

SECRET

55

TEH D-11/4

April 20, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION
Tehran, April 28-30, 1960

Position Paper

U.S. Views on Afghanistan

(To be raised only at foreign initiative)

Anticipated Positions of Foreign Governments

1. Pakistan has indicated that it intends to bring up the subject of Afghanistan during the session. Pakistan may express its belief that the situation in Afghanistan, particularly as it affects Pakistan, has deteriorated sharply since the last session (See separate paper on Afghan-Pakistan Relations), and contend that Afghanistan is now, for all practical purposes, under Soviet domination. Pakistan will probably express its concern about the threat of direct or indirect aggression by Soviet-equipped and inspired Afghan forces. Pakistan may also express fears of Soviet-instigated tribal uprisings along the Pak-Afghan border, and complain about the continued virulence of Pushtunistan propaganda. Pakistan may propose a CENTO public statement supporting Pakistan on the Pushtunistan question and condemning the Soviet Union for interfering in a local dispute. Pakistan may also be expected to propose contingency military planning against Afghanistan (See separate paper on CENTO Military Contingency Planning).

2. Iran may also be expected to show considerable concern over Soviet efforts in Afghanistan and may claim that Soviet military aid to Afghanistan poses a threat to Iran's security, thus justifying larger Iranian forces for northeastern Iran. Iran may raise the subject of the Helmand waters (See separate paper on Iran-Afghan Relations), although not as a threat to Iran's security. Iran may support Pakistan's proposal for a CENTO public statement and also support contingency military planning against Afghanistan.

3. Turkey probably will continue to be more sympathetic towards Afghanistan's exposed position and may reiterate its belief that the Afghan ruling group is determined to maintain the independence and neutrality of the country. Turkey may not wholeheartedly support the anticipated positions of Pakistan and Iran for a CENTO public statement or contingency planning.

Recommended

STATE review(s) completed.

SECRET

- 2 -

Recommended United States' Position

1. The United States shares the concern of the member governments regarding Soviet efforts in Afghanistan and the possible adverse consequences thereof. We continue to believe, however, that the Afghan leaders and people still preserve the will to maintain their independence and neutrality. We do not believe that Afghanistan is yet under Soviet domination, although we are in no way attempting to minimize Soviet gains.

2. We believe that the royal family in Afghanistan, although its rule leaves much to be desired, provides stability in the country and is the only alternative to chaos which would benefit only the Soviets. We, therefore, believe the present Afghan Government should be supported and won over rather than harassed and threatened.

3. We are particularly concerned about Soviet influence in the Afghan armed forces, but this concern is based on the potential for subversion rather than on any fear that the Afghan military establishment presents an aggressive threat to other CENTO members. It is our view that the Afghan Government has no intention of committing aggression against its neighbors and that in any case it will take considerable time for the Afghans to absorb the training and required skills for the effective use of Soviet equipment. We have noted with pleasure that Afghanistan recently has turned to the United States for the training of a substantial number of pilots and mechanics. It is our hope, in this same connection, that Turkey may be able to increase and strengthen its military mission in Afghanistan and train more Afghan officers in Turkey in order to counter Soviet influence.

4. It continues to be our view that one of the principal requirements for countering Soviet penetration of Afghanistan is the easing of tensions between Afghanistan and its two Moslem neighbors - Pakistan and Iran (See separate papers on Afghan-Pakistan Relations and Iran-Afghan Relations).

5. As a fall back position the U.S., if seriously pressed, would acquiesce in a CENTO public statement (without judging the merits of Pushtunistan issue) which condemns Soviets for interfering in a local dispute. This is as far as the U.S. can go without adversely affecting its own capability to influence favorably the Afghan Government in matters affecting the security of the CENTO area and the free world as a whole. (See separate paper on Afghan-Pakistan Relations for fuller discussion of Pushtunistan question.)

Discussion

SECRET

SECRET

- 3 -

Discussion

Soviet-Afghan Relations: Since 1953, Afghanistan's relations with the USSR have become increasingly close. Afghan leaders have been largely motivated by (a) their desire to modernize Afghanistan and (b) their fears of and quarrels with Pakistan and, to a lesser extent, Iran.

The Soviets have capitalized on these Afghan motivations and have made a massive bid to penetrate the country economically, militarily, and culturally. Since 1954 they have committed approximately \$300 million in economic and military aid, of which approximately \$75 million is military aid. With this aid has come a large number of technicians and military advisors now estimated at well over 1,000. Since the last ministerial session, Soviet Premier Khrushchev has visited Kabul and: (1) signed a cultural agreement; (2) given the Afghans 50,000 tons of wheat as well as assurances of continued economic assistance; (3) publicly supported Afghanistan's position on the Pushtunistan question.

U.S.-Afghan Relations: The Afghans have maintained friendly relations with the United States and have sought our aid in an apparent effort to balance Soviet influence. The U.S. economic program since 1953 has totaled about \$150 million, mostly in grants. The major components of this program have been:

	<u>Millions of dollars</u>
Export Import Bank Loans (Helmand)	50
Helmand Valley Development	11
Air Transportation	27
Af-Pak Regional Transit	19
Road Improvement	4
Education	8
Surplus Agricultural Commodities	15
	<u>134</u>

The balance of U.S. aid has consisted mainly of technical assistance in agriculture, public administration, etc.

The U.S. does not intend to compete with Soviet aid to Afghanistan on a dollar for dollar basis. We are trying to concentrate on key fields of economic and political significance. We hope to maintain our influence and presence in Afghanistan in order to convince the Afghans of the benevolence of free world intentions and to keep before them a reasonable alternative to complete reliance on Soviet assistance.

Turkish-

SECRET

- 4 -

Turkish-Afghan Relations: The Turks have enjoyed a position of great prestige in Afghanistan in the past. A high percentage of Afghan army officers have been trained in Turkey. The Turks have maintained a "military mission" in Afghanistan for some years but lately it has been poorly staffed and largely ineffectual and there have been unconfirmed rumors that it is to be discontinued. Turkish diplomatic representation in Kabul has been weak in recent years. The Turks have, in the past few months, expressed their intention of refurbishing their relations with the Afghans. They have shown interest in strengthening their military mission and diplomatic representation in Kabul, in training larger numbers of Afghan officers in Turkey and in operating a Military Staff College for the Afghan army. One of Turkey's top diplomats, Mr. Benler, has recently arrived in Afghanistan as Ambassador. The U.S. is gratified at these Turkish efforts to recapture their position of prestige, particularly as a counter to Soviet influence in the Afghan military establishment.

Afghan-Iranian Relations (See separate paper).

Afghan-Pakistan Relations (See separate paper).

Internal Conditions

1. Political: The royal family rules Afghanistan with a firm and, at times, oppressive hand. It has consistently avoided splits within itself. Prime Minister Daud is without doubt the strongest member of the family and, in general, his policies receive family support. He has shown himself a shrewd and competent leader. The regime is not popular with the masses, however, and active discontent has been manifested against Daud's policies of: (1) accelerating the pace of social reform in connection with the emancipation of women; and (2) more actively collecting taxes. The present regime has nonetheless increased the power and authority of the central government throughout the country and has gradually eliminated elements of potential opposition. The only threats on the horizon to the stability of the present regime are: (1) the opposition from the conservative religious element to too rapid change; (2) the potential subversive effect of Soviet influence on the growing power of the military establishment; (3) the possibility of large-scale tribal uprisings.

2. Economic: The potential for developing Afghanistan's primitive economy is reasonably good. Population is relatively small and resources in terms of agricultural production, hydro-electric power, etc.

are adequate

SECRET

SECRET

- 5 -

are adequate. The principal shortages are skilled technical and managerial personnel and local currency resources. The economy is heavily mortgaged to repaying Soviet bloc loans and is somewhat dependent on Soviet bloc trade particularly in certain key commodities such as POL products. However, with reasonable development, the Afghan economy can probably make reasonable progress. The present ruling group has placed great emphasis on economic development and some modest progress has already taken place in building up the economic infrastructure, particularly roads and hydro-electric power. The communist bloc is in a position to put heavy economic pressure on Afghanistan should it choose to do so. On the whole the Afghan economy is primitive but fundamentally sound and with reasonable foreign assistance should develop at a fast enough pace to satisfy the demands of most Afghans.

