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THE VIEW FROM ABOVE: HIGH-LEVEL DECISIONS AND  
THE SOVIET-AMERICAN STRATEGIC ARMS COMPETITION, 1945-1950

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INTRODUCTION

I. Preface

(U) The origins of the cold war have, almost from the beginning, attracted wide attention from commentators, participants, and policy advocates. More recently, access to some archival sources and different ideological perspectives have sparked a lively historical debate over the degree of U.S. and U.S.S.R. culpability for the breakdown of the wartime alliance. Despite the polemical tone of some, these studies have contributed useful insights into many facets of postwar Soviet-American relations, especially in the area of economics, the use of atomic weapons against Japan, and European policy. <sup>1</sup> A number of specialized studies on the American security apparatus have also appeared, some based on limited access to archival sources, others on interviews and well-informed <sup>2</sup> comment. Yet, except as the by-product of more broadly focused works, no historian has attempted to examine the problems of Soviet-American relations from the perspective of the mutual interaction of military and strategic concerns. Nor has the more limited part--the American response to the Soviet strategic arms challenge--been studied. This essay seeks to correct part of that lacunae by focusing upon the efforts at the senior level of the American government to grapple with Soviet-American strategic problems from September 1945 to January 1950.

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(U) A part of the larger OSD project on the strategic arms competition, this work rests upon substantial access to archival sources, on the special studies commissioned for the OSD project, on key memoirs and published accounts, and on the utilization of other primary material. Although access to the full files of President Truman might alter some of the presentation, the completeness of the other documentation is impressive. In fact, the abundance of material permits an in-depth view of these years, while making an exhaustive study (given the time constraints) difficult. This is particularly true for Congressional and journalistic comment, which is incorporated only infrequently.

(U) The richness of the data (and the central purposes of the larger study) necessitate, moreover, selective attention to issues and problems even within the parameters of Soviet-American strategic relations. Some familiar features of the cold war landscape--such as the Truman Doctrine--receive only token mention; other familiar features--such as the Berlin crisis of 1948--receive extended treatment. Throughout the goal has been to concentrate on the strategic dimension, roughly defined as the atomic one in the first years, yet not lose sight of the larger pattern of U.S. responses to Soviet behavior in Europe and elsewhere. In many instances, institutional and bureaucratic developments receive notice, in part for their own importance at the time, in part for their later influence upon the policy process. Indeed, for the first years covered (1945-1947), the reader will realize that he is witnessing the emergence of the stage setting--props, backdrop, scenery--that will later come to shape the now familiar

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pattern of strategic relations between Washington and Moscow. At the same time, the generalized character of the Soviet-American relationship in the first years of the cold war may be disconcerting to some who visualize (or remember) a more systematic set of American responses. But the confusion of the early months should be remembered, the multiple areas of United States involvement in closing down the war effort considered. These were, after all, the months in which attitudes about the Soviet Union were being forged, approaches for resolving differences between the two victors explored and discarded, cooperation and wary respect giving way to recrimination and fear.

(U) The essay is divided into five principal parts. The first examines the American effort to control the major new piece of the strategic equation--the atomic potential--through international control on the world scene and the Atomic Energy Commission on the domestic. The struggles in these arenas merge with the various threads discussed in the second part: the developing institutional framework in which Soviet-American relations will take place. The second part also analyzes the role that economic and political responses played in the initial American reactions to displays of Soviet intransigence. The acceleration of the cold war, exemplified by the crises over Czechoslovakia in early 1948 and then Berlin in mid-summer, form the core of the third section. In it, the efforts of the senior decision-makers to consider the risks of armed confrontation and the preparedness of the American military machine are discussed. These 1948 crises prompted some, especially Defense Secretary Forrestal, to seek

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higher budgetary allocations for defense.

(U) The budgetary process and its interaction with the perceptions of the Soviet threat are instrumental in explaining the failure of the financial resources to increase, either for Fiscal Year 1950 or Fiscal Year 1951. These problems therefore comprise the substance of the fourth section. The fifth and final part then discusses Washington's reaction to the Soviet atomic success in the summer of 1949 and the subsequent decision to develop a thermonuclear device. Its emphasis will be upon the weapons decision and not upon the overall policy review (later known as NSC 68) that would also emerge in early 1950; that issue will be handled in the second essay, by Samuel F. Wells, Jr., which will cover the years 1950-1955. Following the final section, there are a set of observations and conclusions that appear appropriate and worth emphasizing for the first years of the cold war.

(U) Throughout the effort is an historian's attempt, incomplete and still ragged, to discern what was important at the time and how that contributed, or failed to do so, to what recognizably became important later. Throughout it is a story of sincere, dedicated, and able individuals trying to cope with the realities of international politics, the necessities of domestic politics, and the preservation of democratic values. Their successes and their failures are at once instructive and cautionary. In a period of obvious transition, such as 1975, a glance backward at another era of transition and uncertainty may be useful, even comforting, to the policy-maker, the analyst, the historian, and the citizen.

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II. Definitions:

(U) For the first four years of the atomic age the term "strategic arms competition" is asymmetrical if construed as only a competitive relationship in atomic weapons and strategic delivery vehicles. Given Soviet deficiencies in both categories until at least 1949, this narrower definition obviously causes problems.<sup>3</sup> On the other hand, if one includes the Soviet efforts to overcome these strategic shortcomings within the definition, the relationship is clearly competitive. The prospect of just such Soviet developments was, moreover, never distant from the concerns of the senior American officials after mid-1945. Once the bomb was actually used for military purposes, its impact upon the future development of Soviet military research was conceded. The question then became: how long before the Soviets duplicated the feat? At a stroke, somewhat in a fashion reminiscent of Admiral Sir John Fisher's launching of the all-big-gun Dreadnought in 1906, the U.S. had injected a new unit of competition into the strategic arena.

(U) But a somewhat wider definition of the strategic competition--more than just atomic and long-range delivery capability--is also warranted for these years. It is necessitated, first of all, by the way American policy-makers viewed Europe in 1945 and immediately thereafter. Put simply, a wide consensus within the American government regarded western Europe as a vital American interest. But by late 1946 there was also a realization that the Soviets potentially had the military ability

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to impose their will on all of Europe. The Soviet Union possessed the strategic ability, with conventional strategic forces, to challenge an area considered "vital" to American interests. In that sense the Soviets had their form of strategic superiority, the United States its variant. Taken together, these considerations made Europe the pivotal geographical arena.

(U) A broader definition is also applicable for two other reasons. The scarcity of atomic resources meant that until late 1948 any Soviet-American war would probably not have seen the decisive application of force delivered by strategic air power. Concomitantly, the expectation of a protracted general war, largely along the lines of the one just fought, would remain the dominant strategic thought for many months after September 1945. Conventional military and naval forces therefore retained for many military planners their pre-Alamogordo designation as strategic. The U.S. atomic capability was simply a further, if dramatic, refinement of overall strategic capabilities, potential and actual. Only gradually, thanks to budget limitations, Air Force persuasiveness, and the continuing Soviet development of atomic devices and delivery vehicles, would conventional forces appear less important. But that anticipates later stages of the discussion. It is sufficient to conclude that both sides had strategic forces at their disposal in 1945 and that there existed--though not always clearly perceived--a somewhat competitive relationship.

(U) It should also be added that much of what later came to shape the strategic relationship had little to do with competition with the

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Soviet Union. Not infrequently outcomes had less to do with fears about the Soviet Union and more to do with fears about what the other services would obtain. Above all, the strategic competition was only part of that larger fabric of Soviet-American relations, and its importance should thus be neither exaggerated nor minimized. Only at the end of the period covered by this essay--early 1950--would the competitive element become pervasive in all aspects of the relationship. Diplomatic and military containment had become the orthodox "mercantilism" of American foreign policy.

