

[Annex]

*Report by the Policy Planning Staff*TOP SECRET
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REVIEW OF CURRENT TRENDS
U.S. FOREIGN POLICY

I. UNITED STATES, BRITAIN, AND EUROPE

On the assumption that Western Europe will be rescued from communist control, the relationships between Great Britain and the continental countries, on the one hand, and between Great Britain and the United States and Canada on the other, will become for us a long term policy problem of major significance. The scope of this problem is so immense and its complexities so numerous that there can be no simple and easy answer. The solutions will have to be evolved step by step over a long period of time. But it is not too early today for us to begin to think out the broad outlines of the pattern which would best suit our national interests.

In my opinion, the following facts are basic to a consideration of this problem.

1. Some form of political, military and economic union in Western Europe will be necessary if the free nations of Europe are to hold their own against the people of the east united under Moscow rule.
2. It is questionable whether this union could be strong enough to serve its designed purpose unless it had the participation and support of Great Britain.
3. Britain's long term economic problem, on the other hand, can scarcely be solved just by closer association with the other Western European countries, since these countries do not have, by and large, the food and raw material surpluses she needs; this problem could be far better met by closer association with Canada and the United States.
4. The only way in which a European union, embracing Britain but excluding eastern Europe, could become economically healthy would be to develop the closest sort of trading relationships either with this hemisphere or with Africa.

It will be seen from the above that we stand before something of a dilemma. If we were to take Britain into our own U.S.-Canadian orbit, according to some formula of "Union now", this would probably solve Britain's long term economic problem and create a natural political entity of great strength. But this would tend to cut Britain off from the close political association she is seeking with continental nations and might therefore have the ultimate effect of rendering the continental nations more vulnerable to Russian pressure. If, on the other hand, the British are encouraged to seek salvation only in closer association with

their continental neighbors, then there is no visible solution of the long term economic problem of either Britain or Germany, and we would be faced, at the termination of ERP, with another crises of demand on this country for European aid.⁶

To me, there seem only two lines of emergence from this dilemma. They are not mutually exclusive and might, in fact, supplement each other very well.

In the first place, Britain could be encouraged to proceed vigorously with her plans for participation in a European union, and we could try to bring that entire union, rather than just Britain alone, into a closer economic association with this country and Canada. We must remember, however, that if this is to be really effective, the economic association must be so intimate as to bring about a substantial degree of currency and customs union, plus relative freedom of migration of individuals as between Europe and this continent. Only in this way can the free movement of private capital and labor be achieved which will be necessary if we are to find a real cure for the abnormal dependence of these areas on governmental aid from this country. But we should also note carefully the possible implications of such a program from the standpoint of the ITO Charter.⁷ As I see it, the draft charter, as well as the whole theory behind our trade agreements program, would make it difficult for us to extend to the countries of western Europe special facilities which we did not extend in like measure to all other ITO members and trade agreement partners.

A second possible solution would lie in arrangements whereby a union of Western European nations would undertake jointly the economic development and exploitation of the colonial and dependent areas of the African Continent. The realization of such a program admittedly presents demands which are probably well above the vision and strengths and leadership capacity of present governments in Western Europe. It would take considerable prodding from outside and much patience. But the idea itself has much to recommend it. The African Continent, is relatively little exposed to communist pressures; and most of it is not today a subject of great power rivalries. It lies easily accessible to the maritime nations of Western Europe, and politically they control or influence most of it. Its resources are still relatively undeveloped. It could absorb great numbers of people and a great deal of Europe's surplus technical and administrative energy. Finally, it would lend to the idea of Western European union that tangible objective for which everyone has been rather unsuccessfully groping in recent months.

⁶ For documentation on United States policy with respect to the economic situation in Europe, see vol. III, pp. 352.

⁷ For documentation on United States policy with respect to the proposed International Trade Organization, see pp. 802 ff.

However this may be, one thing is clear: if we wish to carry through with the main purpose of the ERP we must cordially and loyally support the British effort toward a Western European union. And this support should consist not only of occasional public expressions of approval. The matter should be carefully and sympathetically discussed with the British themselves and with the other governments of Western Europe. Much could be accomplished in such discussions, both from the standpoint of the clarification of our own policy and in the way of the exertion of a healthy and helpful influence on the Europeans themselves. In particular, we will have accomplished an immense amount if we can help to persuade the Western Europeans of the necessity of treating the Germans as citizens of Europe.

With this in mind, I think it might be well to ask each of our missions in Western Europe to make a special study of the problem of Western European union, both in general and with particular reference to the particular country concerned, and to take occasion, in the course of preparation of this study, to consult the views of the wisest and most experienced people they know in their respective capitals. These studies should be accompanied by their own recommendations as to how the basic problem could best be approached. A digest of such studies in this Department should yield a pretty sound cross-section of informed and balanced opinion on the problem in question.

