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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

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MEMORANDUM FOR THE RECORD

SUMMARY OF NSC MEETING ON NATO WEDNESDAY, JUNE 19, 1968, 12:00 NOON

The President opened the meeting by noting the forthcoming NATO Ministerial Meeting at Reykjavik. He asked Under Secretary Katzenbach to introduce the discussion.

Under Secretary Katzenbach said the Ministerial Meeting was taking place against unhappy background -- the difficulties in France, the lack of a government in Belgium, and the Berlin crisis.

On the other hand, NATO recently had been debated in Norway and the Norwegians strongly voted for continued support of the Alliance.

Assistant Secretary Leddy

By way of introduction, Leddy said that NATO is in a better state of health than the pessimists predicted a few years ago. It had been effective in coordinating the discussion among the governments on the NPT and the Nuclear Planning Group was moving along well.

Regarding the specific issues at Reykjavik, he said:

- -- Berlin would be the subject of serious bilateral and quadripartite discussion among the U.S., Britain, France, and Germany. The Secretary is considering going to Bonn after the meeting.
- -- Mutual Force Reductions We expect to have a ministerial declaration that NATO is willing to undertake troop reductions on a reciprocal basis with the Russians. The French will not join but that will not matter.

We do not expect the Russians to respond now. Vietnam is one reason; their concern over Eastern Europe is another. But the declaration may provide a platform for talks with the Russians on this issue, and progress is possible in the longer term.

-- Mediterranean - We anticipate some low key actions. The Soviet threat there is primarily political and secondarily military. The Ministers will authorize increased surveillance.

- -- NPT We hope for a NATO statement on the NPT, and we have worked out a scenario reaffirming our commitment to help others support the NPT. (The scenario was subsequently approved by the President.)
- -- Berlin May give the Germans some ammunition to delay signing the NPT.
- -- Balance of Payments and Burden Sharing Our present arrangements to offset the balance of payments costs for our troops in NATO are temporary. They buy time but they don't cure the problem. Over the longer term we look for the British to do more in Europe which could enable us to do less. We can also anticipate the UK working toward some kind of joint European military effort - including joint production of military equipment.

Secretary Clifford

- -- Berlin Thus far the Germans have not been willing to take countermeasures. They have no reason therefore to blame us for the crisis. We must try to build up support for West Berlin. High level visits would help.
- -- NPT We hope the Germans could be persuaded to go along. If they don't, it will raise specters in Europe.
- -- Mediterranean The Soviet fleet in the Mediterranean has recently been reduced but it is active and must be carefully watched. A joint NATO Naval exercise is being planned.
- -- Mutual Force Reductions The Germans want to have language in NATO statements ruling out any unilateral troop reductions. We can't do this, particularly in view of the rising sentiment in the Congress that we do something in this field. At the Defense Ministers meeting we had told the Europeans they should prepare for future reduction. Our language at Reykjavik on this issue should go no further than the May 10 Defense Ministers' statement.
- -- Greece We should resume military aid to Greece. The importance of our military position there has increased as a result of the Soviet presence in the Mediterranean. The Greeks are cooperative and will be of more value to us if Turkey makes trouble.

The President asked for comments on the issue of resuming military aid to Greece. Under Secretary Katzenbach, the Vice President, and Helms agreed with Secretary Clifford.

-- Burden Sharing - Our position is still not satisfactory. Bond purchases help but we must get to some better arrangement in the future.

Secretary Fowler

We still haven't built a financial pillar for the Alliance. Our arrangements are neither satisfactory nor enduring. The only meaningful way of dealing with this problem over the long term is through increased purchases of U.S. military equipment by the Europeans or reduced U.S. military expenditure in Europe.

Secretary Clifford said that the Germans have an enormous need for new military aircraft. We should be able to work something out in the area of joint production of new planes.

Under Secretary Nitze discussed the prospects for the F-5 and estimated that the total market for a new military plane in Germany might be as much as \$3 billion.

The President asked State and Treasury to review the status of this project with Defense.

ER Fried: mst

June 19, 1968, Wednesday, 12:00 noon

Vice President Humphrey

Acting Secretary of State Katzenbach
Assistant Secretary Leddy

Secretary of Defense Clifford Deputy Secretary Nitze

Secretary of Treasury Fowler

CIA Director Helms

JCS Chairman Wheeler

USIA Director Marks

Walt Rostow George Christian Tom Johnson Bromley Smith Edward Fried