AMBASSADORIAL MEETINGS

EUROPEAN CHIEFS OF MISSION MEETINGS: IN LONDON, SEPTEMBER 26-27, 1955; IN PARIS, MAY 6-8, 1957; AND IN LONDON, SEPTEMBER 19-21, 1957

247. Telegram From the Ambassador in the United Kingdom (Aldrich) to the Secretary of State

London, September 27, 1955—6 p.m.

1234. From Elbrick. Two-day conference Northern European Chiefs of Mission held here produced imaginative constructive exchange of views highly beneficial to all concerned. Principal conclusions follow:

1. Soviet policies, notably Porkkala cession, have made deep impression on public opinion all Scandinavian countries which uncritically welcomes apparent lessening of war danger. Press and governmental leaders generally still skeptical of Soviet intentions and there is still no evidence they intend to support decreased scale of defense programs. . . . Combination of Geneva atmosphere, Soviet political and cultural offensive, economic pressures and reports of defense cuts in US and UK may eventually lead to irresistible pressures to reduce defense expenditures. Group felt best psychological counter in north to present Soviet campaign is to plug line real test Soviet intentions yet to come on important questions such as German reunification.

2. Public emphasis on basic Western strategy of main reliance on deterrent effect of nuclear weapons and capacity to deliver them makes domestic justification by these govt's of their marginal military contributions increasingly difficult.

3. Pressures on Social Democratic govt's to increase social-welfare expenditures are ever present and persuasive justification for mainte-

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2Source: Department of State, Central Files, 120.1441/9–2755. Confidential.

3Held September 26–27, 1955, in London.
nance of present level of ground forces and defense expenditures is required.

6. Norway has key position in relation to Iceland and Denmark, and latter are influenced by Norwegian advice or example. Any actions tending to weaken Norwegian support for NATO would have adverse repercussions going beyond Norway.

7. Continued US defense aid and OSP are required in Norway on sufficient scale to prevent loss of defense production base so laboriously built up with substantial US investment. Despite Denmark's economic capacity to make larger defense expenditures, it should also be considered for defense aid on political grounds.

8. Development of non-military aspects of NATO, admittedly difficult, genuinely desired in Norway and Denmark and would contribute to offsetting adverse trends noted above.

9. UK has same objectives as US in Scandinavian area and we should work closely with UK representatives in area to achieve them.

10. Concern in Scandinavian countries over apparent protectionist trend in US trade policies led to recommendation by group that authoritative expositions of US policies and of actions which are in line with announced liberal trade policies would be useful in countering effects of recent isolated cases of apparent "back pedaling". Advance notice and explanation all such actions essential if missions and USIA are to exploit effectively and rebut criticism.

11. USIA should step up cultural activities with first-class US talent. USIA representation allowances are very low and make it impossible for its representatives to do their job effectively. Means should be found to continue Fulbright programs to Sweden and Denmark.

12. Application of fifty-fifty shipping clause to such programs as those under Title I of PL 480 works to serious detriment of immediate objectives of programs and of broader US interests in area.

Aldrich

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4For text of the Agricultural Trade Development and Assistance Act of 1954, enacted July 10, 1954, which provided for the disposal of U.S. agricultural surpluses abroad, see 68 Stat. 454.
Circular Telegram From the Acting Secretary of State to Certain Diplomatic Missions

Washington, April 12, 1957—3:39 p.m.

820. For Chiefs of Mission. Paris 5202. Major theme discussion forthcoming Western European COM Conference (Depcertel 771 March 22) will be preservation and strengthening Western alliance. Instead usual practice individual country report by each COM propose devote sessions to discussion following topics having direct bearing on major theme, and broad enough to permit extensive consideration such important specific subjects as German Reunification, European Security, and Disarmament:

1. National attitudes toward U.S. foreign policy, with regard (a) to East-West relations and (b) to immediate interests of country concerned.


3. NATO: Military and political aspects: (a) national attitudes toward NATO strategy and defense requirements; and (b) non-military aspects of NATO, including particularly development of political consultation.

4. Prospects for European unity and cooperation, including: (a) Common Market and EURATOM; (b) free trade area, and (c) British relationships with the continent, and proposal for coordination of consultative assemblies ("Grand Design").

5. The colonial question and the UN.

Morning May 6 will be devoted to report on NAC Bonn meeting and general discussion. While each five remaining sessions being tentatively allotted to each of the above topics, intend retain flexibility and vary amount time given each topic according interest discussion.

Suggest each addressee be prepared contribute to discussion each topic which we hope will take form free exchange views.

Department will welcome suggestions.

Herter

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2 Telegram 5202, April 10, asked for the agenda for the Chiefs of Mission meeting. (Ibid., 120.1451/4–1057)

3 Telegram 771 invited the Chiefs of Mission at the Embassies listed in footnote 1 above to attend the meeting in Paris. (Ibid., 120.1451/3–2257)

4 Regarding the North Atlantic Council meeting at Bonn, May 2–4, 1957, see Document 56.
249. Verbatim Minutes of the Western European Chiefs of Mission Conference, Paris, May 6, 1957

The following is verbatim text of the opening session of the Chiefs of Mission Conference, May 6, 1957, at 10:00 a.m.

Ambassador Houghton: Mr. Secretary and distinguished guests. I believe it says in the Bible that the first will be last and the last will be first, and this is ample evidence that the Ambassador will be first to talk. I assure you it will be very brief as we have a full agenda. What I do wish to say is that it is a great pleasure for me to welcome you all to Paris. All of us here in the Embassy hope that you will call on us if there is anything that we can do to make your stay here pleasant and we are hopeful, of course, that this meeting will be both rewarding and enjoyable.

We have the great honor of Secretary Dulles honoring us at the opening meeting. Without further ado, Mr. Secretary, I shall turn the meeting over to you.

Secretary of State Dulles: I am very happy indeed that this meeting coincided with the NATO Meeting so that I might be able to be here. It is the first time in the last four years, I think, that I have attended any such meeting. Perhaps these meetings have not been held as frequently as it might be desirable. I hope that if this meeting proves useful there can be more of them. I will talk for a few minutes, if I may, and if you have some questions. If we don’t finish the questions this morning, I will try to come back for a while this afternoon.

First of all, I want to refer to the foreign policy speech which I made on April 22 a couple of weeks ago. I know that you all have a great deal of reading matter and are in the main kept busy by the particular problems of the day, but I do want to suggest that when occasionally speeches of that kind are made that you try to find the time to study them if you can rather carefully, because they are very carefully studied at home before they are made and deserve, I think, considerable study by our ambassadors as indicating the basic principles on which we try to operate our foreign policy. A speech like this, I suppose, goes through about 15 drafts. The speech had been gone over by the President in one of its early drafts and then he went over the next to final draft again. Every word in it was carefully weighed and there is, I think, more in it than is apparent in casual reading. I mention this not because I am the primary author of this

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1Source: Department of State, Central Files, 120.1440/5-857. Secret. Drafting officer is not identified.
2See footnote 4, supra.
3For text of Secretary Dulles’ speech before the Associated Press at New York City, April 22, 1957, see Department of State Bulletin, May 6, 1957, pp. 715–719.
speech and am trying to develop a captive audience but, I think, from the standpoint of basic philosophy these things are occasionally useful.

There is one passage in the speech which I could perhaps elaborate on a little bit because for reasons of policy we did not elaborate quite as fully as we might have. That is the section which deals with the principle of the United Nations Charter and our Suez Policy.\(^4\) We passed over somewhat lightly that section of the speech because we did not want to stir up certain differences which we hope will as quickly as possible be buried in the future cooperation. But there are some references there which perhaps can stand a little elaboration.

We said that our decision at that time was a hard decision, particularly the language which President Eisenhower chose to express that thought and, of course, he referred to his own communications with Prime Minister Eden and Prime Minister Mollet which made it emphatically clear in advance that the United States would not cooperate in the use of force, and he believed and he expressed very clearly the reason why he believed it would be a disastrous course for the British and the French to follow.\(^5\) Then the next sentence goes on and I suppose it was not a popular decision. I originally elaborated on that a little bit. What I meant to say was this: it is rarely popular to show loyalty to a principle. A loyalty which deserves greater popularity is to its country and a loyalty to a principle is a kind of vague abstraction and does not attract the same type of loyalty which expresses itself in terms more to figures or to particular countries.

But I believe that a nation which has the world wide responsibilities of the United States cannot discharge them adequately unless it tries to be loyal to certain principles and not express its policies in terms of likes or dislikes of certain countries. Now it is certainly not popular in the United States to adopt a policy which at the same time antagonizes the friends of Britain, the friends of France and the

\(^4\) Secretary Dulles said:

"Our dedication to the principles of the United Nations Charter was severely tested by the recent Middle East crisis. We were then faced with a distressing and unprecedented conflict of loyalties. Historic ties would have led us to acquiesce in the forcible action that was begun. But this would have involved disloyalty to the United Nations undertaking that all members renounce the use of force except in defense against armed attack. That same pledge is also embodied in all our treaties of alliance. We decided to be loyal to that commitment.

"This was a hard decision, although to those directly affected it was not an unexpected decision. It was not, I suppose, a popular decision. Yet it was imperative if the world was not to go as it went when the League Convenant was disregarded.

"But, as we have seen, the charter prescribes not merely peaceful settlement but settlement in conformity with justice and international law." (ibid., p. 718)

\(^5\) For text of President Eisenhower's address to the Nation, October 31, 1956, see ibid., November 12, 1956, pp. 743–745.
friends of Israel. Certainly, that was one of the hardest decisions that was ever made by a head of a government, to make that kind of decision. But it is basic in our Charter commitment and in our treaty commitments, our alliances, to make the first article of our treaties starting with NATO provide that none of the members will use force except in case of self-defense or in accordance with the principles of the United Nations Charter. Now when you have an alliance and you base it on that principle, it seems just as important if only for the standpoint of the dependability of the alliances that Article 1 of the alliance shall be lived up to, and if that one is not lived up to how are you going to depend on other members living up to the other articles of the treaty?

Then we have a problem outside of Europe which preoccupies us and where we have to invoke the same principles. For a long time and still today President Syngman Rhee has wanted to correct what he regards as a terrible injustice committed on the Koreans by Communist forces and we have had to exert the strongest kind of pressure on him not to invoke force. And he isn't even bound by the United Nations Charter in that respect.

We have similar problems with Chiang Kai-shek on Taiwan. We cannot have one principle for Europe and another for Asia. I am quite sure that the countries of Europe would be aghast if we should encourage the use of force.

The only principle we can hold them back with is the same principle expressed in the United Nations Charter, and in Article 1 of the North Atlantic Treaty. That illustrates what I mean when a country with world wide responsibilities has the necessity of being loyal to principles even though that is not nearly as attractive popularly as being popular and loyal to personal and international friendships.

When I was in Australia last month, I think it was, I was talking to Menzies about this question of loyalty. I was reminded of how we do recognize our standards of loyalty within our family. The first loyalty is the husband to the wife and wife to husband, and that is recognized by law as a husband and a wife cannot testify against each other. And I said to Menzies, you are so intimate and a part of the British family, so to speak, and I can understand your sticking along with the British. But, I said, a nation like the United States with a world wide responsibility has got to put its principles ahead of any one or more nations.

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6Secretary Dulles was in Canberra, Australia, to attend the SEATO Council meeting, March 10-13, 1957.
7Robert G. Menzies, Australian Prime Minister.
Now there is also a question I want to refer to here which I would like to elaborate a little bit more on and that is our attitude toward the United Nations. There is quite a general feeling I think in Western Europe that the United Nations has proved a failure and that it operates against the countries of Western Europe, and that the less success there is for the United Nations so much the better for the world or at least the countries of Western Europe. We do not share that view at all. We recognize the infirmities of the United Nations. Indeed, we have tried to correct those infirmities at an early stage and we were unable to get any support from our Western European friends at that time. It was a question of voting on the United Nations Assembly, a matter on which I expressed myself before I was Secretary of State. And we hope that we might develop some way or system of voting in the Assembly. We tried to get a new charter but we were blocked by a solid front who did not want to remedy. We were not in favor of bringing all these blocs of countries, sort of a package-deal, in as new members in the United Nations a couple of years ago. Each country ought to be appraised on its merits. And all the new countries ought not to be brought in before they had demonstrated that they had the ability to live up to the provisions of the Charter, and certainly the Soviet Bloc countries have not demonstrated that. Again enlarged membership is something about which they now complain but they were backing it and we were opposing, and we went along not only out of desire not to oppose but because they were all in favor of it.

Macmillan when he was in Bermuda talked about the desirability of using regional organizations more as a substitute to a certain extent for the United Nations. I said that is in accord with the Charter and I believe that it should be done.

I recall when we had a little trouble with Guatemala it was the British in the Security Council which opposed our dealing with that matter in the OAS and who insisted that that should have been done through the United Nations, and I said to the greatest extent possible the disputes between members of regional alliances ought to be settled there. That is what the Charter says, to try to settle disputes according to regional procedures.

And we, of course, have long advocated the development of NATO in that respect more along the lines of the Organization of American States with more adequate machinery for dealing with disputes so that they will be dealt with in that context instead of being more or less automatically brought to the United Nations.

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Now we still, despite the difficulties of the United Nations, have faith in the United Nations and I do not believe that there is in fact a "pat" vote against the countries of Western Europe. Certainly, there was no pat vote on the Hungarian issue. We got almost an overwhelming vote except for the Soviet Bloc.9

On the two issues of Cyprus and Algeria, which perhaps afforded a good test of that, it was possible to end up this last assembly with resolutions which were unanimously adopted and accepted by the colonial powers and so-called Afro-Asian bloc. And while it is somewhat anomalous to have simply one vote for a nation, I feel there is still a judgment exercised. There is no automatic voting by regional blocs.

The Italians suggested that the NATO countries have a caucus in the UN. I suggested that that ought to be approached with the greatest possible caution because if the Western European countries organize a bloc, it will become even more difficult to influence the views of some of the new members.

And on the question of what I said on April 22, it has been charged that it is not a foreign policy merely to dump something in the United Nations. Of course I recognize the fact that we have never done that. The United States has never followed that policy. As far as the Suez matter is concerned, the resolution to cease fire10 was a resolution based on U.S. policy, drafted by us on the airplane going up—it was a U.S. policy. To use the United Nations and its Charter as a means of effectuating a policy is not an abdication by any means of foreign policy. I have taken perhaps some time to discuss this matter but it does reflect an area where there is a sharp divergence between the views of the Western European countries and the United States and perhaps deserves more attention.

Now I will go on to the NATO meeting at Bonn. It was a good meeting and in many respects the best meeting we have had in recent times. I have personally attended every such meeting for the last four and a half years and there was a total of about 13 ministerial meetings, I think. And I think we came nearer to having a really informal exchange of views of important matters than there has been before. As one Minister put it, in the past there has been a tendency to bringing pre-digested speeches which were directed at each other. Even the matter of Cyprus for the first time was talked about. It was

9Reference is to the uprising in Hungary, October–November 1956 and related U.N. resolutions.
sort of an unwritten law that nobody would mention Cyprus, that nobody mentions the word. This time there was an exchange of views between the Greeks and the Turks and the British and we got to work without the roof being blown off.

The most interesting aspect of the meeting, I think, from our standpoint was the view expressed there on the question of limitation of armaments. There seemed to be a sentiment which, as far as we could judge, was shared by the Western European countries other than the Federal Republic that we should go very slowly about any limitation of nuclear weapons. And we should not accept any limitation of nuclear weapons unless it was 100% fool-proof, and in any event not do it until we could be certain at the same time there would be a corresponding limitation of conventional weapons. Now it seems to be assumed in some quarters that it is easier to limit conventional weapons than it is nuclear weapons. I doubt very much if that is the case. I think it is the other way around. The striking of a balance in respect to conventional weapons is a more difficult and complicated proceeding. As demonstrated by the years following the first world war, there were allies who really had a good deal of confidence with each other, worked in good faith and intensity for several years to work out and measure and equate conventional armaments, and that effort proved unavailing.

The simple tendency today is to talk of manpower. That is the most meaningless thing to talk about. You take people and have them trained, take them out, and you might at one time have two and one-half million men under arms but you may have seven or eight or ten million standing by thoroughly trained and ready; if they have the arms to pick up, they can at once convert an army of two and one-half million to an army of ten million. As was recognized when we drew the limitations, when we drew up the Brussels Treaty, the only limitation is of weapons rather than men. When it says the Germans shall not have more than 12 divisions, the implication is that the arms for more divisions shall be denied. So it is recognized that if you don’t have arms for 12 divisions it doesn’t do much good to have more men trained for military service. So the emphasis is on the armaments and not on the men.

When you try to get this question of manpower and arms figured down, it is an almost impossible task and I do not feel optimistic about the ability to arrive at an acceptable agreement about conventional weapons. Perhaps something could be arrived at governing where and how they could be stationed. But it is an immensely difficult thing.

When you get into the field of nuclear weapons, at least we have the fact that only three nations have these weapons, and while it is true that present scientific data does not enable you to account
for and therefore control all of the fissionable material which has been produced in the past, it is more possible to control the means for the delivery of that material in weapons form, in terms of missiles, in terms of long range bombers and in terms of submarines. Those things cannot be concealed as would be possible in the case of conventional weapons. It would be possible to have a considerable control over the new use at least of fissionable material for weapons and possible for a much more complete control of delivery of those at a distance.

