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October 18, 1957

EYES ONLY

MEMORANDUM

SUBJECT: Discussion at the 340th Meeting of the National Security Council, Thursday, October 17, 1957

Present at the 340th Council meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Acting Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Special Assistant to the President for Disarmament; the Chairman, Atomic Energy Commission; the Director, International Cooperation Administration; the Director, U. S. Information Agency; the Deputy Secretary of Defense; Gerard C. Smith, Assistant Secretary of State; Frank Wisner, Central Intelligence Agency; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; The Assistant to the President; Special Assistants to the President Cutler, Randall and Dearborn; the White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. U. S. POLICY ON FRANCE
(NSC 5614/1; NSC 5433/1; NSC 5719/1; NIE 22-57; NSC 5721; Memo for NSC from Executive Secretary, same subject, dated October 9, 1957)

2. INCREASED SHARING WITH SELECTED ALLIES OF SCIENTIFIC INFORMATION RELATING TO MILITARY RESEARCH AND DEVELOPMENT, AND ITS APPLICATION

Mr. Cutler briefed the Council in considerable detail on the contents of the proposed policy statement on France (NSC 5721), dealing in particular with paragraph 41, reading as follows:

> "41. In the light of the availability of U. S. resources and over-all demands upon them, continue to furnish France military assistance for the purpose of assisting France to fulfill the missions of its U. S.-approved military forces for NATO, and endeavor to assure that MAP materiel will be used only in support of French military operations consonant with U. S. policy.

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NR 79-72 #6
BY DJH DATE 11/6/86

PORTIONS EXEMPTED
E.O. 12356, SEC. 1.3 (a) (1)(4)(5)
NSC Letter 8/20/86
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"[Such aid should be provided on the following basis:]*

"[a. Through and after FY 1958 provide France with grant aid, in an amount determined in accordance with the criteria established in paragraph 17 of NSC 5707/8, for advanced weapons systems from the NATO regional program.]*

"[b. Through FY 1958 provide France conventional military assistance on a grant basis.]*

"[c. (1) After FY 1958 provide France conventional military assistance on a reimbursable basis (possibly including payment in francs) to the maximum extent practicable. If such reimbursable assistance will not meet essential French requirements, be prepared, in the light of the availability of U. S. resources and over-all demands upon them, to provide France with a limited amount of grant aid for the above purpose.]*

"[(2) Unless by the end of FY 1958 France has demonstrated that it will redeploy its NATO-committed forces from Algeria to continental Europe and will provide substantially for the maintenance and modernization of its conventional forces, review U. S. aid policy toward France.]*"

"* State proposes deletion."

Mr. Cutler pointed out that the Department of State had suggested that the bracketed portions of paragraph 41 be deleted, and, further to illustrate the significance of the bracketed sections, referred to the Financial Appendix. He said that the majority of the Planning Board believed that it was essential, in order to provide appropriate guidance in formulating Military Assistance Programs for FY 1959, that the detailed guidance to which the State Department objected should be included in the paper. He also pointed out that the Joint Chiefs of Staff agreed with the Department of State in proposing deletion of the bracketed sections of paragraph 41. He gave the reasons set forth by the Joint Chiefs of Staff, but said he felt it was his duty to the majority of the Planning Board to point out that the argument of the Joint Chiefs--that it would be inadvisable to make a precise determination of aid requirements over this extended period of time--seemed to overlook the fact that the policy guidance beyond FY 1958 was valid only in the event that France demonstrated, by the end of FY 1958, that it would redeploy NATO-committed divisions from Algeria to continental Europe and would provide for the maintenance of its conventional forces.

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Mr. Cutler also, on behalf of the majority of the Planning Board, emphasized their view that if the bracketed portions were deleted there would be no policy guidance for the period mentioned. In short, the Planning Board, in the bracketed sections, was seeking a criterion for the development of a Military Assistance Program for France.

In order to facilitate a decision on these split views, Mr. Cutler asked Secretary Dulles to speak. Turning to the President, Secretary Dulles stated that the detailed program included in the bracketed portions of paragraph 41, while admirable enough in the context in which it was approached, was, in point of fact, too narrow. In the light of the over-all view of the French problem, we cannot deal with France on so narrow a basis. The French situation was both very difficult and very important. [redacted] In the Secretary's opinion, therefore, we needed great flexibility in dealing with the French situation, and we could not afford to look at France only from the point of view of U. S. fiscal and military requirements. The stakes were just too great to permit this.