II. EUROPEAN RECOVERY PROGRAM

The course of the debates in Congress now makes it possible for us to distinguish with some degree of probability the outlines of the action toward which this Government is moving in the question of aid to Europe.

1. *The administration of the program.*

The most significant feature of the emerging recovery program is that it is to be conducted by this Government as a technical business operation and not as a political matter. We must face realistically the fact that this will reduce drastically the program's potential political effect and open up the road to a considerable degree of confusion, contradiction and ineffectiveness in this Government's policies toward Europe. The conduct of relations with the European governments by a separate agency of this Government on matters of such great importance, over so long a period of time, cannot fail to cut deeply into the operations of the Department of State in European affairs and to reduce the prestige, the competence, and the effectiveness of its Missions in Europe.

In these circumstances, the possibilities for the exertion of influence by this Department over the course of our relations with European

countries will become predominantly a matter of the extent to which it can influence national policy through the White House. This means that greatly increased importance must be attached to the means of liaison between the Department and the White House, and particularly to the National Security Council.

But we should not deceive ourselves into hoping that national policy conducted through channels as round about as this, and involving the use of a new and separate organization such as the ERP administration, can be as clear cut or as efficacious as that which could be conducted if policy-making functions continued to rest clearly with the regular agencies of government. No policy can become really effective unless it commands the understanding of those who carry it out. The understanding of governmental policies in the field of foreign affairs cannot be readily acquired by people who are new to that field, even when they are animated by the best will in the world. This is not a matter of briefing, or instructing, which could be done in a short time. It is a matter of educating and training, for which years are required.

Our experience with *ad hoc* wartime and post-hostilities agencies operating in the foreign field has demonstrated that not only are new agencies of little value in executing policies which go beyond the vision and the educational horizon of their own personnel, but that they actually develop a momentum of their own which, in the final analysis, tends to shape—rather than to serve—the national policy.

I do not think that the manner in which this aid program is to be undertaken is necessarily going to mean that its basic purpose will not be served. While we will hardly be able to use U.S. aid tactically, as a flexible political instrument, the funds and goods will nevertheless themselves constitute an important factor on the European scene. The mere availability of this amount of economic assistance will create, so to speak, a new topographic feature against which the peoples of Western Europe will be able to brace themselves in their own struggle to preserve political independence.

But we must recognize that, once the bill has been passed, the matter will be largely out of our hands. The operation of the ERP administration will make it difficult for this Department itself to conduct any incisive and vigorous policy with relation to Europe during the period in question. This does not relieve us, of course, of the duty of continuing to study carefully the development of the European scene and of contributing as best we can to the formulation of national policy relating to the European area. But it thrusts this Department back—with respect to one great area of the world's surface—into the position it occupied in many instances during the recent war:—the position of an advisory, rather than an executive, agency.

2. *The time factor and the question of amount.*

The dilatoriness of the Congress in acting on this matter presents a definite danger to the success of the program. A gap between the date on which the aid becomes available and the point to which European reserves can hold out could nullify a great part of the effect of the program.

There is probably not much that we can do, by pleading or urging, to expedite Congressional action. But I think we should state very plainly to Congress the time limits involved (which our own economic analysts must determine) and the possible consequences of delay. Furthermore, we should make clear that aid granted subsequent to the specified time limits cannot be considered as a response to the recommendations of the Executive branch of the Government, and that the latter cannot take responsibility for the desirability or effectiveness of the program in these circumstances.

The same principle applies in case the program is cut in amount below what we consider to be the minimum necessary for the recovery purpose.

In either case, there will be charges we are trying to "dictate" to the Congress. But there is a serious question of responsibility involved here; and the Executive branch of the Government will find itself embarrassed in its future position if it allows itself to be forced now into accepting a share of responsibility for a program of aid which it knows will be too little, too late, or both.

3. *The question of European Union.*

The original reaction to the Harvard speech,⁸ both in Europe and here, demonstrated how vitally important to the success of an aid program is the concept of European unity. Unless the program actually operates to bring closer together the countries participating in it, it will certainly fail in its major purpose, and it will not take on, in the eyes of the world public, the dignity and significance which would set it apart from the previous efforts at foreign economy aid.

There is real danger that this basic fact be lost sight of at this stage in the deliberations, not only in the Congress, but also in the Department.

We should therefore make it a point to lose no opportunity to stress this element in the concept of the aid program, and to insist that the principle of collaboration and joint responsibility among the 16 nations be emphasized throughout in our handling of the operation.

⁸ For text of Secretary Marshall's address at commencement exercises at Harvard University, June 5, 1947, see *Foreign Relations*, 1947, vol. III, p. 237, or Department of State *Bulletin*, June 15, 1947, p. 1159.

III. GERMANY⁹

The coming changes with respect to the responsibility for military government in Germany provide a suitable occasion for us to evolve new long-term concepts of our objectives with respect to that country. We cannot rely on the concepts of the existing policy directives. Not only were these designed to meet another situation, but it is questionable, in many instances, whether they were sound in themselves.

