

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

EXEMPLAIRE
COPY

N° 216

Jet
ORIGINAL : ENGLISH/FRENCH
16th December, 1963

NATO SECRET
VERBATIM RECORD
C-VR(63)73

VERBATIM RECORD

of the

MEETING OF THE COUNCIL

held on

MONDAY, 16th DECEMBER, 1963, at 10.15 a.m.

at

NATO HEADQUARTERS

PORTE DAUPHINE, PARIS XVIe.

COMPTE RENDU

de la

SEANCE DU CONSEIL

tenue le

LUNDI 16 DECEMBRE 1963 à 10h15

au

SIEGE DE L'OTAN

PORTE DAUPHINE, PARIS XVIe.

OTAN/NATO
Paris, XVIe.

NATO SECRET

DECLASSIFIED - PUBLIC DISCLOSURE / DECLASSIFIE - MISE EN LECTURE PUBLIQUE

I. REVIEW OF THE INTERNATIONAL SITUATIONMr. STIKKER

Gentlemen, before turning to the Agenda I would like if I may to make one or two preliminary remarks. Firstly, Ministers are meeting this year under the heavy shadow of an incalculable loss. Less than a month ago President Kennedy was struck down by an assassin's hand. The Council has already paid its tribute to President Kennedy's memory, but I know you would not wish me to open this meeting without renewing, through Mr. Rusk to President Johnson, who has taken up his heavy burden of responsibility in such tragic circumstances and to the people of the United States, the assurance of our enduring grief and of our deepest sympathy. I do not think that we of the North Atlantic Council could do better than to pledge ourself to carry out our NATO tasks in that same spirit which governed President Kennedy's every action, the spirit of dedication, courage and of determination to maintain the strength, the solidarity and the cohesion of our great Alliance.

We would at this meeting, I believe, consolidate our gains and in public emphasise our solid achievements while recognising that there are still problems on the constant discussion of which, with patience, agreement can I trust be achieved between now and the next Ministerial Meeting.

May I now on behalf of the Council extend to Mr. Dean Rusk a warm welcome as its President for the coming year. Mr. Rusk needs no introduction; he is an old friend. He is a firm supporter of NATO and we trust that, during his period of office, the ties that bind the member nations together may be further strengthened. Perhaps you would like to say a few words. Mr. Rusk

Mr. RUSK

Thank you Mr. Secretary General, fellow Ministers. It is a high personal privilege for me to be President of the NATO Council for the coming year, thanks to the inexorable flow of the alphabet.

My first duty, and it is a pleasant one indeed, is to welcome certain colleagues who are here with us for the first time as Ministers at a NATO meeting: Messrs. Venizelos, Papanicolopoulos, Mavros of Greece, Messrs. Saragat and Colombo of Italy, Messrs. de Jong and Witteveen of the Netherlands, Mr. Butler of the United Kingdom. We wish our new colleagues every success in their new tasks and look forward to the benefit we shall derive from their counsel at this table.

Mr. RUSK (Contd)

All of us on the United States Delegation are deeply appreciative, Mr. Secretary General, for the moving words you have just spoken about the late President Kennedy. It is true that we come to this meeting from a people who have passed through a period of national tragedy and personal grief. We feel diminished by the loss of so much gallantry, so much vision, so much energy, so much dedication, so much common sense. But we have been sustained by the knowledge that your governments and peoples have shared our loss, and it is for me merely to say how much all of us in the United States have appreciated your presence and comfort in this period. Those who have known President Kennedy personally will understand why we, in the United States, have now turned our eyes towards the future and are taking up our appointed tasks, in the always unfinished business of peace and freedom.

President Johnson has assumed the Presidency with a sure and steady hand and the nation is giving him its full support. His theme of continuity in policy rests upon a solid base of deep personal conviction given shape and form by extraordinary personal experience and exercise of responsibility in both domestic and foreign affairs. Perhaps you would let me remind you of a few sentences from his opening address to Congress. "This nation" he said "will keep its commitments from South Vietnam to West Berlin. We will be unceasing in the search for peace, resourceful in our pursuit of areas of agreement, even with those with whom we differ, and generous and loyal to those who join with us in common cause." "In this age" he continued "when there can be no losers in peace and no victors in war, we must recognise the obligation to match national strength with national restraint. We must be prepared at one and the same time for both the confrontation of power and the limitation of power. We must be ready to defend the national interest and to negotiate the common interest. This is a path we shall continue to pursue. And those who test our courage will find it strong and those who seek our friendship will find it honourable."

President Johnson has been close to NATO from its very birth, has been a pillar of its bi-partisan support and has visited most of the NATO countries. Some of you will recall his visit to SHAPE in April 1961, and his speech on that occasion. He has asked me to extend to you his personal greetings with the following message:

"Less than a month after John Fitzgerald Kennedy took office he sent to the North Atlantic Council a message which pledged his continuing support for the purposes and programmes of the North Atlantic Treaty Organization.

Mr. RUSK (Contd)

"He fulfilled this pledge in the three years of gallant service which he gave us. That fulfilment is a lasting memorial to the stature of the man we mourn today. We can best honour him by continuing our pursuit of the goal of Atlantic partnership, by seeking an ever closer collaboration between a united Europe and the United States; in dealing with all of the great and burdensome tasks of building and defending a community of free nations. It is evidence of my country's continuing dedication to these purposes that I too, upon taking office, now send a pledge of America's steadfast resolve to the North Atlantic Council. For that dedication and this resolve do not belong to one man, or one party, or one administration, they are shared by the vast majority of my countrymen. They have been held by each of the American Administrations since World War II. And this constancy in turn reflects, not merely the community of ideals and culture which bind us to Europe, it reflects also my country's awareness that its security can be assured, its interests and values can be furthered, only by a close partnership with Europe in common tasks. First among these tasks is that of creating a balanced NATO defence posture, including powerful nuclear and non-nuclear forces, which will deter aggression and enable NATO to deal with any aggression with a force appropriate to the threat. To NATO's continuing fulfilment of this task I pledge my country's will and resources. We will keep in Europe the equivalent of 6 American divisions that are now deployed there, so long as they are needed, and under present circumstances, there is no doubt that they will continue to be needed. I am confident that our Allies will also make their full contribution to this NATO defence so that the burdens and responsibilities of partnership may be equitably shared. Military strength, both nuclear and non-nuclear, is useful only as it serves political ends. Our task is to ensure that NATO remains an effective means for concerting these ends as well as for building that strength. My country will join its Allies in using NATO fully for this purpose. In these fields, as well as in monetary affairs, in aid to the developing areas and in trade, we must each assume responsibilities commensurate with our resources. That is what partnership in a vigorous Atlantic community means and requires. To this end, we welcome the emergence of a Europe growing in unity and strength for we know that only a united Europe can be a strong Europe and that only a strong Europe will be an effective partner. NATO is the enduring instrument for joining such a Europe and the United States in common programmes to meet common military and political needs. On its success hinges in large measure the success of both European and American efforts to build the Atlantic partnership and the larger community of free nations which that partnership serves. That is why I, like three Presidents before me, rededicate my country to its continuing support and hold high hopes for its continuing success."

Mr. RUSK (Contd)

Now, Mr. Secretary General, it is a pleasure for me to turn the gavel back to you, in order that our business may proceed under your experienced hand. But let me close these remarks with a word of appreciation from the Ministers for the splendid assistance which we have had from you and your colleagues in the NATO Headquarters in preparation for our discussions. I know that we shall have a good meeting. Thank you, sir.

Mr. STIKKER

Gentlemen, if the Council has no objection, I think it would be useful if we were to release President Johnson's message and Mr. Rusk's remarks to the Press; I believe I am right in saying that the United States Delegation would have no objection to doing so. Could you agree? Gentlemen, in as far as general dealings with the Press are concerned, may I make my annual plea that in any talks which Ministers or Delegations may have with the Press, prior to the issuance of the final communiqué, they take care to emphasise our agreement and positive achievements rather than say anything which may suggest any possible divergence of opinion.

Now, in order to ensure that we produce the best possible communiqué at the end of our work, I think it important that we should now establish straight away a Communiqué-Drafting Group which can meet at the call of its Chairman, as necessary. I suggest that we should, as in past years, entrust the chairmanship of the Group to the Assistant Secretary General for Political Affairs and that this Group should be open-ended, thus enabling every delegation to participate in all the drafting or at least in the drafting of such parts of the communiqué as are of particular interest to it. Can we agree?

