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Refer to: 1-26527/73

MEMORANDUM OF CONVERSATION

SUBJECT: Bilateral Batwaen SecDef and NATO Secretary General Luns

Time: 1745-1900 hours, Tuesday, 6 November 1973

Place: Prinses Juliana Kazerne, The Hague

Participants:

United States

Honorable James R. Schlesinger, Secretary of Defense Dr. William A. Prendergast, Defense Advisor, US Mission to NATO Mr. Harry E. Bergold, Jr., Deputy Assistant Secretary of Defense (European and NATO Affairs) Major General John A. Wickham, Jr., Military Assistant to SecDef Colonel Frederic Ackerson, Deputy Director, Country Affairs, European Region, OASD (ISA)

Secretary General, NATO

Joseph M. A. H. Luns, Secretary General Mr. Colin Humphreys, Assistant Secretary General Mr. Lissfelt, Assistant Chaf de Cabinet

1. (9) Middle East.

Secretary Schlesinger opened the conversation by asking what conclusions the SYG had drawn from the Middle East crisis. SYG Luns stated that his opersonal conclusions were not too favorable, and he was certainly not impressed with the attitude of all NATO nations. Unfortunately the European nations were eager to state that the crisis had nothing to do with NATO. When he publicly stated that the Alliance should maintain solidarity with the US, some countries commented to him that they preferred that he had not done so. They also expressed concern about what would happen If all Arab countries cut off all oil to all Central European nations. Luns considered this to be a very overstated remark. He felt the attitude of the Soviet Union during the crisis seemed to be counter to both the letter and the spirit of detente, and NATO cannot look at the situation with euphoria.

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Date: SEP 2 1 2018

The SYG commented that the French had made an extremely strong statement to the effect that they were surprised at the US actions. The general thread of the statements he had made during the course of the conflict was that detente was indivisible. He felt that if the US-USSR detente suffers, there could be no detente between the members of the Alliance and the USSR. He felt the fundamental problem is psychological: "The nations of this old continent no longer have the power to influence events." (Later Luns said he was particularly concerned with the psychological mind set of the allies as problem no. I. He implied that defeat is produced primarily by defeatism.) He was particularly astonished at the German and Balgian attitudes. However, all nations now seem to be given over to a more sober realization of what had gone on.

SYG Luns felt that the NPG meeting had been held at a most timely occasion and that the morning session on the Middle East could not have been better. The firmness and understanding of the European situation displayed by SecDef was excellent, and SYG Luns appreciated the US forthcomingness to give more warning of important actions it would be taking in the event of further crisis. He added that Ambassador Rumsfeld was wise to take up the PermReps challenge at the luncheon and to provide wise, frank and firm statements. Assistant Secretary General Humphreys agreed with the SYG regarding the psychological nature of the NATO atmosphere on October 20th. Unfortunately, since Ambassador Rumsfeld did not have instructions, everything was very confused.

SecDef said that the israell situation had become desperate early in the conflict; and after the first week, it was evident that israel could not succeed without US help. Thus the door was wide open to Soviet expansion in the Middle East. The SYG expressed the view that the situation was not presented in these terms to NATO and asked Dr. Prendergast whether or not this was so. Dr. Prendergast said he did not think that Ambassador Rumsfald was informed about the desperateness of the Israell situation or that the Soviet expansionist aspect of the situation was made clear to the Allies in Brussels. SecDef said a strategic defeat for the US in the Middle East would have had incalculable consequences for NATO, and NATO nations should have realized that. However, he said there may have been some advantages in the confusion. The USSR did not play its cards effectively in the Middle East, perhaps thinking that by holding back there, they could gain advantages in Western Europe. The SYG and Mr. Humphreys expressed some doubt that such considerations led the Soylet Union to exercise some degree of restraint in the Middle East,

2. (9) Middle East: 011

The SYG was not proud of the way Europe had acted during the Middle East crisis as there was very little connection between the capitals. This was unfortunate because the oil situation will result in very serious problems to the economy of Europe--in particular, to the Dutch economy.

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Date: SEP 2 1 2018



From the Dutch standpoint, he was extremely unhappy that Italy had stirred up the Arabs against the Netherlands purely to get on the good side of the Arabs. The Arabian 25% oil cut was very serious, and he wondered if there had not been some underlying pretext for triggering this action. He considered the US to be lucky because of its small percentage of Arabian oil imports. The crisis had many angles—detente, common Market, and economic, and he hoped that in the next few days that the European nations should act at least as Allies if not as an Alliance.

