there is some misunderstanding in the political field, and perhaps in the mind of the public, regarding the concept of air defence for the next few years, and this has been aggravated further by the recent Russian announcement regarding the firing of a ballistic missile.

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I believe it would be helpful if we could have an agreed concept which would form the basis of the future planning for North American air defence.

We have had to give some consideration to this lately because of some of the statements which have appeared in the press regarding this recent Soviet experiment, suggesting that the present air defence system is completely obsolete in the light of the Russian announcement.

The Canadian Chiefs of Staff consider that the concept for air defence should be flexible enough to deal with any type of attack or any combination of types of attack, and that it would be folly for us to limit our defences to any one type.

For some years to come the manned bomber will be the most effective and accurate delivery system for nuclear weapons against vital targets in North America, such as the Strategic Air Command bases and missile bases which form the retaliatory capacity of the continent.

It is quite clear that as long as the Russians continue to manufacture bombers with greater altitude, greater speed and greater accuracy of weapons delivery, we cannot ignore this serious threat.

Even though there is a possibility of the introduction of intercontinental weapons or intermediate range weapons, the threat of the manned bomber will remain, and therefore in our defence organization we must continue to provide fighter interceptor defence supplemented by ground-to-air missiles as long as the bomber threat continues.

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We believe it will be many years before the Soviet Union is capable of destroying or seriously damaging the retaliatory capacity of North America without employing manned bombers.

Therefore we consider that our air defence arrangements must consist of supersonic interceptor fighters, supplemented by ground-to-air missiles, with varying types of warheads, and at a much later stage the introduction of defence against the intercontinental and intermediate range ballistic missile.

It is further thought expedient that we should be able to deal with any combination of these types of attack and that we should not subscribe to the popular belief that since the ballistic missile might be available some time in the future the role of the bomber, either manned or unmanned, will disappear.

Nor do we agree that, because the ground-to-air missile is coming into operation within the next four or five years, that alone will supersede the manned interceptor.

We are concerned with the possibility of a scientific break-through that might make it possible to jam any one particular type of radar-controlled weapon system, and if such a break-through was achieved and we were relying on one type of defence against the bomber, we might find ourselves in a hopeless position.

It perhaps would be simpler and cheaper if we could concentrate all our resources on one or two of these various methods of defence.

Therefore it appears to us that there is not going to be any easy road in the further development of our air defences.

We would like to get your views on this concept and it may be useful to spell out an agreed concept along these lines for the guidance of our planners, especially those for the North American Command.

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It might be useful to expound this concept in any future public statements on continental defence in order to counter some of the recent impressions regarding the continental defence system.

This leads me to the next point regarding the development of a system for defence against the ballistic missile.

We understand these weapons are very expensive and also for some years to come, because of their limited accuracy, may only be used against very large targets.

Therefore we have some consolation in the fact that there are so many more large, attractive targets in the United States that Canada may not be subjected to this type of attack.

However we have a responsibility, as a partner with the United States, in defending the retaliatory capacity of the West, and therefore we will have a considerable interest in this problem.

At this particular stage I hope that General Twining will tell us more about the progress being made in this field.

Our only plea at this time is that early consideration be given to co-ordinating with the present air defence system the planning for defence against ballistic missiles, including missiles launched from ships and submarines against ground targets.

We are concerned that a separate organization might start to plan this aspect of defence, which we understand is extremely expensive and requires large and extensive communication facilities; and if a great many of these communication facilities have to be laid down over uninhabited parts of Canada they may prove to be quite costly.

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What we are hoping is that one planning agency will continue to plan the air defence, including defence against ballistic missiles, so that some existing communications and facilities can be used.

Otherwise we are afraid that the cost may be prohibitive.

If we duplicate facilities, we will have that much less of the defence dollar to put into other more urgent projects.

Therefore we are hoping that the United States Chiefs of Staff will give consideration to this before any scheme is implemented and that they will continue with one authority responsible for air defence against all types of attack on the North American continent.

This should include ballistic missiles which may come from the land or from the sea and not only intercontinental ballistic missiles.

We appreciate that this is a very big problem and one to which we know you are giving urgent consideration, but it is a problem in which we have a joint interest.

Therefore to sum up on air defence, I would like to make the following points:

- (a) We are gratified that it has been possible to set up a joint Air Defence Command. We have great hopes that considerable economies will be made in the planning and implementation of further defence. But we would like to sound here a word of warning regarding marginal improvements in our present air defence system. We would like your views on the question of taking calculated risks for the next few years.

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- (b) We would like to see the continuation of the Joint Study Group as the agency for examining the air defence projects put up by the joint command, and we would ask the Joint Chiefs of Staff to give consideration to effect the closest co-operation between the Joint Study Group and the Weapons System Evaluation Group.
- (c) We would like your views on a concept of continental defence which could form the basis for future planning of the joint command and may be used as a basis in any statements made by officials and ministers on this problem.
- (d) Lastly, we are anxious to see as early as is feasible the overall control of continental defence put under one authority so that we can ensure that the introduction of defence against the ballistic missiles is made in the most economical way. I would emphasize again that with the increased costs of equipment in this field we are going to have serious budgetary troubles over the next few years and therefore it is necessary for us to ensure that the defence dollar is properly spent and spent only on those items of the highest priority.



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September 26, 1957.

NOTES FOR MEETING OF CONSULTATION, SEPTEMBER 1957

Agenda Item V (a): The Soviet Union and the Middle East

There is probably a fairly large measure of agreement between ourselves and the United States authorities about the superficial aspects of Soviet policies in the Middle East. At any rate, both Canada and the United States were able to accept without any strong reservations the working paper on the subject which was prepared for the Ministerial Meeting in May 1957. Where we are likely to differ with the United States is on the best means of dealing with Soviet policies. In these notes, we propose to set out our views on Soviet tactics and intentions in summary form with indications, where necessary, of our disagreement with or dissatisfaction over United States (or Western) counter-measures. /NATO

Soviet Tactics in the Middle East

- 2.(a) The success of Soviet diplomacy in the Middle East has been recent (since about 1955, in fact) and has depended on the exploitation of anti-Western sentiments among the highly-nationalistic Arab states, facilitated by the Arab fear and hatred of Israel and by the Anglo-French-Israeli action against Egypt last year.
- (b) Much of the success of Soviet diplomacy was made possible by Western policies:
 - (1) Western support of Israel, particularly the supply of arms on a scale intended to balance the military potential of all the Arab states;
 - (2) Western insistence on treating the Middle East as a potential base for military operations;
 - (3) a tendency on the part of Western commercial interests with the support of governments to exploit the economic resources of the area without anticipating growing Arab demands for control of them, or at least a more equitable share of the proceeds;
 - (4) the habitual United States requirement that military and economic aid be extended by grant rather than by loans or some other more palatable method, and under treaty arrangements requiring a "proper" political orientation in the recipients;

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- (5) in general, a tendency in the West to shape policy in the area primarily in the context of the global struggle against international communism rather than in relation to regional requirements as seen by the states of the area, and hence to give insufficient weight to the legitimate aspirations, fears and needs of the Arab states.
- (c) As a means to its ends, the Soviet Union began in 1953 a sustained campaign of material and moral support for the Arab stand against Israel and the West which included the following elements:
- (1) support for the Arab position in the United Nations especially over Palestine;
 - (2) the facile identification, in propaganda statements and elsewhere, of Soviet with Arab nationalist aims;
 - (3) attacks upon "Western imperialism" as exemplified by defence and commercial arrangements in the Middle East;
 - (4) the supply, from 1955 onwards, of arms to the Arab states on terms the West could not or would not match; and of economic aid (largely in the way of trade) on terms which did not injure either Arab pride or Arab pocket books and which, thanks to the Soviet state trading practices and their deficit position in agricultural products, permitted trade arrangements considered uneconomic by the West. ✓

Soviet Objectives in the Middle East

3. The twin aims of the Soviet Union can be summed up very generally as a determination (a) to frustrate the creation of a position of Western military strength in the Middle East; and (b) to assert the legitimacy of its claim to have an active say in the affairs of a contiguous area. The difficulty is to translate these aims into specific objectives. We gather that the United States accepts that these objectives include:

- (a) the destruction of the strategic position of the Western powers in the area, including the disruption of the Baghdad Pact and the removal of Western bases;
- (b) the establishment of a "stranglehold" on Middle Eastern oil and its means of transit to the West through Arab territory;

but do not include:

- (a) the annexation of territory; or

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- (b) the establishment of communist regimes (as distinct from regimes that will collaborate with the Soviet Union).

(Since the recent events in Syria, the United States may have modified their view on the last item.)

4. With one reservation - concerning a "stranglehold" on oil - we agree with this statement of what Soviet objectives do and do not embrace. We think that the Soviet Union will not want to procure an outright denial of Middle Eastern oil to the West because this would eliminate the main markets of the Arab oil-bearing states without being in a position to offer an alternative market. The Soviet Union recognizes that the continued supply of Middle Eastern oil to the West is necessary, but as Khrushchev told Joseph Alsop, it should be placed on a commercial basis (by which he presumably meant, under conditions in which the West would forfeit its present monopolistic hold on the sources of oil and simply become ordinary commercial customers without any special privilege to obtain oil cheaply for economic or strategic reasons).

Limitations on Soviet Diplomacy

5. We think that there are a number of other Middle Eastern factors that act as limitations on Soviet diplomacy:

- (a) the inability of the Soviet Union to assume direct control of governments because of the fierce Arab pride in their independence; developments in Syria will, of course, be of considerable interest in this connexion;
- (b) the absence of any common boundaries between the Soviet Union and the Arab world;
- (c) the fundamental cultural affinity between the Arabs and the West in contrast to the incompatibility of the communist ideology with Arab individualism and Islamic theology.

6. A final limiting factor is that, with the weakening of United Kingdom influence and the increased involvement of the United States, there is no longer any real buffer between the Soviet Union and the United States in the area. We think that this means that the Soviet Union may fear that precipitate penetration ~~in~~ the area might create a risk of misadventure involving possible hostilities with the United States.

Western Reactions to Soviet Diplomacy

7. In very general terms, the Soviet success has come very recently and has depended to no little extent on opportunities created by the West. There is no reason to suppose that Soviet diplomacy is of a new or different character in this area or that it is not subject to the same kind of limitations that could be applied to it elsewhere. For the West, the Middle East presents unparalleled

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problems because of the dilemma of Palestine where the West is attempting to pursue simultaneously the incompatible aims of sustaining Israel and winning Arab friendship. But, for the Soviet Union, the Middle East scene exhibits familiar characteristics and lends itself to a classical approach. There, as elsewhere, the moves/can be expected to reflect /of the the customary balance between the adequate protection of its security and the pursuit in that area of its proselytizing aims. USSR

8. Viewed in these terms, Soviet diplomacy in the Middle East may perhaps be regarded as tending towards a position that will require less in the way of a military or quasi-military response to Soviet pressures and more in the way of a reappraisal of Western attitudes and policies in relation to the countries, especially the Arab countries, of the Middle East.

