

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

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25th January, 1962

NATO SECRET
SUMMARY RECORD
C-R(62)4

Summary record of a meeting of the Council,
held at the Permanent Headquarters, Paris, XVIIe.,
on Thursday 18th January, 1962 at 4 p.m.

PRESENT

Chairman: Mr. D.U. Stikker

BELGIUM

Mr. A. de Staercke

CANADA

Mr. J. Léger

DENMARK

Dr. E. Schram-Nielsen

FRANCE

Mr. P. de Leusse

GERMANY

Dr. G. von Walther

GREECE

Mr. M. Melas

ICELAND

Mr. H. Andersen

ITALY

Mr. A. Alessandrini

LUXEMBOURG

Mr. P. Reuter

NETHERLANDS

Jhr. J.A. de Ranitz

NORWAY

Mr. J. Boyesen

PORTUGAL

Mr. Vasco da Cunha

TURKEY

Mr. Nuri Birgi

UNITED KINGDOM

Sir Paul Mason

UNITED STATES

Mr. T.K. Finletter

INTERNATIONAL STAFF

Deputy Secretary General:

Mr. A. Casardi

Assistant Secretary General for
Political Affairs:

Mr. R.W.J. Hooper

Assistant Secretary General for
Production, Logistics and
Infrastructure:

Mr. Johnson Garrett

Assistant Secretary General for
Scientific Affairs:

Dr. W.A. Nierenberg

Executive Secretary:

The Lord Coleridge

ALSO PRESENT

Standing Group Representative: Général de Corps d'Armée J.M. Guérin

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I. POSSIBLE ECONOMIC COUNTERMEASURES TO BE TAKEN IN THE
FACE OF THE BERLIN CRISIS

Reference: C-R(61)62

1. The CHAIRMAN recalled that at a private session of the Council on Monday, 15th January, he had suggested that the time had now come to take a decision on some of the different proposals for economic countermeasures. He thought it unnecessary to summarize the lengthy discussions to date on this subject, and that the Council should now limit its discussion to the documents on the agenda. At the meeting on Thursday, 7th December, some progress had been made towards securing the full approval by member countries of firstly, the specific measures in the field of civil aviation, and secondly the basic principles to govern a total economic embargo in case of a complete blockade of civil and military access - air or ground - to West Berlin. He invited the Council to begin by discussing the former.

(a) Implementation of the three specific measures
(Civil Aviation)

Document: RDC/61/399

2. Referring to the draft decision in document RDC/61/399, on which a reservation had been expressed by Canada, the Chairman asked whether the Canadian position had now changed.

3. The CANADIAN REPRESENTATIVE said that he was now in a position to withdraw his reservation.

4. The COUNCIL accordingly:

- (1) agreed that, in the event of the Soviets enforcing a partial interdiction of NATO air traffic (civil or military) to or from West Berlin, the three measures listed in RDC/61/332*, constitute an appropriate response, it being understood that, if this situation arose, the Council would at once meet to decide what action would be taken;
- (2) agreed that the governments will make without delay the necessary plans to enable them to implement these measures in case they would be decided in application of paragraph (1) above;

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- (3) instructed the Working Group on Economic Countermeasures to continue their study in the light of the decision in paragraph (1) above, and of the report shortly to be forthcoming from the Legal Working Group;
- (4) noted the reserves made in connection with certain international legal obligations, e.g. the Montreux Convention.

* For ease of reference the three measures are set out below:

- (1) Closure of NATO airports to Soviet bloc aircraft;
- (2) Prevention of transit overflights and technical stops by Soviet bloc aircraft in NATO countries;
- (3) Prohibition against NATO country aircraft calling at Soviet bloc airports.

