



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

August 2, 1950

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SUMMARY OF TELEGRAMS

GERMANY We have instructed Spofford, our Deputy to the North Atlantic Treaty Council, that in the course of his discussions with individual representatives of the North Atlantic Treaty countries he should indicate the US view that the defense effort required by the current international situation cannot be met without utilization of Germany's productive capacity to turn out non-combat equipment such as trucks and perhaps basic materials such as steel. While no general amendment of the agreement on prohibited and restricted industries is now envisaged, some modifications of it may become necessary if a shortage of steel or components of prohibited items should develop. Spofford should make clear that German capacity would be utilized whenever it contributes to prompt accomplishment of the North Atlantic Treaty production program; that the US will help in financing procurement in Germany; and that this proposal does not reflect any change in the basic US position on German rearmament or the production of combat equipment in Germany. Spofford has been informed that our main objective is to secure the favorable consideration by Treaty countries of the general concept of utilizing German industrial capacity, but that we cannot make specific firm proposals until after Congressional action authorizing funds to finance such production.

We have informed Ambassador Bruce in Paris of these instructions to Spofford, pointing out that they were brought about by a strong feeling that all facilities in the free world should be employed to produce additional materiel requirements. Bruce is to convey our views to the French, Ambassador Douglas is to take them up with the British, and we have advised our representatives in the other North Atlantic Treaty countries for their background information. We stress that our proposal is aimed at finding means of carrying the required defense lead with a minimum impairment of the economic standards of the countries undertaking the present task.

DECLASSIFIED

E.O. 12065, Sec. 3-402

State Dept. Guidelines, March 6, 1982

~~SECRET~~ By DEB NLT, Date 8-5-85