9. The starting-point for any such reappraisal will be found in the nature of the Arab world rather than in the limitations on Soviet diplomacy outlined above. These limitations may give the West a period of grace, but the major task is to overcome our own shortcomings in relations with the Arab states rather than to try to capitalize directly on possible weaknesses in the Soviet position. This premise, if accepted, would cast doubt on the wisdom of emphasizing to the Arab states the existence of a Soviet menace. The Arab states simply do not apprehend any immediate Soviet menace, since all their historical experience (and especially the sponsorship of Israel by the West and the events of last autumn) persuades them that the menace is, directly or indirectly, from the West. Some of the Arab governments are anti-communist, or profess to be, but the distinction between pro-Soviet, which may be a facet of anti-Westernism, and pro-communist, which is an ideological attitude, must be preserved in considering the future of Arab policies.

10. It is not, of course, easy to specify what a re-appraisal of Western attitudes towards the Arab world should lead to in terms of policy. However, the policies of the past, mentioned in paragraph 2 (b) above, that have given the Soviet Union its opening, suggest certain obvious lines of approach:

- (a) there should be, as noted above, less emphasis on the Soviet threat to the Middle East. Whatever its intentions, the Soviet Union has some claim to have a voice in affairs in a region contiguous to its own borders (and much closer to it than to the West). The Soviet notes of February, April and September 1957 suggest that the Soviet Union will not, and cannot be made to, forego its claim. A more constructive and less negative approach seems required:
- (b) the Arabs must be made to feel that their territories and resources are not being exploited militarily or economically solely or largely for the benefit of the West. In particular, "military" responses to Soviet activities in the Middle East seem more likely to encourage Arab belligerency against Israel than

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to enlist Arab support in the containment of the Soviet Union. Also, economic development in the Arab world, perhaps through the establishment of a fairly close link with the profits from oil resources, must be encouraged to allay Arab fears of economic exploitation;

(c) the West must discourage the complacency of those feudal Arab regimes with which they have to deal in the absence of more liberal alternatives. Otherwise, little progress will be made towards the economic, social and political stability on which a satisfactory relationship between the Arab world and the West will depend;

(d) the Arab-Israeli dispute is the Achilles' heel of Western policy, but at least the West can minimize the effects of Arab grievances on this score by being careful to accept and implement the Arab view that the United Nations is the proper forum for dealing with the Palestine question.

11. The first evidence that we have seen of a new approach to the problem of dealing with Soviet influence in the Arab world is a Turkish suggestion that efforts to improve relations with Egypt, the leading Arab state, might have the effect of providing a counter-attraction, for Egypt itself and for the other Arab states. The same view was independently expressed, in the recent NATO Council discussion of Syria, by the representatives of Italy and West Germany. The implications of such a change of policy might be worth considering. A closely related extension of the proposed approach might be in the direction of re-establishing better diplomatic relations with the Syrians themselves - at least to the extent of ensuring that the West had able and knowledgeable representation in Damascus. The immediate tangible value of such representation would, of course, be of secondary importance to the fact that the Syrians would feel less isolated.

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September 26, 1957

NOTES FOR MEETING OF CONSULTATION, SEPTEMBER 1957

Agenda Item IV(b): Effect of Syrian Situation
on the Position of UNEF

One of the considerations which affect Canadian policy in the Middle East is that any hostilities which break out as a result of the Syrian situation are likely to spread and render the position of UNEF militarily untenable. The Israelis have several times stated that they would not be prepared to tolerate any change in the status quo along the Jordan River, so that fighting between Syria and Jordan might well provoke a general Arab-Israeli conflict in which UNEF would be gravely menaced. Alternatively, an American-inspired revolt in Syria, followed by intervention by Iraq and Jordan in support of a new regime, might lead Egypt to come to the aid of her ally Syria, with equally dangerous consequences for UNEF.

2. The Prime Minister stated on September 23 to the General Assembly that "Canada is willing to continue its contribution (to UNEF) as long as it is considered necessary by the U.N." In the context of the present situation, it must be assumed that the phrase "considered necessary by the U.N." also carries within it the meaning "considered possible by the U.N." -- in other words that the U.N. itself would not wish to continue to maintain UNEF in the area if military conditions made this impossible, even if the Force still had a necessary role to play. Thus if action is taken with regard to or by Syria outside the U.N. framework, a UNEF withdrawal might have to be contemplated; this would be the case even if no direct military danger to UNEF arose, for a breakdown of the moral authority of the U.N. in the area would make it impossible to maintain UNEF's position as a neutral police force.

3. In discussing the Middle East situation with the Americans, therefore, it might be useful to mention, without labouring the point, that in any future Middle East crisis, the safety of UNEF would be a matter of concern to Canada.

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September 27, 1957

NOTES FOR MEETING OF CONSULTATION, SEPTEMBER 1957

Agenda Item V(c): Arab-Israeli Tensions

It is thought that some discussion of the general problem of Arab-Israeli relations might be useful during the consultations, as such a discussion would serve to illustrate the increasingly acute dilemma of both the United States and Canada in attempting to formulate any effective policy in the Middle East. Soviet initiatives have rendered more obvious but did not create the problems of Western diplomacy in dealing with the Arab-Israeli issue. From the beginning the West's dilemma has been that of attempting to reconcile a basic sympathy with the desire of the Jewish people to establish a national life, with the need to retain the friendship of 40 million Arabs located in a highly strategic area.

2. From a short-term point of view, there has been an encouraging relaxation of tension during the summer. The absence of serious incidents along Israel's borders for the last two months, the fact that Syria has agreed to the establishment of new UNTSO observer posts on her territory, the relatively quiet passage of freighters bound for Israel through the Suez Canal, the use of the Gulf of Aqaba by Israeli shipping under U.N. supervision, the public acknowledgment by Israel that UNEF was playing a useful role, the fact that Egypt does not wish discussion at the U.N. of Israel's refusal to admit UNEF to its territory -- all these are hopeful signs, but it would be unrealistic to regard them as symptoms of a general trend of improvement. The basic causes of tension remain unchanged: the deep-rooted Arab fear of Israeli military, demographic and economic expansion; the bitterness of the refugees; the irrational frontiers; the fundamental Israeli concept that dynamic growth offers the only hope of survival; and the fierce tide of Arab nationalism, which regards Israel as the living symbol of past humiliations at the hands of the West.

3. Although it seems clear that the West will have to live with the Arab-Israeli problem for many years if not decades, this is not to say that we should accept the present state of affairs with passivity. It would be interesting to learn whether the Americans consider it worth while to launch any major initiatives towards a reduction of tension during the coming year, whether they consider that a gradual and piecemeal approach will be more effective, or whether they regard the present climate as unsuitable for any constructive initiatives. The various issues on which progress must be made if any reduction of tension is to take place would seem to be:

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- (a) the refugee question, probably involving a combination of compensation offered indirectly by the U.S.A., the chance to return to Israel for a fairly large but clearly defined number, and resettlement projects;
 - (b) the frontier problem, involving the "border rectifications" of which the Israelis have spoken;
 - (c) the problem of international military guarantees in or out of the United Nations, to uphold any political settlement that might be arrived at (the tripartite guarantee system having been discredited by the events of 1956, it is doubtful whether any purely Western guarantee would be trusted by the Arabs);
 - (d) the question of the recognition of Israel by the Arab states -- this is for Israel the prime issue, although it might be more realistic to work towards two related, but less ambitious, Israeli objectives: an end to the boycott, and the free movement of persons;
 - (e) the problem of the export of arms to the area, which has done so much to envenom Arab-Western relations, and which has afforded the USSR its greatest opportunities;
- and (f) the problem of Israel's recently renewed policy of mass immigration.

With regard to two immediate issues, refugees and frontier adjustment, the difficulties have been vastly increased by the unwillingness of either side to reveal what they might ultimately be prepared to accept, so that the cycle of bargaining has never had the chance to begin. The psychological need of the Arabs to bolster their self-respect by winning at least paper victories is another major obstacle to negotiation, particularly since Israel does not appear to understand this psychological need.

4. It appears more and more that, domestic political considerations apart, our most effective approach to the problem might be to bring pressure on Israel to lay its cards on the table, and to make concrete and far-reaching proposals of compromise, even though such proposals would probably not be immediately accepted. They might, however, serve to break down the Arabs' united front and interrupt the chain reaction of hate and fear which creates tension; at the same time, efforts would have to be made to persuade the Israelis to modify their mass immigration programme, which creates immense alarm among the Arabs. The U.S.A. would also have to see that a fairer proportion of Western economic aid goes to the Arab states. One of the chief Arab grievances is that the Israeli economy~~s~~ has prospered strikingly in contrast to that of the Arabs solely because it has been the objective~~s~~ of a concentrated American subsidy, public and private.

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5. It is perhaps along these lines that the United States and Canada should be thinking, if they are to counter Soviet initiatives effectively on a long-term basis. American policy under the Eisenhower doctrine, which has had to rely for support against communism on representatives of a social order in process of disintegration, will have to look for some more fundamental method of appeal to the Arabs. With the pressure from Russia increasing month by month, the choice facing the U.S. and Canada grows ever more difficult.

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CONFIDENTIAL

Sept. 25, 1957

MEMORANDUM FOR THE UNDER-SECRETARY

Subject: Discussions with United States Officials:
United States China Policy.

United States China Policy

United States China policy has not changed fundamentally in the past seven years, but recent events have led to speculation that the Eisenhower Administration may be becoming more flexible and that changes are not far distant. In particular, the State Department's partial relaxation of the ban on travel to China to allow a group of reporters to go there, has lent some weight to such views.

2. Since August, 1956, when the Peking authorities invited a group of American reporters to visit China and the State Department banned their journey, the American press has conducted a vigorous campaign for more freedom to obtain news from Communist China. West Coast trade and shipping interests this year have expressed growing doubts about United States China policy. Criticism has mounted in commercial, academic and intellectual circles, and the part of the general public that has views on the subject, appears to be moving faster than the Administration in its thinking on Communist China.

3. The most recent authoritative statement on U.S. China policy was made by Mr. Dulles in his June 28 speech in San Francisco. At that time he reiterated that the United States would not recognize the People's Republic of China, would oppose its representation in the United Nations, and would continue to avoid commercial and cultural relations with it. In support of his stand he re-stated the familiar arguments that recognition must be opposed because the Peking regime does not meet even the tests which were met by the Soviet Union prior to its recognition in 1933; recognition would deprive overseas Chinese of a "free China" to which to turn, would discourage Mainland Chinese who oppose the

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communists, would, in effect, be a desertion of the Nationalists, and would undermine Asian resistance to communism. He opposed United Nations representation on the grounds that the People's Republic of China had promoted or participated in five foreign or civil wars in the past seven years, had openly defied the United Nations on the reunification of Korea, and had proclaimed its intention to recover Taiwan by forceful means if necessary. He rejected trade relations with China because all such trade was designed to develop as rapidly as possible a formidable military establishment and a heavy industry to support it. Cultural relations with communist China were of dubious value because any example set by the United States would make it difficult for China's close neighbours not to follow and such exchanges would add to the danger confronting these nations.