(U) The term "high-level decision maker" is no less elusive. Throughout the essay the attempt has been to survey and analyze policy developments from the Presidential-Cabinet perspective. On the atomic issue per se, given the extreme compartmentalization and secrecy that prevailed until the early 1950's, this level of analysis fits the issue at hand with particular appropriateness. On other parts of the strategic relationship, however, the participation of less senior officials is important and their roles are considered. But the focus is essentially that from the top, looking laterally and downward, rather than from middle level, where the angles are lateral, upward, and downward.

(U) In this President Truman is the key figure. What were his priorities and political concerns, how did issues reach him, where did he have or make significant choices that influenced the strategic relationship, and how did he view the emerging cold war? Answers to these questions vary, of course, from month-to-month, year-to-year, and without full access to the Truman papers, some answers can only be tentative. But the forcefulness of Truman's personality and the clarity of his decisions stand

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out unmistakably. The role of others in the White House is less clear. While Clark Clifford and other aides played significant parts in the shaping of key legislation, for example the 1947 National Security Act, their participation in Soviet-American strategic questions was on the whole infrequent and selective. Nor does the NSC staff, created in the fall of 1947, play a conspicuous advisory role to the President before 1950; until then, the secretariat's functions were generally just that. Truman was, therefore, very much his own man on national security issues.

(U) Within the defense establishment the service secretaries, until September 1947, were the principal actors. Thereafter the Secretary of Defense emerged as the central figure, though the service secretaries remained important in the "high-level" decision process until at least 1950. After the reorganization act of 1949, the Secretary of Defense (and his Deputy) became increasingly influential, helped in part by the increasing skills and effectiveness of their financial assistants-- especially Wilfred J. McNeil, in part by the aggressiveness of Robert LeBaron, who became the chairman of the Military Liaison Committee and the Secretary's personal assistant for atomic matters in late 1949. On the military side, the respective chiefs of staff figure prominently, all the more so in the absence of any chairman for the Joint Chiefs of Staff before September 1949. After that, General Omar Bradley, as first JCS chairman, progressively stood out as the spokesman. Yet it should be noted that General Eisenhower, even while president of Columbia University, was often a key person in the budget deliberations of the services, especially during 1949. In a sense, he almost had the status of a bona-fide, high-level

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decision-maker.

(U) Within the diplomatic arena the Secretaries of State are central. Yet their frequent absences for international conference (particularly 1945-1948) meant that the Under Secretaries occupied key positions. Furthermore, Secretary Marshall's creation of the Policy Planning Staff brought together a set of senior diplomats whose advice and participation helped to shape many of the State Department's responses to issues. Indeed, these upper level officials appear to have enjoyed more responsibility than their comparable service counterparts.

(U) Once approved by Congress, the commissioners of the Atomic Energy Commission and especially the first chairman of the AEC, David Lilienthal, were also part of the high-level process. Lilienthal would enjoy, because of the importance and delicacy of his responsibilities, effective Cabinet rank and participate in some NSC undertakings. The two chairmen of the Joint Committee on Atomic Energy (Senators McMahon and Hickenlooper) enjoyed wide responsibilities on the strategic question, but until 1949 their involvement in the policy process was inconsistent. Other Congressional chairmen and figures, such as Senator Vandenberg, were important to the strategic story, but a thorough examination of Congressional roles remains outside this study.

(U) Another element of the process is the Bureau of the Budget. Successive directors--Harold Smith, James Webb, and Frank Pace--reinforced the President's own conservative, balanced budget approach to government expenditures. For them no area was sacrosanct, least of all military spending. Their determination of budget ceilings would be crucial; their

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assessments of "how much for defense" often had little to do with the Soviet threat and a great deal more with the fear of domestic economic controls.

(U) Finally, one outsider--if Eisenhower is not so considered--played a key part in the early high-level decisions. He was Bernard Baruch whose part in the discussions on the international control of atomic energy would be prominent during 1946. Baruch would, moreover, continue to be consulted about the problem well into 1948 and his call, in January 1950, for the development of the thermonuclear weapon could not be easily ignored. But, unless one includes the scientists who advised the AEC, the role of non-governmental, non-official figures in the high-level process was minimal.

(U) Two observations about the high-level figures are worth making in advance. First, for the senior participants the crush of each day's agenda was staggering. Forced, especially at the presidential level, to integrate the various components of national security policy into some meaningful shape, or at least not allow them to become inherently contradictory, the policy-makers could at best give hurried attention to a range of diplomatic, economic, and strategic issues. In this matter the strategic, such as the level of production of fissionable material, had to compete with efforts to end strikes in Detroit. Periods of crisis therefore became the occasion for substantial attention to policy and to the tactics of policy. Often, the result would be confusion and loose ends, until a further crisis forced new attention to the issue.

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(U) Second, at the "high-level" the sounds of politics were never far removed. Not just bureaucratic politics, though there was some, but true electoral politics. The prospect of elections to come, legislative battles to anticipate, and public reactions to consider; each had an influence on White House perceptions of Soviet-American relations and on the overall conduct of diplomatic and strategic policy. The efforts to mold a bipartisan foreign and strategic policy in the early Truman years should not obscure the fundamental, bitter differences between the two political parties. For every Vandenberg, there was at least one Ralph Flanders, and possibly more if the conservative southern delegation is counted by ideology and not by party label. In the immediate aftermath of the Roosevelt years, the Executive-Congressional power relationship would possibly be more nearly balanced than would again be the case until the mid-1970's. Moreover, the election, in November 1946, of the first GOP Congress since 1930, for all of the achievements of 1947 on the international side, only compounded the tensions on the domestic side. Truman in fact became even more sensitive to the political and budgetary ramifications of issues reaching his desk. Though difficult to pinpoint, these political considerations cannot be entirely forgotten in any assessment of high-level decisions about the Soviet-American strategic competition.

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## III. Some Propositions:

(U) Three propositions are embodied in this essay. Although not addressed explicitly, their presence is implicit throughout.

(U) 1. An acceleration of U.S. military strength and the development of additional strategic weapons were two possible prospects after World War II. But they did not occur. Why not?

(U) 2. United States military strength should, the argument goes, have expanded to meet the postwar Soviet challenge, but it did not. Why not?

(U) 3. The American response "fit" the world situation and the known or reasonably projected Soviet strategic threat. In that sense the American posture through 1949 remained flexible, balanced, economical, and appropriate.

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## NOTES: INTRODUCTION

1. From the voluminous literature, the following may be cited as especially useful: Thomas G. Paterson, Soviet-American Confrontation: Postwar Reconstruction and the Origins of the Cold War (Baltimore, 1973); John Lewis Gaddis, The United States and the Origins of the Cold War, 1941-1947 (New York, 1972); Richard Freeland, The Truman Doctrine and the Origins of McCarthyism (New York, 1972); Lloyd C. Gardner, Architects of Illusion: Men and Ideas in American Foreign Policy, 1941-1949 (Chicago, 1970); Herbert Feis, From Trust to Terror: The Onset of the Cold War, 1945-1950 (New York, 1970); Barton J. Bernstein, "Roosevelt, Truman, and the Atomic Bomb: A Reinterpretation," Political Science Quarterly, 90 (Spring 1975), 23-69; Walter LaFeber, America, Russia and the Cold War, 1945-1971 (2nd ed., New York, 1972). Less reliable but provocative are Gar Alperovitz, Atomic Diplomacy: Hiroshima and Potsdam (New York, 1965); and Joyce Kolko and Gabriel Kolko, The Limits of Power: The World and United States Foreign Policy, 1945-1954 (New York, 1972). For a masterful summary of much of the recent work on the cold war controversy, see Charles Maier, "Revisionism and the Interpretation of Cold War Origins," Perspectives in American History, 4 (1970), 313-347.
2. A few examples will suffice: Vincent Davis, The Admirals Lobby (Chapel Hill, N. C., 1967); Warner Schilling, Paul V. Hammond, and Glenn H. Snyder, Strategy, Politics, and Defense Budgets (New York, 1962); Demetrios Caraley, The Politics of Military Unification: A Study of Conflict and the Policy Process (New York, 1966); Alexander George and Richard Smoke, Deterrence in

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American Foreign Policy: Theory and Practice (New York, 1974); and the two monumental works on the history of the Atomic Energy Commission: Richard G. Hewlett and Oscar E. Anderson, Jr., A History of the Atomic Energy Commission, vol. I: The New World, 1939-1946 (University Park, Pa., 1962) and Richard G. Hewlett and Francis Duncan, A History of the Atomic Energy Commission, vol. II: Atomic Shield, 1947-1952 (University Park, Pa., 1969).

