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DAILY  
STAFF SUMMARY

 A DEPARTMENT OF STATE  
POLICY REPORT

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JUNE 22, 1960

S/S-RO - File

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DEPARTMENT OF STATE

**STAFF SUMMARY**

Wednesday  
June 22, 1960

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SPECIAL DISARMAMENT SUMMARY

(Closed 7:30 a.m.)

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**EUROPE:**

US Help to France on Missiles Suggested - Houghton concurs with our Representative at SHAPE and our Acting NATO Representative that no French official is in a position to say authoritatively what de Gaulle wants from the MRBM program, although there is a general consensus that de Gaulle desires US help in creating an independent nuclear deterrent. Houghton believes Spaak's proposals would be more likely to meet whatever may be de Gaulle's desires if they were broadened to offer France the additional possibility of buying missiles other than the Polaris for national use or of acquiring US know-how on ballistic missiles in general. Houghton is increasingly convinced it would be in the US interest to offer France assistance in acquiring national ballistic missiles, whether in the form of sales or of research and development, for the following reasons: 1) such an offer might provide a means of strengthening French ties with NATO by inducing France to accept, on its territory, some MRBM's and associated NATO atomic warhead stockpiles controlled by SACEUR; 2) helping France to acquire this element of a national nuclear force also would mean assisting it to achieve the position de Gaulle wants for France in world affairs; and 3) such an offer would have a beneficial effect on US-French relations which, if we refuse to modify our position, will suffer a serious setback.

Paris 5953 6/20 (S) LD

Reactions to Algerian Communique Noted - Foreign Minister Mokaddem has told Walmsley that Tunisia was satisfied with Algerian rebel response to de Gaulle's offer and attached great importance to the rebel decision. Tunisia viewed a final resolution of the Algerian war as leading to stability in Africa, the re-establishment of French prestige, and a normalization of French relations with Africa and the free world. Furthermore, Tunisia hoped the US would use its credit by being "helpful" to the French through diplomatic channels wherever appropriate, avoiding actions or words that would hinder rather than facilitate the negotiations. Regarding a Tunisian role, Mokaddem said Tunisia would not offer good offices or mediation of any kind, at least as long as contacts and negotiations were taking place between the two parties. However, he was favorably impressed by the idea that Tunisia and Morocco might serve as custodians of Algerian arms if a cease-fire were successful and no other formula were found for the "destination of arms." By this means, there would be no "surrender" of rebel forces, although the French Army could claim pacification had been achieved.

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Embassy Paris notes that Socialist leader Mollet broke his silence yesterday by declaring his support for de Gaulle's appeal and the Algerian response. Consulate General Algiers reports there are no indications of imminent political action by "French Algeria" elements and, despite a tense atmosphere, there seems to be little promise of significant disorders in Algiers in the next few days. While there may be some unhappiness in the Army, no reason is seen to question the French Government's assumption that the Army is essentially loyal. Nevertheless, bitter resentment of de Gaulle and suspicion that his policy is aimed at the eventual disengagement of France from Algeria remains deep-seated. Embassy London, meanwhile, reports the Foreign Office is cautiously optimistic regarding the rebel response. The Foreign Office has speculated that the rebel decision stems from discouragement regarding operations in Algeria and uncertainty concerning the effectiveness of assistance from such sources as the Chinese Communists. Tunis 1836 6/21 (C) Paris 5974 6/21 (OUO)

Algiers 410 6/21 (C) London 6146 6/21 (OUO)

Iceland Queries US on U-2 and Keflavik Base - The Icelandic Foreign Minister has asked Thompson whether the US had used Keflavik for U-2 flights to or over non-NATO countries and whether atomic bombs or weapons were kept at Keflavik or carried through it in transit. Thompson comments there was no indication that these questions arose out of anything other than Iceland's concern over the international situation. As regards the storage or transportation of atomic weapons in or through Keflavik, the Foreign Minister did not request assurances that Iceland's prior agreement must be obtained. In this connection, Thompson feels that the storage of atomic warheads in Iceland without the latter's prior agreement would be a mistake and suggests that, if we have no intention to do this, we so inform the Icelandic Government without awaiting its request to this effect.