If that is the case, then I think we should now turn to Item I of our Agenda, "Review of the International Situation" and I believe that Mr. Butler is willing to open the discussions on this subject. May I give the floor to Mr. Butler?

Mr. BUTLER

Mr. Chairman, fellow Ministers, I should first of all like to associate myself with the words spoken by Mr. Rusk in recognition of the work that you and your collaborators have done in preparing our meeting. It is a pleasure for me to sit under your chairmanship as an old friend whom we have known well, not only before you came to London but in London and since.

I naturally, greatly value the honour which you have done me in inviting me to open the political discussion of the NATO Ministerial Meeting. The last time I came here was in the capacity of the Chancellor of the Exchequer and then I had the wisdom to keep my mouth shut. On this occasion, I have been invited to open the discussion.

Mr. BUTLER (Contd)

My first duty is to pay tribute to the memory of the late President Kennedy. We have all of us, in our countries, felt and expressed the deep sense of loss which this tragedy has produced and no words I can speak now can add to the true measure of what we feel. As Disraeli put it, in speaking of the assassination of President Lincoln, "It touches the heart of nations", he said "and appeals to the domestic sentiment of mankind." In this NATO forum, I think it fitting to put on record our recognition of what he did for the Alliance, our recognition and admiration for perhaps his outstanding quality, courage, and our conviction that what he stood for will be persisted in and pursued with vigour by the new President of the United States.

May I say, I want to speak first of the NATO Alliance. Much is said and written about the contrast between the strength and closeness of the Western Alliance now, compared with previous alliances. If you will permit me a personal observation, because it emerges so vividly from my personal experience, I am indeed struck by the great achievement of NATO, compared with the less-assured and certainly less-successful efforts at international collaboration before the war. NATO has achieved, first of all, its main purpose, which was to prevent the expansion of communist rule in Europe and there has been none for fifteen years. Secondly, it has achieved, by and large, a unity of approach to the Soviet challenge throughout the difficult years since Stalin's death and this was particularly so in facing the Soviet threats over Berlin since 1958. Thirdly, it has established habits of co-operation in defence, unparalleled in the alliances of the past.

We sometimes think that our co-operation could be greatly improved. Undoubtedly it could, but let us not under-rate what has been done in comparison with alliances of the past and in comparison with looking back on history.

If this idea of Atlantic co-operation may seem less exciting now than it did in 1949, this again is a reflection of our achievement.

As a newcomer to your meetings, I make no apology for harping on what may be an old theme. No new idea that I could advance now could measure up in importance to this one on which we embarked some years ago and so the back-drop against which I view the foreign scene is the strength and solidarity of the NATO Alliance. It is impossible, Mr. Chairman, to try to assess why any important international event has happened, such as, for example, the nuclear test ban treaty, without taking into account the dominating influence of NATO, militarily and politically, on the world scene, just as it would be impossible for me to look into the future and consider what might be done without recognising that the first priority in any policy we conduct will be the military strength and political cohesion of NATO.

Mr. BUTLER (Contd)

Some commentators talk of the increasing centrifugal forces at work in our Alliance. I admit I cannot escape some slight sense of responsibility when this term is used since it was first coined by an Englishman. It was the great British mathematician and physicist, Newton, who first talked about centrifugal force but I also understand, though I claim no expertise, that this force is always due as a matter of scientific law to what is called inertia and I can assure the Council that the British Government would always do all it can to try and prevent the Council suffering from inertia. We will bear in mind that if it is not to fall a prey to centrifugal forces we must all of us be constantly vigilant and enterprising in the common cause. In the last century the famous British statesman, Lord Salisbury, at one time criticised British foreign policy in these words. He accused it "of drifting lazily down the stream and occasionally putting out a diplomatic boathook to avoid collisions." Well I can assure you that we shall not be indolent in the Allied boat, nor shall we do anything to rock it - that is our determination.

The name of Lord Salisbury is quite often, and perhaps unfairly, associated with a policy called splendid isolation. As Lord Salisbury's most recent successor as British Foreign Secretary, I should like to say that isolation, splendid or otherwise, cannot be a policy today. As King Tarquin was the first to discover many years ago, one can cut off the heads of isolated lilies but one cannot cut off the heads of lilies tied closely together. The pursuit of power in isolation is therefore an illusion - and I underline that. It may sound less romantic and less glamorous but instead of splendid isolation I am sure that our slogan for today should be lively interdependence.

It is from that background that I should now like to accept your invitation to review for a few minutes the international scene. Looking out on the world from this background of the strength of our Alliance, the outlying and outstanding features of the current international scene are I should suppose the following:

The Soviet Government, if we look first at East-West relations, have renounced, at any rate for the time being, their high-risk policies vis-à-vis the West, and as a corollary they are bent for the moment on a policy aimed at détente. I will not go into detail about our comparative strengths - this is more the proper concern of our colleagues the Ministers of Defence - but I regard the recognition by both sides of the stability of the military situation as one of the commanding facts of international life. No less significant has been the lesson Moscow has learnt, however belatedly, that the West is not open to nuclear or indeed conventional blackmail; that we are not to be diverted from our policies or divided from each other by threats of force.

Mr. BUTLER (Contd)

However, although there are many reasons for caution in Soviet policy, we cannot afford to be either provocative or complacent. One of the late President Kennedy's greatest skills was in compelling respect from the Russians without insisting on their humiliation. There are lines of Shakespeare which I think admirably sum up the present state of peace based on mutual deterrents and common respect. He said: "A peace is in the nature of a conquest for then both parties nobly are subdued and neither party loser." I understand that the modern way of expressing this same idea is that we are engaged in what is known colloquially as a non-zero sum game but I think I prefer Shakespeare's words and formulation. Why do I then insist that there are no grounds for complacency?

We are satisfied at present that the West has substantial overall superiority of force. This is not something which the Russians will resignedly accept. They will make every effort to narrow the gap. They are probably not under any illusion that they can achieve parity in numbers of missiles but they must be determined to improve their present position and in particular to improve their second strike capability. Now, how will this affect the other plans and ambitions of the Soviet regime? There has been plenty of evidence recently that the Soviets have serious internal problems which affect the allocation of their resources. Perhaps the most striking has been the failure of their agricultural policy and their decision to try to buy large quantities of wheat across the Atlantic. I think, too, that their willingness to sign the partial Test Ban Treaty indicated a desire to avoid the vast increase in defence expenditure which would have been involved by a continuing race in the nuclear field. It is legitimate to think Mr. Khrushchev is anxious to reduce, or at any rate not to increase, his military expenditure. And this is something which we should certainly do what we can to encourage. In this context, of course, we all take note of Khrushchev's speech of 13th December, forecasting possible reductions in the number of the Soviet armed forces. But, whatever they decide about conventional strength, I am sure that the Soviet Government will not allow themselves to become relatively weaker, and I have no illusion that Khrushchev will allow his massive plans for investment to interfere with his security needs. In other words, we must reckon to live with a situation of mutual deterrents to war, based upon the possession by both sides of a second strike capability.

Mr. BUTLER (Contd)

The Sino-Soviet dispute must also have some relevance. It seems doubtful whether the deterioration in Russia's relations with China has been the decisive cause of the Soviet change in their tactics towards us, although admittedly it may have made them anxious to reduce the risk of major disagreement with the West and so, have a freer hand to deal with the Chinese. Nor do I believe for one minute that Moscow's difficulties with Peking will lead them to throw themselves into the hands of the West and renounce all their previous policies. A complete re-orientation of Soviet policy towards the West, on account of China, would only make sense if there was a serious military threat from the East. Despite the sharp verbal exchanges on broader problems of ideology, there is no immediate prospect of this. I think the most important consequences of the dispute for us is that Chinese competition has complicated Soviet policies, first of all towards the rest of the Bloc, then in the international communist movement and then towards the uncommitted countries. I think the Soviet Government may feel themselves obliged to compete with the Chinese in the active backing of revolutionary movements in the uncommitted countries and this could make things more difficult for us.

This brings me on to the second main feature of the international setting, as I see it. Khrushchev's disavowal that war between Communist and non-Communist worlds is inevitable and his insistence that world war can and must be avoided has certainly been one of the governing factors in world affairs in the past decade. But, gentlemen, no less significant has been the obverse side of this coin. That if Communism is not to be spread by war, then it must be spread by means of the political, economic and ideological struggle which passes under the code-name of peaceful coexistence. I do not regard the fact that the Soviet Government has decided to avoid a major confrontation with the West on major East-West issues, as likely to lead to any easement in the struggle for influence in the under-developed world.

