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## THE WHITE HOUSE

WASHINGTON

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April 26, 1968

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MEMORANDUM FOR THE RECORD

Authority NSC Dir. 6/11/61, NSC 68  
By Cham, NARS, Date 8/2/81

SUBJECT: NSC Meeting of April 24 - Eastern Europe

Secretary Rusk opened the meeting by observing that the Eastern European societies had, in one sense, the opposite problem from our own. Our tradition has been individual rights, and we have recently had to concern ourselves with collective problems. The Communist societies depart from the collective view and are only recently facing the problem of the individual. This produces a pull of attraction to the West.

A second tie to the West is provided by the desire of Eastern European intellectuals to pursue professional contacts with their Western colleagues. A third tie is the desire of the Eastern European states to assert their independence against the Soviet Union.

Secretary Rusk warned against the danger that the East Germans might react to the changes going on in Czechoslovakia and elsewhere by provoking additional tensions with the West. The Secretary said he had Berlin particularly in mind, and mentioned the recent problems of travel and Bundestag meetings. So far as U. S. policy is concerned, the Secretary thought we were right in playing the Eastern European question in low key. We should maintain our public posture of non-intervention. The Secretary said we should bear in mind the classic distinction between rape and seduction.

Secretary Rusk expressed regret that so many of our policy tools had been taken or withheld by the Congress. In particular, it is a pity the East-West Trade bill was not passed earlier. A drive to pass the East-West Trade bill now might be a mistake.

Secretary Rusk said that, because of circumstances and policy, the Western Europeans may have to be out in front in efforts to exploit Eastern European developments. However, we have opportunities in the fields of trade and cultural contacts. The Secretary went on to mention that he had just sent over a package on the Romanians' desire to purchase a heavy water plant, with his recommendation that the President approve it.

The President asked Deputy Under Secretary Bohlen if he had anything to add. Ambassador Bohlen observed that the Communist parties in Eastern Europe have usurped an all-encompassing role and this has had a stifling effect on Eastern European societies. The original Marxist idea was that the parties

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should exert ideological leadership. They have become both the keeper and prisoner of ideology, and thereby increasingly ineffective in leading these societies forward. Ambassador Bohlen expressed concern that Czech developments go too far, and provoke a Soviet reaction. He seconded the Secretary's advocacy of quiet diplomacy.

The President, noting that he was making a brief digression, asked Ambassador Bohlen why he thought DeGaulle made his recent gesture to Hanoi. Ambassador Bohlen said DeGaulle had tipped his hat to the President's acts of renunciation on March 31, and probably felt he needed to redress the balance in Hanoi's direction. Ambassador Bohlen said DeGaulle's general attitude has not changed, and we can expect continued obstruction and hostility on gold, British entry into the Common Market and NATO.

The President asked Secretary Fowler if he had any observations on the gold question and Eastern Europe. Secretary Fowler said the Yugoslavs were cooperating with us, and the Soviets were not playing the market to our disadvantage. The Red Chinese, on the other hand, were heavy takers.

Secretary Fowler briefly discussed the possibility that the Eastern European countries might seek membership in the Bank and Fund. He noted Yugoslavia's creditable role and recent feelers from Czechoslovakia and Hungary. While noting these were constructive developments, he warned that we would have to be careful that membership in international institutions did not enhance the Communist countries' ability to penetrate and influence the free world. He suggested we might think about using the Eastern European countries' interest in the Bank and Fund as a way to encourage them to reduce military aid to the developing world and loosen economic coordination with Moscow.

The discussion shifted to Soviet interest in regional development banks. Secretary Rusk said the Soviets had hinted they might do something in connection with the Asian Development Bank, but nothing had come of this. Secretary Fowler noted that we should be careful to observe international strictures on credit (the Berne limits).

The President asked what added steps in our Eastern European policy we can take without having to go to the Congress. Secretary Rusk observed that the recent set of restrictive amendments (Findley, Belcher, etc.) hampered us considerably. Nevertheless there are things we can do. For example, a Bulgarian Trade Delegation is coming shortly, and the Secretary himself participated in the Bulgarians' efforts to promote the sale of wines.

The Secretary said we should look again at the Czech gold question, as we ought to try to resolve it. He added that the Czechs were offering us something like \$2 million on a \$72 million claim. (Actually the U.S. Government has already distributed \$9 million to claimants from a \$17 million steel mill which the Czechs

once purchased and did not get delivery on.)

Secretary Rusk mentioned our negotiations for a consular convention with Hungary and Poland, and the possibility of revising our visa forms for tourists, to accommodate Eastern European sensitivities.

Secretary Fowler raised the question of Comecon, and Soviet insistence that the Eastern European countries import raw materials from the Soviet Union at inflated prices. He said this anomaly should present us with opportunities under PL 480. (Use of PL 480 would require legislation.)

Secretary Rusk said we might take a look at revising Comecon controls to allow Eastern European scientists who study here, with our high-quality equipment, to bring that equipment home for their own use. Ambassador Bohlen noted that the Secretary was probably referring more to U.S. export controls than to Comecon.

The Vice President noted the usefulness of trade fairs. He said he thought we didn't do as well as we should with these opportunities. Secretary Rusk observed that our funds were limited, and suggested that Commerce's view would be useful in this regard. The President added: "So would Rooney's views."

The President asked the Secretary of Defense if he had any comment. Secretary Clifford observed that nationalism was spreading like a virus. He raised the question whether the Soviet Union would consider using force in Eastern Europe and suggested some contingency planning would be useful. Ambassador Bohlen said that the Soviets would be reluctant to resort to direct military intervention on the Hungarian pattern, and had, in fact, refrained from doing so against Romania.

Mr. Helms observed that Czechoslovakia's move towards independence had started as a result of economics. Dependence on the Soviet Union had produced a degradation of the Czech economy, which led to resentment throughout that society.

The President thanked the participants.

  
Nathaniel Davis

cc: Mr. Rostow

LIST OF ATTENDEES, NSC MEETING

April 24, 1968, Wednesday, 12:00 noon

Vice President Humphrey

Secretary of State Rusk  
Deputy Under Secretary Bohlen  
Deputy Assistant Secretary Stoessel

Secretary of Defense Clifford  
Deputy Secretary Nitze

Secretary of Treasury Fowler

CIA Director Helms

JCS Chairman Wheeler

OEP Director Daniel

Walt Rostow  
Tom Johnson  
Bromley Smith  
Nathaniel Davis

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