to overturn the REA Reorganization Plan of 1953 and give the REA administrator—not Secretary Benson—the final authority to approve or disapprove REA loans. "REA rates must remain low," Senator John F. Kennedy of Massachusetts told the same audience. I felt it a pity that he did not follow the advice of a great Democratic leader of yesteryear and say, "Let's look at the record."

On the interest rate Senator Johnson's prediction was right: the Congress did fail to raise it as I recommended. On the Humphrey bill, however, he was wrong: on April 27 I vetoed it, and three days later the House sustained the veto.

The subject of power really involves energy of several kinds. Electric power is generated by falling water. This source was long ago tapped by man, who also, resourcefully, began to produce power by constructing steam plants fired by one conventional fuel source or another, and who now taps the abounding, astounding power of the atom. But the other power which charges the question is political—power exercised by lobbies and congressional blocs, power contesting with power, for motives sometimes obvious, sometimes obscure, with little of the seething contest revealed fully and accurately to the public for whom the fight is presumably waged.

The government has the power to help human beings in need. It has also the responsibility to stimulate people to exercise initiative on their own behalf. It has always seemed to me that in the field of power production, government should exercise this power and discharge this responsibility. At least, for eight years, we tried.

CHAPTER XVI

Three Hurdles Cleared:
Western Europe, Trieste, Guatemala

I feel pretty confident that the Soviet Union doesn't like what is going on.... There is behind this program a sense of urgency and momentum, so that I don't believe the Soviet Union will be able to break it up.

—Secretary of State John Foster Dulles,
Report to the Cabinet, October 25, 1954

On April 23, 1945, a reconnaissance unit of the 69th U. S. Infantry Division, then holding positions along the Mulde River in Germany, crossed the river, and soon, in the vicinity of Torgau, the site of one of Frederick's battles, made contact with advance elements of the Russian forces moving westward. This historic day marked the first contact between United States' and Soviet troops, and put the final seal of doom on the once proud but now shattered fighting machine of Hitler.

Two weeks later, in the middle of the night, Colonel General Jodl and my chief of staff, General Walter Bedell Smith, signed at my headquarters in a schoolhouse in Reims the documents of German surrender, thus bringing to an end the war in Europe which had cost the Western nations alone nearly 900,000 lives.¹

¹ As I reported in Crusade in Europe, Marshal Zhukov told me after the close of the war that the Russian civilian losses, west of the Volga, had never been and could never be accurately estimated. But he and others suspected that, in executing Hitler's barbaric order to "depopulate" the country, the lives of something like 15 million men, women, and children had been lost.
Germany that night in early spring of 1945 was a scene of devastation and despair. With her armies destroyed, her cities in ruins, 3.5 million of her youth killed during the war, her economy shattered, there seemed little left of the country which five years before had overrun France, threatened England, occupied the Balkans and locked in a death struggle with Russia. Her population was embittered, partly at the Nazis who had led them into this costly and disastrous war, partly at the Allies, who had engineered their defeat. But they were more than embittered; they were bewildered. The dreams of invincibility built up by Hitler were gone amid the smoking ruins. The people were reduced to beggary and forced to depend upon their former enemies for the mere essentials of life—in this case reduced to minimum food and a ration of coal. Furthermore, the sight of the horror camps, of Dachau, Belsen, and Buchenwald, scenes of crimes beyond human comprehension and yet the work of the Nazi government which the citizenry had supported, struck the national conscience. Railroads and factories were destroyed, making even the distribution of the necessities of life difficult for the occupying powers. A black market throve to the extent that nearly the only usable tender on the streets of Germany was the American cigarette. Even the occupation Deutsche mark (DM) issued by the Allied powers and the Soviets was considered almost worthless. To top it all, the country was now occupied by two power blocs—the Soviets in the east, and the British, French, and Americans in the west. The future of Germany and its people seemed hopeless.

This was Germany, controlled by the four conquering powers, when in November of 1945 I was recalled from my post as United States commander to return to Washington to take the position of Chief of Staff of the United States Army.

It was a changed land that met my eyes when I returned to Europe early in 1951 to assume command of the military forces of the North Atlantic Treaty Organization. Germany was still technically an enemy nation, under occupation. But in the interim, in 1949, a new West German nation, the Federal Republic of Germany, had come into existence with a constitution and a parliament headed by Chancellor Konrad Adenauer. True, not all of the ruins were gone; in many places devastation still remained. However, the economy was improving and a reawakening sense of pride and self-respect characterized the population. In place of the black market the West Germans now boasted a Deutsche mark that had real value. No longer did the United States have to guarantee artificially a rate of exchange of ten DM to the dollar. The DM now stood on its own at a rate of not ten to one, but 5.3 to one, even on the free market. It was estimated that the budget of Western Germany would be balanced for fiscal year 1951 at a little over 13 billion DM, a figure which included more than four and a half billion DM to be paid to the three occupying powers to defray the costs of occupation. (Between 1945 and 1955 West Germany did receive from the United States approximately $3.5 billion in economic aid.)

Germany was still divided. The cleavage between the two parts was widening. But Western Germany by itself was now a nation to be reckoned with.