We must reckon that the Soviet Government will continue to try to make things as difficult as possible for us in Latin America, in Africa, in the Middle East and in South-East Asia. Indeed, as I have suggested, one of the effects of the split with China may be an increase in the bidding between Peking and Moscow in the under-developed world, to the detriment of the West. Of course, the Russians have had serious setbacks, and their prospects for extending their influence, for instance in Africa, must look much less rosy to them than they did a few years ago. And this is surely underlined by Mr. Chou En-lai's arrival on the African Continent this weekend. It might be appropriate, Mr. Chairman, if I said something here about China.

Mr. BUTLER (Contd)

We think that the principal threat which China now represents in Asia is not one of outright military aggression, but of the encouragement she is able to give to anti-Western or Communist movements. The breach with Russia must have impaired China militarily. This in two senses: she will have difficulty in getting her armed forces supplied with up-to-date weapons and she must be increasingly doubtful of Soviet support, in the event of a direct confrontation with the West. However, China seems determined to avoid such a clash. Though they would be capable of mounting another attack on the Indian frontier at any time, we have no evidence of a Chinese build-up and we think a renewed attack unlikely. Our impression is that the Chinese would be content to let the frontier settle down, along the present line of control, since this safeguards their principal interest - the Tibet Sinkiang Road across Ladakh. They have no territorial interest in India itself. The Chinese might be able to carry out their first nuclear test within the next year or two. We think it possible they will have a rudimentary nuclear capacity by the end of the decade, although no precise forecast is possible. This will have no effect whatever on China's comparative weakness, vis-à-vis the United States.

We do not expect it to affect the caution of our present external policy for the time being. However, we expect it to enhance China's prestige and to sharpen the struggle for the allegiance of neighbouring states either to the Chinese brand of Communist imperialism, or to associate with the Free World. I now leave China. Whatever their preoccupations with China, the Soviet Government are not intent at the moment on either major confrontations or, in our view, major concessions. What we have witnessed since this summer, in fact, has been a change in atmosphere. The Soviet Government wish to continue discussions with the West. The mere fact of this is clear both from their public pronouncements and their private communications. And so, what attitude should we adopt? This is what makes the consultation here so valuable since we can compare notes.

As you will gather from what I have said, I am under no illusion that we are likely to see early or easy progress towards important further East/West agreements, and I have given considerable thought to what we should do in the circumstances. I have no doubt that the Soviet Government's hope in continuing the dialogue with the West is to further their own interests without making ~~any~~ concessions of substance, but I am sure in my own mind that the balance of advantage now is in making contact. It could be dangerous not to keep in touch, if only for the reason that they should understand our point of view. We may thus avoid the possibility of misunderstanding and miscalculation which in this age of all ages in the history of humanity is surely what statesmen should set out to avoid.

Mr. BUTLER (Contd)

As over the Test Ban Treaty, I believe there may be fields where East and West have a common interest in reaching agreement. Aware as we are of the hard facts of the existing scene, we must be prepared to look ahead and try to think constructively and in unison - I stress that - in unison together. We shall only be able to do this and perhaps arrive at anything as a result of patient investigation. It goes without saying that in maintaining East/West contact or dialogue we must observe three conditions. These conditions are, of course - first, that we could not agree to anything which would upset the military balance to our disadvantage; second, that no agreements should be considered which might impair the cohesion of the Western Alliance and third, that the Western position in West Berlin and self-determination for East Germany are of vital interest to the free nations.

When we discussed these matters at The Hague, we decided to try to make progress with the peripheral questions about which I shall have something to say. Those are the questions on the circumference, but the central questions, namely, the future of Berlin and of Germany, remain outstanding and must be the subject of continuous study and constructive thought between us.

The possible fields for limited agreements have been fully discussed in the Council over the last few months and you will not want me to go into detail here, but I should like to sum up my attitude and that of my Government on the various possibilities. The most hopeful path along which to advance may be that of observation posts. I have followed with keen interest the study which NATO is now making of the pros and cons of this idea, and I will not attempt to prejudge the result. Let me only say this - that no system of observation posts can be sure to prevent a surprise attack, but we hope it would give us greater warning and would provide information which would help to prevent the outbreak of war by accident or miscalculation. I need not emphasise the advantage which might flow from the presence of observers in the closed Communist society when the Russians have for so long refused any inspection in the disarmament context. We fully accept the need to avoid linking these beneficial arrangements with other measures designed to work to our disadvantage, and the Soviet have put forward certain proposals in connection with this which we could not accept.

Similarly, we must be on our guard that undesirable conditions would not be attached to an agreement on non-dissemination of nuclear weapons. Such an agreement would be a real contribution to stability and a natural successor to the Test Ban Treaty, but it should not be allowed to interfere with the legitimate defence arrangements of the West or to bring undesirable political developments in its train.

Mr. BUTLER (Contd)

As for disarmament, when the Disarmament Conference resumes at Geneva on 21st January, we must see together what progress can be made towards practical measures and whether we could delegate to technical study a number of particular problems in the disarmament field, and then hope to get the Russians to take part in such studies.

One other matter I think I should mention before coming on to the affairs of our Alliance, and that is the question of Eastern Europe. Recently, there has been a marked decrease in the national consciousness of the Eastern European countries. There has also been a growing diversification in their attitude towards Moscow. These developments have been referred to in the report on Eastern Europe which is on our Agenda. This draws a attention to the possibility of further developing a forward policy to reinforce the independent-mindedness of these countries.

Now, Sir, having spoken briefly on these policy matters, I should like to say a word about the state of our thinking within the Alliance. Our Alliance is going through a period of adjustment. We face new problems in our defence thinking because nuclear power has made war unimaginable without making weapons of war unnecessary. The forces and the weapons we create and maintain at such expense are not for use, they are for deterrence, which means that they must be selected and balanced with an eye to their effect on the mind of our opponents, and not solely, as in the past, in the light of their operational use.

The new situation obviously creates new problems in the relations between civilians and soldiers, since the latter find themselves being allocated tasks which they hardly recognise as military, and asked to accept strategies and even weapon patterns which they have difficulty in justifying on military grounds. There is no wonder therefore, that in the shifting and bewildering atmosphere of change and adjustment, we do not find ourselves automatically in agreement on questions of strategy. What we need at the moment are practical decisions, and joint decisions at that, on precise problems of the level of forces, their equipment and their deployment. My hope is that NATO can continue this study in a spirit of mutual respect and forbearance, without allowing its attention to be diverted into sterile theoretical disputes. We have already recognised this principle in our internal relations in Europe. We recognised it in the resumed Ministerial Meeting of the WEU at The Hague, and this particular series of meetings marked, I think, the recognition by the seven countries concerned that whatever our differences may be we can come round the table to discuss them. This we certainly did a few weeks ago when we discussed East/West relations, Latin America, the importance of Europe not being autarchic, the need to co-operate in the Kennedy round, and an immense Agenda which we managed to get through, I think, with considerable speed. And what I want to say here is that what

Mr. BUTLER (Contd)

applies to Europe applies also to our Atlantic Alliance, within which Europe and America are partners. Just as we want to see an outward looking Europe, about which I spoke at The Hague, so too we want to see an outward looking NATO. Let us therefore recognise that NATO must be prepared to extend the scope of its consultations.

I mentioned earlier the world-wide vigilance we have to maintain against Communist tactics of penetration and subversion whether by the Soviet bloc or China. The gap between the rich and the poor countries provides a heaven-sent opportunity for the Communists to exploit. What is disturbing is the fact that this gap between the rich and the poor is likely to get wider rather than narrower in the years ahead. I am sure for example that the NATO Expert Group on Latin America are right when they conclude that there are no grounds for complacency about that part of the world. We all of us, especially the European countries which have played such a part in the history of that continent, must sustain our interest in the problems there which face us and that continent today.

The North/South issue, compounded perhaps by racial hatred, may become a scarcely less urgent issue than the present East/West one. We shall have to devote increased economic and educational resources to avoid being outflanked, and we shall have to continue to be prepared to shoulder a considerable military burden. We believe that our commitments around the world, particularly today in the Far East, are undertaken not to defend British interests alone, but on behalf of the interests of everyone represented round this table. Although world war between East and West may have been averted, and although the spread of Communism in Europe may have been arrested, both of these largely thanks to NATO, the spread of modern weapons to the smaller powers, may create situations which are grave for us all.