The planning to be done in this connection will necessarily have to be many-sided and voluminous. But it is possible to see today the main outlines of the problem we will face and, I think, of the solutions we must seek.

In the long run there can be only three possibilities for the future of western and central Europe. One is German domination. Another is Russian domination. The third is a federated Europe, into which the parts of Germany are absorbed but in which the influence of the other countries is sufficient to hold Germany in her place.

If there is no real European federation and if Germany is restored as a strong and independent country, we must expect another attempt at German domination. If there is no real European federation and if Germany is *not* restored as a strong and independent country, we invite Russian domination, for an unorganized Western Europe cannot indefinitely oppose an organized Eastern Europe. The only reasonably hopeful possibility for avoiding one of these two evils is some form of federation in western and central Europe.

Our dilemma today lies in the fact that whereas a European federation would be by all odds the best solution from the standpoint of U.S. interests, the Germans are poorly prepared for it. To achieve such a federation would be much easier if Germany were partitioned, or drastically decentralized, and if the component parts could be brought separately into the European union. To bring a unified Germany, or even a unified western Germany, into such a union would be much more difficult; for it would still over-weigh the other components, in many respects.

Now a partition of the Reich might have been possible if it had been carried out resolutely and promptly in the immediate aftermath of defeat. But that moment is now past, and we have today another situation to deal with. As things stand today, the Germans are psychologically not only unprepared for any breakup of the Reich but in a frame of mind which is distinctly unfavorable thereto.

In any planning we now do for the future of Germany we will have to take account of the unpleasant fact that our occupation up to this

⁹ For documentation on United States policy with respect to the occupation and control of Germany, see vol. II, pp. 1285 ff.

time has been unfortunate from the standpoint of the psychology of the German people. They are emerging from this phase of the post-hostilities period in a state of mind which can only be described as sullen, bitter, unregenerate, and pathologically attached to the old chimera of German unity. Our moral and political influence over them has not made headway since the surrender. They have been impressed neither by our precepts nor by our example. They are not going to look to us for leadership. Their political life is probably going to proceed along the lines of a polarization into extreme right and extreme left, both of which elements will be, from our standpoint, unfriendly, ugly to deal with, and contemptuous of the things we value.

We cannot rely on any such Germany to fit constructively into a pattern of European union of its own volition. Yet without the Germans, no real European federation is thinkable. And without federation, the other countries of Europe can have no protection against a new attempt at foreign domination.

If we did not have the Russians and the German communists prepared to take advantage politically of any movement on our part toward partition we could proceed to partition Germany regardless of the will of the inhabitants, and to force the respective segments to take their place in a federated Europe. But in the circumstances prevailing today, we cannot do this without throwing the German people politically into the arms of the communists. And if that happens, the fruits of our victory in Europe will have been substantially destroyed.

Our possibilities are therefore reduced, by the process of exclusion, to a policy which, without pressing the question of partition in Germany, would attempt to bring Germany, or western Germany, into a European federation, but do it in such a way as not to permit her to dominate that federation or jeopardize the security interests of the other western European countries. And this would have to be accomplished in the face of the fact that we cannot rely on the German people to exercise any self-restraint of their own volition, to feel any adequate sense of responsibility vis-à-vis the other western nations, or to concern themselves for the preservation of western values in their own country and elsewhere in Europe.

I have no confidence in any of the old-fashioned concepts of collective security as a means of meeting this problem. European history has shown only too clearly the weakness of multilateral defensive alliances between complete sovereign nations as a means of opposing desperate and determined bids for domination of the European scene. Some mutual defense arrangements will no doubt be necessary as a concession to the prejudices of the other Western European peoples, whose thinking is still old fashioned and unrealistic on this subject.

But we can place no reliance on them as a deterrent to renewed trouble-making on the part of the Germans.

This being the case, it is evident that the relationship of Germany to the other countries of western Europe must be so arranged as to provide mechanical and automatic safeguards against any unscrupulous exploitation of Germany's preeminence in population and in military-industrial potential.

The first task of our planning will be to find such safeguards.

In this connection, primary consideration must be given to the problem of the Ruhr. Some form of international ownership or control of the Ruhr industries would indeed be one of the best means of automatic protection against the future misuse of Germany's industrial resources for aggressive purposes. There may be other devices which would also be worth exploring.

A second line of our planning will have to be in the direction of the maximum interweaving of German economy with that of the remainder of Europe. This may mean that we will have to reverse our present policies, in certain respects. One of the most grievous mistakes, in my opinion, of our post-hostilities policy was the renewed extreme segregation of the Germans and their compression into an even smaller territory than before, in virtual isolation from the remaining peoples of Europe. This sort of segregation and compression invariably arouses precisely the worst reactions in the German character. What the Germans need is not to be thrust violently in upon themselves, which only heightens their congenital irrationalism and self-pity and defiant nationalism, but to be led out of their collective egocentrism and encouraged to see things in larger terms, to have interests elsewhere in Europe and elsewhere in the world, and to learn to think of themselves as world citizens and not just as Germans.