Much of the credit for this resurgence of Western Germany must be given to its iron-willed Chancellor, Dr. Adenauer. A strong anti-Nazi, he had refused to bow to Hitler and, as leader of the newborn nation, he remained in spirit the ramrod mayor of Cologne, dealing with former conquerors with dignity, reserve, and wisdom. Adenauer preached to his countrymen the concept that they must turn their backs on the past and replace their former nationalism with an ambition to become "good Europeans." An advocate of closer ties with all of Western Europe, he staked his political fortunes on the concept of a rapprochement with France and an end to the age-old quarrels that had cost both nations so dearly.

A major factor in the restoration of Germany to the family of nations was the West's growing realization of the malevolent designs of the Communist bloc, evidenced by the threat to Greece and Turkey in 1947 and the takeover of Czechoslovakia in 1948. When arrangements were made late in 1950 for integration of the European military forces under a single NATO commander, a common assumption among the participating powers was that eventually Germany must be allowed her own armaments and must participate in European defense. During 1950 Germany had become a participant in the Consultative Assembly of the Council of Europe at Strasbourg beginning in 1950. West Germany was cooperating in the Schuman Plan2 and in late 1950 had taken part in the thirty-nine nation tariff negotiations, at Torquay in England, under the General Agreement on Tariff and Trade.

Thus when I took command in Europe in early 1951, Germany was in an anomalous position. Still technically in a state of war, occupied by foreign military forces and being forced to pay large sums of money to support this occupation, she was nevertheless cooperating with the occupying powers in peaceful international organizations. The Federal Republic of Germany was ready to become a free and equal member of the North Atlantic Treaty Organization and to make her full contribution to the common defense.

2 A plan for a West European coal and steel pool, including France, Belgium, the Netherlands, Luxembourg, the Saar, and West Germany.
The first step, the termination of the technical state of war between Germany and the Western powers, began to be taken in the summer of 1951. The United States Congress adopted a resolution officially ending the war, and on the 24th of October a proclamation was duly issued by President Truman.

But plans for rearming Germany created problems. France had to be convinced that if Germany were rearmed she would never again use her power to turn on her Western neighbors. But any means of achieving this legitimate objective which would impose humiliating restrictions on a sovereign—even though lately defeated—nation would be unacceptable to Germany. I became convinced that the best possible solution was the creation of a European Defense Community, conceived by the French and proposed on October 24, 1950, by René Pleven, the French Premier.

The EDC treaty was intended primarily to merge the armed forces of the six signatory nations—France, West Germany, Italy, Belgium, the Netherlands, Luxembourg—but it included additional agreements, such as (1) a treaty of mutual assistance between these six and the United Kingdom against attack from without, (2) a protocol extending to West Germany the guarantees of the fourteen-nation North Atlantic treaty, (3) a declaration by the United States and the United Kingdom that any threat to the integrity of the EDC would be considered a threat to them, and (4) an agreement on the part of the United States and the United Kingdom to station in Europe "such forces as they deem necessary and appropriate to contribute to a joint defense of the North Atlantic area."

EDC, we hoped, was to become a "hard and dependable core" for NATO. The six signatories were to contribute units of no larger than divisional size to a common pool of troops. Eventually there were to be forty-three divisions, all organized under a supreme NATO commander, and with a single budget. The pool was to be controlled by an executive commissariat, a council of ministers, an assembly, and a court of justice. Proponents of an eventual United States of Europe took great hope from the creation of these supranational institutions.

From its inception in 1951 I supported the concept of EDC and, during my tour of duty in NATO, visited every government of the region to urge the signing and subsequent parliamentary approval of the treaty.

A few governments, particularly the French, feared the EDC concept, even though a Frenchman originally had proposed it; the ancient and mutual hostility of the French and Germans persisted and created a strong feeling in France that to include Germany—even a defeated and powerless Germany—in an international defense organization would be to invite the camel into the tent.

But most NATO nations believed that establishment of an effective collective security for Western Europe was not feasible without a strong
heading the French government had themselves suffered under Nazi domination or had lost members of their families in the war. Understandable as the French attitude was, it could not, however, ignore that the principal threat to French peace and tranquility in 1952 was posed by Soviet imperialism, not by a truncated, partially rearmed Germany. Therefore, upon my inauguration as President, I again set out to use every means at my disposal to indicate what I considered the path of enlightened self-interest to the French. The journey to European capitals of Foster Dulles and Harold Stassen immediately upon my inauguration aimed largely at encouraging European unity. The discussions on the subject at the Bermuda Conference in December 1953 were extensive. In all our diplomatic dealings with the French, the subject was in the forefront; indeed, during the trying and dramatic last days of the Indochina war the dispatches from Paris usually covered two subjects: Indochina and the attitude of the current French government on EDC. At times I suspected that the French, realizing our concern about EDC, could not resist the temptation to use this issue as a bargaining point in seeking our assistance in the Indochina war.

Always we moved in concert with the British. On April 13, 1954, for example, the British signed an association agreement with the six future members of the EDC, strengthening the 1952 British statement of intention to keep their forces in Europe, and three days later I set forth a commitment which the United States would make to the EDC; I indicated that the United States would keep armed forces in Europe, including Germany, as long as the need existed, and would do everything possible to bring about the closest integration between EDC forces on the one hand and United States and other forces (meaning principally British) on the other.

Foster Dulles was able to use this commitment in subsequent discussions, pointing out that my assurance presupposed that EDC would be ratified.

All the signatories had ratified the treaty except France and Italy when the Laniel government fell, over the Indochina issue. We, in Washington, over 100,000 failed to return. So it is not difficult to see that there is a considerable amount of bitterness still existing on this subject.