Also of interest are John Gimbel, The American Occupation of Germany: Politics and the Military, 1945-1949 (Stanford, 1968); Steven L. Rearden, "American Policy Toward Germany, 1944-1946" (Ph.D. Dissertation, Harvard University, 1974); Richard F. Haynes, The Awesome Power: Harry S. Truman as Commander-in-Chief (Baton Rouge, La., 1973); and Bruce Kuklick, American Policy and the Division of Germany: The Clash with Russia over Reparations (Ithaca, N. Y., 1970).

3. Cf. Frederick M. Sallagar, Edmund Brunner, Jr., Harvey A. DeWeerd, and Geraldine M. Petty, "History of the Strategic Arms Competition: Forces and Budgets Study (Blue Side)", Part I: "End of World War II to the Korean War (Interim Progress Report)" (S/RD) (Rand Corporation, April 1975), 1ff.

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CHAPTER ONE

THE EFFORTS TO CONTROL ATOMIC ENERGY, 1945-1946

(U) On September 2, 1945, Japan formally surrendered in ceremonies aboard the U.S.S. Missouri in Tokyo Bay. World War II was over; the final raison d'etre for the strange alliance of the United States, Great Britain, and the Soviet Union removed. Now would begin a long period of adjustment, negotiation, and finally confrontation between the two principal victors. But the movement to that break, which became conclusive in the 1948 crisis over Berlin, would be slow and erratic. Despite firm, clear warnings from Ambassador Harriman and his staff, despite Secretary of State Byrnes' initial proclivity for tough talk and scarcely veiled atomic diplomacy, the President's hope remained through 1945, indeed well into 1946, that an acceptable working relationship with the Soviet Union could be forged.<sup>1</sup>

(U) Nor should this have been surprising. The President's concerns in September 1945 could no longer be simply strategic and diplomatic; they had to encompass domestic problems, all with heavy political ramifications. As he put it in a press conference on August 16, "politics is open and free now."<sup>2</sup> The demobilization of the armed forces, as rapidly and as equitably as possible, was a paramount consideration. So, too, was the conversion of the war economy into a domestic economy, without producing either a depression or severe shortages of goods and services. Looming behind this would be the problem of how big labor would react to this transition program, and how both labor and big

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business would behave without a variety of wartime economic controls. The spectre of inflation would never be far from Truman's preoccupations. Further, there was the prospect of shaping a federal budget that reflected peacetime expenditures and receipts, that was balanced, and, if possible, with a surplus.<sup>3</sup>

(U) The problem of who, as Cabinet officers and senior officials, would expend these funds also confronted the President. For he had inherited a tired administration, worn from the fatigue of prolonged Roosevelt administrations and the rigors of the war. He had, moreover, to start constructing a senior government of his own. Over the next months, after V-J Day, he appointed a new Secretary of War (Patterson), a new Chief of Staff for the Army (Eisenhower), a new Chief of Naval Operations (Nimitz), a new Commanding General for the Army Air Force (Spaatz), a new ambassador to the Soviet Union (Bedell Smith), and four members of the Cabinet. In sum, in the immediate aftermath of the war, the most pressing problems confronting the President were domestic.<sup>4</sup>

(U) These domestic preoccupations did not of course permit neglect of the kaleidoscopic international scene. Occupation policies, the return of American troops, preparations for the projected peace conferences, arrangements for reparations, the immediate relief of millions of displaced persons, the continuation of Selective Service and the merits of UMP, and the forthcoming operation of the United Nations: each of these issues confronted the high-level policymakers. For some, such as Navy Secretary James Forrestal, the future of Soviet-American relations was of primary importance. But for others, including the President, that

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was simply one of many troubles that had to be processed. Aggressive diplomacy vis-à-vis the Soviet Union played little part in the Chief Executive's thinking at this time, or for a long time to come. Indeed, the paucity of bombs (of which Truman was presumably aware), his own scrupulousness about the entire "atomic matter" (to the point of refusing to keep the relevant information in the White House), and his trust in other modes of international discourse argue strongly against the Alperovitz thesis. In any case, for the moment, Soviet-American relations formed but a part of his presidential agenda. Only later would it become the prism through which he and his senior colleagues viewed the entire international situation.<sup>5</sup>

(U) One priority issue -- the control of atomic energy -- would, however, tie the international and domestic agenda together. This same issue would also influence both the immediate and the long range development of the Soviet-American strategic competition.<sup>6</sup> The domestic and international control of atomic energy were -- in many respects -- different sides of the same coin. In late 1945 the separate facets of the issue were almost inextricably entangled. One reason for the interconnection was the presidential expectation that Congress -- kept ignorant of the Manhattan Project for so long -- would now demand a say controlling the new national asset. Truman put this expectation succinctly at his August 16th press conference, when he insisted that Congress now had to decide whether the atomic product would "be used for the welfare and benefit of the world instead of its destruction; and if Congress is willing to go along, we will continue the experiments to

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show how we can use that for peace instead of war." Of the two areas of control, the President and Congress would achieve more enduring results on the domestic side. Yet throughout this period those efforts would be paralleled by efforts on the international, and any analysis must keep the linkage clear.

I. The Domestic Efforts

(U) Rudimentary planning for American control of atomic energy had begun among the senior scientists during late 1944. Dr. Vannevar Bush and Dr. James Conant had periodically pressed Secretary of War Stimson to consider a domestic agency to manage the new resource. But no systematic preparations for control had been elaborated when Truman in May 1945 appointed the so-called "Interim Committee" to study, among other things, the task of drafting postwar legislation on atomic energy. Even this Committee gave inconsistent attention to the matter, so that the eventual drafting fell to the War Department. Not surprisingly the result carefully enshrined--despite objections by Bush and the State Department--a set of control mechanisms that accorded with War Department preferences. The draft proposed a nine member commission, four with service connections, to supervise an administrator and four advisory boards who would in turn have sweeping powers over atomic matters. Pressed by the reconvening of Congress and anxious to seize the initiative on any legislation, Truman permitted the War Department bill (known as the May-Johnson measure) to become the administration's response. Yet his own message to Congress about atomic matters (on October 3) contained no explicit White House commitment to the military measure. Instead, the address, which

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linked the international and domestic aspects, carefully left the President room to maneuver.<sup>8</sup> And none too soon.

(U) For at this point (mid-October) the issue of domestic control sparked a major political struggle. Congressional ambitions and jurisdictional fights, coupled with fervent scientific lobbying against the Army measure and some moral self-flagellation about the actual use of the bomb, enlivened the political scene. The resulting furor led Truman to edge steadily away from the May-Johnson bill. By November 30, the President was writing Forrestal and Patterson to object to the proposal, especially its provision that military men could sit on the commission. Truman now sided with those arguing for full civilian control and expressed a strong preference for a commission of three members, serving at his pleasure and establishing policies approved by him.<sup>9</sup>

(U) Ultimately, the President achieved a portion of these belated goals, thanks chiefly to the ambitious efforts of Senator Brien McMahon (D.-Conn.). On December 20, McMahon introduced S. 1717 providing for a full-time, civilian dominated, five-member commission to control atomic energy. Supported by Truman (though not to the point of receiving precise information about the bomb), McMahon managed to supplant the Administration's initial legislative proposals.<sup>10</sup> In the process he and the White House had to make some concessions, most notably acceptance of Senator Vandenberg's proposal that the military have an established special relationship with the new AEC. As a result, the Military

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Liaison Committee was authorized, with the special function of coordinating distinctly military applications of atomic energy with the new AEC. Additionally, the President, not the AEC, was to have the final say on transferring nuclear weapons from the civilian agency to the armed forces. These two changes would, as it developed, harbor the potential for continuing civil-military friction over weapons custody, weapons development, and the production of fissionable material.