I emphasize "at a distance" as being a principal factor because we do not think the Soviets would start an atomic war unless they felt there was a good possibility of knocking out the United States to a considerable extent in the first phase of such an attack. I do not think the Soviets would start an atomic war against its neighbors which left the United States undamaged and its military potential undiminished. It is extremely unlikely they would do that.

I pointed out there at the meeting that, of course, we are dealing with a risk, and it is not possible to find a course totally free of risk. The question of the effect of atomic war on populations is not a question of millions but of tens of millions. Life on the northern half of the globe would be totally extinct. When you think of that you can't contemplate the continued existence of that threat as other than a risk. And to say you will not tackle the problem unless you can solve all related problems at the same time seems to me an error of judgment, and as I said there the thing that seems for us to do is try to control what is controllable and not try to control everything when everything cannot be controlled.

I suspect that although they didn't admit it in concrete terms, the Western Europeans rather like the protection afforded by the nuclear power of the United States partly because in conventional armaments the greatest dependence of Western Europe for security against the USSR would automatically be on the West Germans, both because of their geographic position and because of their potential.

So it looks as though there would be some opportunity for agreement and although for the moment the disarmament talks do not show prospects of settling all the differences between us, to the extent they exist, they have a practical importance.

We talked in Bonn about political cooperation, of course, and indeed our meeting exhibited the greater political aspects which we think are possible and desirable within the NATO Council. We hope perhaps that when Mr. Spaak assumes the post of Secretary General he may be entrusted with the responsibility of looking into the

11Paul-Henri Spaak became Secretary General of NATO on May 16, 1957.
Cyprus matter which really cries out for a solution at the present time. It is an extremely disruptive element. I think the UK is now in a mood where it would accept any solution which the Greeks and the Turks would take. And the decision is now primarily between the Greeks and the Turks. I think somebody will have to lay the law down and say this is it and put pressure on it.

The Greeks indicated to me that they were disposed to let Spaak study this matter, although they were anxious that he should study it privately until he should be able to satisfy himself that he could find some solution. My guess is that Spaak given his temperament would be rather disposed to get into this problem. Perhaps it is just as well to have someone like him get into it.

I talked at considerable length at the Council meeting about developments in the Middle East, and perhaps that might be of interest to you. I can speak even a little more frankly here than I did at the NATO Council. The United States had abstained from having any positive policy in that area of its own because it had accepted that that is an area where the UK had the primary role. We have not been filled with admiration with the way the British have played that role in recent years. It seems to us to have been characteristic of a nation which, realizing that it was weak, felt it had to act as though it was strong, and its actions, for instance, in seizing the Bir-aimi Oasis, the step taken to try to force Jordan into the Baghdad Pact, have had an impact on the area which made the situation worse rather than better. When the abortive Suez action pretty much brought the British influence in the area for the time being to a rather low level, we felt that the United States should have a more definite positive policy for the area and that view was reflected in the Middle East resolution which followed the Suez crisis and which after some debate in Congress was finally adopted. We believe that the very considerable Soviet Communist influence which has gotten a hold in Syria and Egypt can be combatted through other Arab states and that it should not be allowed to break out in the guise of extreme Arab nationalism which Nasser has put forward in his speeches. It seemed to us that King Saud was a natural rival for Nasser in this role of Arab leadership and the head in a sense of the Moslem religion, having the custody of the holy places of Islam, and that the new orientation of the Arab world might be found through King Saud who himself is anti-Communist. That view is reflected by the invitation to King Saud to come to Washington to visit President

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12Reference is to the mission of British Field Marshal Sir Gerald Templer, Chief of the Imperial General Staff, to Jordan in December 1955.
13House Joint Resolution 117 (71 Stat. 5), March 9, 1957, authorized the President to use U.S. Armed Forces to preserve the independence of Middle East nations if necessary (the "Eisenhower Doctrine").
Eisenhower and that visit was a very considerable success.\textsuperscript{14} We know, not just by what King Saud said to us but by what he said to others, that President Eisenhower made a very great personal impression on him and that to a considerable extent what he learned on this visit has revealed the hand of communism in a good many of the activities which were being conducted under the guise of Nasser’s Arab nationalism.

The situation in Jordan developed in an extremely acute way because there was a well organized plot conducted primarily under Communist influence, by utilizing Egyptian and Syrian agents, to overthrow King Hussein and take over Jordan.\textsuperscript{16} If that had occurred probably the tide of that movement would have swept on and would have dethroned King Hussein whose entourage has been deeply infiltrated by agents. Probably the whole Arab world would have fallen under the domination of the Soviet Union working through the disguise of extreme form of nationalism as reflected by Nasser and Syria. And King Hussein showed very extraordinary and almost unexpected qualities at this juncture. He is a young man, barely 22 years old. He perceived the nature of the plot and told us of his plans for dealing with it on the assumption that he could get certain amount of help and support from the United States. . . . He wanted to be sure that if there was overt Soviet intervention we would meet it, . . .

We ourselves did not have the slightest idea that the Soviet Union was prepared to move overtly in the area. The fact of the matter was that King Hussein felt that there was a danger and it was necessary to reassure him that we would be prepared to cope with that danger.

Where Israel was concerned we had exchange of views with that government.\textsuperscript{16} The Alsop story that we sent the Sixth Fleet, as Alsop said, against Israel, is not so.\textsuperscript{17} Israel quite sympathises with the general policy which we are assuming here and has cooperated, and there was never a question of our using a display of force to frighten Israel.

King Hussein then was reinforced by getting that response together with some indication on our part of readiness to give him fi-

\textsuperscript{14}King Saud visited Washington, January 30–February 8, 1957.

\textsuperscript{15}Reference is to the April 1957 internal crisis in Jordan and the decision to send the U.S. Sixth Fleet to the Eastern Mediterranean on April 24.

\textsuperscript{16}A memorandum of Secretary Dulles’ conversation with Abba Eban, the Israeli Ambassador, on April 24, 1957, on the situation in Jordan, is scheduled for publication in a forthcoming Foreign Relations volume.

\textsuperscript{17}Reference is to an article by Joseph Alsop, “Action by U.S. Not Aimed at Syria, Russia, Alsop Reports” in the Washington Post, April 28, 1957, p. 1.
ancial assistance. ... Loyalty of armies depends to some extent on pay, and it helps out in that respect.

The result has been that instead of the Communist Egyptian and Syrian element gaining a complete victory in Jordan there has been a complete set back and a drawing together of other Arab countries because in the course of this King Saud has recognized that Iraq was a more dependable friend than Egypt or Syria, and there is improvement in the relations between King Saud and Lebanon and Iraq and Jordan, so that there is a considerable isolation at the moment of Egypt and Syria. And the North African Arab countries also are aligned more closely in the anti-Egyptian element.

The United States, as you know, indicated in an early stage that we would be prepared to identify ourselves with the military committee of the Baghdad Pact and that invitation will probably come forward at the meeting which is scheduled to be held in Karachi at the end of this month, I think, and we will be represented at that meeting.18

I referred in my speech on the 22nd of last month to the fact that war often looks as though it offers a short cut but it actually gets you into more trouble. We don’t believe in the efficacy of trying to solve these problems by the idea of cutting the Gordian Knot. I doubt it works these days. We can, as I say, redeem a situation which was pretty far gone last December and certainly we have been fortunate, I think. I don’t know that we have had more than an interim success, and of course, the great credit goes not to the United States but it goes to King Hussein. You can’t have a good policy without good people. But this king took a tremendous risk, risk of his own life, and I believe that people like that are to be found in this country and with good sound policies we can gradually develop an Arab sentiment which is more friendly to the West and which is not responsive to the Soviet Union. The latter would be an immediate disaster for Western Europe because we cannot—there is no way in the world in which you can at the present time make Europe comfortably independent of oil in the Middle East and the transit facilities of the Middle East Canal and the pipelines.

I would like to say one other thing on this point. We do believe that alternatives to the Suez and the pipelines through Syria should be developed as rapidly as possible. We do not think that the Egyp-

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tian declaration on the Suez Canal is a very valuable document and, indeed, we don’t think that any document which Egypt would produce would be very dependable. And there is no way that I know of to make the Suez a dependable waterway unless it goes back to the original where it was run by the British and the French. And I think the time is past when it can be done. It was the suggestion of the British that they withdraw from the base, because they couldn’t afford to stay on.

I was out there four years ago and at that time talked to the British General. They had 80,000 people on his military establishment. They brought more from Cyprus to protect the 80,000. They were beginning at that time to move out. Well, they decided then and I think rightly that you can’t successfully operate that way any more and therefore I don’t think anybody contemplates going back to that status. Therefore, you have got to accept the fact that passage through the Suez is not going to be dependable for the Western European countries, and that there is no form of words which you can devise which is going to make it really dependable. I think it will probably be useful under reasonable conditions at this time to concentrate on developing alternatives. Already it has been demonstrated without Suez and with the pipeline cut off that Europe survived through the efforts of the U.S. shipping more oil. It was costly in terms of oil and terms of dollars. It can be done through perhaps new pipelines, new and bigger tankers going around the Cape, new sources of supplies which can be developed. I think within a few years, the Arab world will be more dependent on Europe as a market than Europe will be dependent on Middle East sources of oil so that the upper hand may have passed away from people like Nasser.

I am always impressed by the importance of cooperation between the nations in the area. We have problems such as one which came up under active discussion in Bonn, the so-called Four Power Working Group. That is an important working group and we should all try to cooperate with it, to stimulate more interest in constantly playing up the inhumanity and so forth of the division of Germany. The United States always tries to do that. President Eisenhower and I in our speeches always try to bring that up, the cruelty and injustice of the division of Germany. This working group is, of

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20 Regarding the Secretary’s conversation in Cairo with General Sir Brian H. Robertson, Commander-in-Chief of British Middle East Land Forces, May 13, 1953, see telegram 2421 from Cairo, Foreign Relations, 1952–1954, vol. ix, Part 1, p. 25.
21 Reference is to the Working Group which considered the problem of German reunification in Washington, March 6–15, 1957.
course, made up of the three Western countries which have the special responsibility for the reunification of Germany, and the Federal Republic itself.

The reunification of Germany cannot be dealt with adequately without dealing with European security and disarmament. The Italians are concerned there may develop a political standing group in NATO. Martino talked to me a great deal about that. First thing on landing he came to see me and I made a prearranged statement at the meeting which I cleared with the countries involved indicating there was no such purpose on our mind. I talked with Adenauer on that, in an interesting three hour meeting with him on Saturday, and I said let’s think of ways to bring the Italians in on this. I don’t think he was very keen on it but I think it is important we do so occasionally. I think that illustrates that many times there are cooperative ways to help out the general picture. I think if there is cooperation here in this respect, Ambassador Zellerbach and Ambassador Bruce, maybe you will have some ideas on how to make this thing on the one hand practical, to bring countries in from time to time so that they don’t feel left out.

One final word on the home situation. We are in the throes of a very strong economy wave on the part of Congress. The House treated the State Department budget very badly and I made a very strong plea before the Senate Committee for the reinstatement of some of the sums that were cut out, but it was done the day I left Washington. I did not feel that the atmosphere was very friendly—it was friendly to me personally, but not friendly to our increased budget. And if we don’t get some increase, I think we will have to take some cuts. Our needs are increasing; the whole African continent is opening up. If we can’t get additional money for some countries, it will have to come out of some other countries. We are also engaged in planning the mutual security legislation. In fact, we are working very actively on that. As soon as I get back there is a meeting with both leaderships at the White House. The President is planning to send up a message and after that make a radio and television speech to the American public. And there are citizens’ groups which we hope

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22 A memorandum of conversation between Secretary Dulles and Italian Foreign Minister Gaetano Martino at Bonn, May 1, 1957, is scheduled for publication in a forthcoming Foreign Relations volume.

23 Reference is to a conversation between Konrad Adenauer, German Chancellor, and Secretary Dulles at Bonn on Saturday, May 4, 1957. A memorandum of conversation is scheduled for publication in a forthcoming Foreign Relations volume.

24 For text of Secretary Dulles’ statement before a subcommittee of the Senate Committee on Appropriations, April 30, 1957, see Department of State Bulletin, May 20, 1957, pp. 795–799.

25 For text of President Eisenhower’s Address to the Nation, May 21, 1957, and his message to Congress on the Mutual Security Program for 1958, see ibid., pp. 915–931.
will support this, but these things will have particularly hard sled-
ding this year. It is impossible to predict the outcome. But all of us
will have to pay particular attention to having a smaller amount of
money accomplishing a greater amount of work. It is possible to
economize if you spend more time on the problems of economy. The
trouble is we have so many more important problems than trying to
save a few cents here and there. I told Congress I spent a lot of time
striking out unnecessary words in telegrams to cut down, and I don’t
know if that is the best way a Secretary of State should spend his
time saving money on that. I say it is an expensive way of econom-
ing. But I am afraid we will all have to tighten our belts.

Questions, if you have any? (11:05 a.m.)

Q. Can you tell us anything, Mr. Secretary, about the recent
publicity on a revival of the so-called Eden plan for an inspected de-
militarized zone on either side of the present German demarcation
line?  

A. Stassen, when he came back to Washington, told me that
there were some elements in Britain that weren’t too keen about
having Germany reunified, and it makes it a rather dangerous cam-

paign from our standpoint. But I would say we do not favor any
plan which takes as its premise the present division of Germany, nor
do we favor a plan which particularly would manifest itself by dis-
placing American forces from Germany. The Soviets can go back
gradually and we can’t. It is all or nothing with us. For both of those
reasons we are not sympathetic toward it.

Q. I would say, Mr. Secretary, that the Gaitskell Plan for neu-

tralizing Germany would result in just what you say. If the Ameri-
can forces left Germany they would probably go all the way back to
the United States. It is a fact which Gaitskell has not pointed out.

A. The Soviets are carrying on a most intensive letter-writing
campaign. I don’t think it is known yet because it is a rather long
letter, but a new letter was brought in when I was talking with Ade-
nauer. They must really have engaged a letter-writing service, I
think, to turn out letters as fast as that.

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26Eden’s plan was proposed at the Geneva Heads of Government meeting, July
18, 1955.

27A report of the speech of Hugh Gaitskell, leader of the British Labour Party, at
the Free University of Berlin, March 18, 1957, in which he called for the establish-
ment of a neutral zone in Europe, is in telegram 5060 from London, March 21. (Department
of State, Central Files, 740.5/3-2157)

28For text of the Soviet note to the Federal Republic of Germany, April 27, 1957,
alleging that the Federal Republic was being turned into a NATO atomic base, see
Documents on Germany, 1944-1985 (Department of State Publication 9446, Washington:
Government Printing Office, 1985), p. 496. The Soviet Government had sent letters to
Adenauer on February 5, 1957, to the Prime Ministers of Denmark and Norway on
March 27, and to the British Prime Minister on April 20, 1957. See footnote 43 below.
Q. Mr. Secretary, you speak of the possibility of danger of communist domination through Syria and Egypt, of the Middle East area. What form would that take, communist domination of the masses, or of Arab nationalism?

A. I think for a considerable time at least the communist character of the movement would have to be masked because I think there is a religious background there which leads the Moslems not to want to be dominated by anything which would show very openly. I will say, however, that the Communists have come out pretty openly in some respects in Syria and I am not sure that we can count only on religion as a safeguard. We must take also in the fact of the Palestinian refugees and Israel. The refugee camps are infiltrated by much Communist propaganda.

Q. I merely wanted to comment apropos the Soviet notes. They have made great progress in atomic bomb tests and it is a rather serious matter.

A. One thing of interest to you, I might comment on, is the strong concern that Adenauer showed that the British tried to block Euratom at some point, and he feels that at least some elements are trying to do it. Sometimes the British Ambassador in Paris tries to play his hand alone. I said to Adenauer, and I did say to Mollet when he was in Washington, that in my opinion if this Common Market treaty does not get ratified, it will be great discouragement on the part of the American people for any future for Europe. Here you have enough people and resources so that they can be a real force in the world. They shouldn't be intimidated by the Soviet Union if they depend on us for support. We have been bolstering them up for 50 years. Just because they choose to preserve the luxury of independence it keeps them weak. Now hope has been transferred to the Common Market. If that collapses there will be a great feeling against Europe in the United States. And I don't know what the future would be. I can't exaggerate the importance in carrying it through—the question of these two treaties.

Q. You mentioned, Mr. Secretary, that the countries of Europe are very grateful to us and lean on us for nuclear strength.

A. I don't think I used the word gratitude.

Q. But they are glad we have it.

A. Yes.

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30For text of the Treaty establishing the European Economic Community, signed at Rome, March 25, 1957, see American Foreign Policy: Current Documents, 1957, pp. 426–518.

31Reference is to the Treaty of Rome (see footnote 30 above) and to the Treaty Establishing the European Atomic Energy Community, also signed at Rome, March 25, 1957. For text of the latter, see ibid., pp. 518–573.
Q. But, at the same time, it seems that it is very important for these countries, politically, to seem to be moving towards independent development and ownership of nuclear strength. Was that discussed in Bonn under the Fourth Country question?