Drafted by:		Cleared by:	
SOA - Mr. Gatch	SOA - Mr. Poullada	NEA - Mr. Kennedy	
	- Mr. Adams	C - Mr. Keyser	
	GTI - Mr. Hope		
	NEA/NR - Mr. Gannett		
S/S-RO - Raymond L. Perkins, 5274 NS, Ext. 4445			

SECRET

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

Tehran, April 28-30, 1960

TEH D-11/8

April 20, 1960

Indo-Pakistan Relations

55

(To be raised only at foreign initiative)

Anticipated Pakistan Position

1. Pakistan representatives may seek U.S. support for their position in regard to continuing disputes with India, of which the most important are the Kashmir issue and the Indus Waters dispute.

2. Kashmir - The Pakistan President has publicly indicated that Pakistan is unwilling to accept partition along the present Cease-Fire Line in Kashmir as a permanent solution to the problem, but that there is room for negotiating a solution short of the preferred one of a U.N.-supervised plebiscite. A solution must meet the interests of all three parties: Pakistan, India, and the Kashmiris themselves. Pakistan representatives may request the assistance of Pakistan's CENTO allies in persuading Nehru to renew bilateral discussions on Kashmir; however, this is a more likely subject for bilateral talks than for consideration in the CENTO forum.

3. Indus Waters - Representatives of Pakistan may seek support for their position on one or more of the points still at issue with India in the Indus Waters negotiations, as outlined in the discussion section.

Recommended U.S. Position

1. The U.S. welcomes the steps that have been taken over the past year to resolve a number of the long-standing disputes between India and Pakistan and hopes that the remaining issues will continue to move toward solution.

2. Kashmir - We continue to favor settlement through bilateral negotiations and are gratified at Pakistan's initiative in this direction. Our position is known to the Indian Government. In the absence of a bilateral solution, the U.S. believes the parties should continue to be governed by the U.N. resolutions on this subject.

3. Indus Waters - The U.S. should avoid becoming involved in the merits of the various points still at issue in the Indus negotiations. It would be appropriate, however, to emphasize the importance of India and Pakistan reaching an agreement on the Indus Waters Treaty at an early date in view of the possibility that the U.S. Congress, which will probably adjourn by early July, might refuse to enact proposed legislation for a project on which Pakistan and India are not yet agreed.

Discussion

SECRET

SECRET

- 2 -

Discussion

1. Indo-Pakistan disputes stem from centuries-old Hindu-Muslim rivalry and from the partition of British India in 1947; from the sharing of 3,000 miles of unnatural and sometimes disputed frontier; from religious differences and differing concepts of the state; and from a lingering basic suspicion on both sides that the other intends by force or otherwise ultimately to dominate the subcontinent. In addition there are tensions over relative prestige in Asia and over relationships with the great powers.

2. Important steps have been taken to resolve a number of the outstanding Indo-Pakistan disputes since President Ayub's accession to power in October 1958. The border problems have been resolved in two conferences, and most of these disputes are on the way to actual settlement on the ground. The dispute over financial balances in government accounts and for refugee property, arising from the partition of the old India into two new countries in 1947, has come under active negotiation. This step-by-step improvement in relations has been due to the initiative of President Ayub. It has been made possible in India because President Ayub's government, while originally deplored as undemocratic, has been viewed by Indian leaders as more stable than its predecessors, so that fruitful negotiation with it has appeared possible. This improvement may have been hastened and made easier in India by Chinese Communist aggression. Such aggression, and increasing Soviet activity in Afghanistan, have publicly underlined the danger from the north to the subcontinent.

3. Within the past few weeks, however, some setbacks to improved relations have taken place. The agreed solution to one of the border disputes, involving the exchange of enclaves between the Indian State of West Bengal and East Pakistan, has been declared by the Indian Supreme Court to require a constitutional amendment for its implementation by India. Talks between the Finance Ministers of the two countries over the financial disputes were recessed without agreement having been reached over the exact amounts of money involved, and no date has been set for their resumption. The status of the Indus Waters and Kashmir issues, however, remain the most important barometers of Indo-Pakistan relations.

Kashmir

4. There has been little recent progress toward resolving the Kashmir dispute, which has been before the U.N. Security Council since January, 1948, and has been the subject of a number of resolutions aimed at settling the dispute through the process of demilitarization and the holding of a plebiscite. Dr. Frank Graham, the U.N. representative for India and Pakistan, submitted his latest report to the Security Council on March 28, 1958. In his report Dr. Graham concluded that the most immediate requirement of the situation was the resumption of direct negotiations between the two governments. He made several concrete suggestions for the resumption of bilateral negotiations under his auspices, which were accepted in principle by Pakistan but were unacceptable to India.

5. Since

SECRET

SECRET

- 3 -

5. Since assuming office, President Ayub has felt himself under the same internal political pressures as his predecessors and has from time to time publicly expressed his concern for a satisfactory solution of the Kashmir problem. Until mid-1959, his statements envisaged a satisfactory solution only by means of the holding of a plebiscite under U.N. auspices. The Pakistan Government informed us in January, 1959, that it was considering asking for renewed Security Council consideration of the issue, a course that we believed would exacerbate tensions, might weaken the UNCIP resolutions which form the mainstay of Pakistan's position, and would be unlikely to bring the issue nearer a solution. Pakistan did not pursue this proposal. In September, 1959, when on his own initiative President Ayub held talks with Prime Minister Nehru during a brief stop-over in New Delhi en route to East Pakistan, the Pakistani President publicly hinted that he would like to resume bilateral talks on Kashmir; Mr. Nehru remained silent.

6. In February and March 1960, President Ayub and Foreign Minister Manzur Qadir made public statements outlining the framework of the negotiations Pakistan desires. Pakistan, they announced, cannot accept partition along the present Cease-Fire Line as a permanent solution to the issue and still considers a U.N.-supervised plebiscite the best solution; but the Pakistan government is willing to consider any other "fair" proposals. The interests of all three parties must be met by the Pakistani, Indian and Kashmiri people. Pakistan's interest is related to defense and to economic matters: under the proposed solution to the Indus Waters problem, Pakistan is to have the use of water from the Jhelum and Chenab Rivers, which rise in Kashmir, and provision must be made to prevent India from cutting off water to which Pakistan is entitled, as happened once in the past during a bitter period in Indo-Pakistan relations. The Indian Government has not responded to this Pakistani initiative. It is believed that Mr. Nehru considers it impossible to discuss the Kashmir issue at this time, when he is under great internal political pressure to take a strong stand against any cession of Indian-claimed territory to Communist China in India's border dispute with Peiping. The Indian Government has indicated to us that they believe that Indo-Pakistan relations can only be improved on a step-by-step basis, implying that further steps must be taken on other problems before Kashmir can be brought under negotiation.

7. We believe that the best hope for solution of the Kashmir issue lies in bilateral negotiations between India and Pakistan, but that at the moment India appears satisfied with the current status of the Kashmir issue and cannot be pressured into a negotiation of the matter. President Ayub has told us that Pakistan will pursue a policy of trying to work out with India issues other than Kashmir, but that he felt not much more could be done in improving relations between the two countries if India remains adamant in its refusal even to discuss Kashmir. It is our hope that the Pakistanis will not become discouraged by India's present refusal to come to grips with the Kashmir problem, and will continue to work on the step-by-step approach which has proved so fruitful.

8. Indus Waters - As a result of negotiations carried out under auspices of the IBRD, the Governments of India and Pakistan in the summer of 1959 arrived at agreement in principle on a plan of settlement of the Indus Waters dispute

proposed

- 4 -

proposed by the Bank estimated to cost about a billion dollars. The two governments have since been negotiating the details of an Indus Waters Treaty which would govern the settlement. Agreement has reportedly been reached on all but a few points. Of these the question of Indian uses of waters of the Western rivers and the erection by India of storage dams on those rivers are believed to be the most important. Indian uses of waters of the Eastern rivers during the transition period is a related point at issue. Also, Pakistan is understood to wish a "force majeure" clause and a clause reserving its legal position in Kashmir. The IBRD hopes to obtain agreement on outstanding points in time to permit signature of the Indus Waters Treaty at the meeting of the Commonwealth Prime Ministers in London in early May, 1960.