Nonetheless, Truman and McMahon won on the big issues. On July 26 Congress approved the amended bill; six days later the President signed the 1946 Atomic Energy Act. Civilian control of the atom seemed assured.<sup>11</sup>

(U) The President's troubles on the question over domestic control were, however, only half finished. The appointment of a chairman and four fellow commissioners remained. In the selection of David Lilienthal, head of TVA, Truman chose an individual with humane instincts, proven bureaucratic and managerial skills, and a commitment to the peaceful uses of atomic energy. But Lilienthal also brought distinct liabilities, chiefly the rancorous hostility of Senator Kenneth McKellar of Tennessee. As a result, the confirmation hearings were unpleasant and extended. The appointment of the Commissioners was announced on October 28, 1946, but the final confirmation of Lilienthal and his colleagues (Sumner Pike, Lewis Strauss, William Waymack, and Robert Bacher) did not come until April 1947. Fortunately, the Commissioners' actual assumption, on December 31, 1946, of all the former responsibilities performed by the Manhattan Engineer District partly offset the delay. Although still not confirmed, they started to function as Commissioners and the pace of

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atomic energy matters slowly began to move anew.<sup>12</sup>

(U) The groping toward the AEC format for the domestic control of atomic matters was instructive. Congressional proclivities for delay, partisan maneuvers, special interest group manipulation, and personal vanity were not absent on a matter which required, as Truman thought, a prompt and speedy settlement. The resulting delays, while possibly endemic to the legislative process, would on the other hand be averted in the future. In creating the AEC, in endorsing its stringent security measures, and in authorizing a special joint committee to oversee atomic matters, the overall membership of the House and Senate found themselves removed from immediate contact with or control over the issue. Henceforth Congress became a virtual rubber stamp for the budget amounts forwarded for their approval by their more knowledgeable colleagues. Congressional input into atomic matters would, of course, continue, but now within the confines of the Joint Committee on Atomic Energy (JCAE). Effectively unable to review issues such as the number of bombs or the adequacy of atomic facilities, Congress as a whole would focus its attention on a different facet of the strategic equation: the number, kind, and quality of the delivery vehicles to carry the atomic weapons.<sup>13</sup>

(U) The delays in creating the AEC contributed, despite the best efforts of General Groves and others, to the dissipation of the highly trained staffs in the MED project. Some scientists returned to campuses, others to industry or private research. The budget allocations also reflected the purgatory; from \$610 million in 1945, it fell to \$281 million in December 1946. The morale of those remaining, often working

in facilities at Los Alamos and Hanford that were rapidly deteriorating, was understandably poor. The wartime momentum behind the research and development effort had been lost. Moreover, this lag in activity coincided with the Bikini tests whose apparently ambiguous results had prompted some re-evaluation about the true military value of atomic weapons.<sup>14</sup>

(S/RD) All of this cumulatively rebounded against the rate at which fissionable materials were produced and bomb components readied. Thus, at the end of 1946 the President had at his disposal (whether or not he actually knew this is unclear) [REDACTED]<sup>15</sup> By contrast in August 1945 Truman had [REDACTED] bombs at his disposal for use against Japan.<sup>16</sup> At a time when Soviet-American relations were perceptibly chilling and the conventional military strength of the U.S. in Europe consisted of 1-1/3 divisions, the American capacity for either atomic diplomacy or conventional war was modest. The international efforts to control atomic energy became, therefore, all the more important. Truman's persistent, sometimes enlightened, efforts reaped a mixed harvest.

II. The International Efforts

(U) American efforts to achieve the international control of atomic energy--viewed retrospectively--can be seen as either quixotic or deliberately insincere. Cynics might argue the illogic of expecting the Soviet Union or any other power to forego the development of such a



new device. Others, less charitably, might hold that the United States never made a genuine effort for international control, that American efforts were window dressing at best, and self-serving at worse. Critics may especially charge that the Baruch Plan retained all the essentials for Washington until Moscow agreed to a set of political and inspection conditions that would have altered the fundamental character of Soviet society. The partial truths in these views should not, however, obscure the more fundamental point: that Truman and his senior advisors were genuinely anxious to find a way to curb the international spread of atomic destructiveness.<sup>17</sup>

(U) From the start the American leadership recognized that the United States monopoly could not continue, that at some date other powers -- most clearly the Soviet Union -- would possess the industrial and engineering skills to exploit the relatively simple scientific principles involved in constructing atomic weapons. The need for some form of international control appeared urgent. The question became twofold: how to attain this goal while preserving basic American security in the interim.

(U) This dialectic would permeate the international control issue. Truman, on the one hand, reassured Americans on October 8 that the administration would never divulge how to make the bomb; it would, moreover, continue to fabricate them for experimental purposes.<sup>18</sup> On the other hand, and in somewhat louder rhetoric, the President proclaimed the goal of effective international supervision. A special message to Congress on October 3, 1945, dealt specifically with the problem.

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"Civilization demands," insisted the President, "that we shall reach at the earliest possible date a satisfactory arrangement for the control of the discovery in order that it may become a powerful and forceful influence towards the maintenance of world peace instead of an instrument of destruction."<sup>19</sup>

(U) The President reiterated these themes again before a New York Navy Day audience on October 27. The development of the atomic bomb made American foreign policy, he stressed, "more urgent than we would have dreamed 6 months ago. It means we must be prepared to approach international problems with greater speed, with greater determination, with greater ingenuity, in order to meet a situation for which there is no precedent." Insisting that the bomb was "no threat to any nation," he held that it was "the highest hope of the American people. . . that world cooperation for peace will soon reach a state of perfection that atomic methods of destruction can be definitely and effectively outlawed forever. We have sought, and we will continue to seek, the attainment of that objective." And he concluded, "We shall preserve that cause with all the wisdom, patience, and determination that the God of Peace can bestow upon a people who are trying to follow in His path."<sup>20</sup>

(U) Apart from the crucial question of Soviet attitudes toward any control proposal, two specific problems bedeviled the President's efforts. One concerned the administration's determination that any domestic control measure be flexible enough to accommodate the results of a projected international agreement. In fact, whatever other problems the final legislation possessed, this goal was achieved; it provided

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that no weapons development contrary to an international agreement would take place. This effectively meant that the President retained diplomatic flexibility and also reached his goal of a domestic control mechanism.<sup>21</sup>

(U) The other problem that crisscrossed the early phases of international control was far less tractable: the legacy of wartime cooperation between the United States, Canada, and Great Britain on atomic energy. This tangled story intruded into every aspect of the problem, while raising severe questions about the sincerity of America's commitments to its allies. At stake were key issues: access to uranium ores, exchanges of information, the development of British atomic weapons, and the adequacy of security to protect the vital secrets. These questions at once both complicated and inflamed tempers in London, Washington, and Ottawa. Yet, while there were prickly exchanges over the allocation of uranium ores (and by extension the production rate of bombs), this complication did not hamper the actual manufacturing schedule. With improvements in American technology, particularly after the 1948 Sandstone tests, even this issue would appear less decisive.<sup>22</sup> Nor does any strategic issue or weapons decisions appear to have been significantly influenced by the continuing difference of opinion. Rather, what the controversy would reflect was the emerging dominance of first one and then two super powers whose wishes on atomic matters would be decisive. Only later would the dangers of wider proliferation among the lesser powers be fully appreciated. From 1945, on the more immediate danger, for the high-level American participants, was the

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likely prospect of atomic devices in the hands of the Soviet Union.

