

September 10, 1954

M E M O R A N D U M

To: The Secretary

Through: S/S

From: EUR - Livingston T. Merchant

Subject: Alternative to EDC.

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Attached at Tab A is a Memorandum for the President which he has already received outlining a program to meet the present European crisis. At Tab B is a paper which spells out this program in greater detail. At Tab C is a proposed NATO resolution to be approved by a special Council meeting in October. At Tab D is a proposal for restoring German sovereignty.

In connection with these papers, I should like to call your attention particularly to the following points:

1. The President should be aware that we have not attempted to deal with the problem of what happens in the event of the unification of Germany. We are continuing to consult the Legal Advisers' Office on this point in an effort to develop a position.
2. In your absence, we have not submitted a copy of these papers to the Department of Defense, although we have kept them generally informed of our thinking. I believe we should transmit copies of the papers to Defense for their comments as soon as you have had a chance to review them. We should also transmit promptly copies to Ambassador Hughes and General Gruenther for their private comments.
3. From the tactical point of view, particularly in negotiating with Adenauer, we should not accept the position that the contractual agreements are dead. There are still some principles in these agreements which are important to us and our bargaining position will be better if we cling as long as possible to the view that they remain in effect.
4. In discussing our position with the British and French we should emphasize that we are not relying only on unilateral German commitments. Many of the provisions in our program which will limit German control over their military establishment are multilateral.
5. In negotiating with the Germans on the status of forces problem, we will probably be driven back on acceptance, at least publicly, of the NATO SOF formula. In order to improve our position vis-a-vis Defense and Congress, we should, however, attempt vigorously to negotiate additional concessions on treatment of troops in a supplementary arrangement such as we have recently reached with Italy.

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6. We are agreed that for the practical purpose of putting pressure on the French we must have a veto-proof alternative for German rearmament such as that outlined in paragraph 4 of Tab B. I wish to emphasize, however, my conviction that any alternative requiring us to proceed without French cooperation does not conform to your basic principle that a strong Europe can be built only on Franco-German collaboration. Consequently, any such alternative is not an end itself but only a bargaining device and we should not become over-committed to it, but should retain essential flexibility.

7. If an opportunity presents itself, I suggest you ask Secretary Wilson and Admiral Radford to pull together from the many studies now going on in the Pentagon the essential military comments on the British document outlining their program for German membership in NATO. I am convinced that at some point in our forthcoming negotiations we must have a position on this particular paper.

ATTACHMENTS:

- Tab A - Memorandum to the President
- Tab B - U.S. Position on Alternative to EDC
- Tab C - Proposed NATO Resolution
- Tab D - Restoration of German Sovereignty

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TAB A

EDC - Keeping in mind the principal objectives of the EDC package, we are considering two alternative approaches. The first would bring Germany directly into NATO. The size, composition and disposition of German defense forces would be controlled principally by NATO agreement on non-discriminatory safeguards. The Germans would also undertake certain voluntary commitments unilaterally as part of the terms of their admission to NATO. We would move concurrently to restore sovereignty to West Germany.

The second alternative would be used if, as is possible, the French prevent the first. This second alternative provides for steps by the US, UK, and Germany (including possibly Benelux and Italy) to proceed without French concurrence with German rearmament under a defense agreement along the lines of the Yugoslav-Greek-Turk Pact. While negotiating this agreement actual training of German cadres could begin in the US and UK Zones. These steps might induce a welcome change in the French position.

We would continue to encourage European integration.

Our tactics and timing would be to reach as wide as possible agreement before a full NATO Ministerial Meeting early in October. At the NATO Meeting we would attempt to secure the preferred first alternative.

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TAB B

US POSITION ON ALTERNATIVE TO EDC

The major objectives of US security policy toward Western Europe have been:

1. To associate Germany with the West.
2. To foster further progress toward European integration, particularly Franco-German reconciliation.
3. To obtain a German contribution to Western defense.
4. To restore sovereignty to Germany and end discrimination against her.

French rejection of EDC has blocked that road to attainment of these objectives. If the Europeans can lay out and follow an alternate route promptly and with determination, we should support them because of our vital interest in a strong Europe. The essential elements of an alternative program would be the following:

1. German Membership in NATO

Germany should be invited to accede to the North Atlantic Treaty by agreement among all the signatories in accordance with Article 10. In accepting this invitation, Germany would submit a formal reply emphasizing the defensive character of the forces she expects to contribute and undertaking to follow in her initial contribution the size and composition of forces specified in the EDC Special Military Agreement (this excludes submarines and strategic bombers). She would also undertake to produce equipment needed for the common defense. She would state, however, that she would not produce atomic and thermo-nuclear weapons, military aircraft, etc. (other items in Annex II of Article 107 of EDC Treaty) because of her exposed strategic position except as agreed by NATO.