Next, we must recognize the bankruptcy of our moral influence on the Germans, and we must make plans for the earliest possible termination of those actions and policies on our part which have been psychologically unfortunate. First of all, we must reduce as far as possible our establishment in Germany; for the residence of large numbers of representatives of a victor nation in a devastated conquered area is never a helpful factor, particularly when their living habits and standards are as conspicuously different as are those of Americans in Germany. Secondly, we must terminate as rapidly as possible those forms of activity (denazification, re-education, and above all the Nuremberg Trials) which tend to set up as mentors and judges over internal German problems. Thirdly, we must have the courage to dispense with military government as soon as possible and to force the Germans to accept responsibility once more for their own affairs. They will never begin to do this as long as we will accept that responsibility for them.

The military *occupation* of western Germany may have to go on for a long time. We may even have to be prepared to see it become a quasi-permanent feature of the European scene. But military *government* is a different thing. Until it is removed, we cannot really make progress in the direction of a more stable Europe.

Finally, we must do everything possible from now on to coordinate our policy toward Germany with the views of Germany's immediate western neighbors. This applies particularly to the Benelux countries, who could probably easily be induced to render valuable collaboration in the implementation of our own views. It is these neighboring countries who in the long run must live with any solutions we may evolve; and it is absolutely essential to any successful ordering of western Europe that they make their full contribution and bear their full measure of responsibility. It would be better for us in many instances to temper our own policies in order to win their support than to try to act unilaterally in defiance of their feelings.

With these tasks and problems before us it is important that we should do nothing in this intervening period which would prejudice our later policies. The appropriate offices of the Department of State should be instructed to bear this in mind in their own work. We should also see to it that it is borne in mind by our military authorities in the prosecution of their policies in Germany. These considerations should be observed in any discussions we hold with representatives of other governments. This applies particularly to the forthcoming discussions with the French and the British.

IV. MEDITERRANEAN

As the situation has developed in the past year, the Soviet chances for disrupting the unity of western Europe and forcing a political entry into that area have been *deteriorating* in *northern Europe*, where the greater political maturity of the peoples is gradually asserting itself, but *holding their own*, if not actually increasing, *in the south* along the shores of the Mediterranean. Here the Russians have as assets not only the violent chauvinism of their Balkan satellites but also the desperate weakness and weariness of the Greek and Italian peoples.¹⁰ Conditions in Greece and Italy today are peculiarly favorable to the use of fear as a weapon for political action, and hence to the tactics which are basic and familiar to the communist movement.

It cannot be too often reiterated that this Government does not possess the weapons which would be needed to enable it to meet head-on the threat to national independence presented by the communist ele-

¹⁰ For documentation on United States efforts in support of democratic forces in Italy, see vol. III, pp. 816 ff. Regarding United States economic and military support for Greece, see vol. IV, pp. 1 ff.

ments in foreign countries. This poses an extremely difficult problem as to the measures which our Government can take to prevent the communists from achieving success in the countries where resistance is lowest.

The Planning Staff has given more attention to this than to any single problem which has come under its examination. Its conclusions may be summed up as follows:

(1) The use of U.S. regular armed force to oppose the efforts of indigenous communist elements within foreign countries must generally be considered as a risky and profitless undertaking, apt to do more harm than good.

(2) If, however, it can be shown that the continuation of communist activities has a tendency to attract U.S. armed power to the vicinity of the affected areas, and if these areas are ones from which the Kremlin would definitely wish U.S. power excluded, there is a possibility that this may bring into play the defensive security interests of the Soviet Union and cause the Russians to exert a restraining influence on local communist forces.

The Staff has therefore felt that the wisest policy for us to follow would be to make it evident to the Russians by our actions that the further the communists go in Greece and Italy the more surely will this Government be forced to extend the deployment of its peacetime military establishment in the Mediterranean area.

There is no doubt in our minds but that if the Russians knew that the establishment of a communist government in Greece would mean the establishment of U.S. air bases in Libya and Crete, or that a communist uprising in northern Italy would lead to the renewed occupation by this country of the Foggia field, a conflict would be produced in the Kremlin councils between the interests of the Third Internationale, on the one hand, and those of the sheer military security of the Soviet Union, on the other. In conflicts of this sort, the interests of narrow Soviet nationalism usually win. If they were to win in this instance, a restraining hand would certainly be placed on the Greek and Italian communists.

This has already been, to some extent, the case. I think there is little doubt that the activity of our naval forces in the Mediterranean (including the stationing of further Marines with those forces), plus the talk of the possibility of our sending U.S. forces to Greece, has had something to do with the failure of the satellites, up to this time, to recognize the Markos Government, and possibly also with the Kremlin's reprimand to Dimitrov. Similarly, I think the statement we made at the time of the final departure of our troops from Italy was probably the decisive factor in bringing about the abandonment of the plans which evidently existed for a communist uprising in Italy prior to the spring elections.