4. The fact that Mr. Dulles made the speech at all and that he chose the West Coast commercial and shipping centre of San Francisco for its delivery, is evidence of the growing pressure on the Administration at that time for a change in its China policy. Press Criticism which had been mounting in any case, increased again after the May 24 anti-American riots in Taipeh. On May 30, the United Kingdom announced its intention to abolish the China trade differential and to henceforth conduct its trade with Communist China in the same way as with the Soviet bloc. This increased the public debate in the United States on China policy and General Eisenhower's remarks at his June 5th press conference indicating that he would not look with any great disfavour on American trade with China, strengthened the opponents of the Administration in this field.

5. Mr. Dulles' speech in San Francisco did not silence his critics and on August 22 the State Department announced that 24 news gathering organizations would be permitted to send one reporter each to communist China for a trial period of seven months. Our Embassy in Washington has reported that a State Department official who deals with Chinese affairs, has admitted privately that the real reason for this change in policy was simply pressure from the press. The same official categorically denied that this action presaged any further relaxation of the ban on travel to China.

He also 3

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admitted that the State Department would not be disappointed if, in view of Peking's demand for a reciprocal exchange of newsmen, no American correspondents set foot in China. It appears that the State Department's objective in allowing reporters to travel to China and in refusing to grant reciprocal entry privileges to Chinese correspondents, was to ease the pressure from the press on the Administration and to do it in such a way as to prevent the Chinese Communists from gaining any advantage; if the method adopted did not result in any American newsmen going to China, so much the better. More recently the State Department has announced that individual requests by Chinese correspondents to enter the United States will be considered on their merits. In addition, it has said that Communist Chinese athletes and officials will be granted entry to the United States for the 1960 Winter Olympics.

6. Although these views suggest that United States China policy may be slightly less rigid than formerly, there is no reason to believe that the policy outlined by Mr. Dulles on June 28 has undergone, or will undergo in the near future, any fundamental change. The underlying principle remains to do nothing to strengthen the Peking regime and to undertake everything that might weaken it. The ultimate United States aim appears to be the fusion of the regimes on the mainland and on Taiwan in some undefined form which would represent a truly Chinese Government and which could be given the support of the United States. As an interim solution a "two Chinas" policy might well win the favour of the Administration and a large segment of the United States public.

Communist Chinese Intentions

7. Communist China is heavily engaged in its own domestic problems of socialization of agriculture and commerce, raising production in industry and agriculture, power development, road and railway reconstruction, housing and education. For this and other reasons it is unlikely to engage in war-like excursions beyond its borders in the near future. This does not mean that it will abandon its claims to Taiwan, Hong Kong, Macao and several border areas in South-East Asia. It does suggest that Communist China will be content for the time being to continue by all means other than war to undermine Western influence in Asia and to extend its own influence there and in other regions that offer prospects of high returns for effort expended.

Suggested Range of Discussions

8. Because there appears to be no prospect of any basic change occurring in United States China policy in the near future, there would seem to be little to be gained from prodding the Americans on this subject in the coming talks. Nevertheless, an informal discussion might reveal more of the trend in United States official thinking on Communist China and particularly on the future of Taiwan. Recent Intelligence reports suggest that military morale is continuing to fall in Taiwan because of deteriorating living conditions. Furthermore, the policy of rejuvenating the Nationalist forces by recruiting Formosans will unquestionably weaken their will to attack the mainland. Finally, it is doubtful whether any senior Chinese Nationalist military or governmental authorities believe that a successful attack on the mainland could be launched from Taiwan without U.S. aid. In these circumstances it would be reasonable to ask the Americans for their views on the future of Taiwan and to seek clarification of their ideas on the fate of both the Peking and Taiwan regimes.

9. During the previous United States-Canadian discussions in 1955, it was suggested that the two governments might benefit from an exchange of papers on China policy. Some preliminary work was done on Canadian papers but ministerial approval was never obtained for them and no papers were received from the United States. Because of the recent change in the Canadian Government we have not sought approval for an exchange of papers on China policy with the Americans. Furthermore, we do not think it advisable to do so at the present time because we are fully aware of basic United States policy and we would not wish to commit the Canadian Government in writing on any policy that might be subject to alteration at a later date.

J.W. Holmes

CONFIDENTIAL

September 24, 1957

MEMORANDUM FOR THE UNDER-SECRETARY

Subject: DISCUSSIONS WITH UNITED STATES OFFICIALS: INDOCHINA

At the moment, the situation in Indochina appears to be more or less static. There are no pressing problems which threaten the peace and stability of the area. However, there are certain general problems about which we feel some concern and some signs that the present calm may not last indefinitely. There are, therefore, a few topics which might be usefully discussed with United States officials.

2. The General Position of the International Commissions.

Political equilibrium seems to have been generally achieved in the area. In Vietnam particularly, the Commission acts as a symbol of the armistice arrangements and is a stabilizing factor. It keeps a close watch on the neutral Demilitarized Zone between North and South, and provides some insurance against a massive build-up of the military potential of the North. During the past three years the Commission has come to be accepted by the Communists as one of the factors which affect their plans in the area, and although its ultimate strength probably is not great, we believe that it does act as a sanction against any drastic action by the Communists. The Commission in Laos performs roughly the same functions.

3. However, we consider that a substantial reduction in the scale of operations of the Commissions should be possible without affecting adversely the stability of the area. The supervision of the neutral Demilitarized Zone between North and South Vietnam is an important continuing responsibility of the International Commission. In addition, the Commission at present deploys 14 fixed teams along the borders of

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Vietnam. Their primary function now is to control the entry and exit of military personnel and equipment, and we are pressing the argument that ports of entry might be limited by agreement to two in the North and two in the South. The Indian Delegation appears to be sympathetic to a gradual reduction of Commission commitments and we hope that our continued pressure will produce results before too long. In Laos we should like to see the Southern teams eliminated, leaving the Commission to concentrate on the Northern part of Laos where the Royal Lao forces and the Pathet Lao confront each other. The Commission in Cambodia has been reduced, largely through our efforts, to a skeleton force, and we are continuing to press for its complete elimination.

4. We should be interested in learning whether the United States Government agrees generally with our assessment of the present rôle of the International Commissions in Indochina, and particularly whether it considers that present circumstances warrant a gradual but marked reduction in the scale of the Commissions. We should also be interested in any indications the United States has about the South Vietnamese attitude towards these questions.

5. Military Strength of South Vietnam. As you know, the Cease-Fire Agreement, Protocol 23 (which was signed between the French and the PAVN) and certain Commission procedures control the methods by which the parties in Vietnam may import and export military equipment and personnel. Within the Commission, we have tried for some time to ensure that South Vietnam would obtain the right to import quantities of equipment to replace not only those categories specifically laid down in Article 17 of the Agreement (destroyed, damaged, worn out or used up after the cessation of hostilities), but also any material sent out of the country since the Cease-Fire. We have encountered difficulties in this, partly because the South Vietnamese have not followed the procedures which are required. Early in September, our Delegation in Saigon discussed the problem with U.S. Ambassador Durbrow and his staff, and they are cooperating in attempting to get the South Vietnamese to follow the procedures required by the Commission. Once the system itself is operating reasonably efficiently, many of the problems involved in the import of replacement equipment, and much of the criticism which has inevitably been directed at South Vietnam, should be eliminated.

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This is one more example of the benefits which can derive from the understanding and close cooperation which has developed between the Canadian Delegation in Vietnam and the United States Embassy in Saigon.

6. We should be interested in hearing United States views on the present strength and capabilities of the South Vietnamese armed forces. It would also be interesting to have some idea of any plans the United States has about support of the armed forces. Do they intend to maintain their present scale of economic military aid, and do they envisage the necessity of providing the South Vietnamese with increased quantities of military equipment during the next few months?

7. Position of South Vietnam in Asia. We assume that the South Vietnamese are not pressing to be admitted as full members of SEATO. We still are of the opinion that the disadvantages of this step would outweigh the advantages. South Vietnam, at present, has the benefits of protection offered by SEATO, while avoiding both the complications which membership would involve in terms of the Cease-Fire Agreement, and the criticism which might come from those of her Asian neighbours who believe in neutralism.

8. There are indications that President Diem is attempting to build up South Vietnam's relationships with most of the countries of Southeast Asia, including the neutralists. It seems possible that he sees South Vietnam fulfilling the rôle of a bridge between countries such as Nationalist China and South Korea on the one hand, and India, Indonesia and Burma on the other. (The forthcoming Colombo Plan Conference in Saigon could give South Vietnam the opportunity to strengthen its relations and prestige in the whole area.) United States opinions about the future political rôle of South Vietnam would be interesting.

9. Laos. The governmental crisis in Laos has been passed and the present arrangement in which Katay and Phoui exercise considerable influence in a government headed by Souvanna Phouma appears to be a fairly stable one not too favourable to Communist interests. Presumably some action

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will be taken by the government to bring about a settlement with the Pathet Lao. There is always the possibility that one side or the other may become dissatisfied with the trend of negotiations, and we would be concerned if either party decided to resort to force in order to resolve the issue. The United States probably has made an estimate of the probable developments in Laos over the next few months and undoubtedly has some ideas about the plans of the Royal Government.

J.W.H.

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VII
NATO

SECRET

MEETINGS OF CONSULTATION WITH UNITED STATES OFFICIALS

ITEM VII: NATO MATTERS: Desirability of Increased Political Consultation in the NATO Council on all matters of Concern to the NATO Governments

PART A: Points on which United States views may be sought:

- (1) To what extent are the United States authorities satisfied with the method and the degree of present political consultations in NATO?
- (2) Do the United States authorities consider that the various recommendations of the Report of the Committee of Three have been adequately implemented?
- (3) If the United States authorities consider that the present trend of political consultation in NATO is not satisfactory, or that insufficient progress has been made towards translating in practice the principles advanced by the Committee of Three, have they any suggestions to make in order to improve present political consultations in the direction desired?
- (4) Do the United States authorities consider in particular that more effective consultation than at present between the NATO Allies would be desirable or even possible on Middle Eastern problems?

PART B: Background Information:

There continues to be a feeling in some quarters that a still new impetus and to some extent even a new approach is required if the NATO Alliance is to retain its cohesion and effectiveness. This feeling appears to spring from a conviction that much more needs still to be done to strengthen the diplomatic, cultural and economic ties between member countries, particularly in the light of recent unpredictable and shifting Soviet policies. The study last year of the Committee of Three was specifically undertaken to promote these closer relations between members of the Alliance. It was thought at the 1956 December Ministerial meeting, when the Report of the Committee of Three was approved by Council, that the Report had given NATO governments comprehensive guidance for the development of greater unity and cooperation, and that the ultimate results from then on depended on the willingness and readiness of governments to translate the recommendations in the Report into action.