(U) The drive for the international control of atomic energy proceeded from the same realism that had propelled the entire American effort: the fear that another power would achieve an atomic capability. At first it had been Hitler, but by September 1944 that concern, though still a worry to General Groves, had a corollary: the prospect of future Russian advances. Indeed, the general had already discovered some Soviet espionage efforts in 1943 on the fringes of the project. Suspicions about continuing Soviet efforts in this direction were expressed by Secretary Stimson in early 1945.<sup>23</sup> Moreover, as the battle for Germany neared its climax, Groves could not ignore another piece of intelligence: the Auergesellschaft plant in Oranienburg, fifteen miles north of Berlin and a suspected center of German atomic research, would fall within the Russian zone of occupation. With General Marshall's obvious agreement, Groves asked General Spaatz to order a bomb run on the site. The mission, which took place on March 15, 1945, saw 612 B-17's dropping 1500 tons of HE and 178 tons of incendiary bombs on the plant. To conceal the purpose from the Russians, the raid was accompanied by a simultaneous attack on nearby Zossen, headquarters for the German Army. Groves' thoroughness in seeking to prevent German scientists from falling into Russian hands also left little doubt that by April 1945 the Soviet-American atomic competition, albeit still in the shadows, was underway.<sup>24</sup>

(U) Paralleling Groves' efforts were those of Bush and James Conant to think through how the Soviet Union might be included in the postwar

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control of atomic energy. As early as September 1944 they began to ponder whether sharing information with Moscow would induce Stalin to accept some version of international control. Subsequently the two scientists broached their concerns to Secretary Stimson, who in early 1945 favored an open, sharing stance. But no systematic proposals emerged from these early ruminations, and attention shifted to another aspect of the problem: how long before the Soviet scientists duplicated the American effort?<sup>25</sup>

(U) The question of Soviet success first received precise attention in May 1945. At that time the Interim Committee (of senior officials and scientists) heard Groves assert that the Russians would need twenty years to emulate the American success. James Conant, by contrast and with far more accuracy, said four years would be enough. Later, in June, the Interim Committee returned to the question; this time the estimates (by the businessmen managing the various MED projects) were in the five-six year plus bracket. But there was also a disposition to think the Russians could do it sooner if they got German scientific help. At best it seemed clear that the U.S. lead would be temporary. This fact made the control issue more urgent, the temptations to use American knowledge as a bargaining lever all the greater.<sup>26</sup>

(U) On the eve of Alamogordo three separate avenues for dealing with the Soviets and atomic energy were emerging, each dependent on a form of effective international control: (a) offering the Soviets information in the hope of winning their gratitude and trust; (b) offering this information on a quid pro quo basis in return for the

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settlement of outstanding diplomatic issues; and, (c) moving directly into the international arena and seeking a broader international accord there.<sup>27</sup> A fourth option, letting events take their course, would also surface. It would -- in the long run -- be the one adopted by default. Initially the first two approaches were the ones discussed, although a thorough canvassing of them at the highest levels of government did not occur until two months later -- after Potsdam and Hiroshima -- in September 1945.

(U) Secretary Stimson, now on the verge of leaving his third Cabinet post under four presidents, led the fight in September for a policy of openness. Pressed steadily by Conant and Bush since late 1944 to weigh the merits of an open move, Stimson had hesitated. Even in July he lingered, inclining to favor a trade-off between Soviet concessions and American information. But the use of the bomb and his own experience now convinced him that the scientists were right. Acting on this, he persuaded Truman to hold a Cabinet discussion on the matter in mid-September, and wrote him about the problem as well.<sup>28</sup>

(U) Stimson's memorandum to Truman of September 11 put the issues bluntly. "The problem of our satisfactory relations with Russian [is] not merely connected with but . . . virtually dominated by the problem of the atomic bomb." The bomb now made it urgent that an attempt be made to build mutual trust. Appearing to carry the bomb "rather ostentatiously on our hip" would only increase Russian suspicions and spur them on. International control of atomic energy was imperative; there was no other viable alternative available. To achieve it, the

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U.S. should gamble on Russian good faith, share its information, and take the risk of "their getting into production of bombs a little sooner than they would otherwise." Now, with history at a turning point, the United States had to take the first step.<sup>29</sup>

(U) The Cabinet meeting on September 21 saw the first full scale, high-level discussion of the bomb and its impact on Soviet-American relations. Stimson, supported actively by Acheson (sitting in for Byrnes), Patterson and Henry Wallace, presented the theme of his earlier memo: the Soviets would soon have the weapon, put at five years by Bush who was present. In view of this prospect, Stimson argued that the U.S. might, by giving information, gain an effective Russian partner and in any case lose nothing in the process. One only built trust, averred the retiring Secretary of War, by acting in a spirit of trust.

(U) Ranged against this argument, in active fashion, was Forrestal who held that the American people would not approve this step and that the Russians, like the Japanese, could not be trusted. He was joined by Tom Clark, Clinton Anderson, and Fred Vinson, the latter drawing [reported Forrestal later] "an analogy to our attempt to attain world peace after the last war by sinking all our ships." Aligned with this view, though not present, was Secretary Byrnes who had consistently opposed any free exchange of information.

(U) A middle position, advanced by Julius Krug (Chairman, War Production Board) and supported by John Snyder, Leo Crowley, and Senator McKellar, was to wait a while and see how Soviet-American

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relations unfolded. If things improved, then one might decide to offer Moscow information about the atomic energy. A modest quid pro quo approach, this would emerge as a theme of subsequent American policies.<sup>30</sup>

(U) Whatever Truman's disposition after the Cabinet about sharing information, his caution was almost certainly reinforced by a dispatch from Moscow that reached Washington on October 6. In it, George Kennan, then Chargé d'Affaires in Moscow, wrote:

I have no hesitation in saying quite categorically, in the light of some eleven years experience with Russian matters, that it would be highly dangerous to our security if the Russians were to develop the use of atomic energy, or any other radical and far-reaching means of destruction, along lines of which we were unaware and against which we might be defenseless if taken by surprise. There is nothing--I repeat nothing--in the history of the Soviet regime which could justify us in assuming that the men who are now in power in Russia, or even those who have chances of assuming power within the foreseeable future, would hesitate for a moment to apply this power against us if by doing so they thought that they might materially improve their own power position in the world. This holds true regardless of the process by which the Soviet Government might obtain the knowledge of the use of such forces; i.e., whether by its own scientific and inventive efforts, by espionage, or by such knowledge being imparted to them as a gesture of good-will and confidence. To assume that Soviet leaders would be restrained by scruples of gratitude or humanitarianism would be to fly in the face of overwhelming contrary evidence on a matter vital to the future of our country.

It is thus my profound conviction that to reveal to the Soviet Government any knowledge which might be vital to the defense of the United States, without adequate guaranties for the control of its use in the Soviet Union, would constitute a frivolous neglect of the vital interests of our people. I hope the Department will make this view a matter of record, and will see that it is given consideration--for whatever it is worth--in connection with any discussions of this subject which may take place in responsible circles of our Government.<sup>31</sup>

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(U) Kennan's rhetoric forecast Truman's own posture. Henceforth he shied away from any hint of bilateral exchanges of information. Stimson's impassioned pleas to deal directly with Moscow had not been persuasive. The Secretary had failed for several reasons. First, the Cabinet session must have alerted Truman to the domestic political risks of appearing to give the Russians something tangible in return for something intangible and uncertain. Moreover, his Secretary of State's advice could not be easily dismissed. And, perhaps the President, like Byrnes and Forrestal, discounted Stimson's pleas as being unduly influenced by a group of scientists who did not (as Byrnes later told Robert Oppenheimer) know "the facts" or have "the responsibility for the handling of international affairs."<sup>32</sup> In any case, Truman decided to forego the *à deux* approach, seeking instead to place the control of atomic energy within a broader international framework. This would, as Stimson correctly predicted, eventually render the entire effort for control nugatory.