9. Concurrent with these treaty negotiations the IBRD and representatives of certain friendly governments (the U.S., the U.K., Germany, Canada, Australia and New Zealand) have reached agreement on the text of a multilateral Indus Basin Development Fund agreement for cooperatively helping to finance that part of the Bank's plan relating to the construction of works in Pakistan. Their contribution to the Fund would total \$692 million in foreign exchange and local currency. In addition, the IBRD and the U.S. would extend \$56 million to India in bilateral loans for development works under the Bank's plan. It is anticipated that the Indus Waters Treaty and the Fund agreement will be signed at about the same time.

10. The Government of Pakistan has informally indicated its general satisfaction with the terms of the Fund agreement. It is believed, however, that while Pakistan may be willing to sign the Indus Waters Treaty, it would not ratify that Treaty until adequately assured that the foreign assistance contemplated in the Fund agreement will actually be forthcoming. It does not wish to sign away its present water rights until satisfied that it will have the funds necessary to replace these waters from other sources. In view of the size of the proposed U.S. contribution to works in Pakistan (\$177 million in grants, \$70 million in a DLF loan, and the equivalent of \$235 million in Pakistan rupees), Pakistan is understood to be particularly desirous of obtaining such assurances from the United States. While no absolute guarantee can be provided by the U.S., in view of the inability of one Congress to commit a future Congress with respect to appropriations, it is believed that Pakistan would be satisfied with an expression of Congressional intent in support of the project, as contained in legislation now before the Congress. This proposed legislation has already been favorably reported by the House Committee on Foreign Affairs. Also, the DLF would be prepared to sign a loan agreement for \$70 million with Pakistan as soon as the Congress has acted favorably on the pending legislation.

11. U.S. signature of the Fund agreement, if required prior to Congressional action on this legislation, would be made subject to Congressional approval of the project.

Drafted by:		Cleared by:	
SOA - Mr. Horgan	SOA - Mr. Adams	UNP - Mr. Brown	
- Mr. Adams	NR - Mr. Gannett	U/MSC - Mr. Baxter	
- Mr. Spengler	NEA - Mr. Ludlow	C - Mr. Keyser	
	- Mr. Kennedy		
S/S-RO - Raymond L. Perkins, 5274 NS, Ext. 4445			
Approved For Release 2003/04/23 : CIA-RDP86B00269R000400060003-8			

(SECRET)

Approved For Release 2000/04/23 : CIA-RDP86B00259R000400060003-8
Tehran, April 28-30, 1960

TEH D-11/9

April 20, 1960

Position Paper

Menderes-Khrushchev Exchange of Visits

55

(To be raised only at foreign initiative)

The Problem

The Turkish Government has announced a Menderes-Khrushchev exchange of visits, with Prime Minister Menderes going to Moscow in July and Khrushchev visiting Ankara later. According to the Turks, the visits are being arranged to indicate their participation in the general effort to bring about some relaxation of tensions and to promote a favorable atmosphere for calmer resolution of Turkish-USSR problems. The Turks do not intend to discuss substantive questions, and it is generally believed Menderes can be expected to deal with the Soviets without detriment to the West. Some concern is felt for the ultimate effect the visits may have on other countries, notably Iran and Pakistan, and Greece has already manifested a reaction of embarrassment and annoyance.

Anticipated Turkish Position

Turkish leaders will characterize the visits as Turkish efforts to keep in step with the current world-wide spirit of detente, which they maintain should be viewed as an expression of Turkish solidarity with the West in similar efforts. Turkish Foreign Minister Zorlu has stated the GOT feels that after an exchange of visits Turkey would be under less pressure from some of its NATO allies who have expressed the view that the GOT has maintained a "provocative" attitude toward the USSR. Menderes has undertaken not to discuss basic foreign and defense policies affecting Turkey's allies in NATO and CENTO. Turkish officials have indicated their conviction that there is no change in the position or attitude of the USSR, and no significant developments in Turk-Soviet relations are anticipated.

Recommended U.S. Position

In earlier discussions the U.S. informed the Turks that the question of a Menderes-Khrushchev meeting was a matter for decision by the Turks and that we had full confidence in their ability to conduct their relations with the USSR in a manner advantageous to the West. The U.S. continues to be confident that Turkish leaders in making the decision have weighed the advantages and disadvantages and that their relations with the USSR will be conducted without prejudice to Western interests. The U.S. welcomes the decision of Turkey to approach the visits as a NATO member and to continue in close communication with its NATO allies about any developments. If the Turkish Foreign Minister should allege that criticism within NATO of Turkish policy towards the USSR motivated the forthcoming Menderes-Khrushchev visits, the Secretary should assure him that the U.S. has never engaged in such criticisms in NAC or elsewhere.

Drafted by:
NEA:GTI - Mr.

(SECRET)

Cleared by:
GTI - Mr. Hope RA - Mr. Tobin
SOV - Mr. Gleysteen
NEA - Mr. Kennedy

S/S-RO - Mr. Raymond L. Perkins

Approved For Release 2000/04/23 : CIA-RDP86B00259R000400060003-8

55

SECRET

TEH D-11/10

April 20, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION
Tehran, April 28-30, 1960

The Situation in Jordan

(To be raised only at the initiative of other delegations)

Anticipated Position of Other Delegations

The British feel strongly that Jordanian independence and integrity under the Hashemite throne must be preserved. This feeling is strengthened by historical associations, and is re-enforced by continuing distrust of Nasser, whom the British suspect of having long-range designs on Jordan. Britain believes that, in consultation with the United States, it continues to have an important role to play as guide and adviser to the Jordanian Government.

Turkey and Iran, with frontiers on the Arab world, strongly support Jordan as the most outspokenly pro-Western and anti-Communist Arab country. Both see in King Hussein a desirable counterweight to Nasser's brand of Arab nationalism. In addition, Iran in particular looks to Hussein as an asset worth preserving against a possible upsurge of Communist strength in Iraq.

Pakistan, though less directly concerned with Arab affairs, views favorably the international posture of the Jordanian Government.

Recommended U. S. Position

The United States has demonstrated its support of Jordan by generous technical, financial and economic assistance. We welcome continued British assistance in this regard and recognize the valuable role British influence plays in Jordan. The United States has also supported Jordan politically against outside pressures which threatened to undermine the authority of the Jordanian Government and to create instability within the country. Our

past performance

SECRET

SECRET

-2-

past performance in this regard should be taken as evidence of our intentions for the future where Jordan is concerned.

We recognize that any sudden or drastic shift in the character of the Jordanian regime or in its relations with its neighbors carries the threat of serious disturbance for the area as a whole. We regret the recent deterioration in UAR-Jordanian relations, and deplore the use of subversion against the Government of King Hussein or any other government in the area. While finding King Hussein's distrust of Nasser understandable, we would stress to the Jordanians that their own interests are best served by exercising maximum restraint and avoiding exacerbation of their differences with the UAR. While continuing to oppose any attempts to change the situation by violence, we feel that long-term political and economic viability for Jordan probably lies in fruitful association with a larger Arab community.

The United States is confident that Jordan's friends will continue, through patience, understanding, and firmness when necessary, to do all they can to prevent situations from developing which could upset the delicate balance now existing within Jordan, and between Jordan and its neighbors.

Drafted by: NEA/NE - Mr. Atherton	Cleared by: NE - Mr. Meyer GTI - Mr. Mouser SOA - Mr. Poullada NR - Mr. Gannett	NEA - Mr. Kennedy BNA - Mr. Swihart C - Mr. Keyser
S/S-RO - Raymond L. Perkins, 5274 NS, Ext. 4445		

SECRET

55

EIGHTH CENTO MINISTERIAL COUNCIL SESSION
Tehran, April 28-30, 1960

TEH B-11/4

CYPRUS
Background Paper

April 20, 1960

I. SUMMARY

The issues which have impeded the establishment of the Republic of Cyprus, and which have been the subject of protracted British-Cypriot negotiations, appear close to settlement. Barring some unforeseen difficulty, Cypriot independence in June seems a reasonable assumption. Neither the British nor the Turks have shown great concern over the postponement of Cypriot independence nor asked for our intervention.