On the other hand, continued Secretary Dulles, the matters dealt with in the bracketed portions of paragraph 41 could all of them come up for careful consideration at the appropriate time--for example, in the course of our normal budgetary process and at the time of the NATO annual review. This being so, he doubted the value of the rigid guidance set forth in the bracketed sections of paragraph 41.

[redacted] Thus he would recommend, along with the Joint Chiefs of Staff, that the subparagraphs of paragraph 41 be omitted. The fact that these subparagraphs were not enshrined in an NSC policy paper would not mean that they could not be considered in the course of our annual budgetary review, the NATO annual review, and similar stated intervals. In short, paragraph 41 as a whole was too rigid. [redacted]

Mr. Cutler then asked General Twining if he wished to add anything to the written views of the Joint Chiefs of Staff. General Twining replied that the Joint Chiefs had felt that in a policy paper of this nature there was no need to be so specific as the language of

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paragraph 41 proposed to be, and it was certainly not desirable to prejudge what we might have to do in France. The French are very likely to be hard pressed to meet their essential military requirements. In short, the Chiefs felt that we should face up to these problems when the time came.

In a slightly ironic vein, Mr. Cutler reminded the Council of criticisms of NSC policy papers on the ground that they were so general that they failed to provide adequate guidance. He then called on Secretary McElroy, who suggested that Secretary Quarles speak for the Department of Defense.

Secretary Quarles stated his belief that there was no fundamental difference of opinion between State and Defense on paragraph 41, but rather a difference as to the degree to which our manner of assisting France should be pinned down in the bracketed language. The bracketed language seemed to Secretary Quarles to be only realistic; but nevertheless we could follow the course of action proposed in the bracketed language without actually putting the words into the policy statement. Secretary Dulles interjected that we might very well indeed follow this course of action. Secretary Quarles went on to say that in any event the Department of Defense would not insist on the inclusion of the bracketed language in paragraph 41, even though this language constituted a realistic statement of the resources which the Department of Defense now sees as being available for France in the period covered. He therefore did not urge inclusion of the bracketed language.

Mr. Cutler called next on Secretary Anderson, who said he had nothing much to add except to point out that if the proposals in the bracketed portions of paragraph 41 were indeed realistic in character, it was better to have the detailed guidance in the paper than outside of it, although he too would not insist on including the bracketed language in NSC 5721.

Mr. Cutler expressed the opinion that with all due deference to Secretary Dulles, the guidance set forth in the bracketed portions of paragraph 41 was not as rigid as the Secretary seemed to believe. He cited evidence to support this contention. To this, Secretary Dulles replied that if paragraph 41 was really as flexible as Mr. Cutler insisted, he was rather overproving his point by indicating that the guidance was too general in character.

The President intervened in language which suggested that he was sympathetic to the views of the majority of the Planning Board as to the need of greater guidance than the State Department wished to insert, particularly in view of our reduced resources for military assistance. Secretary Dulles, however, pointed out that we might actually wish to cut other military assistance programs in order to

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provide additional help to France, because of the transcendent importance of that country.

The President then pointed out that in less than six weeks the legislative leaders of Congress would be coming to this very room in order to be briefed on what the Administration proposes to do in the way of military assistance and other national security programs. If at that time we are unable to tell them anything in detail about what we are proposing to do for the French, what are we then expected to say to these leaders?

Director Brundage stated that the Budget Bureau felt the same about assistance to France as it had earlier felt about assistance to Taiwan--in short, the Budget wished to pin down the assistance more closely even if it proved to be necessary to change our views later on.

Mr. Cutler suggested that a possible solution would be to omit the bracketed language in paragraph 41, but state elsewhere that this language should be considered as one of the factors in developing our programs for France.