A. Yes. There was a certain contradiction I would think, in that they say that unless there is a definite movement to eliminate atomic weapons for everybody they want them too. At the same time, they don't want these movements on general elimination of nuclear weapons to proceed unless it can be done in a foolproof way and unless it can be done at the same time by a reduction of conventional weapons, which would be extremely difficult to negotiate. They say that the answer is that they want to produce nuclear weapons themselves. I don't think they are so keen about it, but from a political standpoint they have got to have something to show their people, and the only reason they can show their people they are not going into this game is because it is being called off. From a military standpoint they will be concerned with the prospect of nuclear disarmament. I do think that there is an inconsistency there.

Q. Our observation is that as far as the United Kingdom is concerned, anyway, I think the Russians may be in the market for a new letter-writing service. They are not making an impression as far as the government is concerned.

Mr. Ronhovde, Netherlands: In connection with the canal, I gather from the statement that you made that the countries have pretty well agreed to accept the situation as it is and try to perhaps work out something over a longer period of time.

A. I think so. The situation is this. We were part of the select company, otherwise composed of the Soviet Union and India and Syria, which was given an advance copy of the Egyptian memorandum, and we were invited to make comments upon it. We did so and we made perfectly clear that we were not negotiating on behalf of any other country. We did make certain suggestions which we thought might make it more acceptable. At that point the United Kingdom said that they felt with the canal opening up there would be such pressure, economic pressure, to use it that they did not want the talks to be continued any longer but wanted the talks brought to an end. They recommended that whatever we announced be accepted on a de facto, provisional basis. We said to them, do you want to try to organize a boycott of the Canal until you get something better? If you want that, we will go along. They said no. We can't stand it from an economic standpoint, and we will have to take the best we can get. So, to meet the British position, we just continued our talks in Cairo with the Egyptians to produce this declaration, called the

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32 See footnote 19 above.
Council meeting,\textsuperscript{33} said precisely what the British had asked us to say and what we thought the British would also say, that though this was unsatisfactory, inadequate, it would be accepted on a de facto basis. Well, then, after the meeting had been called and we had made our statement, the British, under strong political pressure at home, felt they could not go along, and we were to some extent left exposed as though we were the nation wanting to use the Canal under Nasser’s terms. In the interest of trying to be cooperative and helpful we don’t get many thanks for it. Then the British wanted to try and defer this thing a little bit longer, largely because they were caught on the sterling exchange aspect of this matter. They are afraid sterling is not acceptable. The actual rule is not so important as the prestige factor which is involved, and they were having a meeting yesterday in Basle with representatives of Egypt in an effort to get the Egyptians to accept sterling. I don’t know what happened. Does anyone know what happened?

Mr. Fraser Wilkins:\textsuperscript{34} No reply has come in yet. We are expecting to get some word.

A. (cont.) and they indicated they wanted to get another meeting in the Security Council and rehash this to some extent. But they had this further meeting at which every other country but France said they saw no alternative but accepting these terms, and I think that will mean, of course, that it will be followed.

Ambassador Zellerbach, Italy: I would like to come back to this neutral buildup question. On this point, if the United States would withdraw from Germany we would withdraw all the way back to the United States. Is this a point which we can make in our discussions with government people of various countries to which we are accredited? It would be very useful. You know, in Italy right now, there is a development on the part of Gronchi as against the Foreign Office, which follows our policy right along and Gronchi is trying to lead it the other way, and this kind of argument would be very useful to me.

A. I think it can be used. One has to be always careful that it doesn’t sound like a threat. It isn’t a threat of course. It is a practical situation. There isn’t room to relocate these people and there is no money—you have the problems of barracks, facilities which are a very expensive operation. You can’t be just doing this every few miles and doing it all over again. There is also the fact—I don’t know if you want to use it or not—that we have very strong elements in the United States who want to get our troops out of Europe and

\textsuperscript{33}Reference is to the 776th meeting of the U.N. Security Council, April 26, 1957, 10:30 a.m.

\textsuperscript{34}Director, Office of Near Eastern Affairs.
want to rely only on a deterrent of nuclear weapons. We have the same elements in the United States that prevailed in the United Kingdom. So far, those elements have not prevailed in the United States but they are there. They feel the only way you can bring your defense budget down to reasonable size is to rely wholly upon these nuclear deterrents which you have to pay for anyway and to cut out these armed forces. And I feel very certain of the fact that if any such situation developed and there was dislodging of U.S. forces, they would go right back to the United States. You have got to be careful to expound it and not as I say use as a threat. That is a fact. I made a statement at the NATO meeting on U.S. forces there. It was somewhat inaccurately reported to the press. I made it at General Norstad’s request and on the President’s authority. The United States position remains the same as I had described it last December.\(^{35}\)

That was short-cut by the press which says I said there would be no reduction of U.S. forces in Europe. What I said was we had no present plans of reducing our units here. There is some streamlining. We are making an effort to cut down on members of support troops which were not of military value. Also our forces are here under a formula described at the time as a “fair-share” formula.\(^{36}\) I don’t think the people of Europe should assume that when they cut down there is nobody in the United States, no where in the Congress or the Pentagon, anywhere else, who says if the Europeans cut down their contribution we do too.

Mr. Ronhovde, Netherlands: I want to say in Holland they could foresee no worse disaster to Western Europe than the withdrawal of forces from Western Germany. Because of that Gaitskell and his party are very seriously attacked.

A. I think you are right on that.

Ambassador Bonbright, Portugal: In talking about the budget’s increased emphasis on Africa, we have also the report on the Vice President’s trip.\(^{37}\) I wonder if there was any special significance about all this which goes beyond the natural concern about an area which has, perhaps, been neglected in the past and which we are simply trying to get caught up with.

A. No, I don’t think anything more than that. There are, of course, European projects which go beyond that such as this thing

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\(^{35}\)For documentation on the North Atlantic Council meeting in Paris, December 11–14, 1956, see Documents 40 ff.

\(^{36}\)In a statement of April 15, 1954, President Eisenhower pledged that the United States would continue to maintain in Europe “its fair share of the forces needed for the joint defense of the North Atlantic area”. For the full text of the statement, see American Foreign Policy, 1950–1955: Basic Documents, vol. I, pp. 1198–1200.

\(^{37}\)Reference is to Vice President Richard M. Nixon’s 22-day tour of Morocco, Ethiopia, the Sudan, Libya, Tunisia, Ghana, and Uganda, in March 1957.
called Eur-Africa and, of course, there are the colonies of members of Common Market being brought in which creates a problem. Some belated adjustment is in prospect of our diplomatic service and foreign aid program toward a continent which is moving forward very rapidly. And we do feel the need for greater effort. You know, the Congress has created the authorization of a new Assistant Secretary of State for Africa, which area will be lifted up in that respect.

Ambassador Bonbright: Our negotiation on the Azores base has been horribly slow. For once though the ball is on our side of the net, but I hope by the time I get back at the end of the week we will have more instructions on it.

The Secretary: I have a feeling that the people of Portugal would not want to give Goa up to Nehru.

Ambassador Bonbright: It’s the only weapon they have got and a very nice one. I would be very surprised if they would give it up.

Ambassador Lodge: Mr. Secretary, there is a growing feeling in Spain that the mutuality of interest is beginning to fade. They think they are doing more for us than we are doing for them. The press is full of propaganda, controlled by the government, comparing the aid received from us with the Marshall Plan aid. They are not acceptable by NATO, they are always under attack. They are hoping we would be able to push them in after Congress went into action. They have been trying to do what we asked them to do on the whole. And I believe it is quite vital that we provide the extra $25 million that we have recommended. We are engaged in large build-up on our bases. An additional 12,000 men have been requested which will mean about 25,000 more Americans including dependents. So I would just like to provide the hope that something could be done because I think the Spanish situation which has been going on rather nicely is getting into heavy seas at this point. They have also been scared by the atomic bomb and the new British defense posture has led them to discuss this with me. The question of missile sites in Spain also. They have been neutral in two world wars and they are worried about this without being in NATO. You probably know all that, Mr. Secretary.

The Secretary: Well, I wish myself we could get them into NATO but we seem to be in considerable difficulty. I wish they would develop better relations with the French. It would help quite a lot. With the French policy in North Africa they figure they have something to trade with, but it doesn’t seem to work very well.

Ambassador Lodge, Spain: I believe there’s fault on both sides.

Ambassador Willis, Norway: I have not been serving in a NATO country (Switzerland) and there is a large question on my mind. Have these various developments, British changes in the British de-
fense progress, are those things leading to a review of the NATO force goals?

The Secretary: Yes. That is in the process. When this thing came up, they put a series of questions to SACEUR and he is working on the answers to them, and those will be coming up, George, (turning to Amb. Perkins), next December?

Ambassador Perkins, NATO: I think it will come up before that. The British would like to settle that in October but the final review will be in December.

The Secretary: But there is a new reevaluation going on. I doubt it will be as searching as some people hope it will be. It is hard to get absolute answers. You just can't get them. As I was saying to the Chancellor on Saturday,\(^{38}\) we have had to rely on the deterrent of massive retaliation. We did not have tactical nuclear weapons. The only thing we had was the big bang. Now we have in prospect tactical nuclear weapons. Now those we should not treat as little scratch-es on the surface, because even tactical nuclear weapons do a lot of damage but it is a totally different effect from an atomic bomb on the centers. You are in an area in which a rather new development is coming up so rapidly that it is not possible to tell in terms of absolutes in any of these matters, and we don't really encourage the effort to make a very exhaustive view of this subject. Whether or not this British 5,000 man reserve force is going to be located in the continent or in England—I know that Norstad is very persistent and very hopeful that it should be located on the continent.

Ambassador Willis: Have we any information or indication as to whether the Russians are also introducing their army tactical defense weapons?

A. Our information is not perhaps very complete and dependable. We are pretty well satisfied that they nearly are as far advanced as we are. In other words, we think they are trying to develop it. They are moving in that direction. I think they have quite a ways to go before catching up with us.

I think that is all the time I have this morning.

(The Secretary left the conference room at 11:45 a.m.)

Afternoon Session

May 6, 3:00–5:45 p.m.

Ambassador Perkins: Mr. Secretary, I would like to ask a question a little outside of my area, that is, concerning the Arab refugees in the Middle East. Has any noticeable progress been made toward

\(^{38}\)See footnote 23 above.
finding a means of handling this situation? Are there any new thoughts on this problem?

The Secretary: I don’t think any progress has been made in dealing with the refugees. The Arab Governments seem to feel that the only possible solution is to send them back into Israel. They don’t want to see them absorbed into their own land. If they accept them, it would appear that they had renounced their claim that the refugees have a right to go back into Israel. This is not very susceptible of solution at the moment. If the Israelis had stayed in the Gaza Strip, they would have had to take some of the refugees back, and that would have been useful as far as the refugee group was concerned. Now there is no absorption of the refugees by Israel.

Mr. Fraser Wilkins: The Israeli invasion of Egypt foreclosed any possibility of movement of refugees under the Johnston Plan, under which we could have foreseen a possibility of resettling some of the refugees in the Jordan area or even beyond that, some repatriation to Israel itself.

Mr. Richard Davis, USSR: In regard to the Soviet Middle East proposals, France and the U.S. seem to think we should turn them down and stop all correspondence. The U.K. seems to think we should not totally reject them. Is it likely that we will be having further talks with the Soviets on any aspect of the Middle East?

The Secretary: I don’t see any purpose to be served by that. It would be widely interpreted in the Arab world as acceptance of the Soviet position and give the Soviets an aura of respectability which they now lack—the lack of which is one of our principal assets in this area. If we tell the Arabs on the one hand that these people are infidels—atheistic and Godless—and then have dealings with them, we would hurt our main argument. When we were at London for the first Suez Conference, Mr. Shepilov, then Foreign Minister, made it quite clear to me they would be prepared to settle this Middle East business and the Suez problem on pretty satisfactory terms to the West if we would make it a joint Soviet-U.S. operation. If the Soviets could get the two of us together on the Middle East, that would achieve one of their great ambitions. This we reject. We can always make a good deal with the Russians on that basis. However, we will

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39Reference is to the proposals of Eric Johnston, personal representative of President Eisenhower to the Middle East, for the Jordan River water development.

40Richard H. Davis, Minister-Counselor in the Soviet Union.

41Reference is to a Note from the Soviet Foreign Ministry to the American Embassy in Moscow, April 19, 1957. For text, see United States Policy in the Middle East, September 1956–June 1957: Documents, pp. 81–85.

42A memorandum of the conversation between Dimitri Shepilov and Secretary Dulles, August 18, 1956, which took place during the conference of 22 nations in London, August 16–23, 1956, is scheduled for publication in a forthcoming Foreign Relations volume.
deal with this problem only on the basis of collaboration with our allies and our friends. Now, the Soviets are trying to play it the other way and get the British and French to talk with them and leave us out. The Soviet note to the U.K. says as much.\textsuperscript{43} I doubt whether that is a profitable line for anyone to pursue. I don’t see any gain, only loss, in having official talks with the Soviets.

Ambassador Whitney, London: Did Selwyn Lloyd bring up this matter at the Bonn Conference?

The Secretary: No. There was no indication of U.K. desire to discuss the Soviet-Middle East situation at Bonn.

Ambassador Whitney: In the context of Anglo-American relations, I have had several talks with Selwyn Lloyd. There is tremendous pressure to talk. Lloyd has suggested that we could take up the Arab-Israeli problems in the UN framework. This is a place where I wonder if it could easily be brought up. Was this mentioned at the Bonn Conference?

The Secretary: I think it is being dealt with to some extent between Washington and London at the present time. I noticed no desire on the part of the British to have talks regarding the Russian-Middle East situation.

Mr. Richard Davis: There are reflections of this in Moscow.

The Secretary: Of course, there are always opportunities to talk informally at the Security Council meetings. I don’t think that would satisfy the Soviets. They want to be publicly accepted as one of the powers which must be taken into account in dealing with the Middle East. By way of background the main part of which you may recall, at the time when Hitler, Stalin and Japan were trying to divide up the world on a tripartite basis, they had pretty well agreed to a division. Who would be dominant in the Middle East was the only stumbling block. The Hitler paper pushed the Soviets further to the East and gave them the Indian Ocean zone, but Stalin insisted on the Persian Gulf area. That was one of the reasons, at least superficially, why the talks failed. Soviet ambitions in the Middle East are well known. At the first meeting of Foreign Ministers in London in 1945 with Secretary Byrnes, Molotov made clear his demand for a trusteeship of Tripolitania and the Greek Islands. They will not be satisfied just by back-stage talks at the Security Council.

The Secretary: Are there any other questions? I would be glad to answer as well as I can.

Ambassador Thompson, Austria: Could you give us an indication of what our line should be with respect to the satellite coun-

tries? The Austrian Foreign Office has asked whether we could give
any indication as to what the Austrian position should be. For exam-
ple, on the UN Report on Hungary, what should be our attitude?
We would not want them to renormalize their relations. What they
really have in mind is that they hope we might use them in some
way in our approach to the satellites.

The Secretary: Well, I don't think of anything at the moment
that would be profitable on that line. It is important to keep alive in
our minds a degree of Soviet condemnation in regard to Hungary and
East Germany. The Russian rulers are not impervious to open public
ostracism. They are extremely anxious to be accepted. The only way
to make them give in is if we keep hammering away. An example of
this was the Austrian treaty. And in some other aspects they have
given into world opinion; for example on Atoms for Peace and aerial
inspection. On aerial inspections the Soviets first rejected, then ac-
cepted it. I hope we're not going to reject it now that the Soviets
have accepted it. Now in the debate concerning aerial inspections,
the question is not whether will it take place, but where will it take
place.

We should not let relations with the Soviets become normalized
to the point where we have to draw the veil over things of this sort.

Mr. Philip Sprouse, Belgium: What is the general policy regard-
ing resumption of contacts which were broken off after the Hungari-
an affair? I have a feeling that the Belgians would be willing to con-
tinue these relations.

The Secretary: Our policy is not to exclude totally any such rela-
tions. We do feel that that relationship, if it is done skillfully, can do
much to help advance the development of liberal elements and forces
which the leaders would have to bend to. We are making definite
progress along that line. You cannot have an industrial state without
a good deal of education. You cannot have education without de-
veloping inquiring minds. There are reports that among the students in
the USSR all sorts of illegal publications are being circulated. How
strong the liberal movement is or when it will be effective, no one
knows. I believe that to some extent these contacts, exchange of
leaders, etc., all help to promote this movement. Therefore, we do
not wish to exclude them entirely. We do not want them to achieve
such a volume as to imply that we recognize them as moral equals. It
is hard to know just where to strike the balance between the two

44 The Special U.N. Committee on Hungary, which was established on January 10,
1957, by Resolution 1137 (XI), reported on June 20, 1957. Its conclusions are printed in
45 Documentation on President Eisenhower's proposals, made before the U.N.
General Assembly, December 8, 1953, for the sharing of atomic information, is in For-
factors. We are trying to follow an ad hoc basis where no rules are
laid down. We have ended the total curtailment which went into
force immediately after Hungary and are now on a limited basis. For
the satellites other than Hungary, we are doing a little bit more. We
hope to work out something on an economic arrangement with the
Polish delegation now in Washington.\textsuperscript{46} The Poles have shown a
degree of independence. As there is a movement toward independ-
ence, we respond. However, their independence is not so spectacular
as all that; it would take a powerful microscope to see it sometimes.
As a general principle, to the extent these countries give evidence of
greater independence, we will give them better treatment.