II. STATUS OF THE NEGOTIATIONS

In a series of tedious talks which have been continuing since January, the British and Cypriots have resolved a number of problems involved in the implementation of the Cyprus Agreements and have narrowed their differences over the central issue, the size of the two military bases in Cyprus to be retained under British sovereignty, to a matter of only several square miles. At the most recent meeting, Archbishop Makarios, on behalf of the Cypriots, said he was willing to agree to base areas totaling 93 square miles while the British indicated their willingness to accept 99. It seems likely that they will split the difference as part of a package settlement including agreement on the other outstanding issues: (a) the amount of British financial aid to Cyprus, (b) disposition of the British bases if and when the British should no longer need them, and (c) the form in which the agreed administrative arrangements governing the base areas are to be conveyed. The British seem confident of an early solution of these remaining problems and our Consul General in Nicosia also believes agreement will be reached within the next several meetings, thereby making it possible for Cyprus to become independent some time in June.

III. MILITARY AND ECONOMIC AID

We have told the British, Greeks and Turks, but not yet Archbishop Makarios, that we cannot justify direct military assistance to Cyprus. We have, however, told the Greeks and Turks (and informed the British) that we would be willing to allow the Greek and Turkish contingents which are to be stationed in Cyprus under the terms of the Cyprus Agreements to take MAP equipment with them for their own use and that we would consider permitting the transfer of MAP equipment by Greece and Turkey from their stocks to the Cypriot army, provided such equipment is in our view excess to Greek and Turkish needs and overall MAP requirements.

SECRET

SECRET

- 2 -

The British have agreed to make available 10 million pounds to Cyprus over the next five years in the form of grants and loans. The British have told us that they believe Cyprus should be able with this assistance to manage satisfactorily in its first years. We have told the Cypriots that they could under certain criteria be eligible for PL-480 assistance as well as DLF and Ex-Im Bank loans for development purposes. While the Cypriots themselves will undoubtedly look to the United States for economic assistance, neither the British nor the Turks have thus far urged us to provide such assistance to Cyprus.

Drafted by:	Cleared by:	
GTI - Mr. Blood	GTI - Mr. Hope	BNA - Mr. Swihart
	NR - Mr. Gannett	U/MSO - Mr. Barter
	NEA - Mr. Hart	C - Mr. Keyser
S/S-RO - Raymond L. Perkins, 5274 NS, Ext. 4445		

SECRET

CONFIDENTIAL

TEH D-10/1

April 20, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

Tehran, April 28-30, 1960

U. S. Views on the Annual Report of the Economic Committee
for 1959 (C/8/D4)

Position Paper

Anticipated Position of Foreign Governments

It is expected that the Annual Report of the Economic Committee for 1959 will be approved by the other members.

Recommended U. S. Position

The United States finds the Annual Report of the Economic Committee for 1959 acceptable.

Discussion

CONFIDENTIAL

CONFIDENTIAL

-2-

Discussion

The Annual Report of the Economic Committee to the Council in the past has been included under the agenda item covering the Report of the Economic Committee to the Council. This year, however, it is being considered as a separate item.

The Report is a somewhat optimistic and superficial commentary on the economic activities of CENTO for 1959. In general, we find no problem in accepting it as a reasonably accurate though brief description of these activities. It was prepared by the Economic Division of the CENTO Secretariat, and reflects minor changes suggested by the United States during the recent Economic Committee meeting.

Drafted by:	Cleared by:	
NEA:NR - Mr. Walstrom	NR - Mr. Gannett	ED - Mr. Meyer
	NE - Mr. Bensusky	ICA - Mr. Ferris
	NEA - Mr. Kennedy	C - Mr. Keyser
S/S-RO - Raymond L. Perkins, Room 5274 NS, Ext. 4445		

CONFIDENTIAL

RECEIVED
Economic Cooperation Administration
Washington, D.C. 20503

April 20, 1968

Background Paper

European Economic Cooperation, Trade and Development

1. Important new developments are underway in several interrelated areas of European economic integration and cooperation between European countries, the United States and Canada, and to a limited extent, Japan. These developments stem from U.S. initiatives taken at the Western Summit meeting last December and at special economic meetings in Paris in mid-January. These meetings resulted in agreement on:

(a) Establishment of a Trade Committee, consisting of 18 European members of the Organization for European Economic Cooperation (OEEC)^{1/}, the Commission of the European Common Market, and Canada and the U.S. which have been closely associated with OEEC since Marshall Plan days. The Executive Secretary of GATT attends as an observer, thus helping reassure non-participating countries.

Purpose of the Trade Committee, which held its first meeting in Paris March 29, is to seek solutions to difficult economic issues (having important political overtones) which have arisen from the formation of the European Economic Community--the Common Market or "the Six"^{2/}--and the European Free Trade Association--"the Seven."^{3/} The first meeting of the Trade Committee went well and all agreed to study the actual trade situation as a first step toward solving these problems.

(b) Establishment of a Group of Four to study possibilities for reconstituting OEEC and adapting it to new tasks. U.S. member of the Group and chairman is the U.S. Representative to NATO and the OEEC, Ambassador Burgess. The others are French, British, and Greek officials. This Group has completed its report and drafted a proposed charter for the new Organization which Canada and the U.S. will join as full members, together with the 18 European countries. This report has been sent to the 20 governments and will be made public on April 21.

The parties concerned will then meet early in May to discuss the report and actually begin intergovernmental negotiations.

(c) As an interim measure pending reconstitution of OEEC (which may require 18 months for parliamentary action)^{4/}, eight countries^{4/} supplying substantial bilateral aid to underdeveloped areas, are consulting on means of improving the flow of long-term capital. Since the

Common Market

^{1/} The 18 members are all European NATO countries plus Austria, Ireland, Spain, Sweden, Switzerland.

^{2/} The Six are: France, Germany, Italy, Belgium, Luxembourg, Netherlands.

^{3/} The Seven are: The U.K., Austria, Denmark, Norway, Portugal, Sweden, Switzerland.

^{4/} The eight are: Belgium, Canada, France, Germany, Italy, Portugal, the U.K. and the U.S.

Common Market Commission administers a special development fund for dependent African areas, (and may have a broader interest in underdeveloped areas), it participates in the Group. The U.S. has also been successful in assuring Japanese participation. The Europeans were reluctant, fearing this might be a first step toward eventual Japanese membership in a reorganized OEEC. We do not contemplate such Japanese membership, but do favor Japanese association with such future OEEC activities as DAG. The Group of capital exporters, which is an informal body, not an organization or institution, is called the Development Assistance Group (DAG). It is an interim body whose functions will later be encompassed in the reorganized OEEC. It held its first meeting in Washington March 9-12 and successfully began exploring these problems.

U.S. Objectives

2. The U.S. has certain basic objectives which are worth recalling:

(a) There are first of all the political and security reasons underlying postwar U.S. support for European integration represented by such developments as the Common Market. Our objective includes the key element of tying Germany tightly to the West. Other elements include Franco-German reconciliation; desire for European cohesion leading to a new power element in East-West relations; and belief that long-run economic benefits such as increased demand for imports from the rest of the world would offset short-term trade disadvantages.

(b) We want the new Common Market grouping to evolve in a NATO framework so as to minimize any long-term risks of neutralist, third-force tendencies.

(c) We want improved relations between the Common Market on the one hand, and British and other Europeans who feel unable to participate in a "supranational" institution, on the other hand. However, we do not want to see problems between the Six and Seven settled by discriminatory trade deals or by watering down the political potential of the Common Market.

(d) Lastly, now that the Europeans are fully recovered from the War, they should not only open up their markets to outsiders but also take on more of the aid burden.

3. Various decisions taken in Paris in January give us organizational and procedural machinery for pursuing the above objectives.