(b) Total Economic Embargo against the Soviet Bloc

Reference: C-M(61)94

Document: Annex to C-R(61)62

(c) Means of mitigating the effects on member countries of economic countermeasures against the Soviet bloc

Documents: C-M(61)114
C-M(61)150

5. The CHAIRMAN said that he understood from previous discussions that the wording of the draft decision annexed to C-R(61)62 was acceptable to most delegations. This wording had been suggested with a view to finding a compromise on the basis of which agreement might be obtained. Before inviting views, he pointed out that some delegations had indicated that their authorities would not be ready to approve the principles to govern the total economic embargo until they had been assured that agreement had been reached in principle on financial or economic assistance for those countries which would suffer the most from the implementation of economic countermeasures. The principles which might govern such assistance and the means of mitigating the effect of the countermeasures were contained in C-M(61)114 and C-M(61)150. He considered that both these documents dealt essentially with matters of principle. It was

true that before they could be given practical effect there would be many points of detail to be worked out, but this could be done at a later stage. In view of the fact that so many delegations had insisted on linking the issues at stake, the only way he could see of making progress was to get general agreement on the principles involved without trying to discuss details. He therefore emphasised that what was needed as far as C-M(61)114 was concerned was discussion and approval of pages 3 and 4 thereof: "Principles that could govern co-operation and assistance to those member countries most seriously hurt by the application of economic countermeasures against the Soviet bloc." As far as C-M(61)150 was concerned what was needed was discussion and approval of pages 3 to 5: "Principles which could govern co-operation between NATO member countries in order to mitigate the undesirable effects of the application of economic countermeasures against the Soviet bloc." He hoped that in order to achieve progress, delegations would be willing to address themselves to those parts of the documents. He invited views on the draft decision annexed to C-R(61)62 on the understanding that several delegations could only accept this decision if full agreement were reached on the principles of C-M(61)114 and C-M(61)150.

6. The BELGIAN, GERMAN, ITALIAN, LUXEMBOURG, NETHERLANDS, NORWEGIAN, PORTUGUESE, TURKISH, UNITED KINGDOM and UNITED STATES REPRESENTATIVES signified their approval of the draft decision annexed to C-R(61)62 against the background of the national positions stated in earlier discussions.

7. The ICELANDIC REPRESENTATIVE said that though he had done all in his power to obtain them, he was without final instructions. Speaking generally, he noted that it was obvious that Iceland was in a very difficult position since, as indicated in C-M(61)114, Icelandic trade had for a long time been dependent to a considerable extent on East European markets. He had in the past drawn the attention of the OEEC to this situation on a number of occasions, but in spite of the fact that resolutions had been passed both in the OEEC and NATO to the effect that remedial action should be taken, little had been done to date. In these circumstances, he thought the aims described in paragraph 2(a) and (b) of page 3 of C-M(61)114, i.e. "to find out and apply means of securing additional outlets in the free world" and "to compensate as far as possible and on an equitable basis, those countries most seriously hurt" did not inspire much confidence in their results, since they had now been ineffectively pursued for some years. As matters now stood, the Council had not yet a workable formula for a solution. The proposed system was in theory sound, and his authorities accepted the principle of imposing a total economic embargo if war seemed imminent, but should, for example, an embargo be imposed for a short period of

a week or more, Icelandic markets in the East would then collapse and only a very loosely-conceived system exist to remedy the situation. He thought, therefore, that he could agree to the draft decision only on the understanding that agreement on the imposition of economic countermeasures would depend entirely on the details of the system to mitigate their effects.

8. The GREEK REPRESENTATIVE said that he could approve the draft resolution, it being understood that the resolution would not become final until the Council had approved C-M(61)114.

9. The FRENCH REPRESENTATIVE recalled that, as he had stated at the last meeting, his Government considered the draft decision represented a considerable withdrawal from the recommendation made by the four Foreign Ministers on 6th August, but that his authorities could accept it in a spirit of compromise.