"And in case you are inclined to be impatient of bitterness, I would recall to you that, after our own Civil War, the last state that came back into the Union returned in 1877—twelve years after the end of that war—and the bitterness did not end then. Those were people that we knew, that spoke the same language and were very good friends."

This address was made before the National Security Industrial Association, in New York, on September 29, 1954.
Later in August a conference of the six EDC signatories was scheduled to take place in Brussels. Before the meeting convened, however—on August 19—Premier Mendès-France unveiled radical amendments to the treaty which he intended to propose. These included indefinite postponement of plans to standardize the armed forces, veto power for any nation over EDC actions, and deferment for eight years of the time the supranational court might begin to function.

These proposals were shocking. They changed the entire concept of the treaty. The Brussels Conference of the six EDC signatories, meeting on August 19–22, refused to agree on these alterations.

Instantly many cables began to be exchanged among several governments, especially the British, German, and American. Churchill, who had an appointment to see Mendès-France the day after the Brussels meeting, promised me that he would do all he could to change the Frenchman’s mind.

When Winston and Anthony Eden met Mendès-France, they warned him of the difficulties of finding and bringing into force any substitute means of rearming Germany, particularly because of the time that would be consumed in getting Germany and other countries to accept. They urged him, they reported, to try to persuade the French National Assembly to accept the EDC as the most feasible answer.

Further, they said that a meeting of the United States, the United Kingdom, Germany, and Benelux had been suggested in the event that France definitely refused to go along with the other nations. Mendès-France argued strongly against such a meeting, but agreed in the event that EDC should fail of ratification to consider Germany’s entry into NATO with or without some smaller grouping.

Entreaties were to no avail. On August 30, 1954, after intricate and mysterious maneuverings in a parliament where coalition governments must be made from six approximately equal-sized parties, the French National Assembly rejected EDC by a vote of 319 to 264, with 43 abstentions.

In all capitals, particularly in Bonn, the effects of the rejection of EDC were strongly felt. Chancellor Adenauer had obtained ratification of the EDC several months earlier, though not without opposition. Now, with the rejection of EDC, the Adenauer idea of rapprochement with France was crushed. The dream of German sovereignty, linked as it was to the adoption of EDC, seemed also gone for the moment. And Dr. Adenauer himself was in trouble. The elections of 1953 had given his Christian Democratic Union, the strongest single party in the Federal Republic, a majority of one seat in the Bundestag. To fortify that majority he required the vote of members of several smaller parties. During September the heads of one of these called upon Dr. Adenauer to remove himself from the post of Foreign Minister. And into the bargain, the opposition Social Democratic party gave the Chancellor’s party a clean defeat in a state election in Schleswig-Holstein. This election, the Social Democrats claimed, was a decisive repudiation of Dr. Adenauer’s idea of a sovereign and rearmed German Federal Republic, a policy which the Social Democratic party had attacked continually, charging that any such status for the Federal Republic without East Germany included would demolish all hopes for a united Germany.

Faced with his most serious political crisis, Adenauer had to find a new course of action. Within a few days after France’s rejection he demanded immediate sovereignty for Germany and participation in Western defense without discrimination. He promised that Germany would “voluntarily” limit its armaments, thus hoping to allay the fears of the French while preserving German self-respect.

Premier Mendès-France himself did not come off unscathed in his own country. Supporters of EDC now criticized him sharply for failing to give sufficient leadership to the cause. While he had been successful in many of his initial maneuvers, Mendès-France was still in an uncertain position.

In the United States our problems were complicated by a multiplicity of events. Almost simultaneously with the news of the EDC rejection, Foster Dulles had to proceed to Manila to participate in the signing of the SEATO treaty. Shortly thereafter, the Chinese Communists began to shell Quemoy and Matsu. And we were having difficulty with Italy, whose political scene was turbulent and confused. I was therefore frequently moved to say in private that all of us should be grateful for our great superiority in strategic bombing power, for that superiority sometimes seemed to be the only deterrent to an all-out Soviet attack on Europe. But this superiority could not last forever.

Despite the disappointing vote in the French parliament, this was no time for defeatism. The task now was to search for a new device to bring Germany into the NATO family. On the 3rd of September I wrote from Denver to Bedell Smith, Acting Secretary of State in Foster’s absence:

\*The day I got the news of the EDC defeat, I said to an audience in Iowa: “We have had our setbacks. One of the major setbacks was reported in your papers today: the rejection by the French parliament of the French proposition to establish in Europe the European Defense Community. . . . “America has never quit in something that was good for herself and the world. “We will not quit now. . . .”
For some days I have been storing up a few matters regarding which I wanted to write to you.

The first point is the state of our thinking toward the development of a substitute for EDC. I take it, that all of us agree we cannot sit down in black despair and admit defeat.

It seems to me there are two possible approaches—or maybe even three—
(a) Through the revision of the EDC idea by the nations concerned.
(b) Through a meeting of the entire NATO group, with a view of including Germany as an equal partner therein.
(c) Through unilateral agreements with Germany—to which agree­ments we would, of course, have to get the concurrence of a sizeable number of Western and Atlantic nations . . .