My country has a defence agreement with Malaysia, and quite apart from the Indonesian question, Malaysia stands as a bulwark against the tide of Chinese Communist expansion. Malaysia is a Commonwealth country, and two other members of the Commonwealth, Australia and New Zealand, have undertaken commitments towards its defence. Australia and New Zealand in their turn are allies of the United States under the Anzus Pact. This is only one example of the interlocking alliances in which many of us are engaged, and will show how quickly the repercussions of some local incident could spread. That is why we have asked our Allies, some of whose replies we are still awaiting, to prevent the export of arms which Indonesia could use against Malaysia. I am not of course suggesting that NATO should consider widening its area of responsibility or that any new commitment should be contemplated, but I do urge that it would be short-sighted for us here to devote all our energies to barring and bolting the front door in Central Europe while we leave the back door unguarded.

Mr. BUTLER (Contd)

Well, now Sir, as the object of our interchange is to interchange views, I will now sum up briefly the outstanding issues on which I think this Ministerial Meeting could most usefully concentrate. First, there is the need for a strong Alliance, this remains central to our policies. Second, we must combine military strength with political suppleness. As I have said, we should be prepared to look ahead in our survey of the international scene. It might also be useful in present circumstances to put on record once again at the end of our meeting, our intention, in the NATO Alliance, never to try and solve any dispute by the use of force. Third, we have to heed the threat to our Alliance from the two-pronged Communist menace to the underdeveloped world if we are not to be outflanked. Finally, we must bear in mind the importance of explaining our policies both to our own publics and to the rest of the world that the other side is in no doubt of what we stand for. Persuasion must supplement power. When I consider the dual task facing our Alliance, the task of maintaining military stability and ensuring political progress, I am reminded of the words which Tennyson put into the mouth of Ulysses: "We are resolved to strive, to seek, to find and not to yield". Thank you.

Mr. STIKKER

I have the following list of speakers up to now - Mr. Schröder, Mr. Martin, Mr. Erkin and, I think after lunch, Mr. Rusk and Mr. Saragat. If there are more speakers I hope you will inform me. Could I now turn over to Mr. Schröder?

Mr. SCHRÖDER

Mr. Chairman, I should like to begin by saying how very much I am in agreement with what our British colleague has just given us as his analysis of the situation and his conclusions from this situation.

Permit me, Mr. Chairman, first of all to add a few words to what has been said about the tragic loss which we have suffered through the sudden death of President Kennedy. I should like to begin by saying that when we met here one year ago we were still under the impression of the Cuban crisis, and, at that time, in spite of his public support of a policy of "peaceful coexistence", Khrushchev had begun to set up missile bases in Cuba. It was the American President John F. Kennedy who compelled the Soviet Union to evacuate these missiles.

Mr. SCHRÖDER (Contd)

Today, one year later, our meeting is overshadowed by his tragic death. During the short period of his presidency he initiated a foreign policy which was bold but not rash, determined and purposeful, but not rigid, a policy which was consistent and was neither influenced by illusions about the enemy, nor led astray by the rigid contours of a doctrinaire attitude. Nobody, in my opinion, characterised this policy better than President Kennedy himself. In one of his last speeches he said: "While maintaining our readiness for war, let us exhaust every avenue of peace. Let us always make clear both our willingness to talk, if talk will help, and our readiness to fight, if we must fight. Let us resolve to be the masters, not the victims, of history, controlling our own destiny without giving way to blind suspicions and emotions. Let us distinguish between our hopes and illusions, always hoping for steady progress toward less dangerous relations with the Soviets, but never labouring under any illusions about Communist methods and goals." We think that we can best serve the memory of this great man we have lost and our common interests if we examine the situation of the world according to these principles and if we continue our policy along these lines. However tragic and painful President Kennedy's death may have been for us, we have not for one moment had the feeling that the freedom of the West had been threatened.

The transfer of the highest political and military authority of the free world, and even of the world as a whole, took place without a single instant of indecision and uncertainty. President Kennedy's death has shaken us men, but not his country or our Alliance. I do not think that a Communist dictatorship and an alliance of Communist governments would have survived such a shock in the same steadfast manner. Permit me now a few observations, Mr. Chairman, on developments in the Communist camp.

The basic premise on which the Atlantic Alliance is founded has not changed. Communism is still our enemy. Not because it is we who are in favour of the cold war, but because it is Communism which regards us, the so-called capitalists and imperialists, as its enemies whom it some day hopes to bury. This basic attitude is common to all Communist governments and parties. This has been changed neither by developments in the Soviet bloc nor by the schism between Moscow and Peking.

There can be no doubt that today the Communist countries no longer represent a monolithic bloc, nor is there any longer a uniform international Communist movement controlled by the Kremlin. Each of the East European satellite countries shows its own typical features, and in some of them we can observe attempts at emancipation, although these may be limited to certain specific fields.

Mr. SCHRODER (Contd)

The internal situation of these countries is not everywhere highly satisfactory. In some of them, among them the Soviet Union itself, a sociological change is taking place which may, in the long run, affect the authority of the government and in the face of which the steps taken by the rulers are not entirely effective.

Almost the whole Communist world, from the Soviet Zone of Germany to the Soviet Union and Communist China, has for some years been overshadowed by an agricultural crisis. China's industrial development has considerably slowed down, but also the general economic development of the Soviet Union and its satellites has since approximately 1960 increasingly been suffering from strains and stresses.

All these facts have not been without influence upon the methods, and I repeat, the methods, of Soviet policy. I feel that Khrushchev's willingness to agree with the Western Powers about some closely defined political problems can be traced back particularly to the critical symptoms in his camp which I have just mentioned, and not to a definite change of mind.

There can be no doubt that the differences of opinion and internal crises are affecting the unity of action of international Communism and the political freedom of action of the Soviet Union. Here and there, certain possibilities may be offering themselves to us, such as, for example, by a less indiscriminate treatment of the Communist countries. On the other hand, we should be careful not to over-estimate these differences of opinion between Communists and should not draw any premature conclusions. True, I do not at the moment perceive any symptoms indicating an early and genuine rapprochement between Moscow and Peking. Although, therefore, the conflicting elements are predominant in the relationship between the two Communist protagonists, it is still true to say that in their basic political concept Khrushchev and Mao Tse Tung are more akin to each other than Khrushchev and any of the Western statesmen. It is quite conceivable that the two opposing parties may forget their differences, at least temporarily, or in regard to certain problems, be it as a result of revolutionary internal events, or be it during a crisis threatening them from the outside.

Khrushchev's radical change of mind in October last year, when he suddenly returned to support Peking's line in the Sino-Indian conflict shows that the common interests of the Communist camp may easily regain the upper hand. The Chinese revelations have supplied us with more information about this change and we can now determine its exact date. It coincides with the Cuban crisis. When this crisis had been solved, Khrushchev promptly returned to his old pro-Indian line.

Mr. SCHRODER (Contd)

We should never lose sight of the fact that there is no disagreement between Peking and Moscow as to the final aim of all Communist states and parties - namely, world revolution, but only about the methods to be used to accomplish this aim. If Communism tries to pursue the same aim by different methods, even if its individual moves are unco-ordinated, it can easily be successful if it is underestimated by the other side. The history of the Russian revolution is an example of this.

We shall also have to make an effort to obtain an objective picture of the relative dangers presented to us by the two present centres of international Communism. In my recent talks with Japanese statesmen in Tokyo, I was given to understand that they are firmly convinced that for a long time to come the Soviet Union will be more dangerous to the Free World than Communist China.

Indeed, it cannot be overlooked that in spite of Quemoy and Matsu, in spite of the Chinese invasion of the Indian frontier provinces and in spite of all the war-mongering, it was not Mao-Tse-Tung who brought the world to the brink of nuclear conflict in recent years, but it was Khrushchev with his Berlin ultimatum and his policy on Cuba. It was not for nothing that Mao-Tse-Tung accused Khrushchev of indulging in an adventurous policy which, he said, is inadmissible, according to the principles of Marxism-Leninism.

It would be disastrous if we now began to look upon Communism as being less dangerous because it faces us in a variety of forms and uses a variety of methods. We shall have to adapt ourselves in our policy to the various origins and forms of Communist aggression, namely to Moscow and to Peking, to the "revolutionary struggle" on the one hand and to so-called "peaceful co-existence" on the other hand.