The Canadian authorities have always felt that the success of the Committee's Report very much hinged on the support which its recommendations would receive from the more important members of the Alliance, especially of the United States. Since the real substance of the Committee of Three Report lies in the field of political consultation, it would seem appropriate to take advantage of the current consultations to ascertain from the United States authorities the extent to which they consider adequate present political

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consultations in NATO, and whether they have any suggestions designed to improve these consultations, and to further the implementation of the Committee of Three Report.

Since the adoption of that Report, Council has agreed, on the organizational side, to establish a Committee of Political Advisers, and a Committee of Economic Advisers, which would assist the Secretary General, and which would undertake the preparatory work around which much of the Council discussions would take place.

The Committee of Political Advisers, in the view of Canadian officials, has been reasonably effective in furthering discussions and exchanges on major political issues, and in preparing the basic studies on political questions listed on the agenda of NATO meetings, with the assistance, at times, of experts sent especially to Paris from NATO capitals. The Committee of Political Advisers have examined at length, and prepared papers on a wide range of problems, including those created by the shifting nature of Soviet foreign and domestic policies, recent developments in the Satellites, the extent of Soviet penetration in the Middle East, certain items on the agenda of the United Nations General Assembly, attitudes of NATO governments towards Soviet Bloc diplomatic and trade missions, and NATO governments' policy towards the question of trade with Poland, etc.

The NATO Council for its part, has been particularly occupied recently by extensive consultations on all the various aspects on the disarmament question. It has been questioned whether the NATO consultations on disarmament had not somewhat hampered, if not delayed, the proceedings in the sub-committee in London. Most persons who have been closely involved in the recent disarmament discussions have recognized, however, that the consultations on disarmament in NATO have proved very useful, and had as a whole preserved the unity of the Western position, which would have otherwise undoubtedly been subjected to numerous divisive forces and misunderstandings. The Council has also held discussions on such matters as relations with Soviet and Satellite officials, recognition of the Hungarian Government, the possibility of extending economic and/or emergency relief to Hungary, the general problem of German reunification, and generally many aspects of the issue of European security.

There are, however, a number of issues on which political consultation in NATO appear to have been more or less avoided, or where there has been no or very little progress. The problems relating to the Middle East are among those on which member states have been very reluctant to consult. The recent events in Syria and the inability of the Council to obtain at the time all the necessary information have confirmed an earlier impression that certain member countries were inclined to deal with the Middle East problems outside the NATO context, and not infrequently through bilateral contacts to the exclusion of NATO consultations. It might well be that present circumstances made this approach to Middle East problems preferable, and Canadian authorities themselves, while admitting the desirability of extending political consultation in NATO to the Middle East, have been careful to avoid any NATO action which could give the impression of an undue desire on the part of NATO to interfere or intervene in that region. Nonetheless, it would seem that more

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information could be exchanged in NATO without laying the Alliance open to charges of interference.

There are a number of other issues on which there have been keenly divergent views, and which has involved conflicting interests between two or more members of the NATO Alliance. The matter of Cyprus presents a striking example of this kind of difficulty.

It remains that Canadian interests are more likely to be best served through regular and full political consultations in NATO and thus by continuing to impress tactfully upon member governments the importance of bringing matters of political and economic significance before the Council, before rigid positions have been assumed. In this way, the aggravating differences among the members may be dispelled. In this way also, the separate but not necessarily conflicting trends toward "Europeanization" and a strong Atlantic Alliance may be blended. Canada has continually urged close and frank discussions within the Council on all matters affecting the interests of NATO governments and NATO in general. We appreciate, however, that such discussions are only possible and effective to the extent that the big powers within the Alliance are prepared to support and in fact to encourage this initiative. This approach continues to appear to Canadian officials as the only way to the establishment of a genuine political partnership of the Atlantic Countries.

SECRET

MEETINGS OF CONSULTATIONS WITH UNITED STATES OFFICIALS

ITEM VII: NATO MATTERS: Problems which would be raised by a proposal to stockpile atomic weapons in NATO countries

PART A: Points on which United States views may be sought:

- (1) What is the state of the United States studies mentioned by Mr. Dulles at his Press Conference in Washington on July 16 concerning the establishment of stockpiles of atomic weapons throughout various NATO countries? Is it the intention of the United States authorities to make soon a formal proposal in this sense and if so, when may it be expected?
- (2) On the basis of the studies which the United States authorities have been carrying out on the subject, what would be the main elements of any such proposal by the United States Government; in particular:
 - a) Would the United States authorities envisage the establishment of such stockpiles of nuclear weapons in every NATO country or only in some of them?
 - b) If the latter case, would this include Canada?
 - c) Would the stockpiles established in territories other than that of the United States remain exclusively under the control of United States authorities, or would other NATO countries be empowered to exercise such control?
- (3) On the assumption that the United States Government is now ready to proceed with the implementation of such a proposal, what approximate timetable do they have in mind, for such steps for instance as; introduction of necessary legislation in the United States, presentation of the proposal in NATO, appropriate preparations in the various NATO countries concerned, and finally actual establishment of the stockpiles?
- (4) It is generally accepted at the moment that the actual decision which would bring about the use of nuclear weapons would rest with all the NATO governments, through the Council in Paris. It has been considered especially essential to vest this authority on the "civilian" heads of NATO governments because basic NATO strategy, in case of aggression has been based on the concept of maximum nuclear retaliation. Would the establishment of stockpiles of nuclear weapons in NATO territories other than that of the United States modify the principle of "civilian control", and present NATO strategy of nuclear deterrence?
- (5) If the United States authorities consider that the establishment of stockpiles of nuclear weapons in other countries would call, especially in the light of recent political and other developments, for modification of the principle in question and of NATO strategy, what should be in the United States' view

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the nature and scope of these necessary changes.

(6) Should NATO governments understand from Mr. Dulles' recent article in the October issue of Foreign Affairs, and more particularly from Section IV of the article dealing with the strategy of collective self-defence, that a new trend is emerging in United States official thinking on this matter? When Mr. Dulles suggests among other things, that it may be possible in the future to rely less upon deterrents of vast retaliatory power, should NATO governments interpret this as a mere extension and development of the concept of "local conflicts" embodied in last December's Political Directive, or does it suggest a more far-reaching departure from established NATO strategy, requiring early consideration by NATO members?

local conflicts in Europe!

(7) United States representatives in NATO have recently announced two series of reductions in United States forces overseas, of 100,000 men each. While United States representatives have made it clear that these planned reductions will not affect present United States military contributions to NATO, should these announced reductions be taken as advanced notification that the United States contributions to NATO will also in due time be so reduced, on the grounds of the need to "streamline" present combat units? If so, is it the intention of the United States authorities to coordinate any "adjustments" in their military contributions to NATO with the introduction of new weapons into the Allied arsenal, including the establishment of stock-piles of nuclear weapons?

*is it possible
with
force?*

PART B: Background Information

Military State of the Alliance and Nuclear Weapons

The European members of the NATO Alliance have been stressing for sometime the importance and urgency of providing their forces assigned to NATO with modern weapons, including weapons, presumably equipped with atomic or nuclear warheads. United States spokesmen have indicated on a number of occasions in the course of the last year, but more particularly at the 1956 December ministerial meeting, that steps would be taken to introduce as soon as possible effective new weapons in the military contributions of various NATO countries. A first start has been made in this direction by the training by United States personnel of certain contingents from such countries as Denmark, Norway and Italy, in the handling of tactical weapons of the "Honest John" and "Nike" types. While this step goes some way towards implementing the United States undertaking to help to modernize the military contributions of other NATO countries, the problem of equipping such forces with atomic or nuclear weapons remains at least officially, untouched. The tactical weapons which certain NATO troops are now being taught to use do not indeed fulfill their real purpose until, and unless, they are fitted with atomic warheads. There has been, so far, no formal proposal on the part of United States authorities for making such atomic warheads available to NATO forces other than those of the United States, and United States legislation, as far as we understand it, forbids at present United States authorities to make such atomic warheads available to other countries, including Canada and the United Kingdom.

At a Press Conference in Washington on July 16, 1957, Mr. Dulles revealed, however, that the United States defence authorities

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had been giving serious thought to the creation of NATO stockpiles of nuclear weapons, through which such weapons could be made available to the members of the Alliance. The following day, on July 17, President Eisenhower endorsed publicly the proposal of NATO stockpiling of nuclear weapons, and confirmed generally the information given by Mr. Dulles concerning the United States study of plans for the creation of such stockpiles.

There has been since these two Press Conferences no further development on this question, and no indication of what progress has been made by United States authorities in formulating the plans in question. For the time being, therefore, no specific proposal has been made by the United States Government and no information is available concerning United States intentions with regards to such a proposal. It seems to us, with the advent of increasingly powerful weapons in the hands of the Soviet Union, that the need of strengthening the defence means available to the NATO partnership and thus of reinforcing the "deterrent" is increasing both in urgency and in scope. If the United States Government is serious about the idea of establishing stockpiles of nuclear weapons in NATO countries, it appears therefore highly desirable that we be made aware at the earliest possible time of the plans being envisaged.

NATO Stockpiling of Nuclear Weapons and Disarmament

Any United States proposal for NATO stockpiling of nuclear weapons would be, of course, in harmony with the United States policy in the recent disarmament negotiations in London. In their last proposals on disarmament, the United States indicated their intention to reserve the privilege of deciding in case of a disarmament agreement to station their stockpiles of nuclear weapons outside the boundaries of the United States, as well as the privilege of training other than United States troops in the use of nuclear weapons. Any United States proposal for NATO stockpiling of nuclear weapons would give therefore a practical significance to the recent United States reservations in the disarmament sub-committee.

The public mention by Mr. Dulles of the current United States studies in this field was also probably designed to alleviate the fears of some of the United States partners in the sub-committee, especially the United Kingdom and France, to the effect that agreement on the suspension of nuclear tests with an eventual halt in the production of nuclear weapons might leave these countries without real means of modern defence. If the temporary suspension of nuclear tests were linked not only with the out-off of production for weapons purposes, as the United States disarmament plans envisage, but also with a prohibition of deliveries to allies, then such countries as the United Kingdom, which is actually producing components for nuclear weapons, and France, which is apparently considering such production, might indeed be left in a position of having means for the delivery of nuclear warheads, but inadequate supplies of such warheads. This is particularly important for the United Kingdom which has just recast most of its defence policy on a basis of nuclear as opposed to conventional armaments.

to discuss above may not be included in defence memo

Control over NATO Stockpiles of Nuclear Weapons

The implementation of any proposal for establishing stockpiles of nuclear weapons in NATO countries would raise, probably more acutely than heretofore, the question of control over nuclear weapons and their use. There is no doubt that it is desirable and in fact essential that the NATO Alliance be permitted to develop its full military potential by arming itself with the most modern weapons, but it is unlikely that this objective could be successfully and effectively reached unless it is done under a control system which would minimize,

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and perhaps even eliminate the "Fourth Power" problem, while at the same time reducing the differences in status between the two "nuclear powers" in NATO and the other members of the Alliance.