(U) In November 1945 the administration gradually accepted the idea of using the newly created United Nations as the forum for the control issue. November talks with Clement Attlee and MacKenzie King about the continuation of the wartime arrangements on atomic matters, about the sharing of information, and about international control substantially contributed to this outcome.<sup>33</sup> So possibly did Molotov's speech of November 6, in which the Foreign Minister "bragged about bigger and better weapons."<sup>34</sup> Moreover, a chastened Secretary of State, home from the London Conference and wiser perhaps about the limits of

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American diplomacy (even with the bomb), also shifted direction. The time was now propitious, the option available and compelling, to move the atomic energy question to the U.N. arena. Although the details of an American position remained wholly unformed -- stark testimony to the general confusion in Washington that victorious fall -- the U.S. had finally embarked upon an approach. In December, when Byrnes visited Moscow, Molotov expressed ready acceptance of a special United Nations committee to handle atomic energy. A flicker of hope for productive negotiations appeared possible; there might yet be a chance of averting a Soviet-American arms race in nuclear weapons.<sup>35</sup>

(U) Formally committed to an international approach, the American government still had to formulate a negotiating position. These endeavors first prompted the Acheson-Lilienthal report and subsequently the Baruch Plan. The interminable machinations behind both documents need not detain us. The active efforts, while interesting, were usually a notch below the purview of the highlevel decision makers. The latter's participation only came in intermittent bursts and then, generally, in modest and approving ways.<sup>36</sup>

(U) The major stages of this effort are quickly noted. In February Under Secretary Acheson assembled a group of consultants to develop an American position. Chaired by David Lilienthal, the group met through February and March. Their product, a lengthy report to the President, called for an international agency to control access to raw material, to monitor the production of fissionable material, to license nuclear facilities, and, ultimately, to have custody of atomic bombs (if any

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were allowed to remain). Step-by-step arrangements for security and inspection were included, although there were considerable unknowns on both counts. Under no illusions about the problems posed by Russian behavior and possible good faith, the consultants carefully linked the progressive release of U.S. knowledge, material, and weapons to demonstrated Soviet cooperation. They hoped for Russian cooperation and possibly, in the words of Acheson, its gradual "civilization."<sup>37</sup> Finishing their work on March 17, the consultants and Acheson forwarded the report to Byrnes.

(U) The next step was to convert these recommendations into a workable package for presentation to the U.N. That task would fall to the sometime presidential advisor, Bernard Baruch. Recruited by Byrnes for the job and accepted without enthusiasm by the President, Baruch spent April, May, and early June trying to translate the Acheson-Lilienthal effort into an effective proposal. His effort did not, in the long run, alter the basic shape of the earlier recommendation. But Baruch's refinements were more detailed on the issue of protecting American security interests, pending the negotiation of a workable accord. Also Baruch insisted that the American plan have a clause forbidding the exercise of the veto in any international enforcement system. The scheme made clear, moreover, that an immediate ban on nuclear weapons -- soon to become a major Russian theme -- would not be acceptable to the United States. The Baruch plan, with its obvious dependence upon inspections and international controls, certainly contained provisions that Moscow found distasteful. An American willingness to renounce the

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first-use or even the use of atomic weapons except under U.N. auspices might have been a more balanced approach. Yet, given the intensity of Soviet efforts to develop the bomb at this time, one may reasonably doubt that any American proposal, short of actually delivering the weapons to the U.N., would have met with Soviet approval. In any event, the proposals reached the international organization on June 14, 1946, with Baruch's famous introduction: "We are here to make a choice between the quick and the dead. That is our business."<sup>38</sup>

(U) These proposals constituted a major agenda item for the U.N. for the remainder of 1946. Nor did they remain apart from American domestic policies. The public disclosure, on September 18, of a July letter by Secretary of Commerce Henry Wallace, in which he attacked the step-by-step approach on international control and urged greater American generosity, created consternation. This disclosure came six days after Wallace's famous speech at Madison Square Garden calling for greater flexibility and patience in dealing with Moscow. The ensuing uproar brought about Wallace's departure from the Cabinet, contributed to his public hassle with Baruch, and helped to confuse the issues for the public. Wallace's exit, though possibly a reflection of Truman's growing impatience with Moscow, more properly ought to be seen as a characteristic bureaucratic effort to influence policy formulation. Clearly the overtures failed either to alter American policy or to enhance the chances for success at the U.N.<sup>39</sup>

(U) By late September the prognosis for Truman's goal of international control was bleak. Although the U.N. special committee

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overwhelmingly endorsed the U.S. proposals (including the veto provision), the Soviet Union and Poland steadfastly abstained. The Committee's vote on the final report, adopting the American position, on December 30, 1946 was anti-climatic; ten "ayes" and two abstentions. Long before, the Russians, by introducing their plan for complete and general disarmament, had effectively wrecked any conceivable chance to control atomic energy through the U.N.<sup>40</sup>

(U) Still, the results of these efforts were not altogether negligible. The U.N.A.E.C. had adopted the report; the problems of inspection, reciprocity, and enforcement were shown to be complex; and the way was paved for further exchanges of information. For the moment, moreover, the U.S. gained a significant propoganda advantage at Soviet expense. Only later, as the cold war deepened in late 1947 and early 1948, would the U.S. contemplate withdrawing the plan altogether, fearful that the Soviets might suddenly accept it and force the U.S. to renounce its only effective strategic weapon. In the meantime, the Baruch plan testified to American efforts to control the atom.

(U) In the unfolding of this process three things are striking. First, Truman showed a willingness to entrust crucial issues to his subordinates and to allow them considerable latitude. He encouraged the practice of departmental responsibility, intervening only when necessary to resolve a deadlock or to move a problem to a new level. Despite its obvious importance, he did not attempt to manage the preparations or the negotiations for the control of atomic energy. Unlike Franklin Roosevelt, he was content to issue the broad guidelines

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and then encourage officials to act. In this instance, moreover, as in the case of domestic control and Congress, once the Baruch measures were introduced, there was little for the President to do but wait and see what would emerge from the U. N.

(U) Second, Truman never forgot the political dimensions of the control issue. His choice of Baruch, for all of its discomfort, had distinct advantages, particularly in the Senate where the former Wall Streeter enjoyed a high reputation. This gambit also kept Truman one step away from the negotiating process, able to retain his own flexibility if the entire business came to naught.

(U) Finally, and most importantly, the American military played a comparatively modest part in the formation of these proposals. On January 23, 1946, the Joint Chiefs submitted to the State-War-Navy Coordinating Committee a report by the Joint Strategic Survey Committee on the military implications of the international control of atomic energy. While conceding the need to control the new resource, the study urged great care in trying to obtain it. Arguing for a quid pro quo approach on the release of information, the JCS sought to restrict scientific exchanges and technical data. They especially noted that atomic weapons in the hands of a totalitarian government (put at 5 to 7 years) would constitute an immense threat to the U. S. with its "centralized industries." Doubting whether effective controls or inspection were possible, the JCS thought that the trusteeship concept--the U. S. acting as the guardian of the atomic devices for the U. N.--offered a way out. But of course

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the Russians would have to agree. Until, however, such a system could be obtained, they urged a protective policy: forward bases for defense and counterattack, balanced armed forces, the capacity for an offensive striking force, additional forces for mobilization, and widespread civil defense measures.

(U) The fate of this JCS paper is unclear. Brigadier General George Lincoln, head of the War Department's Plans Division, called it, on January 30, "relatively restricted." He urged that Howard Peterson, then Assistant Secretary of War, by-pass the SWNCC subcommittee structure and forward the memo directly to the State Department. Presumably it played some part in the work of Lilienthal and Acheson. Whatever its disposition, the study represented the first significant JCS effort to grapple with the international dimensions of the atomic development.

