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DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS OFFICE

NLT (ASST-SUBJ) 95

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ROUTINE
PARAPHRASE NOT REQUIRED

STATE DEPT MSG

FROM: USUN NEW YORK, NEW YORK SGD ACHESON
TO: SECRETARY OF STATE
NR: SECTO 23 180100Z 17 SEP 50

Army pass Defense.

Sent Dept SECTO 23 rptd Brussels unn, Ottawa unn, Copenhagen unn, Paris unn, Hague unn, Oslo unn, Lisbon unn, London unn, Reykjavik unn, Luxembourg unn, Rome unn.

For President and Webb.

Summary Fourth Mtg North Atlantic Council Fifth Session 3 p.m. Sept 16.

1. Continued discussion agenda item 4.
2. Acheson suggested council might terminate discussion German issue at this point and attempt agree on communique which would emphasize progress made and state council had requested mil prod and finan experts come up soon with answers to tech questions involved. Proposed that council agree to general lines communique and request depts work out for release end of mtg or Mon.

Suggested communique take fol general line: Council has gone to roots of major problems in vigorous way. Communique shld emphasize large area agreement. Nations have knowledge where going and are imbued with sense of urgency. Are determined to create in shortest time integrated force def of Eur and solve related questions. However many tech problems involved working out this force. Council has asked mil to state what kinds units shld be formed, best methods for allocating and increasing integrated units,

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kind of command required, ques of timing of appointment and authority of supreme commander, and nature internatl staff required. Prod experts asked how machinery can be improved. Finan experts asked for immediate advice on solving finan problems.

Communique wld state council has given fullest consideration to problem of relationship to West Ger including Adenauers proposal. Council determined to add to strength West Eur but in such was as to minimize problems. Secy proposed that communique imply there would be further mtg in relatively short time but deliberately leave date vague. Stated confident council cld break deadlock in short time and said shld shoot for mtg in week or ten days.

3. Schuman agreed to proposal and stated belief ten days about right for next mtg.

4. Sforza pleaded for continued discussion council and stated belief with good will council cld reach agreement on major issues in continued sessions.

5. Cunha (Port.) Stated decisions must be referred govts which can not be done within 2 days.

6. Lange (Nor) suggested communique emphasize points of agreement. Said govts can consider in 10 days and hoped wld reach final decision by then.

7. Bevin stated only Russia wld be made happy by such communique. Very pessimistic concerning consequences failure agree on historic proposal this time. Believed people will consider communique diplo device to cover profound disagreement. Was afraid people might lose faith in this great idea unless problem solved soon. Compared morning discussion to dash of icewater in contrast to Secys statement second mtg which he described as warm bath. Felt might require few more days for govt consideration but urged speedy action obtain agreement.

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8. Pearson (Can) stated good deal in Bevin's statement. Council has discussed in only 2 mtg. If communique only says large area agreement reached but details all points of disagreement wld have bad effect.

9. Acheson said he had no intention stating what Bevin and Pearson apparently understood him to say. In light of discussion and because of apparent confusion over proposal, wld now withdraw proposal and start over. Happy accept suggestion for council mtg Monday. However was neces that work continue over weekend in preparation for such session. Proposed turn problem over to depts to work on prior to mtg Mon.

10. Schuman agreed. Stated 12 govts cannot be expected solve such major new questions in 2 days. However shld not lose courage. Have reached maximum agreement and govts shld review position.

11. Council agreed meet 11 a.m. Mon. Spofford called mtg depts 2:30 Sun Sept 17.

12. Cunha raised problem Spanish participation under item 4. In long speech stated shld study without prejudice and exclusively from strategic point of view. Made clear was not raising ques of membership NAT but merely utilizing Spain for common defense, citing analogy treatment Ger Spain Turkey. Emphasized importance Spain defense port and pointed out stood between port and Fr.

Warned that first line may not be held, we countries may be overrun, and neces look at realities. This required preparation def in depth behind Pyrenees. Realized might not be able to agree today and perhaps must wait until GA acts. Proposed council give full freedom to US to do what must be done to bring Spain into def picture.

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13. Schuman replied that Spain ques cld be solved by admission to NATO. Cld not discuss def plans generally with non-members. Stated Ger was special case because of occupation. Whatever strategic merits of inclusion Spain cannot discuss as long as UN res in effect. Possibly after GA if it acts favorably, Port cld raise question again more profitably.