It would seem equally essential to insure that the establishment of NATO stockpiles of nuclear weapons will not enable any NATO power to embark unilaterally on a war against any other power, or retaliatory action by a major power. We can be certain in any event that the Scandinavians, for instance, would look with great concern upon a situation whereby Greece and Turkey could in a moment of over-estimated danger, and ensuing national panic, let go an atomic attack, thereby bringing into the fray the whole of the NATO Alliance. Likewise, however, the small members of NATO might see little advantage and possible political disadvantages, in the creation of NATO stockpiles of nuclear weapons in their respective countries, if the control over them were left exclusively to SACEUR and the President of the United States. Such arrangements would in any case likely defeat the purpose which ought to be behind such a proposal, of cementing NATO solidarity, and of decreasing the dependence of each of the NATO members upon the present United States monopoly of the nuclear deterrent. *unilateral*

An initial form of control, therefore, might well consist in having the proposed stockpiles under the formal custody of SACEUR. They would be used only in accordance with the specific military directions of SACEUR, which in turn would be given only in accordance with general directives of the NATO Council regarding the use of such weapons. This policy would be in line with the interpretation made by the NATO Foreign Ministers, including Mr. Dulles, and by General Gruenther, of "MC-48", the report of the military Committee of NATO on the most effective pattern of NATO military strength over the next few years. This report was approved by NATO at its ministerial meeting in December 1954, and the so-called principle of "civilian control" reaffirmed at the last December ministerial meeting. Its interpretation left to member governments, through the NATO Council rather than to the military authorities the decision which would bring about the use of nuclear weapons. *Monroe*

As a result, it would seem that the practices of NATO might also need to be considered in the light of such increase in the military advantages and responsibilities of NATO partnership. At a moment when the central contribution of NATO to a nation's military potential is being increased, it is an opportune moment to improve the means for guaranteeing that this increased military potential is used in conformity with NATO's objectives. Furthermore, the establishment of stockpiles of nuclear weapons without an adequate system of control might well affect adversely the balance of power within NATO, and existing deterrents to unilateral action (such as the threat of U.S. and U.K. abandonment of the continental land-mass to the Soviet-Union) might no longer be as efficient as before. With the establishment of NATO's stockpiles of nuclear weapons, it would indeed become, in our view, necessary to strengthen the political consultation and control machinery of the NATO Council over the disposition and use of these weapons. /

NATO Stockpiling and Canadian Defence Policy

Canadian officials concerned with defence matters and who have been following NATO developments, feel that on the whole implementation of a United States proposal for the establishment of NATO stockpiles of nuclear weapons would have far reaching advantages for the Alliance, and would go a long way towards strengthening the unity and promoting mutual confidence within NATO. Implementation of the proposal would nonetheless present the Canadian Government with a number of important problems. As there as yet has been no actual proposal,

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it would seem premature to talk in terms of a Canadian policy. A number of considerations of direct interest to Canada can, however, be advanced at this stage..

It is assumed that, in the event of the creation of NATO stockpiles, under conditions permitting access to them by the NATO members, its supplies would be available to Canadian forces on a basis of equality with forces from other NATO countries. It is also assumed that such stockpiles would be located, at least at the outset, in Europe. In theory, the ability of Canadian contingents in Europe to use these weapons should not give rise to serious difficulties. Most of the agreements which Canada has with countries such as France and Belgium for the use of airfields provide that Canadian contingents stationed at these bases would not be armed with conventional weapons. These governments, however, would presumably agree, in the event of the establishment of stockpiles of nuclear weapons, to the working out of appropriate agreements permitting Canadian forces equipped with such nuclear weapons to be stationed on their territory.

*available
Canadian
forces
in Canada
in Europe*

Canadian defence officials have been inclined however, so far, to consider that Canada's armed forces in Europe, as well as in North America, did not, in practice, have any immediate requirement for nuclear weapons, although within a few years, would require certain specific modern defensive weapons, sometimes referred to as "tactical weapons". The United States Air Force is already using one such "small" weapon in the air defence of North America, and has been given authority to use it over Canada. For technical reasons, the R.C.A.F. does not at present wish to adopt this weapon.

Although there has been no reference to this possibility so far, the United States proposal could also of course envisage the establishment of NATO stockpiles of nuclear weapons in Canada. Canada, like the United States, is in principle an integral part of the NATO area. Most of the agreements negotiated with the United States regarding the use of bases in Canadian territory by United States forces took place at a time when nuclear weapons meant only mass nuclear deterrent, and when defensive weapons were still at the planning stage. There are therefore in the United States Leased Bases Agreement no reference to U.S. forces being equipped with nuclear weapons, and in fact no distinction between conventional weapons and others. Recent agreements with certain European countries concerning the use of airfields by Canadian forces contain however clauses stipulating specifically that Canadian forces stationed there would be armed only with conventional weapons. Although there are, strictly speaking, no provisions in the U.S. Leased Bases Agreements preventing U.S. forces to be equipped with nuclear weapons, it is evident, in the light of recent precedents, that fresh agreements would have to be negotiated before NATO stockpiles of nuclear weapons could be established on Canadian territory, as would be the case for most western Europe countries. It has also been ascertained that amendments would be required to a number of Canadian statutes before such stockpiles can be stationed in Canada.

mutually

NATO Stockpiling and NATO Strategy

From the moment the North Atlantic Treaty Organization was established, it was recognized that its collective security, particularly in view of the huge military power which the Soviet Union could marshal, would depend directly upon the capacity of the Alliance to counteract effectively and at once against the aggressor. Up to now, the main means of retaliation available to NATO in case of aggression has been the strategic airforce of the United States, and its stocks of atomic weapons. It has been on this concept of mass nuclear retaliation that the core of NATO strategy has been based. All basic strategic papers in NATO, including the latest version of NC-48, have

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so far stressed this approach.

As a result of the increasingly shifting character of Soviet policies and of the development of new types of modern weapons, the destructiveness and impact of which may be confined substantially to predetermined targets, the attention of the NATO Alliance has of necessity been turning towards the possibility of limited or local conflicts in which the means of counteract would not only lie in mass nuclear retaliatory power. The first official NATO expression of this new concern over possible "localized action" and "local conflicts" is found in the political directive which the Council in ministerial session approved at its 1956 December meeting in Paris, in which the following paragraph may be found:

"The following possibilities of action by the Soviet leaders through the use of conventional arms, but which would in varying degree, entail the risk of deteriorating into a major war must be included among things requiring consideration:

- a) general attacks against NATO ...
- b) local attacks against NATO: If the Soviets believe that NATO will be deterred from employing nuclear weapons (except in retaliation to a Soviet nuclear attack) and were not able to defend itself against all types of limited aggression, including local attack (i.e. by a Satellite), the Soviets might initiate, instigate, support or condone such aggression

Recent reports emanating from Washington are indicating that United States authorities have been pursuing the examination of the concept of "limited retaliatory action" against "limited aggression". This apparent reappraisal in United States defence thinking has just been confirmed by an article by Mr. Dulles published in the October issue of "Foreign Affairs". In this article, a copy of which is attached to this brief, Mr. Dulles explains that:

"the United States has not been content to rely upon a peace which would be preserved only by a capacity to destroy vast segments of the human race. Such a concept is acceptable only as a last alternative. In recent years there has been no other. But the resourcefulness of those who serve our nation in the field of science and weapon engineering now shows that it is possible to alter the character of nuclear weapons. It seems now that their use need not involve vast destruction and widespread harm to humanity. Recent tests point to the possibility of possessing nuclear weapons the destructiveness and radiation effects of which can be confined substantially to predetermined targets. In the future it may be thus feasible to place less reliance upon deterrence of vast retaliatory power. It may be possible to defend countries by nuclear weapons so mobile, and so placed, as to make military invasion to conventional forces a hazardous attempt".*

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(See footnote on page 7)

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In brief, these considerations bring us close to the principle of "graduated deterrents". The principle of graduated deterrents is of course not new, and attempts have been made in the past to have it incorporated in the context of official NATO strategy. The NATO military authorities have, however, so far successfully opposed any such strategic thinking, and firmly rejected its acceptance at least unless and until their shield forces could be considered to be sufficiently strong to deal effectively by themselves with any local action, without the support of the United States strategic airforce. Although there has been increasing talk about introducing into the arsenal of the Alliance new weapons which would considerably increase the power of NATO units, and that a start has been made for the training of some of these NATO units in the handling of modern weapons, no such new weapons have in fact become operational with NATO troops other than those of the United States. NATO strategic planning therefore must proceed for the time being on the assumption that it will be some time before the shield forces of NATO in Europe have been sufficiently strengthened through the availability of new weapons.

* It is interesting to compare this latest article by Mr. Dulles with that which he published in the 1954 April issue of "Foreign Affairs" on the same subject. In that article may be found, inter alia the following statement:

"This serves the indispensable need to demonstrate a purpose to resist, and to compel any aggressor to expose his real intent by such serious fighting as will brand him before all the world and promptly bring collective measures into operation. Potential aggressors have little respect for peoples who have no will to fight for their own protection or to make the sacrifices needed to make that fighting significant. Also, they know that such peoples do not attract allies to fight for their cause. For all of these reasons, local defense is important. But in such areas the main reliance must be on the power of the free community to retaliate with great force by mobile means at places of its own choice.

A would-be aggressor will hesitate to commit aggression if he knows in advance that he thereby not only exposes those particular forces which he chooses to use for his aggression, but also deprives his other assets of "sanctuary" status. That does not mean turning every local war into a world war. It does not mean that if there is a Communist attack somewhere in Asia, atom or hydrogen bombs will necessarily be dropped on the great industrial centers of China or Russia. It does mean that the free world must maintain the collective means and be willing to use them in the way which most effectively makes aggression too risky and expensive to be tempting."

OCTOBER ISSUE OF "FOREIGN AFFAIRS" - 1957

CHALLENGE AND RESPONSE IN UNITED STATES POLICY

By John Foster Dulles

THE 35th anniversary of the founding of *Foreign Affairs* is a suitable occasion for comment on the evolution of United States foreign policy and the rôle we can play today in accord with our enduring national principles. During this third of a century, the American people have altered their conception as to the proper part which their Government should take in world affairs.

Since the founding of this nation, the American people have believed that it had a mission in the world. They have believed that "their conduct and example" ("The Federalist," No. 1) would influence events throughout the world and promote the spread of free institutions. But they have traditionally felt that it would be better for their Government to avoid involvement in international issues. So, with rare exceptions, the United States left the field of international politics to the governments of the "Great Powers" of the nineteenth century.

It took the First World War to bring us into major involvement in world crises and conflicts. Then in the decade of the thirties a series of critical events culminated in the greatest of all wars. By its end, a transformation had been effected. It had become obvious that the conduct and example of our people no longer, alone, sufficed to prevent recurrent challenges to our security and our way of life. It was also apparent that only in association with others could we repel such challenges. Furthermore, our national power had grown to be so impressive as to preclude its being merely a reserved, negative force.

