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SUMMARY OF TELEGRAMS

FRANCE

Ambassador Bruce in Paris has submitted a lengthy summary of the tentative thinking of top French officials on the problem of building an adequate defense system for western Europe. The proposal of French Premier Plevin to establish a common fund under the North Atlantic Treaty Organization to be made up of national contributions based on national income is a reflection of wide acceptance within the French Government that NATO should be expanded into a real collective defense effort with central direction adequate for action rather than merely a program to step up national efforts with coordinated planning. In general the French are of the opinion that the NAT and MDAP have given little, if any, guidance on what military production each country should undertake, on the amount and kind of rearmament for the existing and additional forces of each country, or on the general concept of interdependent, effective, modern striking forces. Among suggestions being considered by the French to meet this problem are 1) that a single American or a small civilian committee headed by an American, be given practically dictatorial powers on rearmament and military production; and 2) that NAT nations contribute all of present military budgets, except for "police forces", to a common budget and that a central NAT committee should direct all expenditures from these common funds. Some of the arguments which French officials make for such drastic changes in procedure are the inadequacy and the inefficiency of the "national" approach; the threat of a "galloping inflation" in France which would lead to a resurgence of Communist strength and render France useless and powerless in a war with the USSR; the need to spread the inflationary impact of the total military effort on an equitable basis among all NAT countries; the possible use of Germans in an Atlantic community or a European army; the need to dispel the defeatism of the French people who see no hope in a purely French defensive effort; and the necessity to avoid playing the "game of the USSR" which is to try to force the NAT nations into placing their economies into real "strait-jackets" which would reduce the net addition to the standard of living and to the military strength that could otherwise be obtained.

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KASHMIR

Ambassador Henderson in New Delhi has received through a reliable Indian governmental source an account of the recent conversations between UN Mediator Dixon, Prime Minister Liaquat of Pakistan and Prime Minister Nehru of India. After it had become clear that it was impossible to find a formula which would assure a general plebiscite, Dixon advanced the idea of partial partition plus a plebiscite in Vale; providing in general for each country to retain what it now controls of Kashmir subject to certain possible minor frontier adjustments and for a plebiscite in Vale of Kashmir. Liaquat was violently opposed to this suggestion and Nehru felt compelled at that stage to act as though he was not enamoured with it. Henderson's informant stated that the Indian cabinet believed that the only solution was partition-plebiscite idea advanced by Dixon and believed that if Pakistan accepts this solution, India should be extremely liberal in making concessions on demilitarization and UN control in Vale during course of plebiscite, even though it was confident that plebiscite under such conditions would yield Vale to Pakistan. Nehru reluctantly agreed to go along with the Cabinet, but felt he should continue to treat Dixon's suggestion with reserve as a matter of tactics. Henderson's informant, who was sent to him by one of the most powerful political figures in India, expressed the view of several prominent Indian leaders that anything the US could discreetly do to condition Pakistan for accepting the partition-plebiscite solution would be in the interest of stability in South Asia.

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