10. The DANISH REPRESENTATIVE said that, as was well known, his Government doubted whether an economic embargo would really exercise a moderating influence on the Soviet attitude. It was probable that the Western countries would be more affected by an embargo than the Eastern bloc and, in any case, the effects on the Eastern bloc would only be of marginal and temporary importance. Further, the Danish Government was worried about the legal aspects of the matter. In its opinion, it would be difficult to find justification in international law for the imposition of an embargo, especially in a situation where there was no armed attack or no imminent threat of such an attack. However, in view of the great importance attached by his Government to the solidarity of the Alliance, he was authorised to approve the draft decision. As with other member countries, his Government retained the right to judge any situation on its merits. It therefore appreciated the new text from which it was clear that the embargo measures should be applied only following on a decision by the Council in the light of the actual situation. It was the opinion of his authorities that these measures should be applied only in case of extreme emergency, when the risk of war was imminent and when an embargo must be considered the only alternative to armed conflict.

11. The CANADIAN REPRESENTATIVE said that while the Canadian position had in fact been perhaps somewhat different from that of many other members of the Alliance, he thought that in fact some of Canada's reservations on this subject were shared by a number of other members of the Alliance. Canada's misgivings had certainly not been inspired by any preference for military counteraction or by any narrow commercial considerations, but rather by doubts about the efficacy of economic sanctions and the real difficulties for Canada in imposing them in a situation

short of war. In the Council the hope had been expressed that if a total economic embargo could be imposed as a last resort in order to avoid hostilities, such economic action might be an effective deterrent. In several NATO countries, including Canada, legislative authority did not now exist to take all the measures which would be required to impose a total economic blockade. In a crisis, it would therefore be necessary to seek Parliamentary authority for certain measures. If this legislation was to be successfully defended in Parliament and before public opinion, the urgent need for it would have to be clear beyond the shadow of a doubt. In other words, Parliamentary and public opinion in a number of the NATO countries would have to be satisfied that the situation required drastic measures amounting to the penultimate step before war.

12. In considering this problem, the Canadian Government had been impressed by the extreme difficulty of predicting the exact circumstances in which these demands for Parliamentary and public support would have to be made. It was true that, for internal procedural purposes within the Alliance, the question of a total blockade had been divorced from the question of a partial or gradual blockade. This might have facilitated planning, but was it realistic? If the Alliance agreed to a form of words outlining what should be done in the circumstances of a total blockade, would it not be agreeing to do something in a hypothetical situation which was unlikely ever to arise? If so, then surely the Alliance should be concentrating its attention on what it would do if there were a partial or gradual blockade of West Berlin. After all, it was this type of progressive harassment which the West was already facing. The exact form which a partial blockade of West Berlin might take, and the precise countermeasures which might be an appropriate response, were perhaps the hardest of all to predict and to provide for, especially under the Canadian federal system of government. Within the limits of the possible, however, the Canadian Government was prepared to do what it could to meet such a situation. It had therefore agreed, as he had said above, to withdraw the Canadian reservation on the Council's previous decision on the three civil aviation countermeasures. Beyond that, it remained unable to give general commitments in advance of situations which could not in their nature be predicted. If a much more serious situation were to occur, and the Alliance were to be faced with imminent war, the Canadian Government would promptly take the necessary decisions in the light of that situation.

13. In conclusion, he thought it would be particularly unfortunate if mention of the fact that the Alliance was considering economic countermeasures appeared in the press as a result of this meeting, at a time when the Alliance was trying to focus attention on the vital importance of undertaking negotiations.

14. The NORWEGIAN REPRESENTATIVE associated himself fully with the last two speakers, in particular on the need to keep this planning secret. If it became generally known that NATO member countries were planning such measures for certain circumstances, this might encourage other countries to apply, in other circumstances and for political reasons, measures such as the closing of ports which might have a very grave effect on free world trade.

15. The UNITED KINGDOM REPRESENTATIVE said that in view of the full statements made by a number of speakers, he thought he should briefly recall the position of his Government as follows. In certain circumstances economic countermeasures would be an effective way of showing the solidarity of the Alliance; if the blockage of access to West Berlin were substantially complete, a total economic embargo would be justified as a last effort to avoid war. It had been agreed by the Council that an act of political judgment would be necessary at the time. His authorities could only envisage a total embargo, and the linked financial measures, if war was actually imminent. They could accept the draft decision since they considered that all these points were covered by it.