Ambassador Willis: Is there any prospect of our being able to
take more Hungarian refugees?

The Secretary: I find it very hard to be optimistic about that.
During the period when public emotion and sympathy was running
high the Department of Justice was liberal in regard to the parole
system. Now that Congress is back in session and emotions have
calmed down, Justice does not find it possible to use this system to
the same extent. It is the same with the Jews in Egypt. The commit-
tees which are responsible for working this out are not liberal.

Mr. C. Burke Elbrick, Assistant Secretary for European Affairs: I
realize how difficult the Swiss problem is, but we see little chance of
taking more of these refugees into the U.S.

Ambassador Willis: There are now two refugees per 1,000 Swiss
people.

Mr. Elbrick: The Yugoslavs have a similar problem. I don't see
any chance of increasing the number to be admitted to the U.S. by
legislation.

Mr. Andrew Berding, Assistant Secretary for Public Affairs: We
could take 3,000 more up to July 1.

Mr. Elbrick: This was a last effort during this fiscal year. The
Swiss and Yugoslav problems are difficult ones. They are not covered
by the parole procedures. They are in third countries. The parole
system has not applied to Hungarian refugees other than in Austria.

Mr. Julius Holmes:\textsuperscript{47} Regarding Algeria, was any light thrown
on this problem in your talk with Mollet?

The Secretary: There was no light, just gloom. Mollet sees no
prospect of holding elections. While some local elections might be
held, Mollet is not sure that even these elections would give them a
responsible group of leaders. The vision of elections has pretty well

\textsuperscript{46}Reference is to the agreements signed by the United States and Poland on June
7 and August 14, 1957, by which the United States agreed to provide Poland with $95
million in economic aid.

\textsuperscript{47}Special Assistant to the Secretary of State.
faded into the background. The picture he showed today was one of complete discouragement. The French are trying to organize the country on the basis of local communities and villages. It might be possible to hold some local elections, but there is no possibility of these elections producing any leadership.

Mr. Elbrick: Elections for the French Assembly depend on bringing about a cease fire. Right now, there are no real leaders with whom to negotiate to bring about such a cease fire.

The Secretary: For example, when the French ask the local “leaders” to demonstrate their authority in some way, they would suggest that authority be shown by 24 hours during which time no one is killed. Instead the local “leaders” will kill twice as many people during the 24 hours to prove their authority.

Ambassador Bruce, Germany: I don’t like to plunge you into the morass of Germany again. Russian experts here believe that the Soviet Government will not seriously consider reunification of Germany until after some sort of negotiations between Eastern Germany and the Federal Republic. Are there any conceivable circumstances under which we could recognize the Government of East Germany without the consent of West Germany?

The Secretary: I can see no circumstances which would lead us to recognize East Germany, unless that was desired by the Federal Republic, and it would take a great deal of persuading on the part of the Federal Republic. We don’t recognize the People’s Republics of Vietnam and Korea, and would be extremely reluctant to do so in East Germany. As far as I can now foresee, the future of East Germany is pretty well linked up with the satellite question. Of course, the Soviets might be willing to accept the reunification of Germany if it took place under circumstances which would give Communist elements in East Germany a good chance eventually to take over the whole of Germany. I do not think they will accept any reunification which did not have that as a considerable prospect. Furthermore, I do not think they would accept reunification until they arrive at the conclusion that their entire satellite policy is wrong—that they are willing to be surrounded by countries which have a considerable measure of independence and operate on a friendly basis, such as Finland. The impact of any degree of sovereignty in East Germany would multiply problems in other satellites, particularly Poland.

Therefore, I think East Germany is really a part of the entire satellite problem, assuming, of course, that the West Germans are not willing to take reunification on terms whereby the Communists could take over the whole business. The situation in Laos where you also have two provinces, which it was promised would be restored to the Government of Laos and to those controlling the provisions of
the armistice agreement. But, in fact, the Communists are not allowing this to happen, unless they can set up conditions which could give them an important place in the central government where they could take it over, such as the Ministry of the Interior, etc. The Government of Laos is not as strong and vigorous as the Federal Republic and is tending to base reunification on those terms. So far they have refused to do so. The situation in Laos is very similar to the political situation in Germany.

Ambassador Whitney: One thing we hear often in England today is that, no matter what happens with respect to the Suez Canal and the regime, the story will really be told when the first Israeli ship does not go through the canal. If it does not go through, could you discuss with us what our possible action would be at that time?

The Secretary: I think it can be assumed with a high degree of probability that no Israeli ship will go through for the time being.

Ambassador Whitney: Will one try to?

The Secretary: It will try to. I have suggested to them that they not push that issue quickly because we did not want it to arise during the crisis in Jordan. I think that within the next few weeks an Israeli flag ship will try to get through the canal. I don’t think it will get through the canal, and that will raise a very serious problem. The procedure which would be appropriate would be to try to take the matter to the World Court. But, the procedures for getting it to the World Court are not at all clear. The UN Security Council or the General Assembly could request an advisory opinion from the World Court; but the question would be vetoed by the Soviet Union in the Security Council, and it would be difficult to get a two-thirds vote. I do not think that Egypt will consent to its going there as a contested case. I am not entirely sure that Israel is very keen about its going there. Israel is more concerned about transiting the Straits of Tiran than they are the Canal. Egypt would probably base their refusal on the provisions of the 1888 Treaty, Article 10, which says that the provision in the preceding articles which give the right of transit to all countries would be without prejudice to the right of Egypt to maintain public order. The Egyptian case would be that in the interest of maintaining public order, you cannot have an Israeli ship going through the Canal at the present time, since emotions of the people would run so high on the banks of the Canal that the situation would be entirely uncontrollable. That is a very plausible argument. They do not have to face up to the question of the principle of whether Israel has the right to go through; they can say that in the

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interests of maintaining public order, they are delaying or suspending the right of a particular ship to go through. That sounds very plausible.

I am not sure that the Israelis would want to take such a case to the World Court because it is not clear what the decision might be. It would depend upon how strong a factual case the Egyptians can develop. I think that we are likely to be confronted for the time being with the likelihood that Israeli ships will not go through the Canal.

The question of passage of Israeli cargoes through the Canal is a little different since it is more difficult to prevent passage. I would have said a few days ago that the Egyptians would have let them go through. In view of the Jordan developments, I am not so sure they would. We should remember that the Israelis attach far more importance to access through the Tiran Straits and the Gulf of Aqaba than through the Suez Canal. In the Ben Gurion notes to Eisenhower in connection with the Israeli withdrawal from the Gaza Strip, Ben Gurion specified two points on which the Israeli wanted some sort of satisfaction: one was the right to go through the Straits of Tiran and the other related to the Gaza Strip. He did not mention the rights of Israeli to go through the Suez Canal. That was a rather conspicuous omission.

(The Secretary departed at 3:50 p.m.)

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49 David Ben Gurion, Israeli Prime Minister.

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250. Editorial Note

Secretary of State Dulles left Paris on May 6, 1957. The Ambassadors continued their discussions until May 8, but no record of their meetings has been found in Department of State files.

[Paris, May 8, 1957.]

I. NATO: Military and Political Aspects.

A. National Attitudes Toward NATO Strategy and Defense Requirements; and
B. Non-military Aspects of NATO, Including Particularly Development of Political Consultation.

1. NATO is and remains under present circumstances the indispensable basis of U.S. policy in Western Europe. In spite of the difficulties that NATO has experienced, faith in NATO remains high on the part of the Western European member countries, who feel that collective defense is the only possible defense.

2. It is felt that from the political point of view, NATO strategy is well adapted to the requirements of the situation. It places primary emphasis upon deterring aggression. It is vital that one of the fundamental political bases of the Alliance—that in event of aggression the territory of all the members will be defended—be maintained. An adequate shield of ground, air and sea forces, including an American contribution, with flexible capability, in necessary. Anything less than an adequate shield would have grave effects on NATO unity.

3. The member countries of NATO have a need for the clearest and most convincing exposition possible of the NATO strategic concept and the nature of the forces required to implement this concept, in order to strengthen domestic support for NATO and the military expenditures entailed in meeting NATO goals. Considerable confusion has arisen from recent discussion of nuclear defense versus conventional defense needs. The studies on those subjects that SACEUR has put in hand at the request of the North Atlantic Council should be extremely helpful.

4. A German contribution to NATO remains vital. In this connection, it was noted that the neutralization of Germany in connection with reunification, or otherwise, might be fatal to the Alliance, not only because NATO could not produce sufficient shield forces without a German contribution but also because German territory is itself essential to the conduct of NATO strategy. Having in mind the bearing which the forthcoming election will have on the future atti-

1Source: Department of State, Central Files, 120.1451/5–857. Secret. Transmitted to the Department of State in an unnumbered despatch from Paris, May 8.

2A general election took place in the Federal Republic of Germany on September 15.
tude of Germany towards NATO, it is important that Western European countries exercise extreme care in their pronouncements affecting Germany.

5. The steady increase in political consultation in the North Atlantic Council was welcomed as a major contribution to cohesion in the Alliance and, in particular, as an important means of gaining understanding of and support for U.S. policies. Increased consultation can be used as a means of giving support to friendly governments. It was recognized that further efforts are required to develop procedures whereby member countries can increase the scope, depth and timeliness of political consultation in NATO.

IIA. National Attitudes Toward United States Foreign Policy With Regard to East-West Relations.

1. Reactions of the Western European countries represented at the Conference to United States policies with regard to East-West relations fall, in general, under three broad headings: (1) reaction to overall United States attitudes, (2) reaction to cultural and other exchanges and (3) reactions to East-West trade problems.

2. It was the consensus of the meeting that there is fundamental support and sympathy for overall United States attitudes in regard to the Soviet threat to the extent that it is generally believed that they will be effective in opposing the expansion of Soviet Communism. This feeling has been generally sharpened and focused by the recent events in Hungary which once more put into perspective the true nature of Soviet Communism.

3. Events in Hungary also dampened previous enthusiasms for cultural and other exchanges, although there remains cautious interest in the subject of cultural exchanges, particularly with the satellites, in certain of the countries of Western Europe. It was the sense of the Conference that the countries of Western Europe should be encouraged to be selective in their cultural exchanges with the satellites. Less showy exchanges are more advantageous to the West, and particularly student exchanges provided that the students are carefully selected.

4. There is, however, an almost universal lack of sympathy in Western Europe for United States policies regarding East-West trade controls with a correspondingly widespread interest in the possibilities of trade with the Eastern European bloc and with Communist China. With the possible exception of Spain, there is an overwhelming desire to suppress the China trade control differential and a

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8Reference is to the difference between trade controls as applied to the People’s Republic of China and as applied to the Soviet Union and its Eastern European satellites.
feeling that United States policies in this regard tend to continue to be too rigid. Interest in increased trade with China does not yet, however, go so far at the present time as to dispose the countries of Western Europe to pay the political price for this supposed benefit currently being demanded by the Chinese Communists.

II.B. National Attitudes Toward United States Foreign Policy With Regard to the Immediate Interests of the Country Concerned.

1. It was evident from the discussions among the Chiefs of Mission present at the Conference that the fundamental bases of the Western Alliance and of the Western community of interest remain firm and sound. Where it is evident that United States policies serve to further the welfare and interests of the Western community as a whole, there is, generally speaking, support and sympathy for those policies. This is particularly true in the case of the smaller countries, such as the Netherlands, who, however, do not hesitate to criticize sharply the manner in which those policies are carried out should they feel inclined to do so. United States policies are inevitably viewed from the perspective of the particular national interests of each country and the reactions of these countries are conditioned to a large extent by their own vital concerns. Austria, for example, while basically in sympathy with United States objectives, is affected by its exposed and vulnerable position and its status of neutrality and thus from time to time is inhibited from espousing openly United States courses of action which might be embarrassing to it. The reactions of Germany, as another example, are conditioned among other things by the great desire for German reunification.

2. Although the bases of the Western community of interest remain sound, there are points of friction where United States policies have been in conflict with what are regarded to be the vital national interests of individual countries. The policy of the United States in regard to the Suez crisis has left deep and sensitive scars in France and in the United Kingdom. There is widespread dissatisfaction in Western Europe with what is regarded as United States relative inaction in the Hungarian crisis, although no very specific alternatives were suggested by the critics. A certain resentment was reported as existing in a number of countries that the United States treats its friends worse than it treats its enemies. There is some criticism of United States policies in varying degrees in every country of Western Europe depending upon the impact of those policies on specific national interests. Some representatives reported that there was criticism of American foreign economic policy, particularly in con-
nection with resort to the escape clause. There is considerable reservation on the part of a number of Western European countries concerning United States policies insofar as they appear to be based upon a reliance on the United Nations which many believe to be weighted against their interests. Most of these points of friction are not, however, considered to be acute and appear to be susceptible to amelioration with time, understanding, and patience. It was the consensus of the Conference that many points of friction can be avoided or diminished by a concerted and continued effort on the part of the United States to carry out a policy of prior consultation with its allies, wherever possible or of keeping them informed of the grounds for American actions which affect their individual interests.

III. National Attitudes Toward Soviet Foreign Policy and Relations With the USSR, Including Estimates of Role of Local Communist Party.

1. It was the consensus of the meeting that all countries of Western Europe are now displaying a firm attitude towards Soviet foreign policy. In the case of such countries as Spain and the Netherlands, this firmness has been constant, the Spanish regarding their civil war as a war against the Reds, and the Dutch having been concerned over what they considered to be past British and French softness and fear of possible American softness towards the Soviet Union. Everywhere, firmness has been increased by the impact of the Hungarian revolution. Soviet penetration of the Middle East induced a further stiffening of the British and French attitudes. In Italy, if a Gronchi-dominated government is formed, there may be some relaxation in its strong pro-Western orientation. Neutral Switzerland interprets its neutrality in a manner permitting flourishing relations with West Germany, but no relations with East Germany. Swiss neutrality, which bears no resemblance to neutralism, is combined with a sense of identity with the West.

2. On the question of cultural exchanges with the East, it was pointed out that while the Austrian government was split on the issue of exchanges with the Soviet Union, it favored exchanges with the satellites, particularly with Poland and Yugoslavia. Embassy Vienna is inclined to favor these exchanges with the satellites since the Austrians know the countries and would be unlikely to be impressed by what they saw, as they might be in the Soviet Union. Moreover, it is believed there is a role Austria could play. The French, who cut off cultural exchanges after the Hungarian Revolu-

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4Section 6 of the Trade Agreements Extension Act of 1951, popularly known as the "escape clause", provided that whenever an imported product threatened to cause serious injury to domestic manufacturers, all tariff concessions on that product would be withdrawn. For text, see 65 Stat. 74.
tion, are resuming them, but on a restricted and controlled basis. They also are interested primarily in encouraging such relations with the satellites, where they feel the historical role of French culture gives them a special advantage. The Dutch, on the other hand, have had very few cultural exchanges, and the Swiss have cut down sharply, largely because individual organizations that are invited to the Soviet Union have simply refused the invitations. It was pointed that the Secretary had indicated that the Department’s policy is to resume a modest program of exchanges with the Soviet Union, but to concentrate largely on the satellites. It is understood, however, that other countries, such as Austria, may be in a different situation. Embassy Moscow warned that the type of exchange favored by the Soviets, spectacular mass exchanges, are of greater advantage to the Soviet Union than to us, since they tend to make people think there is an identity of views between the U.S. and the USSR. On the other hand, smaller, less spectacular exchanges are of benefit to both countries.

3. The Communist parties of Austria, Belgium, Germany, Luxembourg, the Netherlands, Portugal and Switzerland were described as small and with virtually no influence. The British Communist Party, while small in itself, has probably infiltrated through trade unions into industry to a greater extent than is generally admitted but the British tend to believe they can control the situation in their own way without sacrificing civil liberties. While there is limited clandestine Communist activity in Spain, it is probably of little significance, and in general anarchism fits the Spanish temperament better. Italy has the largest Communist Party outside the Iron Curtain. There seems to have been a recent reduction in party strength, however, and there has been a definite weakening of Communist control over the labor movement. The Party remains Stalinist, but less so than the French Party. The French Communist Party is one of the largest and most powerful CPs. It has been in gradual decline since the war, but remains important. Hungary represented a serious blow to it, but affected the Party’s fringes more than its central core. It has lost many of the leftist intellectuals who gave it its aura of respectability, but its apparatus has not been affected. It remains thoroughly Stalinist and most loyal to the Soviet Union. Its working class support has been shaken by the Hungarian Revolution, but we can probably expect the Party to recoup by concentration on day-to-day economic issues which affect the French worker much more directly than do events in Hungary.

IV. Prospects for European Unity and Cooperation.

1. The concept of European integration is the most constructive idea to be developed in European political philosophy in the 20th
Century and perhaps during an even longer period of time. It is in the U.S. interest not only that the two current projects, the Common Market and Euratom, be carried through, but—of far greater importance—that the momentum be maintained until a political and economic community has been developed in Europe which will enable that area to play the important role in world affairs for which it is so well equipped by its talents and resources. The attainment of this goal depends in large measures upon the British outlook. Without the United Kingdom as an active associate, there might be a reappearance of political rivalries among the major Continental participants—particularly between France and Germany—that have proved so disruptive in past European history.