I should now like to make a few observations on relaxation of tension and peaceful co-existence. In recent months, particularly after the Test Ban Agreement, the prospects for a relaxation of tension were carefully evaluated and examined. The Federal Government has supported and will continue to support all genuine efforts to bring about a reduction of international tension. It is equally in favour of an improvement of the atmosphere in the relationship between the Soviet Union and the West. We regard the Moscow Test Ban Agreement as a symptom of progress for two reasons - on the one hand, because the discontinuation of nuclear testing has freed mankind as a whole from damage by radioactive fallout and, on the other hand, because this is a beginning which, as we hope, might be followed by negotiations about concrete disarmament measures and perhaps even about those political problems which are at the root of international tension.

Mr. SCHRÖDER (Contd)

However, we must be constantly aware, that the Moscow Agreement covers only a peripheral problem and that the Soviets have up to now not shown any inclination to extend this reduction in tension to the central problems in clear contrast to their loudly-proclaimed policy of "peaceful coexistence". We believe, to take a concrete example, that Soviet interference with Allied access on the autobahn to Berlin in October and November served, among other things, primarily the purpose of finding out how far the West would be prepared in the interest of a policy of détente to put up with a further step-by-step restriction of its rights.

This separation of the German and Berlin problem from the policy of détente illustrates the true intentions behind this policy. It aims at sowing dissension between the partners of the Western Alliance and at playing off one against the other. For these purposes, "peaceful coexistence" is used as an effective propaganda slogan. However, it only means that in this age of nuclear weapons, the Soviets no longer believe that they could further or accomplish their aim of world revolution by means of war. It is interesting that Soviet propaganda should always present the so-called "relaxation of tension" as being Khrushchev's success, who had thus compelled the West to agree to his policy of peaceful coexistence.

Even the Test Ban Agreement is described in Pravda as "A great defeat for the imperialist aggressive and reactionary forces".

"Real revolutionaries", as was recently stated in a Moscow newspaper, "accomplish their aims by forcing the policy of peaceful coexistence upon the capitalist countries. They work for the extension of peaceful coexistence to a longer peaceful period, in the course of which the revolutionary forces will triumph over the imperialists with the minimum of losses and sacrifices for the nations". Thus far, the Soviet quotation.

We should furthermore bear in mind that, up till recently Soviet propaganda has referred more often than before to the principle that Communism should be imposed upon the countries of the Free World not only by peaceful, but if necessary also by "non-peaceful" means. It would be, in my opinion, a mistake to believe that such statements are only intended for internal consumption and that they need not, therefore, be taken seriously. In the terminology of Soviet propaganda, these words mean exactly what they say.

Mr. SCHRÖDER (Contd)

Although constant vigilance in the face of Soviet intentions appears indicated, statements like the one I have just quoted do not cause me to draw the conclusion that we should now return to the methods of the Cold War. On the contrary, we should continue to work for a reduction of international tension. Even if the agreements concluded relate only to peripheral problems of international politics and disarmament, they can contribute to such a reduction of tension, provided that they do not alter the balance of power to the disadvantage of the West and that they do not worsen the status quo for the solution of central problems. We should, as far as possible, always try to find starting points for the solution of the central problems when we deal with peripheral ones.

Now a word or two about the concrete projects which play a certain part in our discussion. First of all, about the idea of a non-aggression arrangement. When examining the idea of a non-aggression arrangement it would be advisable, in my opinion to find out what are the aims pursued by the Soviet Union in proposing such an arrangement. The Soviet Union obviously made this proposal in order to freeze the status quo and thus to improve its own position. The renunciation of force concerning Berlin, which Khrushchev proposed to the British Prime Minister, does not alter this in any way. It bypasses the essential problem which is the safeguarding of access to Berlin. As long as such decisive questions, which are among the causes of the present tension, are not solved, a non-aggression arrangement does not appear very meaningful to us. Such a project should rather represent the terminal point of a development which has led to a satisfactory solution of the open questions, or which has at least produced sufficient progress in this direction so that goodwill of the other side is beyond doubt.

Now, a word on the idea of the non-dissemination of nuclear weapons. This idea of setting limits to the national dissemination of nuclear weapons should certainly be welcomed. However, we have always assumed that an agreement on non-dissemination would only be meaningful if it is world-wide and, for example, also includes Communist China. As far as we are concerned, an agreement of this sort is subject to the condition that it does not represent an obstacle in the way of establishing a multilateral nuclear force, which we consider an important means for bringing about the necessary nuclear integration within our Alliance. The fact that the Soviet Union is using such strong polemics against the MLF shows us that it regards the non-dissemination agreement as a weapon against the MLF. It is evident that the Soviet Union merely wishes to prevent the Western defence posture from being thus strengthened. We should always keep this in mind.

Mr. SCHRODER (Contd)

Now a word on the matter of ground control posts. We would welcome measures for the prevention of surprise attacks. In the nuclear age the only practical possibility consists in controlling the preparation of conventional attacks if these involve the transportation of reinforcements. For this reason, ground control posts would have to be set up in great depth, in the areas of the two military blocs. Any arrangements made should of course not be to the disadvantage of the West.

In addition, we have to consider the special problem posed by the Soviet Zone of Germany. We have seen in connection with the Test Ban Agreement, what difficulties may and do arise, although the Test Ban Agreement only contains an obligation to refrain from certain actions and does not foresee any specific actions or institutions in the areas covered by it. We should endeavour to enlarge the concept of so-called peaceful coexistence. The Soviets knew quite well why they confined it to political and economic questions. In the political field, they are using this concept to screen off the Communist regimes in Eastern Europe against the claim for the restoration of freedom. In the economic field, it serves as a weapon against the Western embargo policy. However, they refuse to apply it in matters of ideology, culture and in the spiritual contest.

This is where the insincerity of this concept comes to light and this is the Achilles heel of the policy of coexistence, as the Soviets understand it. This is therefore the point where we should begin and use every opportunity to insist also on the peaceful competition of ideas and culture, which would not have to be feared by us, but by the Soviets. It is true that we cannot count on rapid or comprehensive results. But the same applies to the political contest with Communism in which we must also expect to be engaged for a long time to come.

Mr. Chairman, I should now like to say a few brief words on our policy toward the Eastern European countries. Although Communist propaganda consistently describes the Federal Republic of Germany as the major trouble maker in Europe, accuses it of harbouring aggressive and revanchist intentions, and thus tries to drive a wedge between us and our Allies, we are on our part, just as consistently endeavouring to improve and to normalise our relations with the Communist countries in Eastern Europe. In the course of this year we have agreed on the exchange of commercial missions with Poland, Roumania and Hungary. Preliminary discussions about the same subject are at present being held with Czechoslovakia and Bulgaria. While it is true that these missions only have commercial tasks, we nevertheless hope that they will be able to extend their activities to other fields, such as for example, to the cultural field and that they will help to foster and intensify the human contacts between the inhabitants of the Federal Republic of Germany and those of the Eastern European countries. Perhaps this will also help to eliminate or at least to reduce the prejudices against the Federal Republic of Germany existing in some of these countries and the general anti-German resentment, and perhaps these efforts will in the long run also bear fruit politically.

"
Mr. SCHRODER (Contd)

To what extent it will prove possible in practice to intensify the contacts and to extend the activities of these commercial missions will, of course, depend on the host country. The work of our commercial mission in Warsaw, for example, is unfortunately rendered difficult by the fact that the Communist leadership of Poland, more than the governments of most of the other Soviet bloc countries, wishes to confine improvements in its relationship with the Federal Republic only to a few narrowly-defined subjects. The Polish Government needs the spectre and the bugbear of a revanchist and aggressive Germany that wants to reconquer the German territories in the East, as a counter-weight to the anti-Russian sentiments which are still very widespread in Poland. We are not setting up these commercial missions because we hope that their establishment will produce major economic advantages. Thus, our agreements with the Eastern European countries do not provide for any great increase in commercial exchanges, which are in any case relatively small. To give you a few concrete figures, the total volume of trade between the Federal Republic and all Eastern European countries, including the Soviet Union, amounts to only 4 per cent of our whole foreign trade. Moreover, trade negotiations with these countries often confront us with difficult problems, as we either have ourselves sufficient quantities of the goods offered to us, or because we can frequently obtain them from Western countries on more favourable conditions. Further limits to an expansion of trade with the Eastern European countries are set by their chronic shortage of foreign exchange and their strictly bilateral trade practices.

Nevertheless, we consider it necessary to maintain and encourage our traditional commercial relations with the Eastern European countries, so as to avoid that, under the pressure of circumstances their national economies are given a one-sided alignment with that of the Soviet Union. This is of particular importance at the present time when some Eastern European countries show a trend towards an economic development which is more independent - or, at least, less dependent on that of the Soviet Union. We would consider it a serious omission if we did not support these efforts.