16. In answer to a comment by the CHAIRMAN, who thought that the views expressed by the Canadian Representative were not incompatible with the draft decision, since in an emergency Canada would be in a position like other countries to obtain the necessary authorisation from Parliament to act at short notice, the CANADIAN REPRESENTATIVE said that if the Council could accept the interpretation he had given he thought that he could approve the draft decision for transmission to his Government. A number of the measures involved required action by provincial authorities, and progress could not now be made thereon without the publicity involved in actually going to Parliament. It was pointed out, however, that this was true for a number of countries, including the Federal Republic of Germany.

17. The UNITED STATES REPRESENTATIVE thought that the draft decision, which provided for a political decision at the time, fully protected the position of Canada. Canada was in fact saying, in common with other Governments, that a total economic embargo could only be imposed in accordance with constitutional processes. There was no question of automaticity, which the four Foreign Ministers had originally recommended. All that countries were now asked to do was to indicate their solidarity on the principle of a total economic embargo.

18. The CHAIRMAN nevertheless suggested that the Council should consider accepting explanation in the Canadian statement because:

- (a) there was no contradiction between the total blockade formula and Canadian emphasis on the importance of studying partial countermeasures;
- (b) there was no contradiction between the formula and the impossibility for Canada of undertaking public action in advance of an emergency;
- (c) it appeared that in a crisis Canada could, in fact, act as quickly as the rest of the Alliance.

He pressed the Council to accept the view that all that was needed from the Canadian authorities was assurance that draft legislation and other action which would be required in an emergency was being prepared within appropriate federal departments. If this assurance could be given, he thought the Canadian position should be acceptable to the rest of the Alliance. At the same time, since there was no inconsistency between the Canadian position as outlined and the total blockade formula, Canada ought to be able to accept the formula. He suggested that the Canadian Representative inform his authorities of the present discussion and urge them in the light of these explanations to approve the draft decisions.

19. Commenting on C-M(61)114 and C-M(61)150 the UNITED STATES REPRESENTATIVE said that his authorities approved the principles set forth in these documents subject to a satisfactory agreement on the system of economic and financial co-operation to be worked out later.

20. The UNITED KINGDOM REPRESENTATIVE, approving both documents in principle, said that he would forward to the Secretariat minor amendments to paragraph 1 on page 3 of C-M(61)114 and paragraph 4 of C-M(61)150. The United Kingdom agreed in principle to contribute to the NATO fund envisaged in C-M(61)114, provided that the United Kingdom balance of payments problem which was now under consideration by the Council was satisfactorily settled. This proviso seemed necessary to his authorities in view of the economic difficulties which, as the Council was well aware, the United Kingdom was at present facing; and in view of the very real difficulties which the United Kingdom would herself be experiencing at the time the scheme came into operation, as a result of the measures whose effect the scheme was designed to mitigate. He did not insist that this stipulation be included in the Council's decision, but asked that it be recorded in the minutes.

21. The BELGIAN, FRENCH, ITALIAN, NETHERLANDS and TURKISH REPRESENTATIVES said that they could approve the two documents in principle on the understanding that certain details would be discussed in the Working Group. The Italian and Netherlands

Representatives asked that it be recorded that they took no position on the subject of the United Kingdom proviso recorded above.

22. The PORTUGUESE REPRESENTATIVE was without instructions but said that he would inform the International Staff of the views of his authorities.

23. The LUXEMBOURG REPRESENTATIVE said that he agreed in principle to the two documents on the understanding that their financial implications would come before the Council for decision.

