

February 28, 1948

DOS REVIEWED 12-Mar-2013: DECLASSIFIED FOR RELEASE IN FULL

SECSTATE WASHINGTON _____
USPOLAD BERLIN _____
AMEMBASSY PARIS _____
AMEMBASSY MOSCOW _____
AMEMBASSY THE HAGUE _____
AMEMBASSY BRUSSELS _____
AMEMBASSY OSLO _____
AMEMBASSY COPENHAGEN _____
AMEMBASSY STOCKHOLM _____
AMEMBASSY ROME _____

February 28, 1948

Fifth meeting Feb 28 on German problems opened with discussion of Agenda Item D, Security Against Germany. (DELSEC 1592.)

De Gruben, speaking for Benelux, indicated there were two types of security controls, external agreements and measures within Germany, such as disarmament measures, occupation controls and long term control of Ruhr and industrial areas. He believed security system required organic structure and suggested this might be done through regional agreements under UN.

Massigli stated with respect to security measures under the occupation that there seemed to be agreement that there would be long term occupation but no agreement whether certain areas (Rhineland, outlets of Ruhr) shall be occupied

~~SECRET~~

SECRET

-2-

permanently as French proposed. Re disarmament he said situation unsatisfactory as agreement on prohibited industries not being implemented. These industries actually privileged industries as not being dismantled. Re outside guarantees Byrnes' draft D&D Treaty at one time provided satisfactory system but now not clear where we stand. He doubted Benelux proposal sound from legal point of view as regional agreements under UN Charter subject Security Council approval and veto.

De Gruben believed Articles 53 and 51 of Charter could be interpreted as authorizing regional agreements without requiring Security Council approval. He referred to Rio pacts as precedent. (Later in reply to Douglas' questions he said regional agreements he contemplated would probably be discussed in Brussels in connection Bevin proposal.) (Sent to Dept as _____; and repeated to USPOLAD, Berlin as _____; AmEmbassy, Paris as _____; AmEmbassy, Moscow as _____; AmEmbassy, The Hague as _____; AmEmbassy, Brussels as _____, pass to Luxembourg; AmEmbassy, Oslo as _____; AmEmbassy, Copenhagen as _____; AmEmbassy, Stockholm as _____; and AmEmbassy, Rome as _____.)

Strang referred to draft D&D Treaty and wondered whether it could be adapted to present situation; said Brit willing consider this and that it might be useful idea.

Re French views on prohibited industries Robertson replied for Brit that original agreement on this was 4-power

-3-

one and quite separate from quadripartite agreement on level of industry. Bizone level of industry covered restricted industries but not prohibited industries. Brit felt whole question of prohibited industries should be reviewed but up to present no agreement reached on extent of modifications.

Douglas was doubtful whether 4-power D&D Treaty as proposed by Byrnes would be appropriate under present changed circumstances or whether it could be modified to meet present circumstances. It was necessary to take new situation into account including Bevin's proposal of last Jan in considering idea of pact.

Benelux rep stated two pillars on which security rested should be deconcentration of Germany's economic power and decentralization of its political power.

Strang suggested these points be taken up under Item F. As there was no further discussion on Item D discussion Item F followed immediately. It was understood security question was not disposed of and could be brought up again in subsequent meetings. Long discussion followed in which reps three Benelux countries explained their views on decentralized political structure they had in mind for Germany or Western Germany. They proposed loose confederation of sovereign states similar to North Rhine Confederation. States would delegate certain powers to central authority. These powers would include those necessary for economic viability. Powers to central authority would be temporary in that states, which held full powers, could by agreement always revise or

SECRET

-4-

withdraw powers temporarily delegated. Benelux reps claimed they realized necessity having central direction of prices and wages, food, foreign trade, taxation, etc., but believed this possible under their proposal. In reply to Douglas' question they indicated any Peace Treaty would have to be made with the individual sovereign states.

Douglas questioned whether central authority with limited temporary powers delegated by sovereign Laender could enforce decisions. Laender could always refuse abide by decisions of central authority; presumably could even secede. Benelux reps unable give satisfactory reply; asserted Laender would abide by decisions their own central authority; occupying powers presumably would prevent secession and enforce mutual agreement of Laender. In reply to Strang's question Benelux rep stated proposed system would be imposed by occupying powers.

Douglas asked whether system imposed by coercion was consistent with our understanding of democracy and how long occupying powers expected bear cost occupation.

Lux Min said coercion did not arise under occupation and would not arise at time of Peace Treaty as no treaty would be signed with German Govt in which we did not have confidence. Occupation must go on until such German Govt existed and until viable economy developed. It would take long time to develop democratic institutions in Germany.

Douglas pointed out there was contradiction in view

SECRET

SECRET

-5-

that no coercion was involved yet govt to be enforced by occupation. He also raised question of consequences in Germany in event of threat from East under proposed separatist system.

De Gruben claimed Benelux proposal took into account German interests and that plan to give Germans reasonable prosperity and political activity was not incompatible with necessity to assure guarantees against Germany.

Douglas then gave brief outline US views on political structure for Western Germany, emphasizing US had no desire for highly centralized govt; favored federal state under constitution; all powers not specifically delegated to central govt to remain with Laender, etc. He mentioned possibility more extensive powers might be given central govt in truncated Western Germany than would be required for unified Germany. He added it was necessary central govt have sufficient powers if stable economy to be achieved.

Strang stated Brit subscribed to Douglas' views.

Next meeting to be held Mar 1 will continue discuss
Item F.

MR. REBER

DOUGLAS

MR. LIGHTNER, JR.

EAL:jsr

CHARGE: CFM Deputies

SECRET