Thus, since 1945, our Government has played a leading rôle in a coalition of free nations dedicated to the principles of international order to which our people have long subscribed.

There still remains a nostalgia for the "good old days." This is reinforced by recurrent demonstrations that, great as is our strength, we are not omnipotent. We cannot, by fiat, produce the kind of a world we want. Even nations which depend greatly upon us do not always follow what we believe to be the right course. For they are independent nations, and not our satellites. Our power and policy are but one significant factor in the world in which we live. In combination with other factors we are able

FOREIGN AFFAIRS

to influence importantly the course of events. But we cannot deal in absolutes. This, to many Americans, is a source of worryment.

The American people may not yet have completely accepted the rôle that history has made inevitable. But at least a good beginning has been made. It is unlikely that there could now be a successful effort to withdraw the United States Government from official and active participation in international affairs. But in order that such participation should command popular support, our foreign policies should be more than politics. They must evidently reflect the traditional aspirations of our people.

II. COMMUNIST HOSTILITY

United States foreign policy since 1945 has been forced to concern itself primarily with one major threat to the peaceful and orderly development of the kind of international community the American people desire. This is the threat posed by those who direct the totalitarian system of International Communism. Because orthodox Communism represents a materialistic and atheistic creed, it inevitably is repugnant to those who believe in the supremacy of the spirit. Because it seeks world rule through the domination of all governments by the International Communist Party, it is repugnant to all who understand its purposes and, as patriots, cherish national independence. And because it employs fraud and violence to achieve its ends, it is repugnant to all who seek a world society of decency and order.

The United States, as the strongest nation of the non-Communist world, has had the major responsibility for meeting this challenge which, since 1950, has been able to exploit the resources of most of the Eurasian land mass and one-third of the world's population.

Since the death of Stalin in March 1953, there has been a Soviet disavowal of the ruthlessness of the Stalinist period. Internally, that disavowal has found some practical expression. Externally, Soviet policy has been marked by a more diversified range of political, diplomatic and economic tactics vis-à-vis the non-Communist world. This became especially pronounced in 1955. There were such gestures as the sudden consent to a long-overdue Austrian treaty and the overtures to Yugoslavia. At the "summit" conference at Geneva there were professions of peaceful intent and an agreement to reunify Germany by free elections. There

CHALLENGE AND RESPONSE IN U.S. POLICY

were profuse offers of "assistance" to many nations and a plea for "cultural relations."

But nowhere, except perhaps in Austria, did the Soviets yield anything of substance or enter into genuine negotiations on basic issues. Economic and military "assistance" was a Trojan horse whereby influence could be gained to promote political subversion. There was no honest acceptance of Yugoslavia's right to have a national Communist government not dominated by International Communism. And in November 1955 at Geneva the Soviet Government flatly repudiated the July "summit" agreement for German reunification.

The year 1956 gave further evidence that the new rulers in Moscow were not essentially changed. Enticements were mingled with threats. When "de-Stalinization," proclaimed by the Twentieth Party Congress in February 1956, was interpreted in the satellites as justifying more freedom and independence, there were fierce reactions first at Poznan, Poland, and then in Hungary. Obviously, those who presently dictate the doctrines of International Communism are not in fact prepared to accept the consequences of their professed liberalization.

In all the 40 years of Bolshevik rule there is no episode more brutal than the Red Army suppression of the Hungarian people's 1956 uprising against intolerable oppression. And recent Soviet policies in the Near East are inexcusably mischievous.

That area, rich in cultural and religious tradition, yet stricken with historic dissensions and tragic poverty, was chosen in 1955 to be the scene of a new Communist hunt for power. Communist propaganda studiously sought to inflame animosities. The Soviet Government, drawing upon its semi-obsolete war equipment, stimulated an arms race. As a direct or indirect result, violence and bitterness were increased and abject poverty was riveted more firmly as some governments mortgaged the future economic productivity of the people in order to buy Soviet arms. It has indeed been a cynical performance by those who profess to love peace and to desire to uplift the masses.

More than a decade of cold war experience has confirmed our earlier judgments of International Communism. It, and the governments it controls, are deeply hostile to us and to all free and independent governments. Its basic doctrine precludes its changing of its own accord. Self-advertised changes must be considered as mere stratagems.

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We need not, however, despair. International Communism is subject to change even against its will. It is not impervious to the erosion of time and circumstance. Khrushchev's speech of February 1956, the July 1957 shake-up in the ruling clique at Moscow, and Mao's speech of February 27, 1957, indicate that even in Russia and the China mainland Soviet and Chinese Communist régimes are confronted with grave internal pressures and dilemmas. The yeast of change is at work, despite all the efforts of "democratic centralism" to keep matters moving in a strictly Leninist pattern. The rulers in Russia do not find it possible to combine industrial and military modernization with the personal repressions of the Middle Ages; and the rulers in China will not find it possible to fit the richly diversified culture of the Chinese into a Communist mold of conformity.

The time may come, indeed we can be confident that it will come, when the nations now ruled by International Communism will have governments which, whatever their label, in fact serve their own nations and their own peoples rather than the insatiable world-wide ambitions of an international Party. There will be broadening participation in government. There will be increasing personal security under law. There will be a significant degree of freedom of thought and expression. And the workers will be permitted to have some choice of the work that they do and to enjoy more of the fruits of their labor. Under those conditions, the people, if not the masters of their government, will at least not be its abject slaves. Vast military power will no longer be completely at the disposal of those who accept no restraints either of a governmental or moral character and whose goal is world-wide rule. When that day comes, we can rejoice. Until that day comes, we shall need to remain on our guard.

III. COLLECTIVE SECURITY

During the last two decades, the United States has found it necessary to recast its ideas and policies regarding national security. The course of our thinking and planning has been in the direction of collective security. In our modern world no nation, however powerful, can find safety in isolation, and security for one is only to be achieved through coöperation with other like-minded nations.

The society of nations is undergoing the transformation that occurs whenever primitive societies develop. There is a gradual

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evolution from conditions where security is a matter of each for himself and the Devil take the hindmost, to a condition where security is a collective effort to which each contributes and from which each benefits. In that way there is greater security at less cost. The society of nations is gradually and painfully evolving from a primitive condition to one where security is a matter of collective effort and where defense is a common defense.

It is not easy to realize these principles in a world where people have long thought of sovereignty as a status unqualified by interdependence. Yet after a second generation of bitter experience, the United States, with many others, sees the indispensability of interdependence. Today we seek security through the strengthening of universal institutions, by regional arrangements, by maintaining military capabilities in conjunction with our allies, and by determined efforts to diminish the risk of surprise attack and to limit and control armaments.

In 1945 the United States took the lead in organizing the United Nations. We hoped that it would become an effective instrument of collective security. But it still falls short of being that. United Nations action in a divided world has often been paralyzed. For example, the U.S.S.R. has exercised the veto in the Security Council about 80 times. No joint U.N. military force has been set up as contemplated in the Charter, although Korea and Suez point to possible progress in this direction. Also, the Assembly, in the Suez and Hungarian crises of last fall, displayed surprising determination and virtual unanimity.

It is sometimes said by way of reproach that in these matters the United Nations applied a "double standard"—severity toward Israel, France and the United Kingdom, and leniency toward the Soviet Union. This charge has no basis in fact. The Assembly resolutions directed against the use of force in Egypt and in Hungary were equally peremptory.

The double standard was not in the United Nations, but in the nations. There was the moral sensitivity of the Western nations, and their decent respect for the opinions of mankind. There was the immorality of Soviet Communism, and its contempt for the opinions of mankind. We can rejoice that, among the nations, there are governments having standards higher than those of the Government of Soviet Russia. That is not a matter of reproach to them, or to the United Nations.

Despite hopeful indications of progress in the United Nations,

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the nations of the free world which felt endangered have, for the most part, felt it necessary to resort to collective, and usually regional, arrangements to safeguard their security. This has been in entire accord with the Charter. In this development the United States has assumed a major rôle and responsibility. Since 1945 we have entered into collective security treaties with 42 other nations and we have less formal arrangements with several more.

The first such treaty—the Rio Pact—was with our own neighbors of this hemisphere. We went on to broaden the base of collective security through a series of multilateral and bilateral pacts which now encompass much of the free world. The forces of NATO, now including the Federal Republic of Germany, stand guard over the treaty-defined North Atlantic region which includes the vital area of Western Europe. In the West Pacific and Far East, the SEATO and ANZUS pacts and four bilateral treaties establish the principle that a threat to one is the concern of all. In the Middle East, the Baghdad Pact and the Eisenhower Doctrine assure collective response to Communist aggression at points of special danger or weakness. This nearly world-wide system of regional collective security has served all the participants well. It has deterred aggression and given much-needed assurance to peoples who are especially exposed to attack.

We must, in candor, admit that all of the participants do not look upon these arrangements alike. Some consider them broad political alliances, binding the parties, at least morally, to support each other generally. But the net result has been to further the application of the principle of collective security within the society of nations.

IV. THE STRATEGY OF COLLECTIVE SELF-DEFENSE

Collective security must, of course, be buttressed by military capabilities to deter armed aggression and to cope with it if it should occur. In December 1950, in an address before the American Association for the United Nations, I spoke to this problem, pointing out that, "With more than 20 nations strung along the 20,000 miles of Iron Curtain, it is not possible to build up static defensive forces which could make each nation impregnable to such a major and unpredictable assault as Russia could launch. To attempt this would be to have strength nowhere and bankruptcy everywhere." I went on to say, "Against such military power as the Soviet Union can marshal, collective security de-

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pend upon capacity to counterattack against the aggressor;" and I pointed to our Strategic Air Force and our stock of weapons as constituting an arsenal of retaliation.

During the ensuing years the military strategy of the free world allies has been largely based upon our great capacity to retaliate should the Soviet Union launch a war of aggression. It is widely accepted that this strategy of deterrence has, during this period, contributed decisively to the security of the free world.

However, the United States has not been content to rely upon a peace which could be preserved only by a capacity to destroy vast segments of the human race. Such a concept is acceptable only as a last alternative. In recent years there has been no other. But the resourcefulness of those who serve our nation in the field of science and weapon engineering now shows that it is possible to alter the character of nuclear weapons. It seems now that their use need not involve vast destruction and widespread harm to humanity. Recent tests point to the possibility of possessing nuclear weapons the destructiveness and radiation effects of which can be confined substantially to predetermined targets.

In the future it may thus be feasible to place less reliance upon deterrence of vast retaliatory power. It may be possible to defend countries by nuclear weapons so mobile, or so placed, as to make military invasion with conventional forces a hazardous attempt. For example, terrain is often such that invasion routes can be decisively dominated by nuclear artillery. Thus, in contrast to the 1950 decade, it may be that by the 1960 decade the nations which are around the Sino-Soviet perimeter can possess an effective defense against full-scale conventional attack and thus confront any aggressor with the choice between failing or himself initiating nuclear war against the defending country. Thus the tables may be turned, in the sense that instead of those who are non-aggressive having to rely upon all-out nuclear retaliatory power for their protection, would-be aggressors will be unable to count on a successful conventional aggression, but must themselves weigh the consequences of invoking nuclear war.