For this reason, I think that our policy with respect to Greece and Italy, and the Mediterranean area in general, should be based upon the objective of demonstration to the Russians that:

(a) the reduction of the communist threat will lead to our military withdrawal from the area; but that

(b) further communist pressure will only have the effect of involving us more deeply in a military sense.

V. PALESTINE AND THE MIDDLE EAST

The Staff views on Palestine have been made known in a separate paper.¹¹ I do not intend to recapitulate them here. But there are two background considerations of determining importance, both for the Palestine question and for our whole position in the Middle East, which I should like to emphasize at this time.

1. *The British strategic position in the Middle East.*

We have decided in this Government that the security of the Middle East is vital to our own security. We have also decided that it would not be desirable or advantageous for us to attempt to duplicate or to take over the strategic facilities now held by the British in that area. We have recognized that these facilities would be at our effective disposal anyway, in the event of war, and that to attempt to get them transferred, in the formal sense, from the British to ourselves would only raise a host of new and unnecessary problems, and would probably be generally unsuccessful.

This means that we must do what we can to support the maintenance of the British of their strategic position in that area. This does *not mean* that we must support them in every individual instance. It does *not mean* that we must back them up in cases where they have got themselves into a false position or where we would thereby be undertaking extravagant political commitments. It *does mean* that any policy on our part which tends to strain British relations with the Arab world and to whittle down the British position in the Arab countries is only a policy directed against ourselves and against the immediate strategic interests of our country.

2. *The direction of our own policy.*

The pressures to which this Government is now subjected are ones which impel us toward a position where we would shoulder major responsibility for the maintenance, and even the expansion, of a Jewish state in Palestine. To the extent that we move in this direction, we will be operating directly counter to our major security interests

¹¹ For the views of the Policy Planning Staff on this subject, see PPS 19, January 20, 1948, and PPS 21, February 11, 1948, in vol. v, Part 2, pp. 545 and 619, respectively.

in that area. For this reason, our policy in the Palestine issue should be dominated by the determination to avoid being impelled along this path.

We are now heavily and unfortunately involved in this Palestine question. We will apparently have to make certain further concessions to our past commitments and to domestic pressures.

These concessions will be dangerous ones; but they will not necessarily be catastrophic if we are thoroughly conscious of what we are doing, and if we lay our general course toward the avoidance of the possibility of the responsibility I have referred to. If we do not lay our course in that direction but drift along the lines of least resistance in the existing vortex of cross currents, our entire policy in the Middle Eastern area will unquestionably be carried in the direction of confusion, ineffectiveness, and grievous involvement in a situation to which there cannot be—from our standpoint—any happy ending.

I think it should be stated that if this Government is carried to a point in the Palestine controversy where it is required to send U.S. forces to Palestine in any manner whatsoever, or to agree either to the international recruitment of volunteers or the sending of small nation forces which would include those of Soviet satellites, then in my opinion, the whole structure of strategic and political planning which we have been building up for the Mediterranean and Middle Eastern areas would have to be re-examined and probably modified or replaced by something else. For this would then mean that we had consented to be guided, in a highly important question affecting those areas, not by national interest but by other considerations. If we tried, in the face of this fact, to continue with policy in adjacent areas motivated solely by national interest, we would be faced with a duality of purpose which would surely lead in the end to a dissipation and confusion of effort. We cannot operate with one objective in one area, and with a conflicting one next door.

If, therefore, we decide that we are obliged by past commitments or UN decision or any other consideration to take a leading part in the enforcement in Palestine of any arrangement opposed by the great majority of the inhabitants of the Middle Eastern area, we must be prepared to face the implications of this act by revising our general policy in that part of the world. And since the Middle East is vital to the present security concepts on which this Government is basing itself in its worldwide military and political planning, this would further mean a review of our entire military and political policy.

VI. U.S.S.R.

If the Russians have further success in the coming months in their efforts at penetration and seizure of political control of the key coun-

tries outside the iron curtain (Germany, France, Italy, and Greece); they will continue, in my opinion, to be impossible to deal with at the council table. For they will see no reason to settle with us at this time over Germany when they hope that their bargaining position will soon be improved.

If, on the other hand, their situation outside the iron curtain does not improve—if the ERP aid arrives in time and in a form to do some good and if there is a general revival of confidence in western Europe, then a new situation will arise and the Russians will be prepared, for the first time since the surrender, to do business seriously with us about Germany and about Europe in general. They are conscious of this and are making allowance for this possibility in their plans. I think, in fact, that they regard it as the more probable of the two contingencies.

