THE WHITE HOUSE

WASHINGTON

August 23, 1961

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Meeting of the Steering Group, August 23, 1961, 3:30 p.m.

Present were: Secretary of State, Secretary of Defense, The Attorney General, Director CIA, Director USIA, Chairman JCS, General Taylor, Mr. Kohler and Mr. Bundy

1. Negotiating Calendar

The Secretary of State circulated a draft of a reply to the Soviet note of August 3, and attention centered specifically upon the proposal in the last paragraph of the draft note that discussion of negotiations should take place between the four Foreign Ministers at the UN General Assembly meeting in September. This proposal was approved. The Secretary discussed reasons for it briefly and indicated that if De Gaulle should turn out to be wholly resistant, it might be better to proceed through other diplomatic channels.

2. Economic Countermeasures

The Secretary reported that on economic countermeasures there is now good clear Four-Power agreement that the next step is to get action in NATO to get agreement in support of the Four-Power position. He warned against the tendency of other governments to wish to be made whole by the U. S. for any losses they might sustain through such application of sanctions, and reminded the group that the current policy of the U. S. is not to offer any such indemnity except in some special cases, as perhaps the fish trade in Iceland. Mr. Dulles called attention to the fact that the Italians might be difficult on this issue because of the magnitude of their Soviet trade, and suggested that they might require special treatment.

3. Military Build-Up

The Secretary of Defense said that the military build-up is proceeding quite satisfactorily. The West German build-up in particular is moving well. General Taylor asked whether we were in fact doing more than we are yet getting credit for. Mr. Murrow warned that he had found universal opinion in Europe that any removal of military dependents would "pull the plug."

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The Secretary of Defense and General Lemnitzer reported that many members of Congress believed we could hardly be preparing seriously for action in Europe as long as we left our women and children there. The question obviously has two sides.

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4. Military Planning

It was reported that Four-Power discussions of the possible military planning directive had produced heavy pressure from the Germans against any extended non-nuclear action beyond an autobahn probe. Moreover, a similar lack of enthusiasm was indicated by the British and the French. At the most recent mæting, it was the consensus -- except for the U. S. representative -- that no further contingency planning should be undertaken beyond an updating of papers already agreed. The Secretary of State indicated that this evidence suggested the need for serious conversations at a different level and asked Mr. Kohler to arrange a meeting for himself and Secretary McNamara with the ambassadorial group.

5. East Berlin Access

There was discussion of the restrictions announced on August 22. General Taylor put forward the view that a relatively active response was desirable. The Secretary indicated that it continued to be most important to distinguish shooting from non-shooting issues. Mr. Bundy suggested that perhaps we should now move in the direction of indicating that if the status of East Berlin is to be less and less quadripartite, the status of West Berlin should be more sharply aligned to the Western allies and West Germany. Mr. Kohler left to participate in a Four-Power discussion of the same discussion, and it was understood that the Secretary of State would make further recommendations either to the Steering Group or directly to the President as soon as possible.

6. Information

Mr. Murrow reported a number of items on the propaganda front: our delay in protesting the earlier action had done no good; we were making more money on humanitarian than on legal grounds; the British public opinion seemed to be hardened, though there were no clear statistical measures. Good films were going into circulation on the Berlin problem from both the U. S. and the British side. It was agreed that the joint movie of the President and Khrushchev should not be pursued 11a

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at this time, and Mr. Murrow agreed to inform Eric Johnston of this view. The meeting of the Subcommittee on Propaganda was briefly reported; there will be a proposal for a small action committee to be brought in from outside the government.

7. Negotiating Position

The Secretary reported briefly on preparations for a clear U. S. negotiating position.

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