A week later Foster Dulles advised me that the State Department was considering two alternative approaches: (1) to bring Germany directly into NATO, entrusting the control of the size, composition, and disposition of German defense forces to a NATO agreement with the German government voluntarily agreeing to limit its arms, and (2) if the French should object to this scheme, to take steps along with Britain, Germany, and possibly others, to go ahead with German rearmament under a defense agreement without the cooperation of the French. The second measure, though a last resort, might convince the French of the seriousness of our resolve.

Many leaders seemed to have proposals for solving the problem; none apparently jelled. On Saturday, September 11, Anthony Eden visited the Continent to confer with the Foreign Ministers of some of the EDC signatory nations. Winston reported to me that the visit with the Benelux Foreign Ministers had been successful, but they were disturbed by the rather bitter German reaction the previous week over the failure of EDC. The Benelux Foreign Ministers were apparently favorably disposed, however, to a plan the British government had devised for extending the force, provisions, and membership of the “Western Union” treaty which had been signed in Brussels in 1948 by Britain, France, Belgium, the Netherlands and Luxembourg—that treaty, ironically enough, having been directed ostensibly toward the prevention of a resurgence of German militarism. In his message Winston mentioned to me the possibility of convening in London a nine-power meeting to include those five nations named, plus Italy, Germany, Canada, and the United States.

On the 14th of the month Eden wrote to Foster Dulles (who had returned from Manila) that Chancellor Adenauer, as well as the Benelux ministers, had warmly welcomed the British proposal. On that same day Foster departed for a hurried trip to Bonn and London.

Foster found Adenauer gravely worried and anxious to find a solution quickly to impress his own people with the fact that they were not to remain indefinitely under subjugation. While Adenauer was still dedicated to the principle of European integration, he would be willing to go ahead, if necessary, with a German national army.

After Bonn, Foster’s next stop was London, where he conferred with Winston, who wrote to me about the meeting. I was glad to see that despite all our frustrations, the Prime Minister’s sense of humor was still intact. Referring to a message of mine thanking him for a full account of Anthony’s trip, he said he was glad I thought him a good reporter. He had once made his living as a journalist. Referring—without saying so—to flurries in the press here, he added that he understood we had them in our country, too.

Winston’s message explained his attitude on the European defense plan: From the start, he wrote, he had disliked “the sludgy amalgam” of EDC, which he described as mixing races in companies if not platoons. But because the plan had seemed to offer the only way of getting French and German forces to cooperate in a single defense mechanism, he had swallowed his prejudices when he had come to power in 1951. Now his reaction was that he did not blame the French for rejecting EDC but only for inventing it.

On the broad issue, however, that of the necessity for limited German rearmament, Winston’s views were basically the same as ours. He recognized the tragedy which had befallen Adenauer in wasting three years pressing for acceptance of a plan which was now defunct. He commended for our consideration the British plan for expansion of the Brussels treaty and expressed hope that as time passed it could lead to a United Europe with German “comradeship.”

In the meetings with Winston, Foster emphasized the difficulties which faced our government as a result of the collapse of EDC. The concept of a United States of Europe had great appeal in America. This had been reflected in congressional resolutions and legislation, and the American Chiefs of Staff were engaged in making a strategic reappraisal, seeking an acceptable alternative to earlier plans. There was a danger that if Europe showed little concern for American views, discouragement at home regarding the concept of a collective European defense would arise. This in turn might well jeopardize cooperative efforts with others, because the assurances given to Europe in my declaration of April 1954 had won congressional approval only in the context of EDC.

The nine-power Foreign Ministers’ conference, which Winston had suggested, opened in London on September 28. The atmosphere was strained, the main cause being the defensive attitude of Mendès-France.

7 The United States, Canada, Britain, Belgium, Luxembourg, the Netherlands, Germany, France, and Italy.
When Foster met with him, he seemed to be offended at the criticism which he had received because of his role in the EDC rejection. However, he did agree that a way should be found to bring Germany into NATO.

In the meantime significant developments had been taking place. One was a definitely "on-the-record" statement by General Gruenther to a group of French industrialists visiting his headquarters at Rocquencourt, on September 22. Confidently he expressed the conviction that, with reasonable precautions on the part of the military commander of NATO, the composition and structure of the NATO force itself would prevent the possibility of any member nation's taking military action against the others. To deal with the French desire to bind and hamstring the West Germans with a super-elaborate apparatus of controls, he warned against setting up a "super police state in which inspectors could constantly check up on baby carriage factories to make certain they were not manufacturing guided missiles in secret."

Another development involved Britain. Since Foster's visit to London two weeks previously, the British had been restudying their defense planning. Previously the British had always been reluctant to pledge themselves to keep forces of any specified size on the Continent. (Indeed, it was the fear of a British withdrawal which had prompted so much of the French concern over a rearmed Germany.) Now, at the opening of the conference, Anthony Eden indicated that the British government would be willing to make unprecedented commitments, even in the absence of EDC, and would agree not to withdraw its current forces on the Continent against the wishes of the majority of the enlarged Brussels-treaty powers. Though this policy would not give France a veto, it would commit Britain not to withdraw forces at her sole discretion.

At the conference Foster and Anthony determined to deal in specifics, in the hope of encouraging any who might feel fainthearted. The United States pledged continued support if progress were made toward European unity. Eden, in a dramatic and historic speech, promised that Britain would maintain on the mainland of Europe four United Kingdom divisions and a tactical air force for so long as the majority of the Brussels-treaty powers desired.