SecDef asked what should be done about the oil problem, and Luns replied that the US, Canada, Europe and Japan should develop a common policy. But, unfortunately, this was not possible. Therefore studies must be undertaken to cut dependence on Arab oil. He felt that Europe could turn to other sources. As an example, the Dutch were producing about 2M tens of coal a year, and this could readily be increased to 12M tens.

The <u>Secretary General</u> also said that it was good for the Russians to see the prompt military reply of the United States to potential Soviet moves. On the matter of NATO response, he observed that the crisis was "too quick and too short" for NATO action and that during Cuba the buildup was much slower.

in the coming weeks, the <u>SYG</u> said that our task is to cement the ties of the Alliance, and we should not allow the accusations among the Allias to continue. He said the United States is unique in history; it is not comfortable in the role of a superpower, and it tends to be ashamed of its power ("Your Congress doesn't like it at all."). This was very evident when the US had its nuclear monopoly. He added that he was happy to read that the troop cut amendment had been defeated in the Senate.

The SYG said there was anger in the United States about NATO reaction to "The Israeli thing." It was unfortunate that Europe took a detached view, each nation trying to protect its oil supplies from the Arab states. That attitude must change. The eagerness of the European nations to appease the Arabs makes it more difficult to achieve a Middle East peace as such a trend is hard to turn around.

3. France and the UK

SecDaf observed that the United Kingdom has been backing the French and wondered about relations between the two countries. The UK has not provided leadership to achieve what should be our common purposes. Furthermore, the UK must understand that it cannot maintain a special relationship with the United States and at the same time embrace Gaullism. The SYG said that UK Ambassador Peck had made a statement supporting the US position in the Middle East in the NAC, and that the public statements of UK officials were conciliatory and helpful.

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Date: SEP 2 1 2018

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4. Middle East: FRG Reaction

The SYG did not understand the German criticism of the United States, for the FRG is more dependent on the US than any other NATO nation. SecDef responded that the FRG reaction in the crisis was "panicky," and their posture suggested that they can be blackmailed. The SYG said that a Mid-East peace agreement is needed to clear the air and the US alone can bring it about. Israel, he said, must trade terrain for security as israel; frontiers can be secure only if they are politically secure. Otherwise, there will be a succession of conflicts in the Middle East. The Arabs can take many defeats. The USSR is not interested in peace in the Middle East.

5. Future Crises

Secretary Schlesinger wondered if NATO was incompetent to act in the event of a similar crisis a year from now. The Secretary General said that in a future crisis, he did not expect a repetition of the recriminations. He did expect the United States would inform the Allies more quickly, but he doubted that NATO as such would act. The French will play the Arab cards in any future crisis. The Secretary General said he was happy the ceasefire had come in time to spare the Arabs a humiliating defeat. He expressed fear of future elections in israel which might increase influence of right-wing terrorist elements.

6. (7) DPC Format

SecDef raised the question of future Alliance activities by stating that he liked the format of the NPG and hopes to move the DPC meetings in that direction; we should do away with long-winded statements by Ministers at DPC meetings. SYG Luns agreed and expressed the hope that results would be obtained shortly.

7. O Conventional Balance

SecDef detected greater enthusiasm for the US assessment of relative conventional capabilities. He felt that NATO should include all forces of NATO nations in making its assessment. Soviet writings show that this is the way the USSR makes assessments.

8. (Alliance Aid to Turkey

SecDef felt that the Alliance should look at the problem of Alliance help to Turkey. SYG Luns agreed and said he must talk to Leber about that. He said the FRG had recently destroyed overage helicopters that were still serviceable and could have been given to the Turks.

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Date: SEP 2 1 2018

9. DPC Discussions

SecDef said the DPC should deal only with bigger issues as too much time is being spent discussing the obvious or discussing details. The Ministers should not have to talk about aircraft shelters and reserve stocks. He also said that he wants (subject to the agreement of SACEUR) to distribute to the MODs a letter he received from General Goodpaster on the need for standardizing equipment. Luns said failure to standardize equipment is one of the major deficiencies of the Alliance.

10. (Burden Sharing

The SYG said he was very worried about burdensharing, a subject he had discussed with Lord Carrington at lunch. Carrington told him the UK could not possibly spend more on defense and therefore could not help in sharing US burdens. Luns said he told Carrington that the UK must participate in the burdensharing, even if it means taking some money from their defense budget.

II. A MBER

SecDef expressed a concern about Phase II of MBFR. The FRG wants to reduce its forces in Phase II. The FRG is not straining its resources—economic or manpower—for defense. He observed that perhaps the present crisis would provide an opportunity to persuade the FRG not to seek reduction of its forces through MBFR.

Memorandum of Conversation Prepared by: Colonal Frederic Ackerson OASD (ISA) European Region 7 November 1973 Approved by:

Date: 26 NOV 1973

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