Other Considerations

4. Having in mind de Gaulle's opposition to overt manifestations of supranationalism and his concern with French national prestige, the question has been raised as to whether the Common Market can succeed. In

fact,

LIMITED OFFICIAL USE

- 3 -

fact, we believe the Common Market is succeeding. Private business has taken to it in the Six. Specific proposals for accelerating the Treaty and substantially lowering its external tariffs are under consideration. As the Treaty is implemented, common commercial policies among the Six will mean closer political unity. Our chief aims must be to help it succeed and to make it liberal. This should ease adjustment problems for non-participants in Europe and elsewhere.

5. Just as non-Common Market countries in Europe are worried about the Six, it is only natural that non-Europeans should be worried about implications of both the Six and the Seven for their interests. To some extent these fears are unavoidable and are part of the price we have to pay for any kind of special cooperation with, or support for, European developments (e.g. NATO). While overall U.S. interests may make it worthwhile to pay this political price, everything possible should be done:

(a) To depict European economic integration and Atlantic economic cooperation in the most favorable possible light in terms of the rest of the world. (This means incidentally avoiding the word "Atlantic" in favor of more neutral language - the name of the new organization will be "The Organization for Economic Cooperation and Development", OECD); and

(b) To press Europeans to assist underdeveloped areas and to mitigate possible adverse effects in the underdeveloped world of European regional trade arrangements.

6. At the same time, we would hope that European developments would not be used as an excuse for other areas to create loose preferential trading systems. This is not to say that if they work up sound plans for economic integration, which are defensible on their merits, the U.S. should not support them.

Policy Line with Non-Europeans

7. With the above in mind, the Department has been taking the following line with non-Europeans on developments stemming from the recent Paris meetings:

(a) In the trade field (Sixes and Sevens), sensitive political aspects of primarily intra-European nature made it necessary to set up a new, informal Committee of Twenty-One, rather than handle the problem in other forums such as GATT. However, a primary U.S. aim in participating in this work has been to guard against deals between the European groups which would be contrary to GATT or at the expense of non-Europeans. The GATT Executive Secretary participates in the Committee of Twenty-One and GATT provides the secretariat.

(b) In the

LIMITED OFFICIAL USE

(b) In the aid field (DAG), our primary aim has been to increase the amount of long-term capital available to the underdeveloped world, not to coordinate projects or programs affecting recipient countries without the latter being present.

(c) In connection with the OEEC reorganization, the aim is not to replace or weaken world-wide bodies such as the UN Economic Commissions, GATT, or IBRD but rather to supplement the work of these organizations. The aim is to convert a useful, established organization, which has heretofore unavoidably been concerned with Europe's narrow economic interests, into an outward-looking body which will help force the industrialized nations to face up to their responsibilities in terms of world-wide trade and economic development.

8. We realize that no matter how worthwhile these developments are, non-Europeans may still be sceptical. Part of the answer will be in our willingness to keep them fully informed on what is going on and ultimately to deliver the goods (e.g. liberal trading policies and more money from Europeans).

9. A special problem area exists in connection with African territories associated with the Common Market. What happens to their Common Market links after independence? Non-associated African areas, Latin Americans, and Asians are apprehensive that special Common Market arrangements on coffee, cocoa and other tropical products will injure their European markets. They also fear that associated territories will be favored for investment. In GATT and elsewhere the U.S. will have to use its influence increasingly to see that this does not happen.

Proposed Turkish Association with European Common Market

10. In the summer of 1959, Turkey (following a similar Greek initiative) requested associate membership in the Common Market. Following a series of exploratory discussions, formal negotiations were recently opened with Greece and should begin in the near future with Turkey. The U.S. has supported association of Greece and Turkey in principle, in part because of the political importance of their being linked with Western Europe. However, the U.S. has reserved its position on details and indicated that the association should conform with the principles of the General Agreement on Tariffs and Trade.

Drafted by:
RA - Mr. Hartman

Cleared by:
U - Mr. Leddy
C - Mr. Keyser

S/S-RO - Raymond L. Perkins, 5274 NS, Ext. 4445

LIMITED OFFICIAL USE

CONFIDENTIAL

TEH D-11/3

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

April 20, 1960

Tehran, April 28-30, 1960

Position Paper

Situation in Iraq

(To be raised only at foreign initiative)

Anticipated Positions of Foreign Governments

1. United Kingdom - The UK can be expected to take the view that, while the long range Communist threat in Iraq remains serious and Qasim's personal political future is uncertain, recent GOI measures aimed at curbing the Communists have produced a much more genuinely neutral stance on Iraq's part. The free world has no choice but to try to encourage this trend in its dealings with the Iraqi regime; to this end it should seek to be responsive to Iraqi requests for assistance of any kind.
2. Turkey - The Turks continue to attach great importance to seeing Iraq remain free of Nasser's influence. They feel that they have successfully developed fairly close and friendly relations with the present Iraqi Government and believe the West should continue to support and encourage Qasim.
3. Iran - The Iranians remain concerned over the degree of Communist penetration in Iraq, and particularly over what they view as Iraq's toleration (if not encouragement) of Tudeh Party exiles engaged in subversive activity against the Shah's regime. Iran's attitude is also colored by its perennial unhappiness over preponderant Iraqi control in the Shatt al-Arab waterway, although this issue is quiescent for the present.
4. Pakistan - The Pakistanis will probably echo the Iranian position, but do not seem to feel very strongly about the Iraqi situation.

Recommended U.S. Position

We believe there is no cause for complacency about long range Communist potentialities in Iraq, and feel that in many respects Qasim's leadership leaves much to be desired. At the same time, his recent moves against the Communists appear to have increased Army support for the regime and to have hastened a polarization of Iraqi public opinion in which the Communists emerge clearly as a minority - and a minority which is for the present on the defensive. We therefore continue very strongly to believe (as do the British and the Turks) that the present trend in Iraq should be encouraged by all appropriate means and that it is in CENTO's and the free world's interest to avoid any measures which would drive Iraq closer to the Communist camp.

We are happy to see that relations between Iran and Iraq have improved recently and that agreement has been reached for an exchange of new Ambassadors. We hope that this will make it possible to work out problems such as the Shatt al-Arab dispute through diplomatic negotiation and make the current propaganda truce a permanent one.

CONFIDENTIAL

Discussion

Following is a summary of recent Iraqi Government moves against the Communists and developments unfavorable to the Soviet bloc and/or favorable to the free world.

1. Pro-Communist Minister of Agrarian Reform and Acting Minister of Oil Affairs Ibrahim Kubba was dropped from the Cabinet on February 16.
2. License to operate as a political party was refused to the hard core of the Iraqi Communist party on February 24, after a dissident splinter group had received a license in the name of the Communist Party of Iraq.
3. The Communist-front Republican Party, which many had expected to provide a vehicle for party activity by the hard core Communists, was refused a license on March 27.
4. Also on March 27 the Government announced commutation to prison terms of death sentences imposed by the Peoples Court in the early days of the revolution against Fadhil Jamali and other old regime prisoners.
5. A series of Communist-inspired strikes have recently been broken by forcible intervention on the part of police and military forces, and a substantial number of Communist labor leaders have been arrested.
6. The first big trial of Communists accused of atrocities during the Mosul revolt of March 1959 opened in the First Martial Court on April 9, with 74 defendants accused of setting up a "Proletariat Court" and meting out death sentences.
7. Mikoyan's visit to Iraq April 8-16 appears to have resulted in no new Iraqi-Soviet commitments, and Iraqi handling of the whole affair was decidedly restrained. The Iraqi Government was at pains to make it clear that Mikoyan was self-invited and that the occasion was not a state visit. The visit apparently did not have the presumably desired effect of bolstering the sagging prestige and morale of the Iraqi Communists.

Concurrently there has been a discernible improvement in Iraqi official and public attitudes towards the United States, and a growing interest in expanding commercial relations with the West. We have also received a steady trickle of Iraqi Government requests for information on international Communist-front organizations, technical and scientific data, and copies of US laws and regulations on a variety of subjects. We are negotiating a Cultural Agreement with Iraq as a result of Iraqi initiative and are attempting to assist Baghdad University in the recruitment of American professors.