Reykjavik 367 6/21 (S)

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NEAR EAST:

Canadians Approach Turks on Diefenbaker Proposals - The Canadian Embassy at Ankara has informed our Embassy it had approached the Turks, in following up Diefenbaker's conversations here, concerning: 1) an acceleration of studies of NATO's future along the lines of the US proposals; and 2) a NATO heads-of-government meeting in Ottawa. Sarper

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now has informed the Canadians that, while he and Gursel still wished to review the matter with the Cabinet, they could agree "in principle." However, if a heads-of-government meeting occurred while the Turkish provisional Government were still in office, it was doubtful Gursel would attend. Our Embassy comments that the provisional Government has been reluctant to become involved in long-term planning or commitments and that its reply concerning Gursel's participation in a NATO meeting is consistent with the Foreign Office line that he will devote attention to domestic affairs.

Ankara 3006 6/21 (C)

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**UNITED NATIONS:**

Argentina Opposes Security Council Postponement - Argentine Representative Amadeo told our UN Mission yesterday afternoon his Government wished to continue with the Security Council meeting on the Eichmann case and would oppose any motion for postponement. Amadeo planned to introduce his resolution in a speech this morning and hoped the Council could finish its work on the resolution by noon tomorrow. A UK delegate later said that, as long as Argentina opposed postponement, he saw no further opportunity to postpone the meeting until after the parties had spoken. He believed, and our Mission agrees, that there would not be enough votes to support such action. The Israel Representative told our Mission that a postponement motion was likely to be made and that it would be a serious matter if the US took the responsibility for continuing the Council meeting. He warned that what happened in the meeting today would have a great influence on both the Council and Ben-Gurion. Amadeo insisted he had no flexibility in his instructions on postponement when Lodge urged him last night not to introduce his resolution today and to agree to postponement until Monday. In rejecting these suggestions, Amadeo argued that the resolution would help restore a balance in any meeting between Ben-Gurion and Frondizi; Israel would have Eichmann, and Argentina would have the resolution. He said Argentina was aware Israel would not return Eichmann, and the resolution would allow Argentina to close the case.

Earlier, Amadeo had agreed, subject to his Government's approval, to our two suggested additions to the Argentine resolution. However, he had found the revised resolution prepared by the UK,

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France, and Italy unpalatable because it went too far toward Israel's position. Meanwhile, Embassy Paris was informed by the French yesterday that they understood Ben-Gurion and Frondizi had agreed to meet in Brussels on Friday.

New York 1423, 1426 6/21 (C) Paris 5982 6/21 (C)

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**FAR EAST:**

Viet-Nam Denies Diversion of US Aid - The Vietnamese Ambassador, in replying to our May 13 demarche on developments in Vietnamese-Cambodian relations, has assured us that no US aid had ever been diverted to guerrilla activities. Viet-Nam appreciated US aid and concern over increased guerrilla activity, but, faced with the "fantastic credence" to pernicious propaganda given by the US, it was sorry to note that Communist propaganda was beginning to "bear fruit." We pointed out the greatest danger was Chinese Communist intrusion, which would make all other problems insignificant. If this should occur, our close association with Viet-Nam and Thailand would require us to come in. Meanwhile, the Foreign Office has told Embassy Saigon it had serious doubts about maintaining its representation in Phnom Penh in view of the repeated insults to Viet-Nam printed in the Cambodian press.  
To Saigon 2277 6/21 (S) LD Saigon 3500 6/21 (C)

Japanese Developments Reported - Ikeda, Minister of International Trade and Industry, has told Embassy Tokyo his goal was to succeed Kishi directly and he was confident he would be successful. Ikeda pointed out that it was only the support of his faction that had made it possible for the Government to get the Treaty through the Diet. When asked about rumors concerning Socialist connivance with the anti-mainstream on a no-confidence motion to force Kishi down before the exchange of treaty ratification instruments, Ikeda said this was not likely. The Embassy comments Ikeda gave the impression he believed the Prime Ministership was within his grasp and would value US cooperation. From the viewpoint of US interests, Ikeda is by far Kishi's best successor, since he believes staunchly in the US-Japanese partnership and is militantly anti-Communist. The Embassy also reports that, although the Socialists and anti-mainstreamers are continuing their efforts to unseat Kishi, the indications are that any last-minute efforts before the treaty goes into effect will not succeed.

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Meanwhile, the Under Secretary has replied to Alphand's request for our views on the Japanese situation that if new elections were held, Kishi's party would win again, although perhaps with a smaller majority. The Under Secretary said we had detected no repercussions of the Japanese developments elsewhere in Asia. Embassy Tokyo, in the meantime, makes the following comments on the role of the Japanese police in the crisis: 1) the police and security authorities remain loyal, disciplined, and effectively organized and are in no way influenced by the Communists; and 2) the police have steadfastly sought to limit the scope and extent of the demonstrations, and there is no evidence to suggest their connivance with the demonstrators. The Embassy also observes that, although the situation has not been entirely satisfactory at senior police levels, it considers the police rank and file as the only element in Japan which has emerged with credit from the recent incidents.