In the eyes of Communist countries, foreign trade is not a commercial, but essentially a political affair. We have realised this, and in our negotiations with the Polish, Roumanian and Hungarian Governments we have adopted the same view and insisted that Berlin should be included in the agreements.

Mr. SCHRODER (Contd)

We have succeeded in this in a highly satisfactory way in our negotiations with all three governments mentioned. We are not yet certain whether we shall be able to solve this question equally satisfactorily in our talks with the Soviet Union about the continuation of our trade and payments agreement. The negotiations will probably begin in the first few months of 1964. However, the Federal Government will only be able to accept an agreement which also extends to Berlin.

Now a word or two on the trade and credit policies between East and West. Our ideas about the principles governing trade between the NATO countries and the Soviet Union have been explained in the Permanent NATO Council. Let me once again sum them up briefly. Although Soviet imports from NATO countries are comparatively insignificant quantitatively, they are of great importance for certain essential branches of Soviet industry as the Soviet Union cannot easily obtain these goods from other countries. To this extent, therefore, the Soviet Union depends on our deliveries. Whether or not it receives these urgently required products from us will very soon be of great importance for the development of the Soviet economic potential.

The economic difficulties of the Soviet Union, particularly the chronic shortage of investment goods, is known to you all. I do not feel that we should put thumbscrews on the Soviet Union by means of our trade policy and that we should at this time drastically restrict our trade with Moscow. On the contrary, I consider it desirable that there should be a limited expansion of trade along the lines of the general development of our economies. It is, however, a different matter whether we should, in its present critical situation, grant the Soviet Union long-term credits which would, in reality, be tantamount to development aid, so as to enable it to overcome its difficulties as soon as possible and to resume its policy of threats, ultimatums and tension. If we did this we would be making Khrushchev a present which would only extract a smile from him and would certainly not oblige him to make any concessions in return. In short, we would be doing damage to our Alliance while granting the Soviet Union a one-sided advantage.

In our opinion, the NATO countries should only play out one of the few trump cards which they hold in their hands vis-à-vis the Soviet Union if and when the Soviet leaders show a willingness to make substantial concessions in return. In this connection, I am thinking less in terms of economic concessions but rather in terms of a real détente and agreement about those political questions which weigh heavily on the relationship between the NATO countries and the Soviet Union and which invariably offer the Soviet Union an opportunity to make trouble.

Mr. SCHRÖDER (Contd)

Now, Mr. Chairman, a few observations on Germany and Berlin. After their pressure on Berlin, which they had exerted for several years, had not brought about the desired result, the Soviets are now applying more cautious measures having a more indirect effect, and this particularly since the Cuban crisis. These tactics are hardly less dangerous than their previous policy of threats and acute crises. One of the results is that the harshness of the Soviet policy with regard to Germany is apparently not felt particularly in the free world as acutely as before. However, in substance, Soviet aims have remained unchanged.

For about one year, however, the Soviet Union and the Pankow régime have been increasingly trying to treat Berlin as an independent national entity, be it by proposing direct cultural exchanges between Berlin and the Soviet Zone, be it by inviting leading Berlin industrialists to take up direct contacts with the Soviet Union or the Soviet Zone. In this connection, mention has also been made of the present negotiations about the issue of visitors' passes for the Christmas period. The other side is attempting to obtain recognition for the Communist thesis of Berlin's special status as a "Free City". We are, of course, doing everything we can to help the population of Berlin with their difficult problems. Perhaps I should mention here that the number of West Berliners who have direct relatives in East Berlin is no less than half a million. In spite of all this, we refuse to be blackmailed. The political and juridical links between the Federal Republic and Berlin must remain intact. This is not a question of prestige or of some abstract legal principle, but a question of Berlin's moral and psychological viability. This will also be our decisive consideration as far as the question of visitors' passes is concerned.

In regard to the German question as a whole, we shall maintain our position that the genuine relaxation of tension in the relationship between East and West will only be possible if the Soviet Union is prepared to grant the right of self-determination to the German people. In 1963, the second year and the first part of the third year of its hermetic isolation after the erection of the Wall, the Communist régime in the Soviet Zone has by no means become more popular. The majority of the population continues to reject the Pankow régime and to consider it an unbearably oppressive system. On the other hand, the régime aided by the Soviet Union, is energetically pursuing its efforts to obtain admission into international organizations, particularly in the non-governmental sector. Greatest vigilance on the part of the West continues to be necessary in this respect.

Mr. SCHRÖDER (Contd)

In our talks with some Eastern-European Governments, we sometimes had the impression that the Soviet line in the German and Berlin question does not exactly meet with enthusiasm and that the reputation of the Pankow authorities in these countries is not particularly high. At any rate, we are determined to take advantage of our presence in the capitals of some satellite countries in future also for political purposes in accordance with our intentions in the German and Berlin question.

May I, in one sentence Mr. Chairman, sum up the result of our considerations and their application for our Alliance. I would say that unity, solidarity and the effective strength of our Alliance continue to be as important today as ever. Thank you Mr. Chairman.

Mr. MARTIN

Mr. Chairman, Gentlemen. Since we last met in the Canadian capital, there have been two events of world significance, although of a different kind. First there was the signing of the nuclear Test Ban Agreement, which, quite apart from its intrinsic value, gave some grounds for hope that on major issues of peace or nuclear war there would be opportunities, in the future, to reach mutually satisfactory agreements with the Soviet Union. I shall return to this later. And then, of course, there was that tragic day in Dallas. Many of you, like myself, were in Washington for the funeral of President Kennedy. We will never forget the dignity and the sorrow with which the American people said goodbye to their young President, whose loss is mourned today by the whole world. At such a time of tragedy and national grief it was particularly impressive to see the way in which the new President took office and the American ship of state continued on its way. In again expressing the sympathy of my country to our United States colleagues may I say how encouraged we have been by the announced intention of President Johnson to continue the NATO policies of his predecessor.

Perhaps, as the closest neighbour of the United States, I may say with some authority and justification that, bearing in mind the tremendous responsibilities which the United States shares along with other countries but seemingly in a very special way, if there was ever any doubt, on the part of the United States, how most people in most countries of the world feel towards them, that doubt should have been removed by the reactions that followed the tragic death of the late President. At times like this, when some think that the Soviet Union may be tempted to test the mood and the will of the United States, the solidarity of NATO, and the need for continuity in Alliance policy are all-important.

Mr. MARTIN (Contd)

Monsieur le Président, si vous me le permettez, j'aimerais mentionner immédiatement un événement prochain dont mon gouvernement se réjouit beaucoup: je veux parler de la visite en France, le mois prochain, de notre Premier Ministre M. Pearson. Ce voyage ne permettra pas seulement de souligner et renforcer les liens étroits qui historiquement unissent la France au Canada, mais il démontrera notre foi dans le caractère permanent de l'Association de cette grande nation européenne au Continent Nord-américain et son rôle essentiel dans cette Alliance.

I was very interested, as I'm sure we all are, in the statements thus far made in this Council and we welcome, of course, to this table the British Foreign Secretary with whose summary, as in the case of Mr. Schröder, with whose summary of objectives I think we will be in accord; the need for a strong Alliance, the combination of military strength with political suppleness, the decision not to resolve any dispute except by the use of force, the necessity of meeting the problems of the underdeveloped world and we will perhaps be given that chance shortly at the World Trade Conference on Development, the necessity of explaining our policies to the rest of the world and the use of persuasion as a supplement to power. These are directions that, in a general way I think, pretty well express the objectives of the present efforts of this Alliance, and secondly express, at any rate, the judgment of my Government.

If we are to be realistic about the possibilities of the further improvement in our relations with the Soviet bloc, we must be as clear as possible in our own minds as to the reasons which may have prompted the Soviet Union to sign the Test Ban Treaty and other limited agreements and, secondly, we must be in general agreement amongst ourselves about what is and what is not negotiable with the Soviet Union and I believe that the following factors entered into the Russians' decision to sign the Nuclear Test Ban Treaty.

First, the Cuban episode had been a sobering lesson to them, probably involving a major reassessment of the risks of an unrestricted arms race and, as we were reminded by Mr. Butler, they face serious resource allocation problems particularly in agriculture and may have wished to remove the pressure for increased defence spending to concentrate new resources in the civil and agricultural fields. Third, a period of high international tension, particularly in Berlin and Cuba, which had brought few returns and the Soviet leaders may have considered that a period of relaxed tension could contribute to Western disunity and improve the climate for Soviet activities in the uncommitted countries. Fourthly, the Sino-Soviet dispute had reached such a pitch that signature of the Treaty in the face of Chinese opposition would have the useful effect of isolating the Chinese and enhancing the Soviet image as the protagonist of a peaceful coexistence; and fifthly, they had finished their own nuclear tests for the foreseeable future and did not consider that additional test series could significantly change the strategic balance.