The effect of Eden's statement was electric, even though, strangely, this act of British statesmanship was interpreted by some as a victory for Mendès-France. No matter how it was interpreted, the fact was that the French could now, with such assurances from Britain, be confident that they would never be left alone with a rearmed Germany. In his daily report to me Foster Dulles described the reaction:

This was regarded, and I think rightly, by other countries as an historical decision tying England to the continent in a way which has never been done before. The seven other countries made responses which were expressive of profound appreciation except that the response of Mendès-France, while formally correct, was somewhat grudging and lacking in the spirit which animated the others. I think he feels that our two statements, and notably the British statement, create a situation which makes it almost impossible for France to reject a reasonable settlement of the conditions which would make possible the admission of Germany to NATO and the creation of European unity with some supranational features on basis of Brussels treaty.

Early in October, I wrote to Winston to express my appreciation:

Foster has kept me informed on the progress of the talks now going forward in the Nine Power Conference. Both officially and personally I am most deeply appreciative of the contribution that Britain has offered to make to advance European unity.

Of course I understand fully your reluctance to move without parallel commitment by us. However, our constitutional processes do not permit this, but I am certain that so long as Europe is moving toward unified action, you can always be sure of our effective cooperation on the continent. In this statement I know I speak for the tremendous majority of the citizens of our country.

In this often confused world, it is encouraging to witness the enlightened and courageous statesmanship exhibited by you and Anthony. In this instance, as in so many others, I have the greatest admiration for your judgment and actions.

Please give my warm regard to Anthony, and, as always, the best to yourself.

As a result of ensuing diplomatic maneuverings, the meeting produced positive and constructive results. While further meetings in Paris would be required to work out the details of plans for integration of the German armed forces, and Mendès-France would still insist that the long-standing Saar question between France and Germany had to be settled before he could proceed affirmatively with the National Assembly, there was no doubt that a tremendous step forward had been taken.

Foster summarized the results:

Have just signed with the eight other foreign ministers the agreements reached here. They still have to be perfected in some detail, but immense amount of work has been accomplished, and I believe that if what was done here is finally realized, we will have saved most of the values inherent in EDC. The Brussels Council will have many supranational responsibilities, and while the present arrangements do not go as far as EDC in creating parliamentary controls, this disadvantage is to an extent offset by the British commitment to continental Europe. . . .
In concrete terms the outcome of the meeting was this:

1. A committee of the Big Three and West German experts was to arrange for an end to German occupation;
2. West Germany was to be invited to enter NATO and to contribute (as in the EDC agreement) twelve divisions and an air force of one thousand planes; the power of the Supreme Allied Commander in Europe was to be expanded to prevent the independent deployment of German forces;
3. West Germany and Italy were to join the Brussels-treaty organization, which would fix the maximum size of the Continental members' contributions to NATO and control all arms manufacture;
4. West Germany was not to manufacture missiles or atomic, biological, or chemical weapons.

Later in the month in Paris the Foreign Ministers of all the NATO countries and West Germany met to declare the virtual sovereignty of the German Federal Republic; to set terms for West German rearmament within a Western European Union (WEU) under the expanded Brussels treaty; to invite Germany to join NATO; and to secure an agreement between France and Germany on the Saar.

Strangely, in this second meeting, even after so much had been accomplished in the first, the fate of the Western European Union seemed to remain in doubt up to the last moment. On October 23 Foster reported:

We are waiting here Saturday morning not knowing whether or not documents in relation to German sovereignty, Brussels treaty and NATO will or will not be signed this afternoon. Everything hinges on Saar matter, which Adenauer and Mendes-France discussed last night until nearly three. They are apparently in agreement on political issues, but certain economic issues remain unsolved. They met again at 11:30 Paris time. It seems to me incredible that the margin of difference now remaining should wreck this whole affair, but it is possible because Adenauer has gone close to the tolerable political limit and Mendes-France can be very stubborn.

Everything else has gone extremely well, and the NATO atmosphere is one of strengthened fellowship.

And then later on in the morning, the final message:

I am happy to inform you that everything including Saar [see Appendix K] has now been signed sealed and delivered. I know you will rejoice with me that the unity and freedom of Europe to which you contributed so indispensably seems likely now to be preserved.

The nine-power meetings were over. Foster Dulles flew home, where, on the evening of October 25, he reported the results in a Cabinet meeting, the first one in history televised for the American people.

I was highly gratified by developments, as was Foster and the entire administration—and there was much reason for satisfaction. On August 30 the European Defense Community had run upon the rocks, and the possibilities of finding a device to bring Germany into the family of independent nations seemed remote. A mere thirty-three days later an accord had been signed, under a different name, Western European Union, encompassing the essentials we had striven so long to realize.

The occupation of Germany was over. Our High Commissioner James Conant became Ambassador Conant.

Soviet efforts to scuttle European unity through biting propaganda during this whole proceeding had failed.

The land that Allied forces under my command had helped to conquer nearly a decade before was no longer the scene of desolation and despair. It was now a rehabilitated and equal member of the Western Alliance. I fervently agreed with Foster that the accomplishment of this transformation was a "near miracle—a shining chapter in history."

* * *

For the want of Trieste, an Issue was lost.
For the want of an Issue, the Election was lost.
For the want of an Election, De Gasperi was lost.
For the want of De Gasperi, his NATO policies were lost.
For the want of his NATO policies, Italy was lost.
For the want of Italy, Europe was lost.
For the want of Europe, America . . . ?