2. The political consensus within the Community of Six is that the Common Market and Euratom treaties will be ratified by all the signatories. The ratification process will get under way in all countries before the various national Parliaments recess for their summer vacations, and a number of observers predict that in some countries full approval will be obtained by July. However, it appears likely that the ratification process will not be completed in all countries until some time in the autumn.

3. In discussing the ratification time table with responsible government officials in the six countries, U.S. representatives should formally urge as appropriate the desirability of early action. Formal negotiations on the terms of the contemplated U.S. association with Euratom cannot begin until the Euratom Treaty has been put into effect.

4. The continued progress of the Six towards integration will constitute an important pole of attraction for other European countries. Denmark has already felt these influences, because of its dependence on CSC steel and its competition with the Netherlands in the field of agriculture. Austria and Switzerland are faced with a special problem in this respect because of their neutral status. The Swiss are confident of their ability to work out arrangements with the European Community on a practical basis, similar in character to their arrangements with the ECSC.

5. At the present time the policy of the United Kingdom towards European unity and cooperation is in a state of flux. One part of the U.K. Government, including Macmillan and Thorneycroft, appear genuinely interested in European integration and hope to work out British association with this movement through the Free Trade Area. Other parts, including the Foreign Office and the Treasury Officials, are not as clearly enthusiastic about such and association.

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5Peter Thorneycroft, British Chancellor of the Exchequer.
6. The Grand Design seems to be a project launched by the Foreign Office in an effort to redress British prestige in Europe. It was not well though out, and by proposing an amalgamation of several parliamentary bodies of diverse powers and purposes, is open to serious questions.


1. The colonial question is a particularly important one. The colonial areas and former colonial areas of Africa and Asia have become a major battle-ground of the cold war. The economy of Europe is heavily dependent on commercial ties with the colonies and former colonies, and colonial problems frequently complicate the relations of the United States with its friends and allies in Western Europe.

2. Major considerations which influence U.S. policy on colonial issues are: a) public opinion in the United States; b) the conclusion or judgment by the U.S. Government that the anti-colonial tide is irresistible; c) concern for the interests and sensitivities of our allies; and d) concern for the strength, well-being and long-range political orientation of the emerging, newly independent states. The recent rapid acceleration in the pace, timing, and schedule of movement toward independence, combined with the tendency to extremism on the part of the new states, has reached a point which we consider sometimes to be dangerous to the interests of our allies and to the future of the emerging states themselves.

3. From the point of view of many of the countries of Western Europe, there was reported to be a widespread feeling that the United States tends to be too moralistic in its attitude toward colonial problems and toward the United Nations. There is anxiety and concern that the United States is inclined to be precipitous in supporting the aspirations for independence of newly emerging states before they are in a position to fulfill all their obligations, that we push too hard and expect too much of the emerging states, and that we are over-ready to accept as full and equal members of the United Nations states which have not yet demonstrated beyond all reasonable doubt their ability to govern themselves and to discharge their international responsibilities.

4. In this connection, it was pointed out that several of the Western European colonial powers, such as Belgium and France, as well as the United Kingdom, are making heartening progress in preparing their African territories for eventual self-government and independence. A delicate problem lay in the task of encouraging these powers to stay ahead of the tide of nationalism without appearing in their eyes to be advocating the premature granting of independence to areas not yet ready for it.
5. The recent admission to the United Nations of many newly emerged states as full and equal members has caused disquiet and alarm among many of the nations of Western Europe. This alarm has been intensified by what has appeared to them to be a tendency on the part of the United States, especially in recent months, to subordinate its independence of action in foreign policy to a world organization which we no longer control. To some of the countries of Western Europe, the U.S. has appeared to be abdicating the making of foreign policy to the UN when we have no firm policy of our own to cover the situation. They are fearful that we may be in the process of losing our freedom of action to an organization which no longer represents Western civilization and in which, in the absence of a system of weighted voting, small and inexperienced nations may decide grave issues the consequences of which they themselves do not have to bear.

6. It was the feeling of the Conference that the United States should faithfully maintain its support of the United Nations. We and other countries should continue to use the United Nations for the settlement of disputes where such a procedure would serve a useful purpose. This reliance on the United Nations should not be exclusive; however, an emphasis should be placed on the possibilities of the use of regional organizations for the settlement of disputes wherever appropriate, a procedure envisaged by the United Nations Charter.

7. In regard to the colonial question, it was the view of the Conference that the United States should not support the creation of independent states until it has become satisfied of their capacity for self-government. Nor should the U.S. support the candidacy for membership in the United Nations of a newly independent state until such a state has demonstrated its ability to fulfill beyond any reasonable doubt the requirements for membership in that organization.

(Note: Because of lack of time, the Summary Conclusions and Recommendations concerning Agenda Item V, The Colonial Question and the United Nations, were not formally cleared and approved by the Chiefs of Mission Conference.)

Participants

American Embassy, London—
Ambassador John Hay Whitney
Minister Walworth Barbour

American Embassy, Reykjavik—
Ambassador John J. Muccio
Joseph Carwell, Counselor

USRO, Paris—
Ambassador George W. Perkins

American Embassy, Helsinki—
Ambassador John D. Hickerson
Mose L. Harvey, Counselor

American Embassy, Ottawa—
Ambassador Livingston T. Merchant

American Embassy, Dublin—
Ambassador Scott McLeod
Arthur B. Emmons III, Counselor

American Embassy, Oslo—
Ambassador Frances E. Willis
G. Hayden Raynor, Counselor

American Embassy, Moscow—
Ambassador Llewellyn E. Thompson

American Embassy, Stockholm—
Ambassador Francis White
William Cochran, Counselor

American Embassy, Copenhagen—
Ambassador Val Peterson
Ward Allen, Counselor

Hon. Clarence Randall
Special Assistant to the President

U.S.I.A., Washington—
Mr. William Clark, Assistant Director (Europe)

¹Source: Department of State, Central Files, 120.1440/9-2357. Secret. Transmitted as an enclosure to despatch 712 from London, September 23.
Department of State, Washington—
Hon. John Wesley Jones, Deputy Assistant Secretary of State
Mr. William Sanders, Special Assistant to the Under Secretary of State
Hon. W.N. Walmsley, Jr., Deputy Assistant Secretary of State for International Organization Affairs
Department of State, Washington—
Benson E.L. Timmons, Director, Office of Regional Affairs
Marselis C. Parsons, Jr., Director British Commonwealth and Northern European Affairs

Welcome

The Honorable John Hay Whitney, as host Ambassador, opened the Conference with a few words of welcome, and then turned the meeting over to Mr. Jones, as Chairman of the Conference.

Opening Remarks

Mr. Jones, speaking on behalf of the participants in the Conference, expressed high satisfaction with the arrangements which had been made and his deep appreciation to Ambassador Whitney and members of his staff. He said that the Secretary regretted being unable to attend the Conference but had sent the following message:

I regret very much that I am unable to attend your meeting in London. I have found in the past that Conferences of this type are very useful, not only to me personally, but also to the participants and the Department as a whole. I am sure that your consultations will be fruitful and your meeting successful.

John Foster Dulles

Mr. Elbrick, who had taken an active part in the preparations for the Conference, also regretted his inability to be present. Mr. Jones in reviewing the purposes of the Conference said that it was hoped that it would provide an opportunity for the exchange of ideas on significant developments and trends and for the discussion of the problems common to the NATO countries. The Conference would provide an opportunity to consider Soviet policy with respect to the countries to which the Chiefs of Mission attending were accredited. He suggested that while two days had been allotted for the Conference, it would be possible to continue, if necessary, on Saturday morning but that it was hoped the Conference could be completed at least by noon on Saturday.

Mr. Jones proceeded to outline current United States policies with respect to the Northern European countries, the Soviet Union and the Middle East. He said that the special relationship with the
United Kingdom and France growing out of World War II had been based on the assumption that the foreign policy objectives of the three countries were parallel. Within the framework of this tripartite relationship an even closer tie had been developed with the United Kingdom. The United States–United Kingdom relationship is at the core of the NATO alliance and is an important element in SEATO and the Baghdad Pact. Indicative of the attitude of the United States toward this special relationship is the fact that there is no NSC policy paper on the United Kingdom.

The Suez Affair caused the United States to review its relationship with United Kingdom and with France and as a consequence tripartite consultation was quietly abandoned and replaced by bilateral consultation within the NATO framework.

The United States has the following objectives with respect to the United Kingdom:

1. To encourage the United Kingdom to maintain a substantial military effort.
2. The United States would expect prompt assistance from the United Kingdom in the event of war with the Soviet Union.
3. We expect continued support from the United Kingdom in our dealings with the Soviet Union and the Communist bloc.
4. We expect British support on such questions as Disarmament, Europe security and German reunification.
5. We would like to see British support for European integration and some association with the organizations developing on the continent in the field of integration.
6. We support the maintenance of the British position in the Persian Gulf, but we would hope that they would refrain from the use of force.
7. We seek continued British support for the UN Moratorium on the question of Chinese representation.
8. In the event of a resumption of Communist aggression in Korea or elsewhere in the Far East, we would hope for British support.
9. The United States continues to support the Commonwealth and the United Kingdom position within it.

With respect to Scandinavia we support the preservation of the independence of the Scandinavian countries and we seek to encourage the development of their will and capacity to resist Communist aggression. . . . The United States needs defense facilities in Greenland and this need is increasing. We will avoid any steps threatening the balance in the relationship between Finland and the Soviet Union while at the same time endeavoring to strengthen the ability of Finland to maintain its independence. We wish to keep United States forces in Iceland and to retain the availability of our bases there. Our objective is to encourage Iceland to remain an active NATO partner
and reduce Soviet economic and political influence within the country.

We wish to take advantage of Irish antipathy toward Communism and would welcome Ireland as a member of NATO if the partition question were settled. Our objective is to ensure the collaboration of Ireland in any future conflict, including the use of its territory for military purposes. With respect to Canada we seek to maintain the most intimate relationship possible and the continuation by Canada of its active role in North American defense and in NATO.

There are two aspects of our policy concerning the Soviet Union:

1. The maintenance of the strength and independence of the Free World and
2. A reduction of the influence of Communist parties in the non-Communist world.

We wish, through our regional alliances, through controlled disarmament, and through the exploitation of contradictions in the Soviet Union and in the Satellites, to reduce and eliminate the Soviet potential for aggression.

Mr. Jones listed a number of recent developments which, in the opinion of the Department, indicated a conscious effort on the part of the Soviet Union to intensify the Cold War. Among these developments he mentioned the rejection by Ambassador Zorin of the Western Disarmament proposals, the Soviet ICBM announcement, Syria, the recent Soviet note to Western Germany, and the unusually offensive notes to the United States, United Kingdom and France on the Middle East. In addition he mentioned the threat to Turkey, Soviet Naval activity in the Mediterranean and the Arctic as well as Gromyko’s press statement of last week. Mr. Jones said that the Department viewed the present situation as the most dangerous we
have faced since Korea. The Department was particularly concerned because of the emotional and impetuous character of Khrushchev.

Finally Mr. Jones reviewed developments in the Middle East crisis and reported on U.S. policy decisions and actions flowing therefrom.

NATO

Ambassador Perkins in a review of the situation in NATO said that the alliance had survived quite well the shocks of the past year. He mentioned in this connection Suez, the German desire to reduce military service and place increased reliance on regular and voluntary forces and the British White Paper. Mr. Perkins said that the prospects of solution of the Cyprus question appeared better than in the past and there were indications that the debate in the United Nations this year would be on a more reasonable plane. General Norstad on September 18 had made a preliminary presentation to the NATO Chiefs of Staff at SHAPE on the implications of the British troop reductions on the continent and the initial reception of the report had been satisfactory. There appeared some hope of working out adjustments in the original British plans which would be satisfactory to the other Allies. Ambassador Perkins said that any acceleration of the German defense program had been impossible before the German elections but that he had been encouraged by Chancellor Adenauer's post-election statements.

In the past there had been little political consultation except in the Ministerial meetings in NATO but now an increasing number of problems were being discussed in NATO. He said that it was noteworthy NATO had been able to deal expeditiously with various questions raised during the recent disarmament negotiations.

Mr. Perkins said that for considerable time there had been little in the way of economic consultation in NATO. This situation was now changing and he mentioned consultation in NATO on Iceland's economic difficulties and on the Sudanese cotton problem as examples.

In conclusion, however, Mr. Perkins expressed the opinion that the recent United States decision to further reduce its military forces by 100,000 men would cause difficulties in NATO. He said that he was fearful that this United States decision would cause repercussions in Germany endangering the chances of persuading the Germans to accelerate their effort. He was also concerned at the possible

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8A copy of the Defence White Paper "Outline of Future Policy" (Cmd. 124), April 4, 1957, is in Department of State, Central Files, 741.5/4-557.
difficulties which the United States announcement could cause in the current negotiations with the British on the subject of reduction of their forces on the continent. Mr. Perkins said that there had been no reaction yesterday when he explained to the NATO representatives the United States decision.\textsuperscript{10}

\textit{USSR}

Ambassador Thompson\textsuperscript{11} said that there are a number of things we do not know about the June plenum in Moscow which resulted in the demotion of Molotov and Company.\textsuperscript{12} We do not know who started the crisis involving the changes in the top leadership nor do we know just what role Zhukov played. It seemed to him, however, that the American press had considerably exaggerated Zhukov's role and there is some evidence to support this view. He believed that the reports that Bulganin will replace Voroshilov, who will retire, might be true but it is questionable if this is likely to take place before upcoming anniversary celebrations. Khrushchev, however, has certainly emerged as "much more equal" than the others. He operates through the Party and it is noteworthy that 7 of the 8 Party Secretaries are full members of the Praesidium and the 8th a candidate member.

Khrushchev must watch his step. It could be argued that he has largely adopted his opponents' program on foreign relations as indicated by the various developments in foreign affairs since June. Khrushchev's main interest is in internal politics, particularly the decentralization of industry and the new lands program and on those he is going ahead. He has also packed the Praesidium and Central Committee with his own men and may endeavor to carry this further.

Khrushchev is probably not now in a position to overrule the army on any question that directly affects its interests. He has greatly reduced the power of the police with a corresponding increase in the influence of the army. If any of his policies were to have a dramatic failure he might be eliminated but it is too soon to tell just how he is going to operate.

In his three speeches to the intellectuals he turned the clock back and reasserted the role of the Party and it is hard to see how any creative writer can operate in Russia today.

\textsuperscript{10}The text of Ambassador Perkins' remarks at the North Atlantic Council meeting on September 18, 1957, is in Folio 612 from Paris, September 17. (Department of State, Central Files, 740.5/9-1757)

\textsuperscript{11}The Ambassador's remarks were extracted and sent by Jones (EUR) to Secretary Dulles and Under Secretary Herter in memoranda of October 14. (\textit{Ibid.}, 120.1440/10-1457) Herter initialed his memorandum; the handwritten note "Saw saw" appears on the Secretary's memorandum.

\textsuperscript{12}Reference is to the results of the meeting of the Presidium of the Supreme Soviet of the Soviet Union on June 18, 1957.
In general the changes in leadership have not had a good reception and contemptuous opinions of Khrushchev are often expressed, sometimes coupled with favorable remarks about Malenkov. People are concerned about current uncertainties and the danger of guessing wrong about which way the cat will jump. Khrushchev seems to have appealed to the provinces against the interests opposing him in Moscow, particularly to party officials and factory managers outside Moscow. Ambassador Thompson thought that in the long run Soviet internal policies are the most important both to them and to us and that decentralization carries some element of democracy and could if carried through have a great influence on Soviet foreign policy. From their point of view it is much needed and probably wise if it can be carried out properly. However, Khrushchev’s reliance on the Party which is to a considerable extent a prisoner of ideology is necessarily disturbing.

Ambassador Thompson thought that the Department’s views as outlined by Mr. Jones exaggerate the dangers. Khrushchev has very sensitive antennae and is aware of many of the difficulties of Marxism as indicated by his statement that it goes better with butter. It would be to our advantage if he takes greater account of what the people want. While he is impetuous, he cannot operate alone and if he fails it will be most serious for him. The results of decentralization are being closely watched and the desperate effort to overcome the failure of collective agriculture and the gamble of the new lands program are still uncertain. Production of new lands falls off rapidly after the first year and the big harvest of last year will not be repeated this year. Moreover the Soviet Union is going into a period of reduced labor forces. The law against the parasites is an illustration of this and incidentally strikes at the dissident university groups which have gone the furthest in questioning the Soviet system as indicated at the recent Youth Festival.  

Ambassador Thompson listed the following elements as weaknesses in the Soviet system:

1. The shock of de-Stalinization.
2. Effects of the fight in the June Praesidium.
3. The near revolt of the intellectuals and youth groups.
4. The problem of agricultural production.
5. The drop in manpower.
6. The doctrine of separate roads to socialism, Mao’s “1000 flowers” and Tito’s continued success.

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13 The World Youth Festival, sponsored by the Young Communist League, was held in Moscow in August 1957.