The President observed that he seemed to hold a position somewhat different from that of anyone else. Thus he agreed with the views of the Planning Board majority on the need for greater detailed guidance for FY 1959; but he agreed with the Joint Chiefs of Staff on the undesirability of too detailed guidance to cover our assistance to France in subsequent fiscal years. Thereafter, there ensued a discussion between Secretary Dulles and Mr. Cutler as to precisely what, on the assumption that the bracketed language of paragraph 41 were included, the United States was prepared to do to assist France in FY 1959. As far as he could see, said Secretary Dulles, we would be doing nothing whatever for the French. Mr. Cutler pointed out that we should try to do as much as we could for France without resort to grant aid, although that was not excluded if it proved essential. Secretary Dulles then re-emphasized the view that the stakes were so great for the United States in France [illegible] It would be a very great mistake to plan to provide France only with reimbursable aid in FY 1959.

Thereupon Mr. Cutler reverted to the suggestion he had earlier made, that we were going in any case to have to examine our policy toward France in a year's time, and if the bracketed language were deleted, account might be taken elsewhere of the considerations in it. Secretary Dulles agreed with this proposal, and said, for example, that the deleted language could be placed in an appendix. He agreed with the general statement on this matter made by Secretary Quarles.

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The President again expressed anxiety as to how the case could be presented to the Congress. The Congress will not be content with generalities any more in the field of foreign military assistance. We have got to give them some specific ideas about our plans. Secretary Dulles commented that the Congress always wanted precision in these matters. Congress always wanted to pin you down. But you cannot run foreign policy on that kind of a basis, although it was possible to plan on that basis. A situation might even arise in which the President would want to provide France with assistance from his emergency funds.

Reverting once again to the forthcoming meeting with the legislative leaders in The White House, the President said he was perfectly willing to emphasize the importance of France and the fluidity of the French situation in order to convince these legislative leaders that we could not produce fixed conclusions at this time. Nevertheless, we ought to be able to indicate some general figure representing the costs which were likely to be involved.

Mr. Cutler said he believed he had sufficient guidance to work out the problem of paragraph 41, and asked the Council to direct its attention to paragraph 44, which also contained a significant split. He read this paragraph, as follows:

> "44. a. Explore means, within the provisions of the Atomic Energy Act of 1954, for the positioning of nuclear weapons, and, when released by Presidential directive, their rapid turn-over to NATO forces, including French components, for use in carrying out the military tasks assigned these forces within NATO policy and plans for defense of NATO areas, including France.
>
> "b. Endeavor to secure atomic storage rights in France for the United States as soon as possible.
>
> "[c. Advise France that should it undertake independent production of nuclear weapons contrary to U. S. advice, the United States would be compelled to reexamine its policies and programs for military assistance.]*
>
> "* Treasury proposal."

When Mr. Cutler had concluded, he also read to the Council a proposal for a revision of subparagraph 44-c, made by the Secretary of the Treasury. He likewise pointed out that in their written views the Joint Chiefs of Staff had recommended the deletion of subparagraphs 44-a and 44-c. Finally, he explained the general view of the Planning

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Board that the course of action in subparagraph 44-a simply made explicit what had been implicit in our basic national security policy --paragraph 17 of NSC 5707/8--which read as follows:

> ".....the United States should continue to provide to allies capable of using them effectively advanced weapons systems (including nuclear weapons systems less nuclear elements)."

Mr. Cutler pointed out that this provision obviously implied that in time of war the United States would furnish to these capable allies the necessary nuclear warheads for rapid use of the weapons. (Mr. Cutler was thus taking issue with the point made by the Joint Chiefs of Staff, that subparagraph 44-a was not in consonance with paragraph 17 of our basic national security policy.)

Stating that he understood that Secretary Quarles had in mind a solution to the problem of subparagraph 44-a, Mr. Cutler called on Secretary Quarles to make a statement. Secretary Quarles replied that he had no difference of opinion as to the merits of subparagraph 44-a except with regard to the last sentence. All the other differences respecting this paragraph between the Departments of State and Defense had now been reconciled. He would therefore accept subparagraph 44-a with the recommendation that the last sentence be deleted, on grounds that it did not constitute an important national objective and that it was not pertinent to the rest of subparagraph 44-a. This recommendation, continued Secretary Quarles, also indicated the opposition of the Defense Department to the inclusion of subparagraph 44-c, as proposed by the Treasury Department.