This version by Ambassador Clare Boothe Luce of the old "For want of a nail" may have been a little overdrawn, but it held considerable truth. Anyone who becomes immersed in international affairs soon realizes that no important issue exists in isolation; rarely is it only bilateral. A problem which may seem to be of interest to only two countries almost invariably affects a third and, as often as not, a fourth or more. And, save in exceptional circumstances, there is a tendency within any country for one set of problems in its foreign affairs to become linked with others.

A remarkable illustration of this interrelationship was the situation which existed in Italy in 1953 when Mrs. Luce wrote these lines. Three foreign problems of deep concern were foremost in the thinking of the leaders of that country. One was obtaining the ratification of the European Defense Community in the Italian parliament; a second involved negotiations with the United States for NATO bases, to be located on Italian soil; the third and most emotional was the controversy between Italy
A region of the world of vital importance to the United States is Latin America, a vast area of undeveloped resources, whose weight in the scales of the balance of power has become steadily more important. We like to think of Latin America as nearby, in our own back yard, so to speak. In fact, most of it, particularly the large nations of Argentina, Brazil, and Chile, is actually a great distance from the United States. Indeed, Argentina and those portions of Brazil south of the Cape of São Roque are farther by water from the United States than they are from Europe. But distance is only one factor in our relations with these nations. Far more significant is the fact that we both have a tradition of independence and that we both, though separate from Europe, have an inheritance of Western religion and culture.

Nevertheless, from time to time, in fact to an extent all the time, our sister republics to the south feel that the United States pays too little attention to them and their problems. Perhaps, in part, this feeling is justified. Certainly after World War II, United States diplomacy was constantly preoccupied with European and Asian crises, any one of which could have resulted in serious conflict, whereas under normal circumstances it would not be expected that global war would break out as the result of problems in Latin America. Further, our shared ideals of freedom have sometimes led our diplomats to expect our sister republics to stand by us automatically on critical world issues, thus giving them a feeling of being taken for granted.

I was aware of this danger early in my administration and moved to prevent such a feeling from growing. The first state visit to Washington after I entered the White House was, as I have recorded, that of President Remón of Panama, and I had made a special point of attending the dedication of the Falcon Dam with President Ruiz Cortines of Mexico, when for the first time as President I set foot on the soil of another nation, our nearest Latin American neighbor.

But the most important effort to improve Latin-American relations was to recruit the services of my brother Milton, a dedicated diplomat with such exceptional capabilities that were it not for the accident of his being my brother, he would most certainly have been asked to occupy a high Cabinet position in my administration. From 1953 on, Milton served in a highly important capacity as my personal representative with the rank of special ambassador, in making numerous studies in Latin America, and reporting to me the feelings of the people south of the border. He persistently recommended measure after measure to improve our friendships, to establish, as I once wrote to him, "a healthy relationship" which will endure.

We all realized that the fundamental problems of Latin America—which stem from lack of capital; overdependence on the sale of primary commodities; severe maldistribution of wealth; illiteracy, and poverty—would take a long time for the nations themselves to correct even with all the outside help they deserved. No matter how much help we extended—and United States aid to Latin America increased markedly during the 1950s—we realized that we were going to run into difficulties in our relations with individual states before the day came when the major causes of those difficulties could be erased.

The first of these problems was waiting for me when I entered the White House. It involved Guatemala, a beautiful land of Central America whose mountains and moderate climate make it one of the garden spots of the hemisphere. The troubles had been long-standing, reaching back nine years to the Guatemalan revolution of 1944, which had resulted in the overthrow of the dictator General Jorge Ubico. Thereafter, the Communists busied themselves with agitating and with infiltrating labor unions, peasant organizations, and the press and radio. In 1950 a military officer, Jacobo Arbenz Guzmán, came to power and by his actions soon created the strong suspicion that he was merely a puppet manipulated by Communists.

The American republics wanted no Communist regime within their midst. They recognized that subversion by Communism was only another form of aggression, even more evil than that achieved by naked military force. However, in unstable regions where revolutions and rioting were not uncommon, where some governments were being maintained by dictatorial means, where resentment against the United States were sometimes nurtured by groups other than Communist cells, it was difficult to differentiate positively between Communist influence and uncontrolled and politically rebellious groups. For example, on February 24, 1953, the Arbenz government announced its intention, under an agrarian reform law, to seize about 225,000 acres of unused United Fruit Company land. The company lost its appeal to the Guatemalan Supreme Court to prevent this discriminatory and unfair seizure. (Of all lands expropriated, two thirds belonged to United Fruit. In return the company was to receive the woefully inadequate compensation of $600,000 in long-term non-negotiable agrarian bonds.)

Expropriation in itself does not, of course, prove Communism; expropriation of oil and agricultural properties years before in Mexico had not been fostered by Communists.
Approximately six weeks after the announcement of the United Fruit Company land seizure, however, Guatemala withdrew from the five-nation Organization of Central American States, alleging aggression by Guatemala’s neighbors. In this instance, the real reason was apparent: Guatemala could not risk participation in a debate on an anti-Communist resolution scheduled for presentation by El Salvador at a forthcoming meeting of the organization.