14 Reference is to a speech by Mao Tse-tung, Chairman of the People’s Republic of China, delivered on February 27, 1957, in which he advocated tolerance of diverse views.
7. The problems of Poland and East Germany.
8. The sterility of Communist ideology.

So far as could be judged from Moscow the crisis in the Syrian situation appeared to have been brought on more by the Syrians than the Soviets. He believes that over the long range, Khrushchev really wants and is almost forced to a détente in relations with the West. He must find incentives to make up for the manpower drop which requires releasing both resources and personnel. There are therefore many restraints against Khrushchev acting even as a sane dictator, much less as a Stalin. The army would not allow him to build up the police unless the position of the regime was at stake. Ambassador Thompson is optimistic in the long range about Soviet seriousness in the disarmament situation.

With respect to the students who went to China\textsuperscript{15} he thought that the Chinese had been much cleverer than the Soviets. Moreover the very fact that the Festival was so highly organized by the Soviets had aroused contrary reactions among the students. He thought that our disarmament proposals were too loaded against the Soviets from their point of view to give them a chance to be accepted but he believed that the Soviets would be ready to talk later. He thought that the Soviets had less fear than we have of small countries getting atomic weapons (except West Germany) since they can control their allies better than we.

In conclusion he said that their main current objectives are to weaken the ring around them and to devote their resources to building up their standard of living.

A ten-minute coffee break then took place.

Mr. Jones then asked Ambassador Whitney for a statement on the current political situation in Great Britain.

\textit{United Kingdom}

Ambassador Whitney said that as a result of the Suez experience, Britain's position in the world and her relations with the U.S. have been the subject of much discussion. The British are disposed to be more realistic than before about their weakened world position and to cut their coat to fit a relatively smaller piece of cloth, e.g., the new defense policy and the withdrawal of forces from the Continent. At the same time they have a more favorable attitude toward the Continent and European integration, e.g., the Free Trade Area proposal. The Macmillan Government has also shown a keen desire to re-establish Anglo-American relations, with good progress to be noted, particularly in the Middle East, despite considerable anti-

\textsuperscript{15}Reference is to the American students who attended the World Youth Festival.
Americanism in this country. But the British are sensitive on the subject of consultation and from time to time go out of their way to assert their independence, e.g., China trade controls.

In spite of her reduced power Britain is still an important ally, sharing our democratic principles, and still exercises considerable world influence. The Macmillan Government has been firmer in dealing with the Soviet bloc than Eden. The British have been disappointed with their experiences in the U.N. and are anxious to restore the role of the Security Council with its built-in veto to protect the great powers.

Britain is having difficulty providing development capital needed for the Commonwealth, which is increasingly becoming an association of under-developed, dark-skinned, new nations. British appreciation of the importance of this relationship is highlighted by Macmillan's decision to visit five Commonwealth countries next January, the first time a British head of government has ever done so while in office.

The internal situation is comparatively simple and stable. The Government's present majority should enable it to prevent a General Election until 1959 or 1960. While Macmillan has gone far to reunite the Tory Party, he has still not sold himself to the general public and if new elections were held tomorrow the Labor Party would have a larger majority than the Conservatives now have. A Labor Government would present the U.S. with certain problems although many who know Bevan\(^{16}\) best maintain that as Foreign Secretary he would be much more reasonable than he has been in opposition. The Labor Party is far from united, particularly on such issues as nationalization, the H-bomb and the Soviet bloc.

Economic considerations have a decisive effect on British policy and problems both internal and external. Britain must "export or die" and this adds considerably to their determination to release manpower from the armed forces for productive work. The need to economize has become a continually more dominant consideration. Thus when the new defense policy has been carried out their overall strategic reserve will be smaller than the troops now in Cyprus. The problem of inflation is also a growing concern and the Government has so far been unable to control or halt it. This issue may well determine the results of the next General Election.

In sum, while Britain is beset by grave economic problems her internal situation is stable. Her foreign policy has been shaken by Suez and her relations with the U.S. are not what they were before, but Britain is moving toward more realistic policies which although

\(^{16}\)Aneurin Bevan, British Labour M.P.; Minister of Health, 1945–1951.
they confront us with certain problems may result ultimately in a more effective ally.

**Canada**

After brief discussion, Mr. Jones asked Ambassador Merchant for a statement on the current situation in Canada. Ambassador Merchant pointed out that Canada constitutes our most important market with about 25 per cent of both imports and exports and that we are in this respect even more important to Canada, having about two-thirds of their imports and exports. Our trade with Canada exceeds that with Western Europe and also that with Latin America. In the post-war diplomacy Canada occupied a unique position as a member of the Commonwealth and a neighbor without a colonial past or geographical pretensions whose influence has been exercised mostly in support of U.S. objectives. Her territory and resources are essential to our military defense.

We have major and growing problems with Canada stemming in large part from our economic relations and partly from the recent change in Government. The Conservatives are more nationalistic than the Liberals and more pro-Canadian which can merge into anti-Americanism. They are more protectionist and will try to direct more of the trade and commercial relations, if possible, to the United Kingdom. The diversion of 15 per cent of their trade with us to United Kingdom as mentioned by Diefenbaker, would however, more than double their trade with Great Britain and is hardly a realistic objective. They will, however, try hard to reduce their dependence on us. They will give us less support in the U.N. and will be less articulate and influential. The Conservatives by no means shared the Liberals' attitude about Suez. While their Cabinet is totally inexperienced in Government, there is a strong civil service and with six to eight months more experience the new individuals in the Government should be on top of their respective jobs and then may well realize the difficulty of their many problems and that the range of choices for solution is limited. If they can avoid committing themselves too far by published statements in the meantime, they may be more responsible people with whom to deal.

Our principal economic policy which gives them concern is what they call our "give-away policy" on wheat which is illustrated by

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17 In a general election held on June 10, 1957, the Liberal government lost its majority in Parliament, and resigned on June 17; it was succeeded by a Conservative Cabinet with John Diefenbaker as Prime Minister.

18 Reference is to the disposal of U.S. agricultural surpluses abroad under the terms of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480, 68 Stat. 454).
the fact that the hundred million bushel reduction in our wheat surplus in the year ended July 1st was matched by an equal increase in the Canadian wheat surplus. Wheat affects their economy more than ours and this situation has literally hit people where they live since the grain elevators are full and the farmers cannot get paid until the grain is delivered.

The next most important problem is the adverse trade balance with the U.S. (almost 1-1/2 billion dollars last year). The Canadian dollar has gone to its highest premium since 1868 because of the huge influx of capital investment funds from American sources which although it has benefited them locally, causes much disquiet because of a feeling that control of their economy is slipping away from them. They complain that they are not allowed the opportunity to buy stock in the Canadian subsidiaries which are set up by American firms and that too many decisions affecting them are taken by the parent companies in America.

While the Norman case was a transitory factor it was the outlet for universal and sometimes bitter anti-American feeling, although after Norman’s suicide there were indications of second thoughts. The case is symptomatic of a latent but basic resentment against the power and wealth of the U.S.

While the new government will probably not abandon its obligations under GATT there is likely to be a gradual yielding to various protectionist pressures and this has already begun. Finally, the boom has begun to taper off. Unemployment has risen, residential and industrial construction are down and interest rates are high.

In the future Canada’s participation in international affairs will probably be less imaginative, constructive, active and helpful to the U.S. They will show greater sensitivity toward us. There are indications anti-Americanism will be exploited by the Liberals as well as by the Conservatives. It seems likely that this Government will arrange another election next spring or early summer and may well come back with a majority. Many who opposed the Conservatives at the last election now find them acceptable. We must be prepared to see them in power for at least five years.

Nevertheless they will continue as a sound and reliable ally. Support for NATO is truly non-partisan. In general they tend to see the world through our eyes and they appreciate the geographical realities of their defense situation. They believe in free enterprise and we need have no fear that they will abandon us.

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19E. Herbert Norman, Canadian Ambassador in Egypt, committed suicide on April 4, 1957, after the U.S. Senate Internal Security Subcommittee released testimony linking him with Communism.
In subsequent discussion Ambassador Merchant expressed the opinion that the Canadians might undertake a limited PL 480 type of arrangement for the disposal of surplus wheat through the Colombo plan, particularly to Pakistan and India but did not believe they would compete with us for the disposal of surpluses.

He thought the principal reason for the Liberal election defeat was that there was a general sense that the time had come for a change and the Liberals had run a stupid campaign. Moreover, Diefenbaker struck a profitable issue when he criticized the Liberal contempt of Parliament as underlined by the fact that one-half of the Cabinet members has lost their seats.

The luncheon break then took place.

Finland

Ambassador Hickerson stated that the survival of Finland as a free nation is a near miracle. Despite a long history of Russian rule (for more than a hundred years before 1917, Finland was a Russian Grand Duchy), the Finns have retained their national characteristics. Russian cultural influences, including even architectural styles, are notably lacking in Finland.

As a result of its defeat in two wars with the Soviet Union Finland lost 10 per cent of its territory. Rather than live under Soviet rule virtually the entire population of the ceded areas (also approximately 10 per cent of the national total) moved across the new borders into Finland. As a consequence Finland in the post-war period was burdened with the resettlement of these people at the same time that it was faced with reconstruction of war damaged areas and was having to pay heavy reparations to the Soviet Union. Reparation payments were completed in 1952.

There are only 30 to 40,000 hard core communists in the country, but nevertheless the communist controlled SKDL Party polled nearly 20 per cent of the total vote in the last elections. In the immediate post-war years the Finns moved cautiously in dealing with the communists, but in 1948 they ousted the last communist member of the Government.

There are six parties represented in Parliament and none of them has a majority. As a consequence Finland has had a series of coalition governments including usually the two largest parties, the Social Democrats and the Agrarians. Governments are generally weak and this fact, along with the effects of war and the burden of reparations, explains the economic difficulties which Finland has been experiencing. The Finn mark was devaluated by 39% this week in an effort to

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Reference is to the plan for Cooperative Economic Development in South and Southeast Asia, established under the aegis of the British Commonwealth in 1950.
ease the country’s financial crisis. This action was preceded by a price freeze and the imposition of an export tax. Ambassador Hickerson said that while Finland has serious economic problems these problems can be solved. The next twelve months, however, will be difficult.

With respect to foreign affairs Ambassador Hickerson said that the biggest influence in Finnish foreign policy is the fact that Finland has a 700-mile frontier with the Soviet Union. He expressed the opinion that the Russians will respect Finnish independence to the extent of refraining from using physical forces. Finland for its part is bound by the non-aggression pact not to permit its territory to be used as a base for an attack on the Soviet Union. Finland, therefore, pursues a policy of neutrality and avoids involvement in disputes between the great powers. Ambassador Hickerson said that the Soviets rather than using force would attempt to seduce the Finns. This effort would take at least two generations and by that time the character of the Soviet Union itself might well have changed. At the present time, the Finns regard the Russian people rather than Communism as the real menace.

Finnish armed forces are severely limited by the peace treaty. For prestige reasons Finland would like to have these limitations lifted. It is probable that it will raise the questions eventually, even though at the moment economic circumstances preclude an expansion of the army.

Ambassador Hickerson said that one of the most serious developments in Finland has been the split in the Social Democratic party, a split that initially involved personalities rather than fundamental principles. It is essential that the Social Democrats get together, but so far there is no evident that the communists have gained voting strength as a result of the split.

Communist propaganda is active and is carried on through a Helsinki newspaper with a circulation of 50,000 and in a half dozen smaller papers in other cities. The Soviets also arrange and largely finance a very extensive exchange of persons.

Iceland

Ambassador Muccio stressed the importance of Iceland from a military strategic point of view to the United States Air Force and to SACLANT. The Soviet Union also recognizes the importance of Iceland to NATO defense and has made a sustained effort to split Iceland from its NATO partners.

21Reference is to the Treaty of Peace with Finland, signed at Paris, February 10, 1947.
Ambassador Muccio said that the United States has three basic objectives with respect to Iceland: 1) to maintain United States forces and facilities in the country, . . . and 3) to reduce Soviet economic and political influences. The Ambassador reviewed developments since the break up of the Independent-Progressive Government in March 1956 leading up to the national elections of June and the request for withdrawal of United States forces. The United States-Icelandic negotiations of last November resulted in the withdrawal of this request. He said that the United States position in Iceland is better today than before the crisis. Four-fifths of the population is on the side of the West and hard core communists have dropped in the last year from 1,000 to approximately 500-600. The communists have also suffered some losses in the labor movement.

Iceland was the first NATO country to admit communists to government. At first we felt that we could not deal with such a Government. This policy was later altered. . . . The communist influence in Iceland is based on their control of the Icelandic Federation of Labor which they took over in 1954. Furthermore they have complete control, and have had for twenty years, of the largest union in Iceland, the non-skilled. During the past years there has been less friction among the three democratic unions which has resulted in an improvement in the position of the democratic trade unionist vis-à-vis the communists.

Ambassador Muccio said that the United States should take a firm but understanding position toward Iceland. It was the Icelandic Government which took the initiative of raising in NATO the question of trade with the Soviet bloc. The Democratic ministers in the government have proved in the past year that they can control the communists in government on security and foreign policy matters.

In the discussion which followed Ambassador Muccio’s remarks, Ambassador Perkins said that there was a fair chance of the NATO countries giving assistance to Iceland, particularly if the United States were to do so. He also mentioned the possibility of Germany alone providing the required assistance. Ambassador Muccio said that an assurance that the West would help if the Russians abruptly cut off taking Icelandic fish would be of great value to Iceland.

Norway

Ambassador Willis stressed the strategic importance of Norway with its numerous protected harbors and its airfields close to the Soviet Union. Furthermore there is a close relationship between the security of North America and Norway since a Soviet air attack by the shortest route would pass over Norwegian territory. Norway thus takes on importance as a part of the early warning system. Finally
Norway, though a small country from the point of view of population, nevertheless has the third largest merchant marine in the world.

Ambassador Willis said that it is important to remember that Norway as an independent country dates only from 1905. As a consequence it retains the strong feeling of nationalism characteristic of young countries. We must be careful in our relations with Norway to respect these sensitivities, remembering that this nationalism stiffens the Norwegians in resisting Soviet pressures. Nationalism was one factor in the Norwegian decision not to permit the establishment of foreign bases or the stationing of foreign armed forces on her territory except in the event Norway was attacked or an attack was imminent. In addition to this factor there is a strong Norwegian pacifist-neutralist tradition. The experiences of World War II dislodged the country from its neutralism and caused Norway to accept membership in NATO. Nevertheless neutralism and pacifism remain latent in the country. Ambassador Willis said that approximately 20% of the membership of the Labor Party is tinged with pacifist views. This explains in part the strong support in Norway for disarmament. There is also real concern about the danger of atomic fallout. It is also worth noting that the Labor movement in Norway was originally strongly leftist and many of the early leaders were communists, but having been disillusioned are staunchly anti-communist. The Norwegian Labor Party is now probably farther to the right than the British Labor Party. It is not doctrinaire and advocates no further nationalization. It believes rather in planned economy and the welfare state.

Norway is bound to the West by strong traditional ties enhanced by its position as a trading nation. Furthermore the emigration of many Norwegians in the past to the United States has strengthened these ties. At the same time the geographic proximity of Norway to the Soviet Union obliges Norway to seek to maintain as good relations as possible with the Soviet Government. The Soviet Union regards Norway as a key country and has employed blandishments and threats in an effort to separate Norway from its NATO partners.

Norwegian foreign policy is based on strong support for the UN and NATO. Most Norwegians recognize the necessity of NATO membership, but they are unenthusiastic about defense expenditures. With a weaker government it might be difficult to maintain the current level of expenditures on defense in competition with the demands of the welfare state. The Defence Committee of Parliament supports the idea that defense should continue to receive a constant share of the increasing GNP, but the full Storting has not indicated its accord. Norway must continue to look to the United States for military assistance if she is to maintain modern armed forces.
Ambassador Willis pointed out that Norway is a small country with a population of only 3 1/2 million and a gross national product of $4.1 billion. To judge by election results since 1935 Norway prefers a mild form of Socialism to outright Capitalism. In spite of the differences in political philosophies and our relative strength if we exercise wise leadership in the UN and NATO we can continue to expect close cooperation from Norway.

Denmark

Ambassador Peterson stated that the hard-working and proud Danish people have a high level of culture and education and by their own efforts have made themselves reasonably prosperous. They have learned the uses of patience in their foreign relations. In view of the strong trait of neutralism after the Napoleonic Wars it was an important step for them to join NATO. The five democratic parties are pledged to support NATO in the UN although there is still some neutralism in the radical Liberal party. All but the Communists are pro-Western and sympathetic to the U.S.

Danish defense expenditures will be about the same next year as last but reduction in the future must be anticipated as other countries reduce their expenditures. In spite of the many parties there is an underlying homogeneity in the country which makes the country stable. As a small country without ambition the Danes are relaxed and objective in their world views and could well serve as a sort of conscience for us, being as democratic as we are. The Arkansas situation has caused much discussion in Denmark.22 A still outstanding issue is our failure to pay the five or six million dollars involved in their claim for ships taken over early in the war. They are also critical of the 50-50 requirement of PL 48023 (shipping is an entirely private industry). They have also shown a sensitivity on our quota system on cheese imports.