Mr. Cutler then called on Secretary Anderson to express the views of the Treasury Department as to subparagraph 44-c. Secretary Anderson replied that all he wished to say in defense of subparagraph 44-c was that the United States had, after all, only so much resources to assist its allies all over the world. If the French should now insist on spending millions of dollars on a program to produce nuclear weapons independently, we should accordingly re-examine our policy toward France. The French make more money per capita than any other Free World country except the United States. There was no reason, therefore, that we should not bear down on them with regard to this great expenditure for nuclear weapons.

The President said he wished to remind the Council that our basic constitutional requirement was to provide for the national defense. He said he could detect an analogy with the difficult British decision not to provide Spitfires for the French when Hitler was on the point of conquering France. This decision was made on the basis that it was necessary to retain these aircraft in Britain to save Britain itself from the Nazis, and it was the right decision. On

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the other hand, we are now telling the French in subparagraph 44-c, in effect, that if they do not do what we want them to do in the matter of nuclear weapons, we will give them no further help. Such a course of action would constitute a very grave mistake. We should certainly try to persuade the French not to embark on a course of action to fabricate nuclear weapons; but we should not exert force on the French to prevent them from doing this. If we did so we would sacrifice everything that we had built up in NATO.

Continuing, the President urged with great forcefulness the vital necessity of a fuller exchange of scientific information bearing on military matters between ourselves and our NATO allies. This point of view had been strongly pressed with the President just the other day at his meeting with the scientists who compose the Science Advisory Committee. He agreed with them emphatically, and insisted that we must find a way to get rid of the restrictions which prevent the right kind of exchange of scientific information between ourselves and our allies. He wished that Admiral Strauss, together with the Defense and State Departments, should prepare a complete proposed revision of existing statutes governing the exchange of military information of the sort he had in mind, so that the recommendations could be presented to the Congress. If we kept on as we were now doing, we would end up without any reliable allies.

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Governor Stassen suggested the possibility of developing an integrated NATO force with atomic capabilities as an alternative to creating a whole series of nations with independent atomic capabilities. This was something along the lines of the old EDC military concept. Mr. Cutler commented that such an idea as this could be considered in the context of subparagraph 44-a as now written.

Secretary Dulles said he hoped that the President's idea, of having State, Defense and AEC get together on recommending means of facilitating an increased exchange of scientific military information with our allies, would not be overlooked. Mr. Cutler said that the President's suggestion would go into the Record of Actions of the Council meeting. The Vice President also spoke of the timeliness of the President's proposal.

(At this point the Secretary of State left the meeting. He was replaced at the table by Assistant Secretary Gerard C. Smith.)

The President once again emphasized his very strong belief in the desirability of pooling the scientific resources of the United States, the NATO powers, and other friendly countries. He likewise spoke contemptuously of General Groves' exaggerated regard for secrecy.

The Vice President pointed out that the President's old idea for the creation of an academy of sciences was not only being picked up again by the press, but was apparently being adopted by the Democrats. He thought that the opportunity to create such an academy was better at this moment than it had ever been before.

Admiral Strauss pointed out that there was currently going on a meeting at Princeton of two teams of British and U. S. scientists, who had been working on the problem of controlled thermonuclear reaction. There had been a scientific break-through on this very significant problem, and there would presently be a joint announcement by the U. S. and British scientists, both of which groups had been responsible for the break-through.

The National Security Council (Action on Item 1):

a. Discussed the draft statement of policy contained in NSC 5721, in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of October 9, 1957.

b. Adopted the statement of policy in NSC 5721, subject to the following amendments:

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(1) Pages 23-24, paragraph 41: Delete the bracketed subparagraphs and the footnote thereto, subject to the understanding indicated in c below.

(2) Page 24, subparagraph 44-a: Delete the last sentence.

(3) Page 24, subparagraph 44-c: Delete, and substitute the following:

"c. On the basis that it is in the best interests of all countries concerned to discourage production of nuclear weapons by a fourth country, seek to persuade France not to undertake independent production of such weapons. Assure France that the United States will find ways to make nuclear weapons available to NATO allies in the event of aggression against NATO."

c. Noted that the Department of Defense, in consultation with other appropriate agencies, would give consideration, in planning the FY 1959 Military Assistance Program for France, to the following proposal by the majority of the NSC Planning Board, which was deleted from the statement of policy in NSC 5721 by the action in b-(1) above:

"a. Through and after FY 1958 provide France with grant aid, in an amount determined in accordance with the criteria established in paragraph 17 of NSC 5707/8, for advanced weapons systems from the NATO regional program.