When that day comes, i.e. when the Russians will be prepared to talk realistically with us, we will be faced with a great test of American statesmanship, and it will not be easy to find the right solution. For what the Russians will want us to do will be to conclude with them a sphere-of-influence agreement similar to the one they concluded with the Germans in 1939. It will be our job to explain to them that we cannot do this and why. But we must also be able to demonstrate to them that it will still be worth their while:

(a) to reduce communist pressures elsewhere in Europe and the Middle East to a point where we can afford to withdraw all our armed forces from the continent and the Mediterranean; and

(b) to acquiesce thereafter in a prolonged period of stability in Europe.

I doubt that this task will be successfully accomplished if we try to tackle it head-on in the CFM or at any other public meeting. Our public dealings with the Russians can hardly lead to any clear and satisfactory results unless they are preceded by preparatory discussions of the most secret and delicate nature with Stalin.¹² I think that those discussions can be successfully conducted only by someone who:

(a) has absolutely no personal axe to grind in the discussions, even along the lines of getting public credit for their success, and is prepared to observe strictest silence about the whole proceeding; and

(b) is thoroughly acquainted not only with the background of our policies but with Soviet philosophy and strategy and with the dialectics used by Soviet statesmen in such discussions.

(It would be highly desirable that this person be able to conduct conversations in the Russians' language. In my opinion, this is important with Stalin.)

These discussions should not be directed toward arriving at any sort of secret protocol or any other written understanding. They should be

¹² Joseph Vissarionovich Stalin, Chairman of the Council of Ministers of the Soviet Union.

designed to clarify the background of any written understanding that we may hope to reach at the CFM table or elsewhere. For we know now that the words of international agreements mean different things to the Russians than they do to us; and it is desirable that in this instance we should thresh out some common understanding of what would really be meant by any further written agreements we might arrive at.

The Russians will probably not be prepared to "talk turkey" with us until after the elections. But it would be much easier to talk to them at that time if the discussions did not have to be inaugurated too abruptly and if the ground had been prepared beforehand.

The Russians recently made an interesting approach to Murphy in Berlin, obviously with a view to drawing us out and to testing our interest in talking with them frankly and realistically on the informal plane. I do not think Berlin a desirable place for the pursuit of further discussions of this sort. On the other hand, I do not think that we should give them a complete cold shoulder. We must always be careful not to give discouragement to people in the Kremlin who may urge the desirability of better understanding with us.

I think, in the light of the above, we should give careful attention to the personnel arrangements which we make with relation to the Russian field in the next few months, and that we should play our cards throughout with a view to the possibility of arriving eventually at some sort of a background understanding with the Kremlin. But we must bear in mind that this understanding would necessarily have to be limited and coldly realistic, could not be reduced to paper, and could not be expected to outlast the general international situation which had given rise to it.

I may add that I think such an understanding would have to be restricted pretty much to the European and western Mediterranean areas. I doubt that it could be extended to apply to the Middle East and Far East. The situation in these latter areas is too unsettled, the prospects for the future too confusing, the possibilities of one sort or another too vast and unforeseeable, to admit of such discussions. The only exception to this might be with respect to Japan. It might conceivably be possible for us to achieve some arrangement whereby the economic exchanges between Japan and Manchuria might be revived in a guarded and modified form, by some sort of barter arrangement. This is an objective well worth holding in mind, from our standpoint. But we should meanwhile have to frame our policies in Japan with a view to creating better bargaining power for such discussions than we now possess.

VII. FAR EAST

My main impression with regard to the position of this Government with regard to the Far East is that we are greatly over-extended

in our whole thinking about what we can accomplish, and should try to accomplish, in that area. This applies, unfortunately, to the public in our country as well as to the Government.

It is urgently necessary that we recognize our own limitations as a moral and ideological force among the Asiatic peoples.

Our political philosophy and our patterns for living have very little applicability to masses of people in Asia. They may be all right for us, with our highly developed political traditions running back into the centuries and with our peculiarly favorable geographic position; but they are simply not practical or helpful, today, for most of the people in Asia.

This being the case, we must be very careful when we speak of exercising "leadership" in Asia. We are deceiving ourselves and others when we pretend to have the answers to the problems which agitate many of these Asiatic peoples.

Furthermore, we have about 50% of the world's wealth but only 6.3% of its population. This disparity is particularly great as between ourselves and the peoples of Asia. In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction.

For these reasons, we must observe great restraint in our attitude toward the Far Eastern areas. The peoples of Asia and of the Pacific area are going to go ahead, whatever we do, with the development of their political forms and mutual interrelationships in their own way. This process cannot be a liberal or peaceful one. The greatest of the Asiatic peoples—the Chinese and the Indians—have not yet even made a beginning at the solution of the basic demographic problem involved in the relationship between their food supply and their birth rate. Until they find some solution to this problem, further hunger, distress and violence are inevitable. All of the Asiatic peoples are faced with the necessity for evolving new forms of life to conform to the impact of modern technology. This process of adaptation will also be long and violent. It is not only possible, but probable, that in the course of this process many peoples will fall, for varying periods, under the influence of Moscow, whose ideology has a greater lure for such peoples, and probably greater reality, than anything we could oppose to it. All this, too, is probably unavoidable; and we could not hope to combat it without the diversion of a far greater portion of

our national effort than our people would ever willingly concede to such a purpose.