Tokyo 4352 6/21 (C) LD 4353 6/21 (C) 4347 6/21 (S) To Paris 5438 6/21 (S)

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**AMERICAN REPUBLICS:**

US Asks Consideration of Cuban Problem - We have informed interested posts our Representative has pointed out to the Inter-American Peace Committee that in future reports the Committee could not fail to confront the problem of Cuba as related to Caribbean tensions. He mentioned four aspects of the problem: 1) interventionist activities of Cuban representatives in other countries; 2) Cuba's provocative acts against the US and other countries; 3) the increasing resort to totalitarian political methods; and 4) the increasing orientation of Cuban policy toward that of the Soviet bloc. Our Representative further made clear that the information on Cuba which we will soon submit would be in response to the Committee's request for information on Caribbean tensions, and not as formal charges against the Cuban Government.

To Caracas 1081 6/21 (C)

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SPECIAL DISARMAMENT SUMMARY

June 22, 1960 (a.m.)

Ten-Nation Disarmament Conference - Our delegation reports that, based on Communist performance during the last two days, there is relatively little danger that the Soviets will break off negotiations this week. In any case, if they should, we would be in a good position to point out that they did so while we were engaged in consultation about the negotiations. The delegation is concerned that, if we are not able to make positive statements in the sessions immediately following Eaton's return to Geneva, the Soviets might try to forestall our presentation by an immediate break. It therefore suggests we consider requesting a recess, in the first session following Eaton's return, from three days to one week on the ground that consultation among the delegations is required in order to expedite the Conference work. Meanwhile, our NATO Mission has advised that, in view of the Council's past insistence on adequate consultation concerning Western disarmament proposals and of press reports that the Western consultations are for the purpose of modifying the present plan, it expects a Council request today to consider any new or modified proposals before they are advanced at Geneva.

Geneva Deldi 214 6/21 (C) LD Paris Polto 2514 6/21 (C)

Nuclear Tests Conference - Our delegation comments the last two meetings have indicated that our repeated challenges to the Soviets to comment on the large number of Western proposals now before the Conference may have struck home. On Monday, Tsarapkin introduced his amended draft of the Western staffing proposal, and yesterday he presented a "compromise" proposal on the selection and terms of office of the administrator and deputy administrators before his delegation had had time to polish up the draft text he has promised to present today. Our delegation believes this new Soviet activity may be designed to prevent us from increasing our allegations of Soviet stalling. If it continues, the tactical advantage we have lately had in this respect will be necessarily diminished unless we in turn can feed in new material.

Yesterday, a Soviet delegate remarked to a member of our delegation that the Conference might as well agree on a substantial vacation period this summer since it obviously would continue into 1961 in view of our inability to reach policy decisions during an election

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period. Our delegate replied that, since the negotiating policy of the Conference was not a partisan issue in the US, there would be no unusual difficulty in formulating policy in the next few months. Indeed we were disturbed by the indefinite extension of the de facto moratorium which could not be allowed to continue indefinitely, and wished to press forward with the negotiations as rapidly as possible. The Soviet delegate appeared surprised and impressed by this rejoinder. Our delegation comments that the prevalence of this thinking among Soviet delegates is undoubtedly due to the influence of the current Moscow line regarding the present administration, and suggests we consider the effect that some US initiative on a major outstanding political issue in the Conference would have on the Soviet assessment of our approach to the negotiations.

Our delegation has learned that the UK plans to suggest later this week that the Conference discuss the question of what action should be taken at the end of a moratorium. The UK will note that it sees no objection to an understanding that consultation will take place, as long as no restriction is placed on the freedom of individual decision in the event the three original parties are unable to agree. Our delegation has suggested to the UK that two months before the end of the moratorium would be an appropriate date for initiating consultation.

Geneva Supnu 1158, Supnu 1165, Supnu 1166 6/21 (C) Supnu 1167 6/21 (OUO)

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June 22, 1960

STAFF RECORD

THE SECRETARY:

1. Exchange of State and Defense Officers - Proposed that State and Defense each furnish ten officers to be assigned to duty in the other department for a period of two years, with five of the exchanges beginning in 1960 and the remaining five in 1961; designated the Deputy Under Secretary for Political Affairs as the representative of the Department to work with Defense in bringing this program into being.