24. The GREEK REPRESENTATIVE said that he could approve the two reports by the Working Group. These reports contained only some of the principles on which would be based the system of exceptional assistance which might prove necessary in order to avoid or mitigate adverse effects on the countries of the Alliance which suffered most from the application of economic counter-measures. As he had already said on several occasions, his Government was prepared to participate in the application of economic countermeasures, but it could not do so, and it would be a disservice to the Alliance, if care had not been taken in advance to ensure that the application of these countermeasures would not involve the disruption and destruction of the Greek economy. His authorities therefore strongly supported the proposal in the covering note by the Chairmen of the Working Group to the effect that complementary studies should be undertaken to ensure that at the time of application of the economic counter-measures the system of assistance could function effectively and without delay.

25. The GERMAN REPRESENTATIVE, while approving the documents in principle, said that in accordance with German budgetary law he was obliged to enter the proviso that any funds contributed under the system should remain subject to national budgetary control.

26. The DANISH REPRESENTATIVE said that he could now withdraw the reservation he had made on 19th December on document C-M(61)114, linking it to the supplementary report, and that he could now approve this document. He could also approve C-M(61)150, although with certain hesitations. His authorities were of the opinion that the report was rather vaguely formulated and did not give the guarantees one might have expected. They therefore found it desirable that the problem be studied further with a view to establishing a more detailed and concrete system of co-operation. Should it not be possible to establish such a system, it might be difficult for his Government in a given situation to obtain Parliamentary approval to take part in the embargo and in the system of co-operation and assistance envisaged to those countries most seriously hurt. His authorities thought

it of the utmost importance for the future of the Alliance that its solidarity in this field should be continued, after the termination of a possible embargo, with regard to the solution of all the difficulties which would inevitably arise in both the short and the long run. In their opinion no NATO country should resume trade with the eastern bloc before all normal trade relations could be re-established.

27. Finally, his authorities regretted that the more concrete suggestions for economic co-operation had been deleted, for example, in paragraph 7 of C-M(61)150 in which the words "Such as temporary lowering of customs duties or interruption of quotas" had been deleted.

28. The CANADIAN REPRESENTATIVE said that since consideration of these documents was linked with the draft decision discussed above, on which he had stated fully the position of his authorities, he would now ask his authorities in the light of the discussion to give favourable consideration to the draft decision and the adoption of the principles in the two reports.

29. In conclusion the COUNCIL:

- (1) noted that a large majority of the delegations could accept the draft decision recorded in the Annex to C-R(61)62 together with the "Principles that could govern co-operation and assistance to those member countries most seriously hurt by the application of economic countermeasures against the Soviet bloc" set out in pages 3 and 4 of C-M(61)114, and the "Principles which could govern co-operation between NATO member countries in order to mitigate the undesirable effects of the application of economic countermeasures against the Soviet bloc" set out in pages 3, 4 and 5 of C-M(61)150;
- (2) invited those delegations who were not yet in a position to accept these principles to seek further instructions;
- (3) agreed to resume discussion of this matter at a later date either in the Council or in the Committee of Economic Advisers.

II. PROPAGANDA ATTACKS ON GENERAL HEUSINGER

Reference: C-R(62)2

30. The GERMAN REPRESENTATIVE said that in the Council discussion of 17th January some of his colleagues seemed to have based their arguments on the assumption that the Soviet attack on General Heusinger was an isolated act which had already fallen into oblivion and would not be repeated. Unfortunately this was not the case. The latest issue of "Krasnaja Swesda" had contained new and very violent attacks against General Heusinger, from which the TASS Agency had, on 16th January, published extensive excerpts. Judging from experience with Soviet propaganda in the past, it was to be expected that the propaganda campaign against General Heusinger would be continued by the Soviet Union and by the Communist propaganda apparatus until the Soviet Union considered its usefulness to be exhausted. His authorities were convinced that in the coming months this campaign would spread, particularly to the non-committed countries. The so-called "aggressive" nature of NATO and the alleged domination of the NATO military machine by German militarists were favoured topics for Soviet propaganda in the non-committed world. The attacks against General Heusinger fitted perfectly into this theme. His Government, therefore, believed that the Council should issue a declaration now which could be referred to in all future cases of attacks against General Heusinger.