In the face of this situation we would be better off to dispense now with a number of the concepts which have underlined our thinking with regard to the Far East. We should dispense with the aspiration to "be liked" or to be regarded as the repository of a high-minded international altruism. We should stop putting ourselves in the position of being our brothers' keeper and refrain from offering moral and ideological advice. We should cease to talk about vague and—for the Far East—unreal objectives such as human rights, the raising of the living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better.

We should recognize that our influence in the Far Eastern area in the coming period is going to be primarily military and economic. We should make a careful study to see what parts of the Pacific and Far Eastern world are absolutely vital to our security, and we should concentrate our policy on seeing to it that those areas remain in hands which we can control or rely on. It is my own guess, on the basis of such study as we have given the problem so far, that Japan and the Philippines will be found to be the corner-stones of such a Pacific security system and that if we can contrive to retain effective control over these areas there can be no serious threat to our security from the East within our time.

Only when we have assured this first objective, can we allow ourselves the luxury of going farther afield in our thinking and our planning.

If these basic concepts are accepted, then our objectives for the immediate coming period should be:

(a) to liquidate as rapidly as possible our unsound commitments in China and to recover, vis-à-vis that country, a position of detachment and freedom of action;

(b) to devise policies with respect to Japan which assure the security of those islands from communist penetration and domination as well as from Soviet military attack, and which will permit the economic potential of that country to become again an important force in the Far East, responsive to the interests of peace and stability in the Pacific area; and

(c) to shape our relationship to the Philippines in such a way as to permit to the Philippine Government a continued independence in all internal affairs but to preserve the archipelago as a bulwark of U.S. security in that area.

Of these three objectives, the one relating to Japan is the one where there is the greatest need for immediate attention on the part of our Government and the greatest possibility for immediate action. It

should therefore be made the focal point of our policy for the Far East in the coming period.

VIII. INTERNATIONAL ORGANIZATION

A broad conflict runs through U.S. policy today between what may be called the universalistic and the particularized approaches to the solution of international problems.

The *universalistic* approach looks to the solution of international problems by providing a universalistic pattern of rules and procedures which would be applicable to all countries, or at least all countries prepared to join, in an identical way. This approach has the tendency to rule out *political* solutions (that is, solutions related to the peculiarities in the positions and attitudes of the individual peoples). It favors legalistic and mechanical solutions, applicable to all countries alike. It has already been embodied in the United Nations, in the proposed ITO Charter, in UNESCO, in the PICAQ, and in similar efforts at universal world collaboration in given spheres of foreign policy.

This universalistic approach has a strong appeal to U.S. public opinion; for it appears to obviate the necessity of dealing with the national peculiarities and diverging political philosophies of foreign peoples; which many of our people find confusing and irritating. In this sense, it contains a strong vein of escapism. To the extent that it could be made to apply, it would relieve us of the necessity of dealing with the world as it is. It assumes that if all countries could be induced to subscribe to certain standard rules of behavior, the ugly realities—the power aspirations, the national prejudices, the irrational hatreds and jealousies—would be forced to recede behind the protecting curtain of accepted legal restraint, and that the problems of our foreign policy could thus be reduced to the familiar terms of parliamentary procedure and majority decision. The outward form established for international dealings would then cover and conceal the inner content. And instead of being compelled to make the sordid and involved political choices inherent in traditional diplomacy, we could make decisions on the lofty but simple plane of moral principle and under the protecting cover of majority decision.

The *particularized* approach is one which is skeptical of any scheme for compressing international affairs into legalistic concepts. It holds that the content is more important than the form, and will force its way through any formal structure which is placed upon it. It considers that the thirst for power is still dominant among so many peoples that it cannot be assuaged or controlled by anything but counter-force. It does not reject entirely the idea of alliance as a suitable

form of counter-force; but it considers that if alliance is to be effective it must be based upon real community of interest and outlook, which is to be found only among limited groups of governments, and not upon the abstract formalism of universal international law or international organization. It places no credence in the readiness of most peoples to wage war or to make national sacrifices in the interests of an abstraction called "peace". On the contrary, it sees in universal undertakings a series of obligations which might, in view of the shortsightedness and timidity of other governments, prevent this country from taking vigorous and incisive measures for its own defense and for the defense of concepts of international relations which might be of vital importance to world stability as a whole. It sees effective and determined U.S. policy being caught, at decisive moments, in the meshes of a sterile and cumbersome international parliamentarianism, if the universalistic concepts are applied.

Finally, the particularized approach to foreign policy problems distrusts the theory of national sovereignty as it expresses itself today in international organization. The modern techniques of aggressive expansion lend themselves too well to the pouring of new wine into old vessels—to the infusion of a foreign political will into the personality of an ostensibly independent nation. In these circumstances, the parliamentary principle in world affairs can easily become distorted and abused as it has been in the case of White Russia, the Ukraine and the Russian satellites. This is not to mention the problem of the distinction between large and small states, and the voice that they should have, respectively, in world affairs.