Mr. MARTIN (contd)

I suppose that we all have our ideas as to why this progress was made and why there was this partial agreement with regard to a nuclear test ban. Hopes that the Test Ban Treaty might create the right atmosphere for further agreements on major issues between East and West have so far been disappointed and, as Mr. Schröder certainly by implication reminded us, we continue to have before us the unsolved problems which divide East and West. My Government, however, does not believe that because these hopes have not yet borne fruit we must stand still. The Soviet Union, while disappointed in its hopes of easy victories in Western Europe and the rest of the world has, at the same time, shown evidence of realising the risks of total war in the nuclear age. I subscribe strongly to the view expressed by Mr. Butler that there is an advantage in making contact.

We in the West must seek to build on this gradual and welcome change in Soviet thinking. The dialogue between East and West should, in our view, be continued with the aim of reducing the risks of war which could only have catastrophic results for all concerned, and I was pleased when Mr. Spaak visited Poland a week ago. It seems to us that contracts of this sort cannot help but have a very great value.

What I have said about contacts with the Soviet bloc is also valid with respect to China, for we do not believe that a policy of total isolation of that country is satisfactory or in our own interest and, as Mr. Schröder reminded us, the late President of the United States did observe that it was desirable to have talks, if talks will help. I suppose that basically this is the view that all of us take. I cannot help but recall that, and I'm sure Mr. Spaak does, the atmosphere that prevailed shortly after the end of the Second World War, in the United Nations, when the intransigent position of the Soviet Union and our own attitude toward them was such that contact was not only impossible, on a government to government basis, in the territory of the other, but it was even impossible and undesirable and unfashionable within the precincts of the United Nations itself. We all recall that isolation that attended the entrance of the Delegations of the Soviet Union in the political committees of the United Nations, and our reluctance even to have contact within that restricted area, and how after 1946 and 1947 we made appeals in the United Nations for further contacts with the Soviet Union and how we were met when these appeals were made, by the vituperative replies of Mr. Vishinsky that at no time would the Soviet Union ever open its windows to the ideas of the West. Well, this policy of isolation, mutually agreed upon at that time, was proven, I think, by events to have been a wrong attitude and it seems to us that the improvement in the present atmosphere is due, somewhat, to the relaxation that developed and that has developed on both sides with regard to this kind of penetration and intercourse.

Mr. MARTIN (Contd)

I should now like to say something about the areas where we consider some further progress may be possible. The 18-nation Disarmament Committee is to resume its sessions, as we all know, on 21st January. The later members will continue trying to persuade the Soviet Union to accept the concepts of the United States outline proposals for disarmament in a peaceful world. In the eighteen months or so during which the ENDC has been meeting, there has been some ground gained but no rapid progress toward agreement on general and complete disarmament, of course, is to be expected. And perhaps until we find some political solutions this will continue to be the situation. So-called collateral measures really are measures preliminary to disarmament and offer greater hope. A number of these measures are now before the ENDC but today I only want to mention two.

The first of these is the proposal for ground observation posts and related measures intended to guard against surprise attack and I noted with interest what Mr. Schröder had to say about this. In the opinion of the Canadian Government, these proposals could be developed into a valuable safeguard for peace. If suitable conditions for operating these observation posts and military missions can be negotiated with the Russians, the threat of a surprise attack by massive land forces might be eliminated. After all, NATO was created to guard against exactly that very threat. The North Atlantic Council, the Political Advisors Committee, as we know, have been dealing with this subject for some time. It is necessary to examine it in all aspects with care for we must be sure we do not make a bad bargain which would lessen the security of the Alliance or any member of it. It has become clear that there is a difference of opinion in the Council as to the usefulness of establishing ground observation posts, and also as to the method of arriving at a decision in the matter. However, the discussions, as I understand them, have made clear the basic interests of the Alliance and its members which must be safeguarded in any future negotiation on the subject.

These are, briefly then, that an agreement on GOP should not enhance the status of the DDR; serve to perpetuate the division of Germany; discriminate against any particular country or establish a zone of special interest in Central Europe which might lead to arrangements envisaged by the Rapacki Plan; weaken Western defences by causing the evacuation of the most modern heavy armaments from the areas subject to inspection by Soviet observation posts; increase the Soviet capability in the fields of espionage, propaganda and subversion against the West.

Mr. MARTIN (Contd)

Now, the purpose of any negotiation in the 18-nation Disarmament Committee should be to clarify what the Soviet Union is prepared to agree to and whether an arrangement can be reached which would heighten the security of the Alliance. It goes without saying, of course, that there would have to be close and continuous consultation in NATO as the negotiations proceed but I believe that there is ground for further improvement in the consultations between what goes on in this Committee in Geneva and NATO itself. As for the model or detailed specification of the siting, manning, freedom of movement and functions of the ground observation posts, spreading of this by the North Atlantic Council and the military staffs should continue and doubtless agreement on the main outlines will eventually be reached, but as the whole arrangement would have to be negotiated with the Soviet Union, it would not appear necessary or desirable at this time for the NATO study of this question to go into too great detail and no final arrangement can be reached with the Soviet Union without the concurrence of all members of NATO, whose territory or interests would be affected.

Now, Sir, the other collateral measure which I wish to refer to is the preventing of the further dissemination of nuclear weapons. The danger which dissemination would create is well understood and there is no need, here, for me to enlarge on it. We have all agreed on the principle by accepting the Irish resolution at the United Nations on this subject at the Sixteenth General Assembly. It would seem particularly important for the West to continue to indicate a willingness to enter into an agreement on non-dissemination. There was very considerable interest in the concept of Nuclear Free Zones at the Eighteenth Session of the United Nations General Assembly and we expect to be addressing ourselves to this problem at Geneva. I believe that the Western countries were successful at New York in laying the groundwork for orderly consideration of these zones at Geneva, in a way best suited to protect the security of NATO members. To this end, particular emphasis was placed on the examination of the principles or criteria which should guide the establishment of Nuclear Free Zones. Since the creation of such zones, subject to proper safeguards in some areas of the world, could conceivably add to the security of the NATO area, even though patently out of the question within that area, it seemed best to adopt this flexible approach.

Mr. MARTIN (Contd)NATO SECRET
C-VR(63)73

We have also been attracted by the suggestion that the Eighteen Nation Disarmament Conference at Geneva should meet at regular times and for regular periods. We believe that, if a Disarmament Conference can be accepted as a regular part of the international calendar, many of the tactical problems concerned with the current conference might be overcome and, of course, it would become a great deal more difficult for the Soviet Union to bring the Disarmament Conference to an abrupt end. I think we are all agreed that its continuation, however slow the progress on substance may be, is a useful element in the preservation of a more relaxed international climate and, because our own peoples demanded and because this is demanded by the peoples of the world, we would, I think be remiss in not patiently seeking to negotiate for some possible agreement in this area and, who knows that the international climate would so develop as to give us perhaps even a surprised opportunity for a further agreement with the Soviet Union.

Since Cuba, the situation in Berlin has been relatively stable, in some measure thanks to the increased confidence and prosperity of West Berlin itself, but the recent autobahn incidents have served to remind us that basic Soviet aims in Berlin have not altered whatever the reasons may be. Some of the purposes of the recent Soviet probes are probably to remind the West of the limitations of the present improved atmosphere, to maintain an undercurrent of uncertainty in Berlin itself, to test Allied contingency plans and general resolve and to re-assert for the record the alleged Soviet rights to control traffic on the access routes to Berlin. Fortunately, the firm Western reaction to these proposals appears to have had a salutary affect on the Soviet Authorities, though I would not by any means rule out further incidents in due course.

Another sign that the Soviet Union has not changed its position on Berlin is the attitude taken by Mr. Gromyko on the possibility of negotiating an arrangement between NATO and the Warsaw Pact Powers. While it is of interest that the Soviet Union has taken account in, the procedural sense, of the Western requirement to link Berlin access rights to any non-aggression arrangement, I refer to Gromyko's suggestion that a non-aggression pact be accompanied by a unilateral Soviet declaration on Berlin. The substance of this declaration is clearly unsatisfactory. It would appear that the Soviet Union has concluded that the chances for agreement on a non-aggression pact are poor and many of us will recall our own talks with Mr. Gromyko at the United Nations, when he hardly even raised the subject, notwithstanding the attention that was given to it in Moscow during the month of August. I do not see any particular advantage to the West, however, in taking direct steps to drop the subject of a non-aggression pact from the list of those matters capable of further exploratory discussion with the Soviet Union.