"b. Through FY 1958 provide France conventional military assistance on a grant basis.

"c. (1) After FY 1958 provide France conventional military assistance on a reimbursable basis (possibly including payment in francs) to the maximum extent practicable. If such reimbursable assistance will not meet essential French requirements, be prepared, in the light of the availability of U. S. resources and overall demands upon them, to provide France with a limited amount of grant aid for the above purpose.

"(2) Unless by the end of FY 1958 France has demonstrated that it will redeploy its NATO-committed forces from Algeria to continental

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Europe and will provide substantially for the maintenance and modernization of its conventional forces, review U. S. aid policy toward France."

NOTE: NSC 5721, as amended and adopted, subsequently approved by the President and circulated as NSC 5721/1 for implementation by all appropriate Executive departments and agencies of the U. S. Government, and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

The action in c above, as approved by the President, subsequently transmitted to the Secretary of Defense.

The National Security Council (Action on Item 2):

Noted the President's directive to the Secretaries of State and Defense and the Chairman, Atomic Energy Commission, to review, and, in consultation with the Attorney General and others having responsibility, to submit recommended revisions of the Atomic Energy Act of 1954 and other relevant statutes, and relevant Executive Orders and security regulations; with a view to facilitating increased sharing with selected allies of scientific information relating to military research and development, and its application.

NOTE: The above action, as approved by the President, subsequently transmitted to the Secretaries of State and Defense and the Chairman, AEC, for appropriate implementation.

3. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY

The Director of Central Intelligence commented briefly on the French governmental crisis, the strike of yesterday in France, and the Communist demonstrations which were scheduled to occur today. It was very hard to discern the true purpose of the proposed Communist demonstrations. Were they seeking to bring De Gaulle back into power?

The President said he supposed that the Communists' objective was the creation of a Communist government in France. Mr. Allen Dulles said that this of course would be premature. Governor Stassen suggested that the French Communists were trying to create such chaos in France that any future French government would be obliged to agree to Communist participation.

Mr. Allen Dulles said that the West German reaction to Tito's recognition of East Germany had been very strong. There was a dilemma involved. The Federal Republic does not want to break relations with

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Yugoslavia, but fears that if it does not do so, additional countries will recognize the East German regime. Adenauer is therefore still uncertain. Meanwhile, the Central Intelligence Agency is re-examining its estimate of the situation in Yugoslavia.

Finally, Mr. Dulles commented briefly on Khrushchev's appeal to the European Socialist Parties, and the situation on the Turkish-Syrian border. [redacted]

The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the French governmental crisis; West German reaction to Yugoslav recognition of East Germany; the forthcoming intelligence review of the Yugoslav situation; the Khrushchev appeal to the European Socialist Parties; and the Turkish-Syrian situation.

4. U. S. POLICY TOWARD JAPAN
(NSC 5516/1; Progress Report, dated September 25, 1957, by OCB on NSC 5516/1)

Mr. Dearborn briefed the Council on the contents of the reference Progress Report, and pointed out the difference of view between State and Defense as to the desirability of a separate U. S. policy statement on the Ryukyus, which State advocated and Defense rejected. Secretary Smith commented that Secretary Dulles believed that if there were a good working relationship between State and Defense on problems like this, there might not be any real need for a policy statement on the Ryukyus separate from the existing policy on Japan. Accordingly, Secretary Dulles wished to recommend that the matter of working relations between State and Defense be investigated before the NSC acted on the split of views on this point in the Progress Report.

The National Security Council:

a. Noted and discussed the reference Progress Report on the subject by the Operations Coordinating Board.

b. Concurred in the proposal by the Department of State that the alternative views of State and Defense regarding U. S.

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policy toward the Ryukyus be deleted from the Progress Report; and that the question of a separate NSC paper on policy toward the Ryukyus be held in abeyance pending further study by the Departments of State and Defense.

NOTE: The action in b above, as approved by the President, subsequently transmitted to the Secretaries of State and Defense; and appropriate revisions subsequently circulated to all holders of the reference Progress Report.

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