6/21/60 - Signed Letter - UNCLASSIFIED - Action: G

(S/S 7374)

THE UNDER SECRETARY:

1. Financial Assistance for Chilean Reconstruction - Approved a general approach to provide financial assistance for Chilean reconstruction; asked ARA to consult immediately with the DLF regarding the possibility of DLF assistance in the housing field; authorized an appropriate contribution from the FY 1961 Contingency Fund, when available, as a grant or as a loan to Chile, repayable in local currency on terms applicable to ICA loans.

6/21/60 - Approved memorandum - CONFIDENTIAL - Action: ARA

(S/S 7317)

2. "Douglas-Hays Amendment" Determination on Jordan - Agreed that the Department, in its contacts with Jordanian authorities, shall continue its efforts by every appropriate means and at every appropriate opportunity to make clear the will of the people and Government of the U.S. with respect to the principles set out in section 2 (f) of the Mutual Security Act; determined, pursuant to Executive Order 10610, as amended, and delegation of authority No. 85, as amended, that efforts to give effect to these principles shall continue to be undertaken separately from the negotiations concerning PL-480 assistance to Jordan.

6/21/60 - Approved memorandum - CONFIDENTIAL - Action: NEA

(S/S 7357)

3. DLF Loan for Honduran Hydroelectric Project - Agreed, at a DLF Board Meeting, to the establishment of a DLF loan of \$2.8 million to the Empresa Nacional de Energia Electrica, an independent Honduran government agency, to finance a portion of the local currency costs of construction and installation for a 27MW hydroelectric project, the loan to be repaid in 25 years in local currency at 3.5 percent interest.

6/20/60 - DLF Board Meeting - OFFICIAL USE ONLY - Action: E

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4. DIF Loan to Turkey for Railway Extension - Agreed, at a DIF Board Meeting, to the establishment of a DIF loan of \$6 million to the Turkish Government to finance the foreign exchange costs of an extension of a single-track branch line in eastern Turkey from Mus to Tatvan, the loan to be repaid in Turkish lira in 20 years at 3.5 percent interest.

6/20/60 - DIF Board Meeting - OFFICIAL USE ONLY - Action: E

5. DIF Loan to India for Railway Equipment - Agreed, at a DIF Board Meeting, to the establishment of a DIF loan of \$45 million to the Indian Government to assist in financing the foreign exchange costs of centralized railroad traffic control and overhead equipment, electric block signaling equipment and electric and diesel locomotives, the loan to be repaid in 20 years in rupees at 3.5 percent interest.

6/20/60 - DIF Board Meeting - OFFICIAL USE ONLY - Action: E

THE UNDER SECRETARY FOR POLITICAL AFFAIRS:

1. Temporary Services for Air France - Urged to CAB Chairman Gilliland that favorable consideration be given a Capitol Airways petition for reconsideration of its application for an exemption under Article 416(b) of the Federal Aviation Act of 1958 to permit that carrier to perform scheduled all-cargo services for Air France on a temporary basis.

6/21/60 - Signed Letter - UNCLASSIFIED - Action: E

(s/s 6649)

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THE DIRECTOR, INTERNATIONAL COOPERATION ADMINISTRATION:

1. PL 480 Grant and Loan to Nepal - Requested, pursuant to Section 104(d) of the PL 480 Sales Agreement with India, that the Bureau of the Budget allocate the equivalent in Indian rupees of \$15 million, representing the rupee equivalent of \$1 million for a loan to Nepal and the rupee equivalent of \$14 million for a grant to Nepal; requested further that the requirements of Section 1415 of the Supplemental Appropriations Act of 1953 be waived with respect to the rupee equivalent of \$14 million.

6/16/60 - UNCLASSIFIED

ICA Record of Decisions (RD/133) dated 6/20/60

THE DEPUTY DIRECTOR, INTERNATIONAL COOPERATION ADMINISTRATION:

1. Deobligation of Funds for Hamadan Airfield - Concurred in the view that the sum of \$7,427,330 fulfills the U.S. commitment in notes exchanged with Iran for the construction of the Hamadan Airfield; approved, therefore, the deobligation of \$2,272,670.

6/20/60 - SECRET

(ICA Record of Decisions RD/133 dated 6/20/60

RECORD CLOSED 10:05 p.m., June 21, 1960

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