It is precisely this evolution that Soviet diplomacy and propaganda strive most vigorously to prevent. They oppose all such experimental testing of nuclear devices as is necessary to find ways to reduce fall-out and to reduce size. They seem to prefer that nuclear weapons be only the "horror" type of weapons. They apparently calculate that humanitarian instincts will prevent us

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from using such weapons. They know that if Soviet conventional forces were operating in Europe the megaton-type weapon with large fission fall-out could not be used by Western forces without endangering the friendly peoples of the area. Under these conditions Sino-Soviet manpower and its conventional weapons would become the dominant military force in Eurasia. Such considerations make it important to combine the suspension of testing with other measures which will limit armament and the possibilities of surprise attack.

The Soviet Union, in its May 10, 1955, disarmament proposals, said:

There are possibilities beyond the reach of international control for evading this control and for organizing the clandestine manufacture of atomic and hydrogen weapons, even if there is a formal agreement on international control. In such a situation the security of the States signatory to the international convention can not be guaranteed, since the possibility would be open to a potential aggressor to accumulate stocks of atomic and hydrogen weapons for a surprise atomic attack on peace-loving states.

The foregoing is certainly true, at least as regards the use of existing stocks of fissionable material. That is why we do not seek to control existing stocks. We accept their inevitability, limiting our control proposals to newly created fissionable material that can be controlled.

The Soviet statement continued:

Until an atmosphere of trust has been created in relations between States, any agreement on the institution of international control can only serve to lull the vigilance of the peoples. It will create a false sense of security, while in reality there will be a danger of the production of atomic and hydrogen weapons and hence the threat of surprise attack and the unleashing of an atomic war with all its appalling consequences for the people.

This, again, is a true statement. Unless there are effective measures to reduce "the threat of surprise attack," whether nuclear or otherwise, it would be imprudent to interrupt the safeguarded search for methods to apply nuclear power to weapons in a manner to enlarge the possibilities of defense greatly and at the same time greatly reduce the lethal fall-out factor inherent in weapons which are still in a relatively early stage of development.

As nuclear weapons come to provide greater possibilities for defense this will require changes in military and related political strategy. So long as collective security depends almost wholly upon the deterrent of retaliatory power and the ability to wreak great destruction upon an aggressor nation, there has to be almost

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sole dependence upon the United States. No other nation can afford the cost of maintaining adequate deterrent power. This requires a vast arsenal of planes, weapons and perhaps long-range missiles. These must be constantly renewed to overcome increasing defensive capabilities. This in turn requires vast outlay for experimentation.

However, as nuclear weapons become more tactical in character and thus more adaptable to area defense, there will inevitably be a desire on the part of those allies which are technically qualified to participate more directly in this defense and to have a greater assurance that this defensive power will in fact be used. Such factors are already leading to study of a so-called "atomic weapons stockpile" which could be established by the United States in the European NATO area, and, as becomes appropriate, made available to NATO.

A concomitant of this problem is how to prevent the promiscuous spread of nuclear weapons throughout the world. Without safeguards, such weapons might in the future get into the hands of irresponsible dictators and be used as a form of international blackmail. The world would indeed become an unhappy place to live in if humanity had to accept an ever-present threat of this character.

We are only beginning to envisage the drastic changes in political-military relations which will be consequent upon the rapid growth of scientific knowledge and operating experience in the nuclear field. New weapons possibilities are opening up in rapid succession. Political thinking finds it difficult to keep up with that pace. And, of course, there is inevitably some interval between the thinking and the institutionalizing of the results of thinking.

The development of a common defense has meant, and will continue to mean, heavy outlays for an effective and modern United States military establishment. It has also required, and will continue to require, the United States to give military assistance and support to the military forces of those nations associated with us in collective arrangements or in special need or danger. Such assistance is in no sense to be viewed as charity. It is based on a hard-headed appraisal of our own defense needs. Without it, our own defense costs would be far greater and our security far less. The aggregate military and economic resources of the free world coalition represent the greatest and least costly insurance against war.

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V. "DISARMAMENT"

The United States recognizes that armaments alone are no lasting guarantee of peace. We are, therefore, pursuing a policy designed to set up safeguards against surprise attack, and to bring national armaments, both nuclear and conventional, under effective international limitation and supervision. It is true that so-called "disarmament" efforts in the past have proved futile. The Hague Peace Conferences, the Versailles Treaty, the Washington Naval Limitation Agreement, the League of Nations Disarmament Conferences, are recent conspicuous examples of failure. But there are important differences today.

Past efforts have usually proceeded from the assumption that it is possible to establish and maintain certain defined levels of military strength and to equate these dependably as between the nations. Actually, military potentials are so imponderable that this always has been and always will be a futile pursuit. Today there is a new approach. It is proposed to establish a system of international supervision which will make massive surprise attack unlikely. If this happens, then general war becomes less likely and the level of armaments will almost automatically go down.

Today, the great military establishments derive largely from one of two calculations. A potential attacker calculates that he may be able to accumulate the power to gain a decisive initial advantage by surprise attack. Those who feel that they may be attacked calculate that the only effective deterrent to attack is to possess, collectively, power so great and so decentralized that it cannot be rendered nugatory by a massive surprise attack.

New discoveries and their application lead to constantly mounting exertions to develop means of attack and of retaliation and of means of survival. The only effective way to stop the cycle is to establish such international supervision of the great sources of military power that it becomes unlikely that there can be undetected preparation for an attack massive enough to destroy the opposing source of power. That was President Eisenhower's "open skies" concept, first put forward at the Geneva "summit" conference of 1955.

A potential aggressor, subject to inspection from the air, supplemented by a ground component, will know that he probably cannot use vast armament to advantage. And nations exposed to aggression will know that they probably cannot be wiped out at

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a single blow and that therefore they can rely more than now upon potential military strength rather than strength actually in being. Thus there will be no stimulation, as at present, for an arms race. This will not solve all the problems of armament, or guarantee peace. But the new approach could create an atmosphere in which other measures, now impossible, would become possible.

The most important difference from the past is, of course, the fact that never before has there been such need to reduce the risk of war. Today a general war between the great military Powers could destroy almost all human life, certainly in the northern latitudes. Our working hypothesis must be that what is necessary is possible. We assume that the forces which man has created, man can by wisdom, resourcefulness and discipline harness and control. We persevere in common efforts to free the world from the continuing threat of destruction by the weapons that its civilization has produced.

VI. FREE WORLD HEALTH AND VITALITY

Nations, like individuals, cannot live to themselves alone. Realizing this, the American people have always given generously of their substance to victims of disaster in many parts of the world and have engaged in innumerable programs of humanitarian assistance. These, until recently, have been the outcome mainly of philanthropic motives. During the past decade they have reflected enlightened national self-interest.

We now see that the world has become so much a unit that wherever the body politic is afflicted the whole is endangered. We realize that peace and prosperity for one requires, in the long run, that all should have the opportunity to pursue happiness. We see the need for more vital domestic forces in all free lands, to resist Communist subversion or attack.

Since 1945, our nation has granted, outright, nearly \$50 billion in aid, military and economic. That has evidenced an enlightened conception of our own national interest. It is significant that, despite this assistance to others at the rate of about \$5 billion a year, our own economy has developed in a healthy manner. This has been a decade of rising prosperity. In 1946 our national income was approximately \$180 billion. In 1951 it was approximately \$277 billion. In 1956 it was approximately \$344 billion.

The Marshall Plan was the most dramatic of our economic as-

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sistance efforts. It provided Western Europe with some of the means, and with the time and opportunity, to save itself. Now we see in Western Europe the development of a degree of unity which had been the vision of enlightened statesmen for many years. There has been, first, the Coal and Steel Community, then the Brussels Treaty for European Union, and now the treaties for a Common Market and Euratom. These developments are momentous in terms of developing unity, strength and well-being in an area which for centuries has been the seat of recurrent wars threatening the very existence of Western civilization.

In recent years, as the Western European economy has been reestablished, the United States has placed increasing emphasis on economic and technical assistance to the newly awakened and needy peoples of Asia and Africa. As upwards of 800,000,000 people, representing 20 new nations, have won political liberty, one of the momentous issues of our time has been whether this political liberty would also mean the liberation of the people from a quagmire of economic misery and hopelessness. If not, present political liberty may prove a mere transition from one form of colonial rule to another far worse.

All of our aid programs, whether military, economic or technical, are rightly viewed as ventures in mutual security. If we have given more than others, this reflects our greater ability to give. An important question now raised about our mutual security policies is, will there be an early end to them? Recent studies by expert commissions all attest to their continuing necessity.

The time to end such assistance will be when it no longer serves the enlightened self-interest of the United States. Military assistance and defense support represent about 70 percent of the entire program. That is part of our own defense. As regards economic assistance, we can expect private capital gradually to assume increasing responsibility for promoting the development of less well-developed areas, provided there is political stability. It is to be noted that while the dollar value of our mutual security spending has not greatly declined in recent years, an increasing amount of this is in terms of loans rather than of grants. Also, the total of public loans and grants now represents only about 1 percent of our national income, whereas a few years ago grants alone represented about 3 percent.

A cessation of our mutual security programs would, under present conditions, be disastrous. What is needed is to put neces-

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sary aid programs on a more long-term, businesslike basis, reducing grant aid to a minimum and applying our assistance in ways that will best help needy peoples to help themselves. As a result of intensive studies independently initiated by the Executive and the Congress, one new instrumentality is now being inaugurated, the Development Loan Fund. This, when adequately capitalized, will place major responsibility on the receiving countries and stimulate self-help and private investment.

United States foreign economic policy has been vigorous in fields other than aid. President Eisenhower's speech to the United Nations in December 1953 dramatized the possible peaceful uses of atomic energy. Much has been accomplished to realize these possibilities through bilateral agreements. Recently the United States ratified the Statute for the International Atomic Energy Agency, which should be a milestone in the general application of this marvelous new resource for the benefit and not for the destruction of mankind.

We recognize that governmental restrictions on trade have in the past throttled world commerce to the detriment of every nation. We have entered into international undertakings, notably the General Agreement on Tariffs and Trade, to prevent this and to promote the interchange of goods and services. This expansion materially benefits the United States and friendly nations. Measures which might adversely affect a nation are avoided. Economic growth is stimulated throughout the world. The benefits of advances in one country are readily diffused to others.

We do not forget that every government has a primary duty to serve its own people. But usually that service can be best rendered by finding ways which help others also, or which at least do not hurt others. Occasionally, and happily only rarely, situations arise which cannot be resolved by this formula. But in general we seek an international society in which men, goods and ideas flow freely and without obstruction throughout a wide area and in which the opportunity to pursue happiness is open to every man and woman. The United States market, which dependably offers so much that others want, and which dependably buys so much that others would sell, is the great economic stabilizer of the free world. It helps to combat Communism and the self-centered nationalisms which are alike in rejecting the concept of interdependence.