This Government is now conducting a dual policy, which combines elements of both of these approaches. This finds its reflection in the Department of State, where the functional (or universalistic) concept vies with the geographic (or particularized) in the framing and conduct of policy, as well as in the principles of Departmental organization.

This duality is something to which we are now deeply committed. I do not mean to recommend that we should make any sudden changes. We cannot today abruptly renounce aspirations which have become for many people here and abroad a symbol of our belief in the possibility of a peaceful world.

But it is my own belief that in our pursuance of a workable world order we have started from the wrong end. Instead of beginning at the center, which is our own immediate neighborhood—the area of our own political and economic tradition— and working outward, we have started on the periphery of the entire circle, i.e., on the universalistic principle of the UN, and have attempted to work inward. This has

meant a great dispersal of our effort, and has brought perilously close to discredit those very concepts of a universal world order to which we were so attached. If we wish to preserve those concepts for the future we must hasten to remove some of the strain we have placed upon them and to build a solid structure, proceeding from a central foundation, which can be thrust up to meet them before they collapse of their own weight.

This is the significance of the ERP, the idea of European union, and the cultivation of a closer association with the U.K. and Canada. For a truly stable world order can proceed, within our lifetime, only from the older, mellower and more advanced nations of the world—nations for which the concept of order, as opposed to power, has value and meaning. If these nations do not have the strength to seize and hold real leadership in world affairs today, through that combination of political greatness and wise restraint which goes only with a ripe and settled civilization, then, as Plato once remarked: “. . . cities will never have rest from their evils,—no, nor the human race, as I believe.”

[Here follows Part IX, “Department and Foreign Service.”]

X. CONCLUSIONS

An attempt to survey the whole panorama of U.S. policy and to sketch the lines of direction along which this country is moving in its relations with the rest of the world yields little cause for complacency.

We are still faced with an extremely serious threat to our whole security, in the form of the men in the Kremlin. These men are an able, shrewd and utterly ruthless group, absolutely devoid of respect for us or our institutions. They wish for nothing more than the destruction of our national strength. They operate through a political organization of unparalleled flexibility, discipline, cynicism and toughness. They command the resources of one of the world's greatest industrial and agricultural nations. Natural force, independent of our policies, may go far to absorb and eventually defeat the efforts of this group. But we cannot depend upon this. Our own diplomacy has a decisive part to play in this connection. The problems involved are new to us, and we are only beginning to adjust ourselves to them. We have made some progress; but we are not yet nearly far enough advanced. Our operations in foreign affairs must attain a far higher degree of purposefulness, of economy of effort, and of disciplined coordination if we are to be sure of accomplishing our purposes.

In the western European area communism has suffered a momentary check; but the issue is still in the balance. This Government has as yet evolved no firm plans for helping Britain meet her basic long-term economic problem, or for fitting Germany into western Europe in a

way that gives permanence of assuring the continued independence and prosperity of the other nations of western Europe.

In the Mediterranean and Middle East, we have a situation where a vigorous and collective national effort, utilizing both our political and military resources, could probably prevent the area from falling under Soviet influence and preserve it as a highly important factor in our world strategic position. But we are deeply involved, in that same area, in a situation which has no direct relation to our national security, and where the motives of our involvement lie solely in past commitments of dubious wisdom and in our attachment to the UN itself. If we do not effect a fairly radical reversal of the trend of our policy to date, we will end up either in the position of being ourselves militarily responsible for the protection of the Jewish population in Palestine against the declared hostility of the Arab world, or of sharing that responsibility with the Russians and thus assisting at their installation as one of the military powers of the area. In either case, the clarity and efficiency of a sound national policy for that area will be shattered.

In the Far East, our position is not bad; and we still have a reasonably firm grip on most of what is strategically essential to us. But our present controls are temporary ones which cannot long endure, and we have not yet worked out realistic plans for replacing them with a permanent structure. Meanwhile, our own public has been grievously misled by the sentimentalists on the significance of the area to ourselves; and we are only beginning with the long and contentious process of re-education which will be necessary before a realistic Far Eastern policy can receive the popular understanding it deserves.

In all areas of the world, we still find ourselves the victims of many of the romantic and universalistic concepts with which we emerged from the recent war. The initial build-up of the UN in U.S. public opinion was so tremendous that it is possibly true, as is frequently alleged, that we have no choice but to make it the cornerstone of our policy in this post-hostilities period. Occasionally, it has served a useful purpose. But by and large it has created more problems than it has solved, and has led to a considerable dispersal of our diplomatic effort. And in our efforts to use the UN majority for major political purposes we are playing with a dangerous weapon which may some day turn against us. This is a situation which warrants most careful study and foresight on our part.