14. Cunha reiterated did not insist now on final answer. Stated all or nothing not only alternatives and saw no reason for waiting until GA acted. Specifically proposed US give help to Spain, not necessarily monetary but in form of arms. There was no comment on this proposal.

15. Item 4. Council accepted PEO's report without comment except UK statement very good report.

16. Item 6. Sforza stated Ital wld bow to majority. However urged reply be made verbally and not publicly. Pointed to delicate situation Turk Govt vis-a-vis opposition. Important minimize negative aspects since Greece and Turkey faithful allies west powers.

17. Bevin pointed out US had stepped in helped these countries at critical time and countries were linked UK-Fr by treaty. Therefore prospect not so bleak as appeared on paper. Agreed with Sforza re approach.

18. Schuman questioned whether desirable to make public decision.

19. Cunha saw no reason not make public positive aspect of reply. Felt required written statement as follow-up to verbal approach.

20. Acheson stated appeared sense of mtg that chairman communicate decision personally to FonMins.

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Proposed deliver written oral statement of favorable aspect of decision. Council wld give no publicity to decision. Presumably countries will make own public announcements which we can merely confirm. Pointed out that US wld relinquish chair at end of mtg but prepared to undertake task if Van Zeeland agreed.

21. Council approved above course action.

22. Item 7. Stikker explained problems required study. Pointed out NATO discusses division Eur resources, Finan mechanisms for Sharino def burden, arrangements for distribution US aid. On other hand OEEC studies econ expansion, bal of payments, liberalization trade, monetary stabilization, and other matters closely related NATO work. Believed if both bodies deal with these questions no real work for either. NATO not equipped with neces experts deal with all def Finan econ problems while OEEC well established and staffed. Pointed out no initiative now being taken on many problems resulting from impact increased def efforts and countries are drifting into dangerous situation. Stated held no brief for either org, merely wanted results.

Pointed out transfer of functions and staff from OEEC wld have bad polit impact on Eur. Stated ECA must have its Eur counterpart. While not knowing US intentions for interlocking ECA and mil aid, believed ECA might deal with both.

Proposed starting on empirical basis. Suggested council pass resolution suggesting dels of NATO countries to OEEC meet in Paris and establish liaison with Lond NATO bodies. Wld utilize OEEC secretariat. If this proposal agreed in prin by council, depts cld prepare draft resolution. No publicity shld be given this decision since formal establishment might have unfavorable influence on Swed and Switz. Stikker stated had talked with dels those countries and confident were willing cooperate this arrangement. In fact Swiss wld prefer participate in such work.

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23. Acheson considered Stikker proposal sensible and reasonable. Asked whether Stikker could draft such proposal for consideration depts.

24. Bevin said matter one for experts and required study particularly those related to problem of Finan Org of NATO itself. Suggested be studied by experts and referred back to council for final action.

25. Lange suggested agreement on principle and asked depts to work out with OEEC depts and DFEC suitable arrangements.

26. Schuman stated could not take position on issue today or Monday. Expressed fear might be over-organizing, point out each govt has duty coordinate their various depts these various bodies. Prepared study any document but felt should express fear we may be organizing slowness.

27. Agreed Stikker would prepare draft for submission Dept Sept 17.

28. Item 3. Discussion Schuman paper C5-D/4. Schuman pointed out impact of accelerated Def programs on prices cotton, copper, wool, and rubber. If this allowed to continue, would create danger general inflation finan burdens of Def. Stated had no solution to offer now and requested only the problem be studied by the depts possibly with help of OEEC.

29. Stikker agreed problem should be studied.

30. Bevin pointed out problem very complex and involved producing as well as using countries. Doubted NATO proper body deal with such problems and thought required wider study than proposed in Schuman resolution. Proposed depts consider best means for consulting producers as well as users.

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31. Acheson proposed depts work on problem and attempt prepare resolution for Mon session. Pointed out cld only suggest method. As result of study they might conclude some other body shld undertake.

32. Stikker pointed out problems cld only be solved on ad hoc basis for each commodity. Asked that depts study whether OEEC cld give useful advice.

33. Council agreed request depts formulate resolution for such study to be presented Mon.

34. Council agree wld tell press only that council continued discussion and recessed until Mon 11 A.M.

ACTION: G3

INFC: CSA, OSA, OOA, OAGO, G2, AF, NAVY, JCS, OMA, SECDEF, SDLO

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