Arbenz denied that his government was Communist, a denial that was issued in a speech at a May Day celebration featuring seventy thousand marchers. But by the middle of October 1953, the Assistant Secretary of State for Inter-American Affairs, John Moors Cabot, said publicly that Guatemala was “openly playing the Communist game”; for example, it accepted the ridiculous Communist contention that the United States had conducted bacteriological warfare in Korea.

About that time a new ambassador, John E. Peurifoy, was appointed to Guatemala. He was familiar with the tactics of the Communists in Greece, where he had served. Peurifoy soon reached definite conclusions on the nature of the Arbenz government. Later he reported that he had discussed the Arbenz orientation with the Presidente himself within a month after his arrival at his new post. He described his discussion aptly:

In a six hour conversation he listened while I counted off the leading Communists in his regime, but he gave no ground; many notorious Reds he denied to be Communists; if they were, they were not dangerous; if dangerous, he could control them; if not controllable, he would round them up. He said, in any case, all our difficulties were due to the malpractices of American business. The trips of Communists to Russia were not to get training and instructions, he said, but merely to study Marxism, just in the same way as other Guatemalans may come to the United States to study economics. Meanwhile, they would continue to enjoy the full advantages accorded all Guatemalans, as they were valuable allies to him in the fight for social reform . . . . It seemed to me that the man thought like a Communist and talked like a Communist, and if not actually one, would do until one came along. I so reported to Secretary Dulles, who informed the President; and I expressed to them the view that unless the Communist influences in Guatemala were counteracted, Guatemala would within six months fall completely under Communist control.19

Something had to be done quickly. The first task was to marshal and crystallize Latin American public opinion on the issue. The opportunity presented itself at the Tenth Inter-American Conference of the Organization of the American States (OAS) which met in Caracas, Venezuela, in March of 1954. At that meeting the United States urged the adoption of a joint condemnation of Communism, contending vigorously that it should not be permitted to control any state in the Western Hemisphere. Foster Dulles, representing the United States, argued that if Communism should succeed to this extent, it should be treated as a threat to the peace. On March 6 he introduced a draft resolution of a “Declaration of Solidarity for the Preservation of the Political Integrity of the American States against International Communist Intervention.”

The draft resolution was harsh. It was meant to be. It condemned international Communism in the Western Hemisphere as a type of foreign intervention; pledged the American states “to take the necessary measures to protect their political independence against” such intervention; declared that the “domination . . . of the political institutions of any American State by the International Communist movement” constituted a “threat to the sovereignty and political independence of the American States, endangered the peace of America, and would call for appropriate action in accordance with existing treaties.” It also called for an exchange of data on Communist activity in each country and upheld the right of each state to defend its own independence and to choose its own form of government and its own manner of social and cultural life.

On March 26, in plenary session, the organization approved the resolution by a vote of seventeen to one, with Guatemala opposing, and Argentina and Mexico abstaining—Costa Rica was absent. As passed, it differed in only one respect from the draft; it called not for immediate action to meet the Communist threat but rather for a “meeting to consider the adoption of measures in accordance with existing treaties.”

19 On October 8, 1954, Mr. Peurifoy testified before the Subcommittee on Latin America of the House Select Committee on Communist Aggression as follows:

“It is my understanding, Mr. Chairman, that the purpose of your hearings is to determine:

1. Whether or not the government of President Arbenz was controlled and dominated by Communists.

2. Whether or not the Communists who dominated Guatemala were in turn directed from the Kremlin.

3. Whether or not the Communists from Guatemala actively intervened in the internal affairs of neighboring Latin American republics.

4. Whether or not this Communist conspiracy which centered in Guatemala represented a menace to the security of the United States.

“My answer to all four of those questions is an unequivocal ‘yes.’

“The Arbenz government, beyond any question, was controlled and dominated by Communists. Those Communists were directed from Moscow. The Guatemalan government and the Communist leaders of that country did continuously and actively intervene in the internal affairs of neighboring countries in an effort to create disorder and overthrow established governments. And the Communist conspiracy in Guatemala did represent a very real and very serious menace to the security of the United States.”
This resolution formed a charter for the anti-Communist counterattack that followed. But before these resolutions could become effective, things got worse.

In the two months from March to May, 1954, the agents of international Communism in Guatemala continued their efforts to penetrate and subvert their neighboring Central American states, using consular agents for their political purposes and fomenting political assassinations and strikes. In Guatemala itself the government answered protests by suspending constitutional rights, conducting mass arrests, and killing leaders in the political opposition.

In May things came to a head. On the 17th of that month Foster Dulles reported to the press that the United States had reliable information on a shipment of arms from behind the Iron Curtain. The arms had been loaded on the Althem, a Swedish ship chartered by a British company, at the East German Baltic port of Stettin. The ship was at that moment being unloaded at Puerto Barrios in Guatemala. The ship had mysteriously changed its announced destination and its course three times on route, apparently in an effort to confuse observers. We learned that the cargo contained two thousand tons of small arms, ammunition, and light artillery pieces manufactured in the Skoda arms factory in Czechoslovakia. This quantity far exceeded any legitimate, normal requirements for the Guatemalan armed forces.

On May 19 Nicaragua broke diplomatic ties with Guatemala. Five days later we announced that the United States was airlifting arms to Honduras and Nicaragua to help counter the danger created by the Czech shipment to Guatemala. Our initial shipment comprised only fifty tons of rifles, pistols, machine guns, and ammunition, hardly enough to create apprehension in neighboring states.