Mr. MARTIN (Contd)

Even if no settlement of European security problems is in the offing, the present atmosphere is one in which it should be possible to arrive at a number of bilateral agreements of mutual advantage in such areas as commercial relations, consular conventions and cultural exchanges. Bilateral negotiations may, in themselves, help to perpetuate the present atmosphere and it is surely in our interests to accustom the Communist powers to working more closely with us if they are to learn the habit of co-operation so vital in any tolerable long-term relationship between the worlds of East and West.

I was interested in what Mr. Schröder had to say about trade with Eastern Europe. In Eastern Europe I think there are opportunities and advantages right now of increasing our contacts through commercial and other exchanges. These countries are displaying a growing individuality, a growing nationalism, a growing desire to assert their own interests in general policies and particularly in their foreign economic relations. I myself, during the course of last autumn, have had visits from the representatives of the Governments of Poland, Bulgaria and Czechoslovakia, who have come to Ottawa to discuss matters having to do with the negotiation of wheat contracts and we have had exploratory talks with Hungarians and Rumanians on trade and other matters in New York and in Geneva and we believe that these are pursuits of a constructive and positive value.

As I say, these countries are showing an increasing interest in these matters and they are displaying a measure of autonomy which has not always been the case. However, at the same time, the Soviet Union seems willing, too, at least to tolerate this development, on their part, within limits. We cannot reasonably expect these countries to break away from their alliance with the Soviet Union, nor to assume divergent positions on important foreign policy issues. But we can encourage, by a judicious willingness to enter into closer exchanges with them, some reduction in their feeling of total dependence on the Soviet Union, some restoration of their traditional links with the West and some growth in internal liberalisation of the régimes which will make them less intolerable for the populations.

The possibilities open to individual NATO countries, vis-à-vis individual Warsaw Pact countries are too varied, of course, to permit of a single, tightly co-ordinated NATO policy towards the satellites. However, I believe we are generally in agreement in our assessments of developments in Eastern Europe and, provided we keep each other informed as to what we are doing, I am convinced that any individual initiatives we take to help these countries to have more normal contacts with the West are in the interests of all of us and in the interests of world peace.

Mr. MARTIN (Contd)

We believe sincerely that East-West trade is desirable for political reasons, as well as for the commercial advantages which it provides and that the long-term improvement in political attitudes and institutions within the Soviet Bloc will come about only through greater contacts with the West in trade and other fields.

It appears to us unwise to attempt to force the Soviet Union to alter its policies by refusing to trade with it, or by refusing customary credit facilities. I don't want to traverse the discussion we had here three weeks ago prior to the OECD meeting. That was a useful discussion and I think that it highlighted the general attitude about the danger of a policy of non-discrimination in trade in non-strategic goods with the Communist world. Certainly, Canadian policy generally, while it is to limit credit guarantees to Communist countries within the terms of the Bern Convention, nevertheless looks upon commercial contact with these countries as productive not only in economic, but in wide political terms. I need not say, of course, that Canada continues to observe the five-year limit rule. We have not extended credit over the three-year period, nor have we extended government-to-government credit at all, in recent years, to Communist countries. My Government intends to permit the development of trade in non-strategic goods with the Communist world, but we agree that credits and other techniques such as quota and barter arrangements sometimes used to influence the direction of Communist purchases in the West, should be kept under review by NATO.

Now, Sir, outside of the direct responsibility of the Alliance, there are areas where, because of our peace-keeping responsibilities, or our geography, Canada has specific interest and where we believe there is considerable danger of renewed trouble in the coming months. The confused and unstable situation in Laos remains with us and, while the ultimate objective in Laos is the integration of the Left and Right with the Neutralist centre, the immediate requirement is the preservation of the Neutralist centre in the persons of Prime Minister Souvanna Phouma and General Cong Le as a distinct and influential element in that country. Up to the present time, the supervisory activities of the International Commission, on which we serve, have been confined to what the Pathet Lao, as an element having a veto in the Government, would permit. In terms of formal investigations, this has not been much and occasionally we have felt that our friends did not fully understand the reasons for the resultant lack of Commission activity. While sharing their sense of frustration, we have been more conscious of the limitations inherent both in the Geneva Agreements themselves and in the troika Laotian Government. It has been clear to us that the choice has been between having investigations which are severely limited by the Communists and having no investigations at all. Our efforts to secure greater freedom of action for the Commission have been determined, if not so far very successful, but we intend to persist.

Mr. MARTIN (Contd)

The new Government in Saigon does not suffer from the same disabilities that made the prosecution of war against the Viet Cong increasingly difficult under Diem, and at present this Government has a wider base, seemingly, of popular support. But the coup did not solve the problem of the Viet Cong, who are as strong as ever. There have been signs that the Communists might revive their campaign, advocating settlement of the war by negotiations leading to a neutralist South Vietnam. We have seen no signs whatsoever that the Communists in North Vietnam would co-operate any more loyally with a neutralist South Vietnam than the Pathet Lao in Laos; and our interest thereto, of course, arises out of the fact that again we serve, along with India and Poland, on the Commission, as we do in Cambodia and in Laos.

The Arab World remains a source of potential conflict that could involve both the Soviet Union and the West, as we all know, and I am sure that my distinguished Turkish colleague will be giving us one of his useful and comprehensive reviews of recent developments, but I would only wish to add one word about Yemen.

As the Council knows, Canada agreed to contribute the air component to the United Nations Observation Mission in Yemen for a period of two months, which has since been extended to six. This has been an expedition about which we have had great doubts from the beginning. This engagement has made very little progress and a confrontation between Saudi Arabia and the United Arab Republic in Yemen remains all too possible. The whole question of the future United Nations rôle in the Yemen is, as we know, under review and suffice it for me to say that we consider that there is little point in continuing the Observation Mission beyond January 4th, 1964. Secondly, if there has been any disengagement, it has been not too perceptible but I do admit that the existence of the Mission has perhaps been a contributing factor in stabilising the situation in Yemen.

However, we believe a settlement is more likely to come through the establishment of a United Nations Political Mission to encourage the Yemeni to form a broader-based government permitting the eventual withdrawal of the forces of the United Arab Republic.

Recent developments in Cuba do not give hope for the improvement of the lot of the Cuban people; nor a change in the attitude of the Castro Government. Canada maintains diplomatic and some commercial relations with Cuba while having no sympathy with the regime which has betrayed the original objective of the Cuban revolution and reduced Cuba to an economically backward police state dependent on the Soviet bloc. We see no reason for cutting off our diplomatic ties with Cuba nor do we believe that this would have any effect on Cuba's policies.

Mr. MARTIN (Contd)

Complete isolation of the island is not necessarily the best method of contributing to whatever long-term possibility may exist for the Cuban people to free themselves from the grip of international Communism. The policy of my Government, therefore, is to continue to ban the export to Cuba of military or strategic material and the re-export to Cuba of goods of United States origin. We also intend to continue to prohibit flights over Canadian territory or technical landings at Canadian airports of Soviet aircraft en route to or from Cuba.

Search procedures of Czechoslovak and Cuban aircraft passing through Gander or Halifax bound for Cuba from Eastern Europe are also being maintained.

Finally, Mr. Chairman, I believe that in the months ahead we must press quietly and persistently our point of view on the Soviet Union in those areas where, as I have suggested, some progress appears possible. This may be one of the great turning points in human history; this may be the end of the post-war period. Perhaps we are now engaged in the processes to a new chapter in contemporary history. The solidarity of the Alliance is all important but so is the need not to stand still with respect to our own problems in the Western world, and we must get on, I agree, with such matters as the Kennedy round and rapid implementation of the NATO Defence Review. Above all, I subscribe to what has been said by those who preceded me. We must work towards a greater sense of partnership between the two sides of the Atlantic and towards the unity of the Alliance.

Mr. STIKKER

Gentlemen, it is now nearly half-past twelve. I don't know what the wish of the Council is. We have a luncheon, I think, at one o'clock and if there were one speaker more, it would bring us to after one o'clock, so could I suggest that we stop now and that we come back here after luncheon at three-thirty? Is that agreeable?