Few economic theories are today as obsolete as those of Marx.

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They were propagated nearly a century ago in relation to a society which since then has rapidly transformed itself through the force of its own dynamic qualities.

The social and economic basis of democracy has been widened throughout the Western world and the same process is beginning and accelerating in other free world areas. International Communism is a reactionary movement. Its "planning" makes slaves of the producers and creates a new exploiting and ruling class. It is replete with contradictions which, in free countries, have been resolved by a peaceful, yet dynamic, evolution.

We cannot, of course, claim perfection. The dramatic and peaceful development of the social and economic structure of our free societies must and will go forward. But even though we do not claim perfection, we can claim that the social goals which Communism pretends to seek are in fact achieved to a far greater extent within our free society than they are achieved in Soviet Russia or Communist China.

VII. PEACEFUL CHANGE

As our country has been swept more fully into the broad currents of human affairs, we have been made more and more conscious of those rapid world movements of our century which seem incessantly to transform the international landscape. Change is the law of life, and that includes international life. Our common problem, in a world of rapid and often momentous change, is to ensure that necessary changes occur in peaceful fashion without upheaval or war. Violent change is never selective change. It destroys the good as well as the bad. Change is beneficent when it is selective, continuing and developing the good while shedding that which is evil, outmoded or inadequate.

We have already alluded to some of the areas where change is most conspicuous. There is first of all the change which will inevitably result from the splitting of the atom. A vast new source of power is available to man, and we can be sure that it will be used to effect momentous changes. It can destroy man, or it can enrich him. The choice is up to man himself. The United States first had the power of fission and used it in war to defend freedom. We feel a special responsibility to help to assure that man's momentous choice shall be "Atoms for Peace."

Another vast force for change is political nationalism. This is operating strongly in Asia and Africa. Since 1945, it has resulted

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in the creation of a score of new nations. Other peoples are well on their way to political independence.

But the mere act of granting political independence does not of itself assure that the newly independent peoples will in fact have governments of their own choosing or governments able and willing to serve the governed. It does not of itself mean that the society of nations is enriched by new recruits dedicated to principles of interdependence and an international order of law and justice. It is going to be necessary to find policies to cope with new demands of colonial peoples, with strident and embittered nationalisms, and with social unrest among those who tend to feel that political liberty automatically should provide them with new economic opportunity.

The United States, once itself a colony, shares and sympathizes with the aspirations of peoples for political independence. Also, we know the extent to which liberty, for its own self-preservation, requires the self-restraint of moral law and the education to make sound judgments. We can and should play an important part in finding the policies to cope with the political and social ferment of much of the human race.

We recognize, as does the United Nations Charter in Article 14, that there will be constantly arising particular situations likely to impair the general welfare or friendly relations among nations and calling for peaceful adjustment. We have noted in recent years the emergence of such situations, for example the disputes over Cyprus, Kashmir and West Irian; between Arabs and Israelis; and over Suez. These not only disrupt world peace and comity. They provide fertile soil for Communist propaganda and penetration.

The United States recognizes that, in the case of such disputes, all of the merits are not on one side. Therefore we do not identify ourselves with any purely partisan approach. The Soviet rulers, unconcerned with the merits and eager only to extend their power, are prepared to back one side against the other if, in return, they obtain political advantages. Because they sometimes gain advantages out of such disputes, their interest lies in creating and exacerbating disputes and preventing their settlement.

This illustrates how important it is for the free world to establish regular procedures for the settlement of disputes between its members. This has already been done in the Western hemisphere through the Organization of American States. Within the

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past few years several serious disputes between American States have been successfully dealt with by the procedures of this Organization. Its members deserve the highest praise for their loyalty to the peaceful processes of law and justice which they have established. They have set a notable example which ought to be followed more generally.

Largely as a result of United States initiation, the North Atlantic Treaty Organization is now developing processes for the settlement of disputes between its members. Last year the Secretary-General of NATO was given new responsibilities in this respect.

There are, in the long run, great potentialities in Article 14 of the United Nations Charter which authorizes the Assembly to recommend change in the status quo. The exercise of this delicate function requires knowledge, wisdom and self-restraint. It becomes particularly difficult for the Assembly to exercise this function when a powerful minority of members seeks not fair and just settlements but unsettlements which lend themselves to the use by International Communism of its revolutionary tactics.

Sometimes it is felt that the United States ought more often to use its power to effectuate settlements. The United States can and does exert an influence in quiet and inconspicuous ways as a friend of all the parties. We stand ready to exercise our good offices if and when invited to do so under adequate terms of reference. But we do not assume the right to meddle or be the arbiter of other peoples' affairs.

The most dangerous of all unresolved disputes are those within the areas now under the rule of International Communism. The pattern here is classic. There is the inevitability of change, but the situation is dominated by those who do not believe in peaceful change at the expense of their power. Such a state of affairs has historically produced violent eruptions. Some of the areas in question are especially explosive as they involve the artificial division of historic nations—Germany, Korea and Viet Nam. Others, as lately demonstrated in Hungary and Poland, contain resentments so bitter that many patriots would die in revolt against hopeless odds rather than continue to suffer in silence.

United States policy, as proclaimed repeatedly, will never sanction these injustices nor accept them as permanent. But we strive only by peaceful means to achieve justice. It would not be in the general interest, nor in the interest of the peoples directly con-

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cerned, for events to shape up into war. We shall continue to employ all the resources of the United Nations and all diplomatic means and moral pressures to alleviate the injustices and oppressions suffered by these peoples and to make their plight known to world opinion. We have faith in their ultimate freedom and independence. When the Russian leaders decide to serve the interests of Russia, and cease to be the agents of International Communism, they will act in the knowledge that Russia's long-term interests require the reunification of Germany in freedom and the liberation of the satellites. Only thus can Russia achieve its proper desire to be surrounded by friendly peoples. The martyrs of Hungary have not died in vain if they have advanced the coming of that day.

Even such a brief survey of the forces working for change cannot but leave us with a sense of their immensity and the relative paucity of political means for keeping them within peaceful channels. Peace and justice are surely in jeopardy.

Within a stable individual society there are institutions to effectuate and legalize change—usually parliamentary bodies which make and re-make laws so that political, economic and social changes occur peacefully and with legitimacy. In the international field, concepts of sovereignty which have become obsolete lead nations to feel that they can put what they deem to be their own national rights and interests above the need of the whole society of nations—the need for peaceful settlements. It will probably be a long time before there is any universal mandatory process for effectuating international change. But there can and should be a far greater willingness than there now is to subordinate national interests to the interest of the world community, to use existing agencies such as the Court of International Justice and to develop and accept a body of written or unwritten international law.

VIII. CONCLUSION

Two significant facts stand out respecting United States foreign policy. The first is that our policies have developed as a reflection of deeply ingrained national characteristics. The second is that our policies have been influenced and modified by changing world conditions in the effort to apply our basic concepts to actual conditions and to the challenges they have presented.

These two features of our policy are by no means incompatible. To hold to national judgments of right and wrong does not mean

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that we are so closely wedded to doctrinaire concepts that we cannot adjust our policies to the demands of the hour. To think of our policies as shifting and changing in order to cope with varying situations need not be to infer that no central and governing core of principle gives them continuity. In this article we have dwelt mainly on the manner in which policy has adapted itself to new and challenging problems; but the manner and conduct have been guided throughout by certain principles.

These principles were unforgettably formulated by George Washington in his Farewell Address. He there points out that "of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports." And he went on to emphasize the primary importance of a general diffusion of knowledge. "In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened."

Because of our religious beliefs we attach exceptional importance to freedom. We believe in the sanctity of the human personality, in the inalienable rights with which men are endowed by their Creator and in their right to have governments of their own choosing. But we also believe that individuals as well as governments are subject to moral law. We recognize that liberty, whether it be individual or national, can be dangerous license unless it is exercised under the disciplines of moral law and with adequate knowledge and education to assure that moral judgments in fact take all relevant factors into account.

We are as a nation unsympathetic to systems and governments that deny human freedom and seek to mold all men to a preconceived pattern and to use them as tools to aggrandize the state. We are also unsympathetic to assertions of sovereignty which do not accept the concept of social interdependence. As Americans we have built our nation on the federal principle, drawing together what were sovereign states into a coöperative community. We thus naturally invoke the idea of coöperation between nations in the pursuit of ends which correspond with the aspirations of all people.

Despite a certain superficial indifference to the niceties of law observance, Americans have developed a profound respect for law as the basis of social and civic life. We conceive of man-made law as an effort to apply the moral law to the conditions of time and place. Our Constitution is the oldest basic written law in the

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world today. This concept of law permeates our entire political system and gives it a stability and moderation rarely matched among contemporary governments. We yearn to see the behavior of nations in their relations with one another rest upon the foundation of agreed legal principles derived from moral concepts. We abhor arbitrary government which reflects only the caprice of a tyrant.

These concepts, taken together, constitute our American way of life. They represent, for us, the idea and reality of freedom under law—of which the most authoritative is moral law. It is inevitable that they should influence our foreign policy. For, under a representative form of government, foreign policy is valid only as an expression and a projection of national character and national convictions. Whoever would understand our policy should try to comprehend us as a nation.

The constancy of our national character is what, even in such a swiftly changing era, gives stability and continuity to our foreign policy. It is well that this is so, for it enables those who understand the United States to comprehend also the main-springs of its action and thus estimate, in their own interest, what the response of the United States to any situation is likely to be.

The fact has an important bearing on our alliances. As leader of a great coalition, we can never hope to please all countries. But we can win respect if it is felt that we are acting in true character.

It is important also in relation to those who are hostile to us. Potential enemies will be less inclined to gamble on our behavior—with all the risks of miscalculation—if they can count with a reasonable degree of certainty upon our national conduct.

So toward all, whether friendly or not, we should act as a people proud of our heritage, assured in our convictions and confident in our destiny. We have no desire to impose upon others the pattern of our thought and our institutions. Yet we may take pride in the fact that our principles are drawn from the great thinkers of the eighteenth century “age of enlightenment” who, impressed their ideas deeply upon modern Western culture as a whole. These principles are not narrowly parochial but universal in their application. In America they were the inspiration of the greatest democratic experiment in history. In so far as our national behavior reflects these principles, it is certain to meet, in the long run, with understanding and respect.

TOP SECRET

AGENDA FOR MEETING OF CONSULTATION

in Washington on

December 5, 1955

As agreed with the State Department

- I Continental Defence
- II Soviet Intentions
- III The Situation in the Far East

Possible elaboration

- I Continental Defence
 - (a) Anticipated developments and programmes for the North American early warning system to 1960, on land and with regard to the seaward extensions, in the light of the possible budgetary situation.
 - (b) Developments in the weapons system to 1960.
 - (c) Alerts
 - (d) Disarmament
- II Soviet intentions and the effect of the Geneva Conferences on Western defence programmes.
- III The situation in the Far East.