On May 24, 1954, I informed the Legislative leaders of measures we were planning to take. Honduras and Nicaragua had asked for help. Among other things, we would (1) prevent any further Communist arms build-up in Central America by stopping suspicious foreign-flag vessels on the high seas off Guatemala to examine cargo (an action conforming to the United Nations Charter and Caracas resolution) and (2) convene another meeting of the Organization of American States to consider next steps. We would, of course, advise Mexico and other friendly countries of our plans.

Our quarantine measures soon ran into trouble. We were able to hold up at Hamburg some six tons of 20-mm. antiaircraft shells in transit to Guatemala from Switzerland. Action on the high seas, however, was a different matter. While well within the capabilities of the Navy, such measures would require at least the tacit cooperation of our allies, principally Britain, to avoid placing an almost fatal strain on our relations. At first such cooperation was difficult to obtain, at least completely, from the British. Foster communicated with Anthony Eden on the matter, and the latter finally, with misgivings, issued a statement which we considered adequate.11

Meanwhile, in Guatemala, Arbenz had declared a state of siege and launched a reign of terror. Then on June 18 armed forces under Carlos Castillo Armas, an exiled former colonel in the Guatemalan Army, crossed the border from Honduras into Guatemala, initially with a mere handful of men—reportedly about two hundred. As he progressed he picked up recruits. Simultaneously three obsolete bombers, presumably under his direction, buzzed Guatemala City and bombed the ordnance depot. Things seemed to be going well for Castillo's small band until late on June 22. On that day Allen Dulles reported to me that Castillo had lost two of the three old bombers with which he was supporting his "invasion."

A meeting was arranged that afternoon with Foster Dulles, Allen Dulles, and Henry F. Holland, who had succeeded John Cabot as Assistant Secretary of State for Inter-American Affairs. The point at issue was whether the United States should cooperate in replacing the bombers. The country which had originally supplied this equipment to Castillo was willing now to supply him two P-51 fighter-bombers if the United States would agree to replace them. The sense of our meeting was far from unanimous. Henry, a sincere and dedicated public servant and a real expert in Latin American affairs, made no secret of his conviction that the United States should keep hands off, insisting that other Latin American republics would, if our action became known, interpret our shipment of planes as intervention in Guatemala's internal affairs. Others, however, felt that our agreeing to replace the bombers was the only hope for Castillo Armas, who was obviously the only hope of restoring freedom to Guatemala.

"What do you think Castillo's chances would be," I asked Allen Dulles, "without the aircraft?"

His answer was unequivocal: "About zero."

"Suppose we supply the aircraft. What would the chances be then?"

Again the CIA chief did not hesitate: "About 20 per cent."

I considered the matter carefully. I realized full well that United States

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11 The statement by Anthony Eden, dated June 18, 1954, said in part:

"There is no general power of search on the high seas in peace time. The British Government, however, has certain powers under Defense Regulations and otherwise to detain or requisition under certain circumstances. The Commander-in-Chief of West Indies is being instructed to take appropriate action where practicable if the carriage of arms by British ships should be suspected."
intervention in Central America and Caribbean affairs earlier in the century had greatly injured our standing in all of Latin America. On the other hand, it seemed to me that to refuse to cooperate in providing indirect support to a strictly anti-Communist faction in this struggle would be contrary to the letter and spirit of the Caracas resolution. I had faith in the strength of the inter-American resolve therein set forth. On the actual value of a shipment of planes, I knew from experience the important psychological impact of even a small amount of air support. In any event, our proper course of action—indeed my duty—was clear to me. We would replace the airplanes.

As my visitors prepared to leave the office, I walked to the door with Allen Dulles and, smiling to break the tension, said, “Allen, that figure of 20 per cent was persuasive. It showed me that you had thought this matter through realistically. If you had told me that the chances would be 90 per cent, I would have had a much more difficult decision.”

Allen was equal to the situation. “Mr. President,” he said, a grin on his face, “when I saw Henry walking into your office with three large law books under his arm, I knew he had lost his case already.”

Delivery of the planes was prompt and Castillo successfully resumed his progress. After five days, during which the Guatemalan Army announced its refusal to support Arbenz, he announced that he was relinquishing power to a Colonel Díaz as the head of a new provisional government. Two days later a second change deposed Díaz and brought the anti-Communist Colonel Elége Monzón to power. Thereafter, further negotiations, with Ambassador Peurifoy and President Oscar Osorio of El Salvador as mediators, brought Colonel Castillo Armas into Monzón’s new ruling junta, eventually as its head.

Meanwhile the United Nations Security Council had deferred action on the Guatemala matter during an investigation by the Inter-American Peace Committee of the Organization of American States, but the change of government had made further action unnecessary.

The major factor in the successful outcome was the disaffection of the Guatemalan armed forces and the population as a whole with the tyrannical regime of Arbenz. The air support enjoyed by Castillo Armas, though meager, was important in relative terms; it gave the regular armed forces an excuse to take action in their own hands to throw out Arbenz. The rest of Latin America was not in the least displeased.

Arbenz fled via Mexico to Czechoslovakia, and Castillo Armas was later confirmed first as head of the military junta and then, by a thundering majority, as President. He proved to be far more than a mere rebel; he was a farseeing and able statesman. For the three years of life remaining to him, he enjoyed the devotion of his people.