Drafted by:		Cleared by:	
NEA/NE - Mr. Lakeland	NEA/NE - Mr. Thacher	NR - Mr. Walstrom	
	- Mr. Elts	C - Mr. Keyser	
	GTI - Mr. Hope		
S/S-RO - Raymond L. Perkins, 5274 NS, Ext. 4445			

CONFIDENTIAL

CONFIDENTIAL

TEH Memo 3b

April 20, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

Tehran, April 28-30, 1960

Second Revised List of Papers

Attached is a second revised list of papers to be prepared for the Eighth CENTO Ministerial Council Session to be held in Tehran, April 28-30. The responsible officer and the deadline are indicated for each paper.

Note: Only those position, background and reference papers related to subjects contained upon the agenda, or likely to arise in connection with items upon the agenda for the Council Session, are included in this list. See TEH Memo 2 for treatment of contingency papers on topics of lesser importance which may be raised either during the conference or in bilateral discussions taking place at Tehran.

Raymond L. Perkins
S/S-RO
Room 5274, NS, Ext. 4445

CONFIDENTIAL

CONFIDENTIALEIGHTH CENTO MINISTERIAL COUNCIL SESSIONTehran, April 28-30, 1960Second Revised List of Papers

	<u>Drafting Office</u>	<u>Date Due</u>
0. <u>General</u>		
Annotated Agenda	NR - Mr. Gannett	April 20
Scope Paper (D-0/2)		Issued
<u>Reference Papers</u>		
Departure Statement (Washington)	NR - Mr. Gannett	April 19
Arrival Statement (Tehran)	NR - Mr. Gannett	April 20
Departure Statement (Tehran)	NR - Mr. Gannett	April 20
I. <u>Installation of Chairman</u>		
II. <u>Opening of the Meeting</u>		
Remarks by the Secretary	NR - Mr. Gannett	April 14
III. <u>Adoption of Agenda</u>		
IV. <u>Appointment of a Drafting Committee for the Final Communiqué</u>		
V. <u>Report by the Secretary General</u>		
U. S. Views on Report of the Secretary General	NR - Mr. Gannett	April 20

CONFIDENTIAL

CONFIDENTIAL

- 2 -

	<u>Drafting Office</u>	<u>Date Due</u>
<u>VI. Report of the Military Committee</u>		
U. S. Views on Report of the Military Committee (D-6/1)		Issued
CENTO Command Structure and Related Questions (D-6/2)		Issued
CENTO Military Contingency Planning (D-6/3)		Issued
Basic Assumptions for Global War (D-6/4)		Issued
<u>Reference Papers</u>		
Table of U.S. MAP for Cento Members (R-6/1)		Issued
Current JCS (MAP) Force Objectives for CENTO Members (R-6/2)		Issued
<u>VII. Report of the Liaison Committee</u>		
U. S. Views on Report of the Liaison Committee (D-7/1)		Issued
<u>VIII. Report of the Counter-Subversion Committee</u>		
U. S. Views on Report of the Counter- Subversion Committee (D-8/1)		Issued
<u>IX. Report of the Economic Committee</u>		
U. S. Views on Report of the Economic Committee	NR - Mr. Gannett	April 20
U. S. Position on Financing of Joint Economic Projects	NR - Mr. Gannett	April 20

CONFIDENTIAL

	<u>Drafting Office</u>	<u>Date Due</u>
U. S. Position on CENTO Telecommunications Project	NR - Mr. Gannett	April 21
U.S. Position on the Turkish-Iranian Railway Link	NR - Mr. Gannett	April 21
X. <u>Annual Report of the Economic Committee for 1959</u>		
U. S. Views on Annual Report of the Economic Committee for 1959	NR - Mr. Gannett	April 14
XI. <u>Review of the International Situation</u>		
<u>Position Papers</u>		
U. S. Adherence to CENTO (D-11/1)		Issued
UAR Developments (D-11/2)		Issued
Situation in Iraq	NE - Mr. Lakeland	April 20
U. S. Views on Afghanistan	SOA - Mr. Gatch	April 20
Iran-Afghan Relations (D-11/5)		Issued
Afghan-Pakistan Relations	SOA - Mr. Spengler	April 20
Soviet Pressures on Iran (D-11/7)		Issued
Indo-Pakistan Relations	SOA - Mr. Horgan	April 14
Khrushchev-Menderes Visits	GTI - Mr. Morris	April 20
The Jordanian Situation	NE - Mr. Lakeland	April 19
Summit Preparations	SOV - Mr. McSweeney and NR - Mr. Gannett	April 20
<u>Background Papers</u>		
Political-Economic Situation of Turkey (B-11/1)		Issued
Political-Economic Situation of Iran (B-11/2)		Issued

CONFIDENTIAL

- 4 -

	<u>Drafting Office</u>	<u>Date Due</u>
Political-Economic Situation of Pakistan	SOA - Mr. Spengler	April 14
Cyprus	GTI - Mr. Blood	April 20
Economic Cooperation, Trade and Development	RA - Mr. Hartman	April 14
XII.	<u>Place and Date of the Next Ministerial Meeting</u>	
	Places and Dates for Ensuing Meetings (D-12/1)	Issued
XIII.	<u>Approval of Final Communiqué</u>	
XIV.	<u>Any Other Business</u>	
	U.S. and CENTO International Budget (D-14/1)	Issued
	Law of the Sea	U/LS - Mr. Arneson April 20
XV.	<u>Closing Arrangements</u>	
XVI.	<u>Biographic Information</u>	

CONFIDENTIAL

APR 13 1960

EIGHTH CENTO INTERREGIONAL COUNCIL SESSION

Tehran, April 28-30, 1960

U. S. Adherence to CENTO

Position Paper

Anticipated Position of Foreign Governments:

1. The three regional states may again urge that the United States adhere to CENTO as a means of strengthening the Organization.
2. The United Kingdom, while appreciating our problems on adherence, would also like the United States to adhere as a means of stiffening the morale of the regional states.

Recommended U. S. Position:

1. In the bilateral executive agreements signed with the three regional states on March 5, 1959, the United States assumed a similar-- but parallel--obligation to that stipulated in Article I of the Turk-Iraqi Treaty, i.e., "to cooperate /with the regional signatory states/ for their security and defense." Further, the obligation we assumed in these agreements exceeds that contained in the CENTO document, for it encompasses the concept of U. S. assistance envisaged in the Joint Resolution to Promote Peace and Stability in the Middle East. In our view, these agreements lessen the need for formal U. S. adherence.
2. We do not ignore the psychological significance of formal U. S. adherence, but firmly believe that our present relationship to CENTO is in the organization's best interest. It enables us, on the one hand, to give strong and effective support to it and, on the other, to exercise a moderating influence on intra-area disputes involving CENTO members and other area states.
3. We do not rule out possible future adherence, but do not think that we should adhere at this time. The question of U. S. adherence is under continuing review.
4. In any event, U. S. membership would in no way alter present U. S. support policies for CENTO, which are based on U. S. global and area-wide commitments and on limited available funds.

Discussion

SECRET

SECRET

-2-

Discussion:

Ever since the inception of CENTO in 1955 (then the Baghdad Pact), the regional states have strongly urged U. S. adherence. They have wanted this partly for psychological reasons and partly in the hope that U. S. membership would be accompanied by increased military and economic assistance. While they still would like the United States to adhere, they have recently been less insistent upon this and now appear to accept with more equanimity our non-adherence.

We have not felt it to be in our interests to become a full member. Following the Iraqi coup d'etat of July 1958, the United States signed the London Declaration of July 28, 1958, in which we undertook, inter alia, to conclude bilateral executive agreements with the regional member states. These were signed on March 5, 1959, after lengthy negotiations. Consistent with existing legislative authorization, namely, the Joint Resolution and the Mutual Security Act of 1954, as amended, the agreements obligate the United States "to cooperate with the regional signatories for their security and defense." This is the identical obligation set forth in Article I of the Turk-Iraqi Treaty. In addition, these agreements obligate us to consider using U. S. armed forces, as authorized in the Joint Resolution to Promote Peace and Stability in the Middle East, in the event of overt Communist aggression. This exceeds any obligation specified in the CENTO Treaty. We feel that these agreements should, for the time being at least, continue to be a suitable alternative to adherence.