(U) Later, the JCS, as individuals, would be asked, along with General Groves to comment on the Baruch proposals. But their answers only arrived on the eve (or later) of the Baruch presentation. In general the officers backed the move toward international control but stressed the need to ensure American security. They made clear their opposition to war but doubted the U.S. could achieve lasting peace. Nor were they enthusiastic about the chances for enforcing any accord. Admirals Nimitz and Leahy added a further proposition as well; they would link the U.N. discussions with a variation of atomic diplomacy, making U.S. concessions dependent upon a satisfactory completion of the European peace treaties.

(U) Groves' letter, written originally on January 2, 1946, set forth his hopes for international control. He warned that while the bomb was not an "all-purpose weapon," "its very existence should make war unthinkable." He called, nevertheless, for large military forces for the future in case control did not come and declared that "Defense against the atomic bomb will always be inadequate." He also believed that even if the U.N. developed a system, the U.S. had to be able to protect itself in case another state violated the accord. He concluded, more in resignation than desire: "If there are to be atomic weapons in the world, we must have the best, the biggest and the most. . . ."<sup>44</sup>

(S) As the fall of 1946 progressed, the Russian behavior in the U.N. and elsewhere was ensuring that ultimately the U.S. would opt for the "best," the "biggest," and the "most" atomic weapons. The effort for international control was not succeeding. Even Stimson, who had earlier supported the effort, now developed deep misgivings. The attempt to abort a Soviet-American atomic race, seen as a viable, plausible policy option in the fall of 1945, was rapidly coming to nothing. Neither the offer to share information, nor the implicit threat to withhold it, had influenced the behavior of the Soviet Union. To paraphrase John Gaddis, the omnipotent had apparently become impotent.<sup>45</sup> Paradoxically, as the U.N. efforts appeared increasingly illusory, the urgency behind the control efforts also eased. In part, this may have stemmed from revised estimates by the intelligence staffs, who now placed a Soviet atomic weapon in the three to ten year range,



a marked ambiguity compared to the views of Bush and Conant.<sup>46</sup> In part, the urgency became overshadowed by a panoply of other Soviet-American issues -- Iran, Turkey, Greece, China -- during 1946. The deduction drawn, not surprisingly, was that an improvement in political relations would have to precede any control accord.

(U) Another factor may also have contributed to the slackened pace. The Bikini tests -- Operations Crossroad -- had occurred during July; their virtual juxtaposition with the U.N. discussions was at least unfortunate.<sup>47</sup> Moreover, the disappointing test results, especially with the first shot, left doubts about the true dimensions or strategic utility of the new devices.<sup>48</sup>

(U) In late 1946 the U.N. negotiations became increasingly unproductive. The hope for international control as a way of encapsulating the atomic component of Soviet-American relations had been tried, without success. The problem remained unaltered: at some point the Soviets would possess an atomic weapon, at some point the U.S. monopoly would be diluted. A year of the four year lead had elapsed, a year during which the Soviets made great strides and the MED facilities deteriorated. Yet, despite these portents and the increasing firmness of administration attitudes toward Moscow, Washington did not immediately accelerate the strategic arms competition. In fact, the U.S. continued to coast. The failure to win Soviet acceptance of the control scheme did not lead, however much Forrestal and others had hoped, to a wider defense buildup. Diplomacy, economic aid, and

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limited military assistance would instead constitute the American responses to the chilling of Soviet-American relations during 1946 and 1947.

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NOTES: CHAPTER ONE

1. See, e.g., Harriman to Stettinius, April 4, April 6, 1945, U.S., Dept. of State, Foreign Relations of the United States, 1945 (Washington, D. C., 1967), V, 817-820, 821-824 (hereafter cited as FRUS). On Byrnes' attitude, see Richard G. Hewlett and Oscar Anderson, Jr., A History of the Atomic Energy Commission, vol. I: The New World, 1939-1946 (University Park, Pa., 1962), 417. On Truman's attitude, see his Memoirs: Year of Decisions (Garden City, N. Y., 1955), 75-79, 411-412, 516; and Interview with Clark Clifford, Counsel to the President, 1946-1950, by Alfred Goldberg and Samuel A. Tucker, Washington, D. C., March 4, 1974, in the Office of OSD Historian.
2. Public Papers of the Presidents of the United States: Harry S. Truman, 1945 (Washington, D.C., 1961), 225.
3. For an example of the President's concerns, see his statement "Proposing Measures to Insure Industrial Peace in the Reconversion Period," Aug. 16, 1945, ibid., 220-222.
4. For a useful survey of the problems faced by Truman, see Cabell Phillips, The Truman Presidency: The History of a Triumphant Succession (New York, 1966), chapters 5-6.
5. Gar Alperovitz, Atomic Diplomacy: Hiroshima and Potsdam (New York, 1965); cf. Barton J. Bernstein, "Roosevelt, Truman, and the Atomic Bomb, 1941-1945: A Reinterpretation," Political Science Quarterly, 90 (Spring, 1975), 23-69; and Martin Sherwin, "The Atomic Bomb and the Origins of the Cold War: U.S. Atomic Energy Policy and Diplomacy, 1941-1945," American Historical Review, 78 (Oct. 1973), 945-968.

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6. Hewlett and Anderson, The New World, is authoritative on many points on this issue, but always from the vantage point of the atomic issue and not necessarily overall policy. Also see Joseph Lieberman, The Scorpion and the Tarantula: The Struggle to Control Atomic Weapons, 1945-1949 (Boston, 1970).
7. Public Papers: HST, 1945, 224.
8. See "Special Message to Congress on Atomic Energy, Oct. 3, 1945," ibid., 362-366; Hewlett and Anderson, The New World, chapter 12, passim.
9. Truman to Forrestal and Patterson, Nov. 28, 1945, Eley Papers, box 88, Truman Library; Truman, Year of Decisions, 533-534; Hewlett and Anderson, The New World, chapters 12-14, passim.
10. Harry S. Truman, Memoirs: Years of Trial and Hope, 1946-1952 (Garden City, N. Y., 1956), 2-16; entry, Dec. 4, 1945, in The Forrestal Diaries, ed. Walter Millis with collaboration of E. S. Duffield (New York, 1951), 124.
11. Hewlett and Anderson, The New World, chapter 14.
12. The fight can be followed best in David Lilienthal's own reactions as recorded in The Journals of David Lilienthal, Vol. II: The Atomic Energy Years, 1945-1950 (New York, 1964), 88-166, passim; also, see Richard G. Hewlett and Francis Duncan, A History of the Atomic Energy Commission, vol. II: Atomic Shield, 1947-1952 (University Park, Pa., 1969), 1-53; Leslie R. Groves, Now It Can Be Told (New York, 1962), 373-400.
13. Hewlett and Duncan, in Atomic Shield, give significant coverage to Congressional activity, but also see Morgan Thomas, Atomic Energy and Congress (Ann Arbor, 1956), and U.S. Congress, Joint Committee on Atomic

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Energy, "The Scale and Scope of Atomic Production: A Chronology of Leading Events," Jan. 30, 1952 (TS/RD), RG 330, 471.6 (A-Bomb), Records of the Office of the Secretary of Defense.

14. The budget figures come from Hewlett and Anderson, The New World, 724; on conditions in the MED facilities, ibid., 624-637; on the Bikini tests, the Bulletin of the Atomic Scientists provides useful information about reactions to the tests; also see U.S. Air Force, A History of the Air Force Atomic Energy Program, 1943-1953, vol. I: Project SILVERPLATE, 1943-1946 (TS/RD) by Lee Bowen, for a critique of Operations Crossroads.

15. This figure is the number given for the end of FY 1946 but there were scarcely more by the end of calendar year, 1946; United States Atomic Energy Commission, Division of Military Application, A History of the Nuclear Weapons Stockpile, FY 1945-FY 1972 (S/RD/CNWDI) (Washington, D. C., 1973). According to Hewlett and Duncan, Truman expressed surprise when told of the small size of the atomic stockpile, Atomic Shield, 47-48.