Denmark is a welfare state. It remains very short on housing and there is some unemployment. In order to protect reserves they have recently provided for the limitation of dividends and for forced purchases of bonds. They join in our dislike of Communism but feel that we sometimes reflect an immaturity in our approach to the problem.

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22Reference is to the September 1957 crisis in Little Rock, Arkansas, surrounding the desegregation of the Central High School there.
23PL 480 required that one-half of agricultural surplus sent to a particular country be carried in American bottoms; see footnote 18 above.
Sweden

Ambassador White stated that the Swedish people are anti-Russian qua Russian, and feel the threat is from Russian imperialism rather than Communist theory. They do not consider themselves neutralist but say that their policy is one of non-alliance. They would have joined a Nordic alliance if the other members had stayed out of NATO. Swedish politics are very stable. They have a coalition government with social democratic leadership. There is a possibility that the forthcoming referendum on pensions\textsuperscript{24} may cause a break-up of the coalition if the social democrats win, by a withdrawal of the Agrarian Party. The Swedes do not wish to antagonize the Soviets. Their relations with the Finns are close. One of the reasons that they do not wish for too close ties with the West is their fear that the Soviets might move into Finland and thus put the Soviets on the Swedish border. Their dislike of the Soviets has been increased by the recent spy trials and the Wallenberg case.\textsuperscript{25}

They have an excellent air force, high in the percent of combat officers and planes and considerable armament for a nation of their size.

Their economy is sound although the debt has gone up recently. Their relations with the U.S. are cordial and close and at the presentation of his credentials the King told Ambassador White there were no problems between the two countries and relations could not be better.

Ambassador White then asked Mr. Cochran if he had any supplementary remarks. Mr. Cochran pointed out that the Swedes had been greatly upset by the Hungarian episode. They have taken proportionately more refugees and contributed proportionately more in relief than the U.S. While no return visit\textsuperscript{26} by Khrushchev is likely there will be no changes in their policy toward the Soviet Union.

They are now debating whether they should undertake to produce the atomic arms which they are technically able to produce. The costs would be heavy. Their economy is socialistic with emphasis on welfare rather than nationalization, the only exceptions being railroads, telephone and telegraph and some iron ore. They do not welcome foreign investment. There is overemployment and there is

\textsuperscript{24}On October 13, 1957, a referendum was held in which the electorate was asked to vote on three different contributory pension plans, each plan having been drawn up by a different party or parties. Ambassador White's prediction as to the results of the referendum was correct.

\textsuperscript{25}The Soviet Government informed the Swedish Government on February 7, 1957, that Raoul Wallenberg, a Swedish diplomat who had been missing since the Red Army entered Budapest in January 1945, had died in a Soviet prison in 1947.

\textsuperscript{26}The Swedish Prime Minister, Tage Erlander, visited the Soviet Union, March 29–April 3, 1956.
also a difficult housing problem. Sweden's greatest difficulty is that after 30 years of the welfare state there seems to be a lack of incentive to work and save. They are emotional about our treatment of the negro problem and the 50-50 Public Law 480 shipping clause. They also resent our hiring away of some of their technical brains.

Mr. Cochran saw our problem of relations with Sweden as largely a holding operation.

Ireland

Ambassador McLeod pointed out that the economy of Ireland is almost entirely agricultural. There has been some increase in industry and there are some hopes for tourism. Ireland lacks capital and is about to amend its law to reduce the requirement of Irish ownership from 51% to 25%. Their currency is tied to the pound.

Partition is a strong emotional issue which pervades the country. Ambassador McLeod also alluded to Foreign Minister Aiken's ill-timed and ill-conceived maiden speech in the U.N. General Assembly.²⁷

He concluded by remarking that the Irish hate socialism but are forced to socialist methods since their lack of capital and absence of savings forces most initiative to be undertaken by the Government.

Soviet Attitude Toward the Scandinavian Countries

Mr. Jones then asked Ambassador Thompson to present the Soviet attitude toward the Scandinavian countries. Ambassador Thompson pointed out that Soviet policies have, in general, remained principally the following:

1. Maintaining the security of the regime.
2. Retaining Soviet control of the Satellites and solidifying the Sino-Soviet bloc.
3. Disrupting the Western Alliance and forcing withdrawal of U.S. forces.
4. Extend Soviet diplomatic and political influence, especially in uncommitted areas.

Ambassador Thompson pointed out that objective 4 is particularly relevant in relation to the U.K., which is a prime target and symbol in its colonialism for Soviet attack.

Objective 3 is particularly relevant with respect to the Scandinavian countries. The Soviets would probably maintain the policy of "carrot and stick" but threats are likely to increase and the Soviets will hammer away at neutralist sentiments.

²⁷Reference is to a speech by Frank Aiken, Irish Minister for External Affairs, on September 20, 1957; for text, see U.N. Doc. A/PV.682
They have shown great resentment at the NATO agreement to set up a Baltic command and the "sea of peace" project\textsuperscript{28} is a counter to this. Since their determination to maintain the division of Germany has not abated they will in this connection continue to seek the recognition of East Germany and will maintain pressure against the Northern countries to this end. They may also be influenced by military and strategic considerations which are not entirely clear, possibly including fear of missile-carrying subs in the Baltic. So far their threats against the Northern countries would seem to have been a miscalculation.

Mr. Jones then adjourned the meeting until the following morning at 9:30 a.m.

\textit{USIS}

Mr. Jones opened the meeting on September 20 and called upon Mr. Clark to speak on the agenda item concerning the USIS.

Mr. Clark said that there is a trend in Congress to de-emphasize USIS activities in countries considered friendly toward the United States. The severe budget cut by the last session of Congress is evidence of this fact. Mr. Clark questioned the idea that friendly countries will remain friendly if we do nothing about it. He expressed the strong conviction that the activities now performed by USIS are and will continue to be an integral part of Embassy functions.

In the discussion of the U.S. Information Service programs in the area which followed, it was the consensus that there is a continuing need for adequate information and cultural programs in the so-called friendly countries, which include all of Northern Europe. It was agreed that USIS is an essential and integral part of the official representation of the United States abroad and that these operations have been fully integrated into the respective Embassies. It was agreed that the recent budget cuts affecting the USIS programs in Northern Europe had been serious. Fear was expressed that any further reductions would result in cutbacks beyond the minimum level considered necessary, and would mean that the regular Embassy staffs would be forced to assume certain responsibilities in the press and cultural fields which normally should be discharged by USIS. This would create a further burden on their own staffs and would interfere with essential political reporting.

The meeting considered of particular importance:

1. The continued operation of USIS libraries which are the symbol of American interest in the cultural life of Northern Europe-

\textsuperscript{28}Reference is to the campaign by the German Democratic Republic and Poland for the neutralization of the Baltic.
an countries and reach important elements of the population which cannot be reached otherwise.

2. Urged immediate reconsideration of the decision not to continue presentation subscriptions of the New York Herald-Tribune and New York Times to leaders in political, cultural and trade union circles. The sudden closing out of this activity denies access of this unofficial window of the U.S. to the very people with whom the Embassies are in closest touch. It was agreed that foreign leaders would not purchase these papers but would read them if they were presented.

3. The maintenance of an adequate and stabilized USIS program.

Ambassador Thompson emphasized the need to increase the number of hours of English-language broadcasting to the USSR, pointing out that these programs would have a major influence on very important target groups. He also outlined the need for informational material for distribution to selected members of the Diplomatic Corps, particularly Asian and Middle East, who are cut off from access to almost all Western materials while in Moscow.

Ambassador McLeod emphasized the need to have at least one cultural or Public Affairs Officer assigned to Dublin to meet the essential needs of his mission.

Ambassador Merchant cited the special circumstances in Canada which make it undesirable to have an information program.

After a discussion of exchanges with the Soviet Union and the Satellites, it was agreed that it would be most helpful to the Chiefs of Mission to have a policy statement from the Department on East-West exchanges, since Foreign Governments were constantly asking about our position in this respect.

There was unanimous agreement on the value of the U.S. Exchange of Persons programs in the various countries. Certain Fulbright programs were drawing to an end and it was recommended that ways and means be explored to continue these essential programs either through appropriated funds or through sales of surplus commodities on which the foreign currencies would be earmarked for exchange financing.

Conference on the Law of the Sea

At the request of Mr. Jones, Mr. Sanders then gave an outline of the situation with respect to the forthcoming conference on the Law of the Sea in Geneva on February 24, 1958. Mr. Sanders explained that the policy decisions upon which instruction would be based had not yet received final clearance although the U.S. position in most respects has been fairly well established. He went on to say that 89 countries had been invited to the conference which was being held under a U.N. General Assembly resolution which was sponsored by the U.S. and 22 other countries. In addition to certain broad political considerations, our motive in sponsoring the conference was to get
the discussions out of the political forum and before a properly equipped scientific and technical meetings.

The conference will consider a report prepared by the International Law Commission covering the law of the sea in time of peace and containing 73 articles. It will involve not only legal considerations but biological, scientific, technical and political elements.

The principal fields to be covered are the Continental Shelf, International Fishing Rights and the Problems of the High Seas and the Territorial Waters.

As to the Continental Shelf, it will be necessary to define the submarine areas covered by it and to define what constitutes a natural resource of the shelf. For example, we are in conflict with Mexico which claims shrimps as a natural resource while we have maintained that natural resources must be permanently attached to the shelf.

With respect to the High Seas, we may anticipate difficulty with the Soviets on the subject of privacy based on the activities of the Chinese Nationalists’ Government blockading Chinese Communist ports. It also involves the question of pollution from radio-active waste and the use of large areas of the High Seas for weapons experiments.

The question of International Fishing Rights is linked to Territorial Waters. A small extremist group, including Chile, Peru and Ecuador which do not possess a continental shelf claim a zone two hundred miles in width. This group bases its claim principally on alleged concern for the conservation of the resources of the sea. On the other hand, Argentina claims the waters above the shelf, which extends five hundred miles to sea. In general the moderate group is moved by economic considerations and demands special or exclusive to stand on the three mile limit without contiguous zones for fisheries. The U.S. supports in general the articles proposed by the ILC on fishing and conservation which give the coastal state certain qualifying rights which enable it to take unilateral action for conservation purposes when there is a failure to agree with other states but then only on basis of scientific and technical evidence and of a prior agreement to arbitrate disputes as to the facts. It is anticipated that the U.S. will submit certain additions to the ILC articles concerning the principle of abstention and the arbitral procedure. While the Commission’s proposals represent a concession to the claims of the coastal states, they would be unacceptable to the extremists and do nothing to meet the claims of the moderates based on economic considerations. The principal dangers to the U.S. position would come at the conference from a joining of forces between the extremists and the moderates in terms of a modest extension of the territorial sea with the recognition of broad contiguous zones for fisheries or conservation. The traditional position of the U.S. on this question is being reviewed in the
light of this possibility. However no decision has been reached. It has been suggested that discreet inquiries be undertaken to ascertain the acceptability by enough states to ensure majority support of a formula which would maintain the territorial sea at three miles but recognize six, nine or twelve miles of contiguous zones for fisheries. Should this suggestion be approved the inquiry would be made on a highly selective basis. Every effort would need to be made to avoid giving the impression that the U.S. is contemplating a change in its traditional position.

In the ensuing discussion Mr. Sanders pointed out that our insistence on the three mile limit is based in large part on security considerations. A look at the basic difference between U.S. and U.S.S.R. naval power gave the key to the issues at stake. The U.S. wishes the maximum area of operation for its carrier-based aircraft. An extension of the three mile limit will diminish this area, and at the same time increase the area in which Soviet submarines could operate. It was also pointed out that an extension of the three mile limit would convert certain waters, such as the Aegean Sea, into virtually enclosed lakes. There were a number of such considerations and these would be developed in the instructions to the field now being prepared.

Mr. Sanders pointed out that as a very rough estimate it appeared that only 18 out of 89 countries could be counted on to stand firm on the three mile limit and there was even some variation of attitude among them.

Mr. Barbour pointed out that any extension of the three mile limit would undoubtedly reopen the difficulties with respect to British trawlers fishing in Icelandic waters.

Mr. Sanders expressed the hope that the conference would agree to confine itself to seeking multilateral agreement on basic principles and rules and would exclude the airing of bilateral controversies, including such matters as the Gulf of Aqaba.

Mr. Sanders concluded by pointing out that is is basic to our position that conservation can be achieved only by international cooperation and not by unilateral action. The reasons for our position on this and other issues have a complex scientific and technical basis and it is therefore important to get the full statement of our views with supporting data circulated among the particular countries without delay.

*Foreign Economic Policy*

Mr. Randall outlined the organization of the White House and described the responsibilities and functioning of the Committee [Council] on Foreign Economic Policy of which he is chairman. In brief he said that the Council is concerned with problems which cross De-
partmental or Agency lines. The chairman may initiate study of a particular subject or a study may be requested by an individual Department of Agency.

At the moment legislation to replace the expiring Trade Agreements Act\textsuperscript{29} is under consideration in the Committee. In this connection Mr. Randall mentioned the strong resurgence of protectionist sentiment in the United States. The rapid industrialization of the South has meant an increase of protectionism in an area which traditionally has supported liberal trade policies. The Administration has not abandoned the effort to obtain ratification of the OTC, notwithstanding the difficulties experienced in the last session of Congress.

In discussing the Mutual Security Act Mr. Randall stressed the importance of approval for the first time by Congress of an aid appropriation which does not have to be committed during the year for which it has been appropriated. The $300 million Development Fund appropriation for fiscal year 1958 need not be re-appropriated if not committed this fiscal year. The Congress also authorized $625 million for fiscal years 1959 and 1960. It is difficult to forecast how the Development Fund will be administered and its relation with the IBRD and the Eximbank are still to be worked out. Loans by the Development Fund may be made to countries which are not members of the IBRD. The loans of the Fund will not be subject to the Buy American restrictions which apply to Eximbank loans.

The Mutual Security Act further provides $200 million for emergencies which gives the aids program additional flexibility. While the Battle Act\textsuperscript{30} applies to the $300 million Development Fund, up to $200 million other aid funds are free of the Battle Act restrictions. The Administration was unsuccessful in securing a transfer of defense support costs to the defense budget as recommended by the Fairless Committee.\textsuperscript{31}

East-West trade is another subject which has engaged the attention of the Committee on Foreign Economic Policy. Present United States policy is based on recognition that on the multilateral side the Chinese differential has disappeared. We will not endeavor to restore the differential multilaterally, but we will attempt on a bilateral basis to encourage the maintenance of a differential on trade with Com-

\textsuperscript{29}The Trade Agreements Extension Act of 1951.

\textsuperscript{30}Reference is to the Mutual Defense Assistance Control Act of 1951, commonly called the Battle Act after Representative Laurie C. Battle of Alabama. The act established controls on strategic trade and stipulated that U.S. aid would be cut off to any country which traded contraband items to Communist countries; for text, see 65 Stat. 644.

\textsuperscript{31}Benjamin F. Fairless was coordinator of the President Citizen Advisers on Mutual Security. Extracts for the Advisers' Report, submitted March 1, 1957, are in American Foreign Policy: Current Documents, 1957, pp. 1514–1523.
munist China. On a unilateral basis we will continue the trade embargo.

Mr. Randall in discussing PL 480 emphasized that it is a temporary expedient to reduce surpluses, and the Administration is committed to an early termination of the program. The Committee on Foreign Economic Policy will consider the question of a further extension of PL 480 and in what amount. Mr. Randall said that despite the publicity given in the press to Mr. Hollister’s recent statement on United States aid policies there had been no change in these policies. The press comment had been misleading. Granting loans to foreign nations presented problems of selection and as a consequence we have in the past given funds to Governments which have then determined the recipients.

The Committee on Foreign Economic Policy has been studying the problems presented by Soviet economic penetration in the underdeveloped countries. The Committee meets every three months in a session devoted exclusively to this subject. Mr. Randall said that so far the American business community is not generally aware of the danger to our future markets which Soviet technicians and the trade promotion in which they are engaging constitute.

In the discussion which followed Mr. Randall’s remarks it was suggested that a greater effort should be made to explain to the American public the need for foreign aid. This suggestion was prompted by evidence of growing opposition to foreign aid, based on a lack of understanding of the objectives and purposes which it serves.

Ambassador Thompson mentioned the suggestion made in Austria that the OEEC be employed for provision of aid to Poland and to the under-developed countries. Mr. Thompson said that this suggestion appeared to have merit. The Soviet Union has an advantage over the United States in being able to supply a market for the products of these countries. Through the OEEC markets might be supplied to a country such as Poland thus counterbalancing this Soviet advantage. Mr. Randall said that this question was not under current study but he mentioned United States objections to the provision of aid through multilateral channels. Ambassador Perkins commented that there were many cases where our objectives can be better served by employment of a multilateral method.

At the conclusion of Mr. Randall’s remarks there was a luncheon break.

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32For text of the statement by John B. Hollister, Director of the International Cooperation Administration, made in support of the appropriation request for the fiscal year 1958 Mutual Security programs before the Senate Appropriations Committee, August 19, 1957, see Department of State Bulletin, September 9, 1957, pp. 414–418.
Mr. Walmsley opened his discussion of national attitudes toward the U.N. and the U.S. role therein by exhibiting a number of slides graphically representing the voting in the U.N. General Assembly on the Hungarian issue, French Togoland, Middle Eastern cease fire and withdrawal, the resolution deploring Israeli non-compliance, the stationing of U.N.E.F., Chinese representation and the Soviet complaint against alleged U.S. intervention in Eastern Europe.