Outlined below are the advantages and disadvantages of U. S. adherence to CENTO:

A. Advantages

1. It would bolster the regional member states'--and particularly Iran's--morale. Experience has shown, however, that this is likely to be an ephemeral development.
2. It would give CENTO somewhat greater standing in the international community than it now enjoys.

B. Disadvantages

1. It would create some adverse political reaction in the Middle East as a whole and in India in particular, where CENTO is still regarded largely as a Western-contrived device designed to perpetuate Western influence in the area.
2. Formal adherence would tend to confirm suspicions by non-aligned Middle Eastern states of U. S. favoritism toward the CENTO member states,

and thereby

SECRET

SECRET

-3-

and thereby lessen U. S. capability to exercise a moderating influence on existing intra-area disputes involving CENTO members and non-member states, e.g., Pushtunistan, Shatt al-Arab, Kashmir, Indus Waters, etc.

3. It could disrupt the delicate balance which currently obtains in Afghanistan and Iraq and might drive one or both of these states closer to the Soviet camp.

4. While adherence would probably get us through one meeting, it would in no way solve any of the basic problems that we face in our CENTO relationship, e.g., demands for increased military and economic assistance. Rather, it could be expected to strengthen the "bargaining position" of the regional states and thereby pave the way to greater expectations and increased demands for aid.

5. Under present circumstances it is doubtful that the Executive Branch could advocate successfully the CENTO document for Senate "consent to ratification". An unsuccessful effort to do so would, of course, seriously hurt CENTO. The document is vaguely worded and could give rise to questions as to the all-embracing nature of the obligation inherent in CENTO membership. Alternatively, a preliminary effort to persuade CENTO to modify the terms of the Treaty to focus on the Soviet threat would revive our long-standing (but presently latent) difference of opinion with the regional members over the basic purpose of CENTO.

6. We must continue to expect that Senate approval of U. S. adherence would require a corresponding arrangement with Israel. Such a development, especially if attributable to CENTO, would further seriously impair U. S. (as well as CENTO member) relations with the Arab countries.

7. As a full member of CENTO, the United States might in certain circumstances find itself out-voted (4 to 1) on essential matters affecting significant U. S. political and security interests.

8. For the time being at least, our bilateral executive agreements with the regional member states of March 5, 1959, are a satisfactory modus operandi for our CENTO relationship. They permit us to assert whatever degree of positive leadership interested U. S. agencies may wish and as may be compatible with our global and area-wide interests.

S/S-RO - Raymond L. Perkins
Room 5005 NS, Ext 5262

Drafted by: NEA/NR - Mr. Walstrom
Cleared by: NR - Mr. Wright
GTI - Mr. Hope
SOA - Mr. Adams
NEA - Mr. Jones
H - Miss Kirlin
C - Mr. Achilles

SECRET

SECRETTEH R - 6/1
April 14, 1960EIGHTH CENTO MINISTERIAL COUNCIL SESSIONTehran, April 28-30, 1960

32

Summary Table of U. S. Military Assistance
Programed for the Middle East CENTO Member Countries(Material, training, spares, consumables, and construction for fiscal years)
(In millions of dollars)

(Pre-CENTO 1950/55 Period) and FY's 56/57	1958	1959	Estimate 1960	Cumula- tive to 6/30/60	Proposed FY 1961
IRAN 228.3	110.3	94.5	48.5	481.6	85.7
PAKISTAN (54/57 only) 297.4	84.8	70.1	37.4	489.7	54.7
TURKEY 1,309.5	203.3	141.0	100.1	1,753.9	204.6

S/S-RO - Raymond L. Perkins
Room 5005NS, Ext. 5262Drafted by: NEA/NR - Mr. Dahl
Cleared by: NR - Messrs. Gannett and
WrightNEA - Mr. Jones
C - Mr. KeyserSECRET

CONFIDENTIAL

TEH Memo 3a

April 13, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

Tehran, April 28-30, 1960

Revised List of Papers

Attached is a revised list of papers to be prepared for the Eighth CENTO Ministerial Council Session to be held in Tehran, April 28-30. The responsible officer and the deadline are indicated for each paper.

NOTE: Only those position, background and reference papers related to subjects contained upon the agenda, or likely to arise in connection with items upon the agenda for the Council Session, are to be included in this list. See TEH Memo 2 for treatment of contingency papers on topics of lesser importance which may be raised either during the conference or in bilateral discussions taking place at Tehran.

Raymond L. Perkins
S/S-RO
Room 5005, NS, Ext. 5262

EIGHTH CENTO MINISTERIAL COUNCIL SESSIONTehran, April 28-30, 1960Revised List of Papers

	<u>Drafting Office</u>	<u>Date Due</u>
<u>0. General</u>		
Annotated Agenda	NR - Mr. Gannett	April 20
D-0/2 Scope Paper		
<u>Reference Papers</u>		
Delegation List	NR - Mr. Gannett	April 14
Biographic Sketches of Principal Delegates	RFB/BI	April 14
Departure Statement (Washington)	NR - Mr. Gannett	April 19
Arrival Statement (Tehran)	NR - Mr. Gannett	April 20
<u>I. Installation of Chairman</u>		
<u>II. Opening of the Meeting</u>		
Remarks by the Secretary	NR - Mr. Gannett	April 14
<u>III. Adoption of Agenda</u>		
<u>IV. Appointment of a Drafting Committee for the Final Communiqué</u>		
<u>V. Report by the Secretary General</u>		
U.S. Views on Report of the Secretary General	NR - Mr. Gannett	April 20
U.S. Personnel Assigned to CENTO	NR - Mr. Gannett	April 19

CONFIDENTIAL

- 2 -

	<u>Drafting Office</u>	<u>Date Due</u>
<u>VI. Report of the Military Committee</u>		
U.S. Views on Report of the Military	NR - Mr. Gannett	April 14
CENTO Command Structure and Related Questions	NR - Mr. Gannett	April 19
CENTO Military Contingency Planning	NR - Mr. Gannett	April 19
Basic Assumptions for Global War	NR - Mr. Gannett	April 19
<u>Reference Papers</u>		
Table of U.S. MAP for CENTO Members	NR - Mr. Gannett	April 14
Current JCS (MAP) Force Objectives for CENTO Members	NR - Mr. Gannett	April 14
<u>VII. Report of the Liaison Committee</u>		
U.S. Views on Report of the Liaison Committee	NR - Mr. Gannett	April 11
<u>VIII. Report of the Counter-Subversion Committee</u>		
U.S. Views on Report of the Counter-Subversion Committee	NR - Mr. Gannett	April 11
<u>IX. Report of the Economic Committee</u>		
U.S. Views on Report of the Economic Committee (Other subjects to be listed)	NR - Mr. Gannett	April 20
<u>X. Annual Report of the Economic Committee for 1959</u>		
U.S. Views on Annual Report of the Economic Committee for 1959	NR - Mr. Gannett	April 14
<u>XI. Review of the International Situation</u>		
<u>Position Papers</u>		
D-11/1 U.S. Adherence to CENTO		
UAR Developments	NR - Mr. Brewer	April 14
Situation in Iraq	NR - Mr. Lakeland	April 20

CONFIDENTIAL

CONFIDENTIAL

- 3 -

	<u>Drafting Office</u>	<u>Date Due</u>
Arab-Israel Dispute	NE - Mr. Thacher	April 14
The Jordanian Situation	NE - Mr. Lakeland	April 19
Israel's Relations with Turkey and Iran	NE - Mr. Hamilton	April 14
Indo-Pakistan Relations	SOA - Mr. Horgan	April 14
U.S. Views on Afghanistan	SOA - Mr. Gatch	April 20
Afghan-Pakistan Relations	SOA - Mr. Spengler	April 20
Iran-Afghan Relations	GTI - Mr. Mouser	April 11
Iran's Claim to Bahrein Island	GTI - Mr. Mouser	April 19
Soviet Pressures on Iran	GTI - Mr. Mouser	April 14
Summit Preparations	SOV - Mr. McSweeney and NR - Mr. Gannett	April 20
Economic Cooperation, Trade and Development	RA - Mr. Hartman	April 14
<u>Background Papers</u>		
Political-Economic Situation of Turkey	GTI - Mr. Morris	April 14
Political-Economic Situation of Iran	GTI - Mr. Mouser	April 14
Political-Economic Situation of Pakistan	SOA - Mr. Spengler	April 14

VI. Place and Date of the Next Ministerial Meeting

D-12/1 Places and Dates for Ensuing Meetings

VII. Approval of Final Communiqué

CONFIDENTIAL

CONFIDENTIAL

- 4 -

	<u>Drafting Office</u>	<u>Date Due</u>
<u>XIV. Any Other Business</u>		
U.S. and CENTO International Budget	NR - Mr. Gannett	April 14
Law of the Sea	U/LS - Mr. Arneson	April 14
<u>XV. Closing Arrangements</u>		

UNCLASSIFIED

TEH Memo 1a

April 8, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

Tehran, April 28-30, 1960

Distribution Pattern

revised
Attached is a/distribution list for papers to be prepared
in connection with the Central Treaty Organization Ministerial
Council Session to be held in Tehran, April 28-30, 1960.