31. He had that morning circulated a letter giving details on this Soviet campaign within the United Nations. It was to be expected that, in accordance with practice, U. Thant would circulate the Soviet Note of 5th January to all 104 member countries as requested by the Soviet Government. The circulation of this Note would give a new boost to the Soviet campaign. His Government did not consider it conceivable for the NATO countries not to react to the Soviet campaign against General Heusinger in the United Nations. It proposed, therefore, that the declaration by the NATO Council should be forwarded to U. Thant with a request to him to circulate it to member states if he circulated the Soviet Note of 5th January.

32. The DANISH REPRESENTATIVE reaffirmed his Government's full confidence in General Heusinger, and its belief that these attacks might damage NATO. It thought, however, that a NATO reply in the United Nations would not impress the non-committed countries, which were inclined to think NATO an "aggressive" organization, nor would it prevent a Soviet bloc country from raising mischievous questions in the United Nations. A NATO declaration might, therefore, do more harm than good, but he was prepared to defer to the majority view if this was in favour of such a declaration.

33. The UNITED KINGDOM REPRESENTATIVE agreed that everything possible should be done to scotch these grossly false accusations. Doubting whether a NATO communiqué would be the most effective method, he suggested that it would be preferable for individual countries to use the material provided by the Chairman to answer accusations or questions in the press or Parliament as they saw fit; and that in the United Nations all member governments should reply individually, but on similar lines, to the Secretary General, inviting him to circulate these replies. This latter procedure would avoid attaching any NATO label to the operation.

34. The NORWEGIAN REPRESENTATIVE, supporting this view, thought that the proposed Council declaration seemed apologetic and did not in fact refute the substance of the Soviet charges.

35. The TURKISH REPRESENTATIVE emphasised that the defence of General Heusinger was the concern not only of Germany but of NATO as a whole. A communiqué could only be valuable as a statement of fact, and to reassure Western public opinion, which might wonder at NATO silence on this subject. He thought that the suggestion by the United Kingdom Representative represented the most effective way of dealing with this campaign.

36. The BELGIAN REPRESENTATIVE could agree to a NATO communiqué and also to the suggestion for United Nations action put forward by the United Kingdom Representative.

37. The CANADIAN REPRESENTATIVE, supporting the United Kingdom Representative, thought that while the Council might agree on a communiqué, it would be preferable to wait to issue this communiqué at a time when it would have the maximum psychological effect.

38. The FRENCH, ITALIAN, LUXEMBOURG, NETHERLANDS and UNITED STATES REPRESENTATIVES could agree to a NATO communiqué if this was the wish of the German authorities. The Netherlands and United States Representatives made some suggestions for a more forceful communiqué.

39. The CHAIRMAN, summing up the discussion, noted that there was agreement that member governments should defend General Heusinger, since he was the servant of the Council. The only point at issue was what was the best way to achieve this end. He suggested that the German Representative should report the opinions expressed to his authorities, and inform him of their views.

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40. The COUNCIL:

- (1) invited the German Representative to obtain instructions in the light of the discussion, and to inform the Chairman thereof;
- (2) requested the International Staff to circulate a new draft communiqué in the light of the suggestions made in discussion.

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III. VISIT OF UNITED STATES CRUISER "LONGBEACH"

41. The UNITED STATES REPRESENTATIVE said that the nuclear-powered cruiser "Longbeach" would call at Le Havre from 20th - 26th January, following on a visit to Bremerhaven. This would represent her first two calls. His authorities thought that the Council might wish to visit the cruiser while in Le Havre; such a visit would provide useful publicity, not only to "Longbeach" but also to the indivisibility of the NATO defence effort.

42. The CHAIRMAN suggested that a suitable day would be Thursday, 25th January.

43. The COUNCIL:

invited the Chairman to pursue this matter with the United States Delegation.

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IV. DATE OF THE NEXT MEETING

44. Wednesday, 24th January, 1962, at 10.15 a.m.

OTAN/NATO,
Paris, XVIe.

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