Mr. Walmsley discussed the voting pattern indicated by the slides and pointed out the variations in them.

He then noted certain additional questions confronting the U.N. General Assembly in the 12th session including the question whether the French can terminate their trusteeship of the Togoland and the refusal of Portugal and Spain to respond to the request for reports on their colonies. He went on to say that elections will take place for three new members of the Security Council, one European, one Latin American, one formerly "Eastern European" which it is now hoped will be Japanese. He pointed out that the disarmament item will also come up; it is hoped this year to obtain a 2/3 endorsement of the Western proposals. Other items are the question of Palestinian refugees and the repayment of advances for the clearance of the Suez Canal. The latter item is complicated by the British and French claim for work done before their withdrawal. It was noted that progress is being made toward a compromise proposal for the solution of this problem which is now before the Secretary General whereby their claims for work done before General Wheeler\footnote{Lieutenant General Raymond A. Wheeler, formerly of the U.S. Army Engineers, was employed to assist U.N. Secretary-General Hammarskjöld in organizing the technical aspects of clearing the Suez Canal.} took charge of the clearance would be deferred. The question remains of suitable arrangements for the collection of a voluntary surcharge.

Mr. Walmsley said that the U.S. delegation would put forward a compromise proposal with respect to SUNFED.\footnote{Special United Nations Fund for Economic Development.}

He stated that British representative on I.L.O. is about to retire and that the hope has been expressed that it would be possible for the U.S. to arrange Government representation on I.L.O. which will be both at a high level and give assurance of continuity, and it is hoped that the Department is giving consideration to this.

Mr. Walmsley drew attention to public opinion polls taken last winter, which indicated a high degree of support in the U.S. generally, and also among college students, for the U.N. He pointed out that the only serious cut in appropriations by Congress for U.N. purposes had resulted indirectly from the 40% cut in appropriations for inter-
national contingencies. On the other hand the Congress permitted us to phase the scaling down of our contribution ceilings to U.N. agencies to the statutory level of 33-1/3%.

He said the membership of the U.N. is now 82. The most serious result of this is that the Asians and Africans, with 35-1/3% of the membership of the General Assembly, now have a veto on all substantive resolutions. The Africans and Asians plus any 14 Latin Americans can muster a clear majority. The Africans and Asians, together with all the Latin Americans and the Soviet bloc, can adopt any substantive resolution by 2/3 majority.

He concluded by pointing out that despite the many overwhelming votes against the Soviet bloc, the Soviet Union shows no signs of withdrawing from the U.N. and in fact they and their satellites are increasing their participation in the specialized agencies. However distasteful the new voting pattern may be, we must recognize that events have forced us to attempt to do things in the General Assembly that the Charter did not originally contemplate, and that we will have to live with the U.N. which is here to stay.

In the discussion which followed, Ambassador Merchant and Mr. Barbour both emphasized the disillusionment in Canada and Britain with the U.N. Ambassador Merchant pointed out that our veto power has now gone or is at best unreliable. Mr. Barbour pointed out that the British feel that in a showdown the U.S., out of its desire to placate the Asians and Africans, cannot be counted upon.

Mr. Jones expressed the belief that, with the exception of the U.K., the U.S. has few outstanding political problems involving the U.N. with the countries of Northern Europe. It was noted that the question of Chinese representation is an exception to this general situation.

Ambassador Willis pointed out that it is damaging to the prestige of the U.S. to seek to change the established position of countries such as those of Scandinavia in the hope of obtaining majorities on all issues before the U.N. It was suggested that less emphasis should be placed on getting majorities for their own sake, that we sometimes show too much fear of being out-voted and that it is damaging to our interests to seek to change the vote of a country which has an established position which we know it will not change.

It was brought out that an effort should be made to get information to American Missions about the performance of delegates to the U.N. General Assembly from the countries to which they are accredited. It would be preferable if such information could be received as currently as possible while the General Assembly is in session but would be useful even at the end of a session.

Ambassador Willis pointed out the importance of receiving from the Department adequate material to enable our Missions to present
and explain in simple terms our position on disarmament, since the
Soviet position is made to appear simple and ours complicated.

European Integration

Mr. Timmons summarized the current situation with respect to
European integration and the national attitudes of interested coun-
tries with respect to it. He pointed out that a 10-year cycle has now
been completed since the beginning of the work of the OEEC toward
trade liberalization and the multilateralization of credits. During this
period the feeling developed among the six countries of Benelux,
West Germany, France and Italy that cooperation between govern-
ments is not enough and has resulted in establishment of the Coal
and Steel Community and the treaties soon to come into force creat-
ing EURATOM and the Common Market. These have the effect of
associating Germany with the West on a basis of equality. He point-
ed out that the Six are, in a sense, ambivalent toward the British
whose motives they have suspected but whom they also wish to
have in the closest possible participation. A revolutionary change,
however, has taken place in British thinking, as indicated by the FTA
proposals of July 1956, even though the British cannot accept supra-
national institutions and wish to exclude agriculture from the FTA
and protect their trade with the Commonwealth.

The United States favors the development of the Six and the in-
tegration of Germany by organic ties to the West in such fashion to
prevent the revival of the French-German conflict. We aspect to give
all appropriate support to the communities of the Six, which we
regard as the key to the developing unity of Europe. He stressed the
deep personal interest of the President and the Secretary of State in
these developments.

In spite of rumors to the contrary, we also strongly support the
OEEC which is a framework and a transmission belt for associating
the Six with the other OEEC countries of Western Europe.

He summarized the present situation with respect to ratification
and noted that the treaties are likely to go into force on January 1,
1958. There may be a meeting of Ministers of the Six toward the end
of this year to decide on the location of the various bodies of EURA-
TOM and the Common Market and the personnel which will make
up their commissions. Ambassador Butterworth thinks that the resig-
nation of Mayer as Chairman of the High Authority of the Coal and
Steel Community may well mean that a German will succeed to this
post with a Frenchman as Chairman of EURATOM and a national of
one of the Benelux countries as Chairman of the Common Market.

The United States would like to see the executive agencies of the
three communities of the Six located in one place, such as Luxem-
bourg. There is opposition, from the Germans and others, to their
being in Paris. It seems likely, however, that at least one of the communities may be set up in a separate location, such as Brussels.

The Common Market will constitute a real customs union with the complete elimination of internal trade barriers (except for agriculture), a common external tariff, and a common commercial policy toward the outside world, as well as harmonized social charges to be established by the end of the "transition period", which is 12 to 15 years. There are also provisions that will, by European standards, go quite far for the elimination of restraints on trade. Goods from overseas territories will move freely into the Common Market but not, as matters now stand, to the Free Trade Area.

While EURATOM and the Common Market authorities have less supranational powers than the Coal and Steel Community they nevertheless represent important progress. Their assemblies lack general legislative power but will have the power to censure officials of the executive bodies and force their resignation.

With respect to the Free Trade Area, it was pointed out that the British wish agriculture to be excluded while the Six wish it included, but that there seems to be room for eventual compromise. Another difficult problem will be the "definition of origin" of goods, with problems arising out of the French high tariffs on raw materials, the general British absence of tariffs on raw materials and the fact that such countries as the Netherlands have agreed to forego the advantages they would derive from their present low tariffs on raw materials by moving to a common external tariff. Another problem is the problem of how to associate the less-developed countries (Greece, etc.) with the Free Trade Area.

In conclusion Mr. Timmons said that our attitude toward the Free Trade Area was similar to that toward the Common Market and EURATOM. We are optimistic that these developments will result in a stronger Europe, politically and economically, and hope that they will result in no increase and even a decrease in protectionism.

Mr. Barbour commented that Embassy London is now convinced that Britain is behind the Free Trade Area and prepared to give it leadership and is acting in good faith. Divisions that existed in the British Government initially now seem to be overcome. While the problems of agriculture and trade with the Commonwealth still remain, there are hints of growing flexibility.

A discussion then took place of a proposal for a Nordic Common Market and it was the consensus that the Scandinavian countries preferred to organize a Nordic Common Market first before considering their entry into the Free Trade Area.

Ambassador Merchant pointed out that the new Canadian Government is much more cool toward these developments than its predecessor and would regard British entry into a Free Trade Area with
alarm and disappointment if this trend were to go farther, but would probably accept the situation if agriculture is excluded.

Ambassador Perkins pointed out that Turkey, Greece, Portugal, Iceland and Denmark do not see how they will be able to participate in the Free Trade Area, at least without assistance. But if the Free Trade Area should be set up with four or five countries around the Common Market joining it, and the above-mentioned countries not joining it, the result might well be to wreck the OEEC.

Mr. Jones then announced that the substantive work of the conference had concluded and that a further short meeting would be held the next morning to consider the conclusions and recommendations.

At the following day’s meeting, after agreeing to the conclusion and recommendations (under separate cover\textsuperscript{35}), the Chiefs of Mission, on the motion of Ambassador Peterson, expressed their appreciation to Ambassador and Mrs. Whitney and Minister Barbour for their hospitality, to the Embassy Staff for their assistance, and to the secretarial staff for their work in preparing the record of the conference.

It was agreed that the Conference had been most valuable and that it would be in the interest both of the participating Mission and the Department to hold such conferences once a year.

\textsuperscript{35}See Conclusions and Recommendations, infra.

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253. Northern European Chiefs of Mission Conference, London September 19–21, 1957: Conclusions and Recommendations\textsuperscript{1}

Country Conclusions and Recommendations

Norway

1. Norway continues to attach major importance to its membership in NATO and recognizes the need for a sustained defense effort.

2. At the same time pacifism and neutralism remain a latent force in Norway, particularly in the Labor Party. These sentiments reinforce Norwegian support for disarmament and enhance the concern felt at the dangers of atomic fall-out.

\textsuperscript{1}Source: Department of State, Central Files, 120.1440/9–2357. Secret. Transmitted to the Department of State in despatch 713 from London, September 23.
3. American military assistance is necessary if Norway is to maintain modern defense forces at the present level.

**Iceland**

1. The overwhelming majority of the Icelandic people supports of West and membership by Iceland in NATO.
2. A firm but understanding position on the part of the United States will assist Iceland in reducing communist influence within the country.
3. An effort should be made within NATO to assist Iceland in counteracting its growing dependence on trade with the Soviet Union.

**Finland**

1. There is no question about Finland’s sympathy for the West and will to maintain its freedom and independence.
2. We should avoid any action in our relations with Finland which would increase its difficulties in maintaining the delicate balance of Finnish-Soviet relations.

**Sweden**

1. The Swedish people are anti-Russian and prepared to resist communist aggression against their country.
2. Sweden regards its policy of non-alignment as a factor in the preservation of Finnish independence and hence in the interests of the West.

**Denmark**

1. The Danes continue firm in their support of NATO, but as in Norway there is a certain amount of latent neutralist sentiment.
2. Early settlement of the Danish shipping claim of approximately $5,000,000 dating from World War II would be helpful to our relations with Denmark.
3. American military assistance is necessary if Denmark is to maintain modern defense forces at the present level.

**Ireland**

1. Ireland is anti-communist but combatting Communism continues to be secondary to preoccupation with the issue of partition.
2. The economic development of Ireland is severely hampered by the lack of capital and natural resources.

**Canada**

1. Canada’s support for NATO will remain unaltered by the Conservative Party.
2. Canada under the new Government will be less active and influential in the UN.
3. The nationalism of the Conservative Government will accentuate economic problems existing between the United States and Canada.

4. American policies with respect to Canada must take increasing account of nationalistic sensitivities.

**United Kingdom**

1. Despite her reduced power Britain continues to be an important ally and still exercises considerable world influence.

2. The Macmillan Government has shown a keen desire to restore Anglo-American cooperation. At the same time it is moving toward closer relations with the Continent.

3. Economic considerations are playing a dominant role in British policy, both internal and external. While Britain is beset by grave economic problems her internal political situation retains its traditional stability.

4. Britain is moving toward a more realistic assessment of her international role which, although confronting us with certain problems, may result ultimately in a more effective ally.

**NATO**

1. NATO remains essential to the common defense of the West against aggression.

2. Political consultation within NATO has made good progress and should continue to be promoted wherever appropriate.

3. NATO members should be encouraged to continue the maximum possible support to maintain the defense shield in Europe.

4. Irish membership in NATO is unlikely prior to the settlement of the problem of partition and as long as Ireland links its dispute with the U.K. to NATO membership.

**USIS**

1. Adequate and stabilized USIS programs should be maintained in the U.K. and the countries of Northern Europe. It is unrealistic to assume that because these countries have basically friendly and stable governments such programs are unnecessary.

2. USIS libraries are the symbol of American interest in the cultural life of Northern European countries and reach important elements of the population which cannot be reached otherwise, and should be maintained.

3. Immediate reconsideration should be given to the decision not to continue presentation subscriptions of the New York Herald-Tribune and New York Times to leaders in political, cultural and trade union circles. The sudden closing out of this activity denies access of this unofficial window of the U.S. to the very people with whom the
Embassies are in closest touch. It was agreed that foreign leaders
would not purchase these papers but would read them if they were
presented.

4. It would be most helpful to Chiefs of Mission to have a
policy statement from the Department on East-West exchanges, since
Foreign Governments are constantly asking about our position in this
respect.

5. The value of the U.S. Exchange of Persons programs in the
various countries was emphasized. Certain Fulbright programs were
drawing to an end and it was recommended that ways and means be
explored to continue these essential programs either through appro-
priate funds or through sales of surplus commodities on which the
foreign currencies would be earmarked for exchange financing.

UN

1. Apart from the question of Chinese representation, there are
presently no important outstanding political questions between the
U.S. and the Scandinavian countries involving the U.N.

2. Britain and the present government of Canada feel consider-
able disillusionment with the U.N.

3. The nations in the Soviet bloc show no signs of withdrawing
from the U.N. and indeed are increasing their participation in the
specialized agencies.

4. The new voting pattern of the U.N. can give the Afro-Asian
bloc veto power over all substantive resolutions and jeopardizes the
former Free World veto. It is at least theoretically possible to muster
majorities both on procedural and substantive issues against the
North Atlantic community.

5. Consideration should be given to refraining from efforts to
persuade a country to change its position on an issue before the U.N.
General Assembly where that position is well established, where we
have reason to know that our efforts will not be successful and
where such efforts are likely to be damaging to our prestige in the
country in question.

6. The Department should keep Chiefs of Mission informed
about the position taken by the delegations to the General Assembly
of the countries to which they are accredited.

7. The Department and USIA should intensify their efforts to
supply Missions with simpler and less technical material for use in
presenting and explaining the Western position on disarmament both
the governments and the public.
The Impending Conference on the Law of the Sea

1. A vigorous and skillful diplomatic effort will be required to ensure a sympathetic reception of the U.S. position the territorial sea and the related questions of conservation and fisheries.

2. An indication of some flexibility in the U.S. position, particularly in relation to the economic factor in the fisheries question, would be welcomed by the countries of Northern Europe, with the exception of the U.K.

Economic and Military Assistance

1. Concern was expressed at the apparent weakening of support in the U.S. for the foreign aid program and the unfavorable repercussions of this development in the countries of Northern Europe. The hope was expressed that the programs could be continued in the interest of the security of the United States.

2. It would be desirable to make a thorough study of the Austrian suggestion that the OEEC be utilized for provision of aid to under-developed countries under arrangements whereby the members of the OEEC could provide a certain amount of aid and supply a market for products of those countries.

European Integration

1. The establishment of the Common Market, EURATOM and the Free Trade Area will strengthen Western Europe and the Atlantic Community politically and economically. It was expected that this could be achieved without increasing protectionism against the outside world and might possibly decrease it.

2. The British are supporting the Free Trade Area proposals in good faith.

3. The Canadians will probably accept U.K. participation in the FTA if agriculture is excluded.

4. The question of the ability of the less developed OEEC countries to join the Free Trade Area deserves special attention as there would be a grave danger to the OEEC if these countries should remain outside it while other OEEC countries joined.

5. In view of the importance of fish to Norway and Iceland, it is recommended that the Department give attention to the possibility of confidential approaches, as appropriate, to the key countries in the Free Trade Area negotiations to obtain the inclusion of fish in the Free Trade Area.

Soviet Policy and Relations With Scandinavia and Britain

1. While Khrushchev has emerged victorious from the June plenum he is probably not in a position to overrule the army on
questions directly affecting its interests. Furthermore any failure of programs with which he is associated, such as decentralization of industry and the new lands might give his opponents an opportunity to oust him.

2. A disturbing factor in the present situation is the increased use by Khrushchev of the Communist party which is a prisoner of its own ideology.

3. The Soviet Government in its relations with the Scandinavian countries is likely to continue to employ "the carrot and the stick." The Soviet desire to extend its influence in the uncommitted areas has brought it into sharp conflict with the United Kingdom in many parts of the world, thus making it difficult for the Soviet leaders to succeed in their former policy of courting the United Kingdom in an effort to separate it from the U.S.

Value of Conference—Desirability of Holding Such Conferences Once a Year

It was the sense of the Conference that it had been most valuable to all the participants, and that it would be in the interest both of the Missions concerned and of the Department to hold such conferences once a year.