Raymond L. Perkins
S/S-RO
Ext. 5262
Room 5005, New State

EIGHTH CENTO MINISTERIAL COUNCIL SESSION
Tehran, April 28-30, 1960

Distribution Pattern

<u>Symbol</u>		<u>Room No.</u>	<u>Ext.</u>	<u>CC</u>	<u>No.</u>
G	Mr. Meloy	4133	4945	1	1
O	Mr. Stutesman	5146	4132	1	2
C	Mr. Keyser	5156	4371	2	3-4
S/P	Mr. Savage	5110	4480	2	5-6
NEA	Mr. Mak	3022	4672	6	7-11
NR	Mr. Gannett	3224	3297	6	13-17
EUR	Mr. Winship	6162	2183	2	19-21
FE	Mr. Sullivan	3153	2019	1	21
IO	Mr. Jones	6325C	5248	2	22-23
E	Mr. Shostal	6826	5914	4	24-27
P	Mr. Kilduff	6819	4906	3	28-30
INR	Mr. Skiff	6531	2134	1	31
U/MSC	Mr. Romano	4527	2564	2	32-33
H	Mr. Cottman	4154	3277	1	34
IGA	Mr. MacDonald	Maiatico Bldg.	113x2864	3	35-37
S/S	Mr. Calhoun	5131	5381	1	38
S/S-RO	Mr. Dunnigan	5274	5836	1	39
S/S-RO	Mr. Perkins	5005	5262	3	40-42
Defense, OSD/ISA Lt. Col. Greene		3E226 Pentagon	11x77836	18	43-51
CIA, Office of the Director				2	61-

CONFIDENTIAL

TEH D - 12/1
April 13, 1960

EIGHTH CENTO MINISTERIAL COUNCIL SESSION

Tehran, April 28-30, 1960

Places and Dates for Ensuing Meetings

Position Paper

I. Ministerial Council

A. Place

Anticipated Position of Foreign Governments:

1. Since it is Turkey's turn to act as host for the Council, the Government of Turkey will probably extend an invitation that the Council hold its next session in Ankara.
2. Failing this, either London or Karachi are possible sites.

Recommended U. S. Position:

1. We normally prefer that Council sessions be held in Middle East member capitals (a) to emphasize the regional nature of the CENTO association, and (b) to keep to a minimum the costs to CENTO's International Budget.
2. We are agreeable to an Ankara venue, or alternatively to London or Karachi in that order.

B. Time

Anticipated Position of Foreign Governments:

1. Turkey, Iran and Pakistan may be expected to favor holding the next Council session in approximately six months' time, i.e., October-November 1960.
2. The United Kingdom prefers a longer interval between sessions, but may be expected to defer to the wishes of the regional states on this matter.

Recommended U. S. Position:

1. We believe that longer intervals between Council sessions than has usually been the case would allow greater progress to be made on CENTO affairs. Our impending elections provide an excuse for us to explore the possibility of deferring the next meeting until early 1961.

CONFIDENTIAL

CONFIDENTIAL

-2-

2. We are nevertheless willing to concur in a consensus of the Middle East member states on an autumn meeting if the prospect of delay appears to worry them unduly. If an autumn meeting were held the Secretary would probably be unable to attend in person.

II. Major Committee Meetings

Anticipated Position of Foreign Governments:

1. The regional members may propose that CENTO revert to the schedule followed through the January 1959 meeting in Karachi of having the Economic, Military, Liaison and Counter-Subversion Committees meet just before the Council and in the same city as the Council.

2. The United Kingdom prefers an interval of at least a month between major committee meetings and the Council, and does not feel these meetings need necessarily take place in the same capital as the Council.

Recommended U. S. Position

1. We prefer an interval of at least a month between major committee meetings and the Council, and do not feel these meetings need necessarily take place in the same capital as the Council.

2. We prefer that major committee meetings be held in the Middle East member capitals as best suited (a) to emphasize the regional nature of the CENTO association, and (b) to keep to a minimum costs to the CENTO International Budget.

3. If pressed by the regional members, we are prepared in principle to host major committee meetings in the ordinary course of rotation, subject to our prior agreement on each meeting in question. We believe, however, that Council discussion of this matter should normally be held at the Deputies level rather than by the Ministers.

Discussion

CONFIDENTIAL

-3-

Discussion

I. Ministerial Council Meetings

A. Place

Successive meetings of the Ministerial Council have rotated among the capitals of the member states, with some variation in the order occasioned by circumstances of the moment and with the last meeting being held in Washington. The Council has thus met once in the capital of each participating state, and twice in Karachi. The current conference in Tehran will be the second for that city. In the ordinary course of rotation the next two meetings would be in Ankara and London, in that order. There does not appear to be any reason why Turkey would not wish to host the next session.

B. Time

Since its inception the Council has sought to meet semi-annually. This pattern had to be interrupted following the Suez crisis of late 1956, when the third Council session originally scheduled for January 1957 had to be deferred until June of that year. The interval preceding the Washington meeting in October 1959 had to be lengthened to eight months to meet our convenience as regards availability of conference facilities.

Experience has shown that a six-month interval between Council sessions allows insufficient time to permit meaningful progress to be made on CENTO projects. This situation has usually resulted in some discontent on the part of the Middle East member states over the allegedly slow pace of CENTO activities. In mid-1958 we sounded our member governments' views on longer intervals between Council sessions. At that time, Pakistan alone expressed some interest in this prospect. The matter has not been raised since.

II. Major Committee Meetings

At the Karachi session in 1959, acting on U.S.-U.K. initiative, the Council agreed that major committees should henceforth meet at least one month before the Council and not necessarily at the same place. Thus the major committee meetings preceding the Washington Council session were held in Ankara and in London several weeks in advance. Those preceding the current conference were all held in Tehran, also several weeks in advance. This arrangement is eminently satisfactory to the United States and the United Kingdom. The regional states seem to prefer the previous schedule whereby major committees met just before the Council

session

CONFIDENTIAL

CONFIDENTIAL

-4-

session, and in the same city as the Council, which better enabled their participants at committee meetings also to be present during Council sessions. Our representative at the recent committee meetings report the regional representatives feel keenly that, as the Ministerial Council has met in Washington, their committees should also visit our capital in the course of rotation.

It was felt necessary prior to undertaking to host the Washington Ministerial Council session to secure White House approval and to consult with appropriate Congressional committees. This particular action would no longer appear to be indicated in the case of major committee meetings in view of the successful handling of the Washington Ministerial session and to the fact the President would not be involved in the schedules of the committee meetings. Prior approval by the Under Secretary of State for Political Affairs would be required for each committee meeting, however, in accordance with agreed U. S. policy that all decisions for the U. S. Government to host international conferences require policy clearance at a high level.

Raymond L. Perkins- S/S-RO	Drafted by: NEA/NR - Mr. Gannett
Room 5005 NS, Ext. 5262	Cleared by: NEA - Mr. Jones
	H - Miss Kirlin
	A/BF - Mr. Crockett
	OIC - Mr. Young
	C - Mr. Achilles
	M - Mr. Merchant

CONFIDENTIAL