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Parallel with this step, NATO should reach agreement on a program for more effective military integration. In accepting membership in NATO, Germany would, of course, be bound by these agreements. This program would have as its objective strengthening the military effectiveness of the forces committed to NATO. It would as a by-product limit autonomy of any forces committed to NATO in Europe which would include all German forces as provided below. It would thus have the advantages of being desirable in its own right and non-discriminatory vis-a-vis Germany. The following points should be covered:

- (a) Further integration and internationalization of command.
- (b) Strengthening of SACEUR's control over deployment of forces committed to him so that they will be deployed in accordance with NATO plans and can be moved within his area only as a result of his decision. SACEUR would be subject to appropriate political guidance in the exercise of these powers.
- (c) Strengthening of Annual Review including formal NAC agreement that changes in previously approved force goals and force commitments to NATO should be made only in accordance with the Annual Review process.
- (d) Agreement on integration of supply and logistics including proposal for international depots (Bogart Plan).
- (e) Invitation to all NATO members willing to participate but aimed primarily at the Six to form an "Arms Production Pool" going as far as possible in the direction of the EDC provisions. (The US should be ready to indicate a preference for channeling its aid to the Six through such a body rather than directly.)

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This program could be agreed and implemented without any modification of the Treaty. It would not, however, be effective unless supplemented by agreement on a new protocol committing signatories not to maintain forces other than those committed to NATO Commanders except for certain specified purposes. Since these would include the right to maintain forces needed to fulfill defense responsibilities in areas other than Europe or outside the NATO area, it should be possible to obtain Senate approval. At the same time this protocol should improve the chances of French and British approval by limiting German forces to those assigned to NATO.

Every effort should be made to reach agreement on this program first with the British and Germans and then with the other EDC countries and Canada in time for a meeting of the North Atlantic Council prior to October 15. At this meeting the Council would approve in principle German membership in NATO. It would also approve a resolution covering very broadly the program outlined above and instruct the Permanent Representatives, working with the military bodies, to draw up detailed documents carrying out the program for approval by the Council at its December meeting. The objective would be to agree in December on a complete program, made as impressive and attractive as possible, for use in securing parliamentary approval of those portions of it for which this is necessary.

2. Restoration of German Sovereignty

See attached Tab B.

3. European Integration

21619 Every effort should be made to restore impetus to the movement for European unity. We should continue to support the European Coal and Steel Community and to encourage any other practical steps for economic integration. An effort should be made to move toward a European political

community either by reviving the Charter drawn up by the Schuman Plan Assembly last year, or by calling a directly elected European Assembly, in accordance with the Declaration of May 1954, and assigning it the responsibility for drawing up a Charter. France, of course, would be expected to participate in these endeavors. At the NATO Council meeting in early October a strong resolution along these lines should be approved by the Ministers. We should also support a European solution for the Saar along the lines agreed between Adenauer and the preceding French Government.

4. German Rearmament outside NATO

If the above fails to obtain French concurrence in German membership in NATO, and in the German defense contribution, we should be prepared to adopt a new position, the essential feature of which should be that it would make it possible to circumvent a French veto. We should work out the substance of this position in advance with the British, but should not discuss it with the French or other powers unless it becomes necessary because of French obstructionism on NATO membership and the defense problem. The French should be informed that the door is always open to French concurrence in the German NATO membership solution or to a revival of EDC. However, it is necessary in the meantime to work out a program for dealing urgently, although less satisfactorily, with the German problem.

The first step in this program would be a joint US-UK request to their respective Joint Chiefs of Staff to review together the strategy for Western defense on the assumption that French cooperation will not be forthcoming. Although a final US position should await the results of this study, we should indicate to the British that we are thinking along the lines of two main steps:

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- (a) Draw up a defense pact among the US, UK and Germany on a basis analogous to the Greek-Turkish-Yugoslav pact. This pact would be valid only until a change of circumstances makes possible German admission to NATO or a revival of EDC.
- (b) Prompt institution of the "interim measures" program for actually getting under way the preliminary training of German forces.

This program should be implemented with the primary objective of putting political pressure on the French since it is highly unsatisfactory from the standpoint of obtaining the objectives listed at the beginning of this paper.

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