16. Groves to Marshall, Aug. 10, 1945 (U), Manhattan Engineer District, pt. 1, series 1, folder 25Q, National Archives.

17. For critical views, see Lieberman, The Scorpion and the Tarantula, 227-300; Joyce Kolko and Gabriel Kolko, The Limits of Power: The World and United States Foreign Policy, 1945-1954 (New York, 1972), 98-110; and John Lewis Gaddis, The United States and the Origins of the Cold War, 1941-1947 (New York, 1972), 244-281. An authoritative account is of course found in Hewlett and Duncan, Atomic Shield, chapters 15-16.

18. "Presidential press conference, Oct. 8, 1945," Public Papers: HST, 1945, 382-383.

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19. "Special Message to the Congress on Atomic Energy," Oct. 3, 1945, ibid., 362-366.
20. Ibid., 437-438.
21. Hewlett and Anderson, The New World, 482-483.
22. These troubles can be followed in a variety of sources. See especially Andrew J. Pierre, Nuclear Politics: The British Experience with an Independent Strategic Force, 1939-1970 (London, 1972); Margaret Gowing, Great Britain and Atomic Energy, 1939-1945 (London, 1964), and Independence and Deterrence: Britain and Atomic Energy, 1945-1952 (London, 1974); Hewlett and Anderson The New World, 455-481; and Hewlett and Duncan, Atomic Shield, chapters 9-10.
23. Groves, Now It Can Be Told, 138-141; Hewlett and Anderson, The New World, 335.
24. Spaatz to Marshall, March 16, 1945 (U), Manhattan Engineer District, pt. 1, series 1, National Archives; Groves, Now It Can Be Told, 230-231, 233-246.
25. Hewlett and Anderson, The New World, 325-346, passim.
26. Ibid., 354-359.
27. On this see, e.g., Stimson's comments at the meeting of the Combined Policy Committee, July 4, 1945, U.S., Dept. of State, Foreign Relations of the United States, 1945 (Washington, D. C. 1967), II, 13.
28. Hewlett and Anderson, The New World, 417-421; Henry L. Stimson and McGeorge Bundy, On Active Service in Peace and War (New York, 1947), 642-648.

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29. Stimson to Truman, Sept. 11, 1945, FRUS, 1945, II, 41-44.
30. The fullest account of the Cabinet level session is found in the unedited diary entry of James Forrestal, Sept. 21, 1945, Forrestal Diaries, vol. III, 493-497, Forrestal Papers, Princeton University (hereafter cited as Forrestal Papers, Princeton); a published account appears in Millis (ed.), Forrestal Diaries, 94-96. See also Truman, Year of Decisions, 525-527; Acheson to Truman, Sept. 25, 1945, FRUS, 1945, II, 48-50; Patterson to Truman, Sept. 26, 1945, ibid., 54-55. Cf. Acheson's account of his position in Present at the Creation: My Years at the State Department (New York, 1969), 123-125.
31. Kennan to Byrnes, Sept. 30, 1945, FRUS, 1945, V, 885-886.
32. Minutes of a Meeting of the Secretaries of State, War, and Navy, Oct. 23, 1945, FRUS, 1945, II, 62; Gaddis, Cold War, 269.
33. Truman, Year of Decisions, 538-544; Hewlett and Anderson, The New World, 455-471.
34. The New York Times, Nov. 7, 1945.
35. Gaddis, Cold War, 279; cf. Kolko and Kolko, Limits of Power, 100-102.
36. For full accounts, see Acheson, Present at the Creation, 151-156; Lilienthal, Atomic Years, 10-30; also Hewlett and Anderson The New World, 533-579.
37. Hewlett and Anderson, The New World, 548.
38. Ibid., 577; Truman to Baruch, June 7, 1946, U. S., Dept. of State, Foreign Relations of the United States, 1946 (Washington, D. C., 1972), I, 846-851; Truman, Years of Trial and Hope, 8-11. Also see Allen Dulles, "Disarmament in the Atomic Age," Foreign Affairs, 25 (Jan. 1947), 204-216.

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39. Hewlett and Anderson, The New World, 597-606; Gaddis, Cold War, 338-341; cf. Kolko and Kolko, Limits of Power, 49-51.
  40. On the fate of the U.N. proposals, see Hewlett and Anderson, The New World, 582-597, 606-619; Lieberman, The Scorpion and the Tarantula, 303-396.
  41. Memo from the Joint Chiefs of Staff for the State-War-Navy Coordinating Committee, Jan. 23, 1946, FRUS, 1946, I, 738-749.
  42. Notation by Lincoln, Jan. 30, 1946, on SWNCC Paper 253, RG 353, box 48, SWNCC Collection, Records of Interdepartmental and Intradepartmental Committees (Department of State), National Archives
  43. Leahy to Baruch, June 11, 1946, FRUS, 1946, I, 851-853; Nimitz to Baruch, June 11, 1946, ibid., 853-854; Eisenhower to Baruch, June 14, 1946, ibid., 854-856. Also see "Memorandum by the United States Representatives on the Military Staff Committee to the Joint Staff," June 7, 1946, by Denys W. Knoll, which summarized Baruch's discussion with the senior military advisers on the U.S. delegation to the Military Staff Committee of the U.N., ibid., 843-846.
  44. Memo by the Commanding General, Manhattan Engineer District (Groves), Jan. 2, 1946, ibid., 1197-1203.
  45. From the title of chapter 8 in Gaddis, Cold War.
  46. See e.g., the JIC report, 250/8, Feb. 8, 1946 (S).
  47. Hewlett and Anderson, The New World, 580-582.
  48. Cf. with the essays in Bernard Brodie (ed.), The Absolute Weapon: Atomic Power and World Order (New York, 1946).



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CHAPTER TWO

THE TRANSITION: SEPTEMBER 1946 - DECEMBER 1947

(U) The months that witnessed American efforts to control atomic energy also witnessed the simultaneous erosion of Soviet-American relations. Growing suspicions about Soviet intentions in Eastern Europe and Manchuria, alarm over the Soviet failure to leave Iran, and new fears about Russian ambitions at the Straits: each issue reinforced the harder, more "realistic" assessments offered of long-range Soviet ambitions. Stalin's provocative speech of February 9, 1946, which Justice William O. Douglas at the time called "The Declaration of World War III," intensified earlier apprehensions about Soviet ideology and dynamics. Nor did the increasing militance of the Italian and French Communist parties give Washington policy-makers any cause for comfort. Moreover, the Soviet's obstructive behavior in the U. N., in the person of Andrei Gromyko, kindled additional fears about the new organization's ability to preserve the peace. In these months of transition, from roughly September 1946 to December 1947, the public rupture of Soviet-American relations slowly evolved. During this period, new approaches, including the Truman Doctrine and the Marshall Plan, and new institutions, such as the National Security Council (NSC), the Atomic Energy Commission (AEC), the National Military Establishment (NME), and the Central Intelligence Agency (CIA) would appear. These developments, sometimes directly, sometimes indirectly, contributed to the shaping of the strategic relationship between Moscow and Washington.

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## I. The President's Perspective

(U) Throughout 1946 Harry Truman handled the Soviet question with deliberate circumspection. A glance backward is helpful in assessing this. In early 1946 he still spoke publicly about his hopes for improved ties with Moscow. While he may have shared Winston Churchill's views about Soviet behavior, expressed in the famous "Iron Curtain" speech, Truman studiously kept an arm's length from the former British Prime Minister.<sup>3</sup> Writing his mother on March 11, 1947, for example, he said: "I'm glad you enjoyed Fulton. So did I. And I think it did some good, although I am not yet ready to endorse Mr. Churchill's speech."<sup>4</sup> That element of caution would characterize his entire public approach to Soviet-American differences; he would not edge closer toward a public call for action to meet the Soviet challenges until a year later.

(U) Neither the celebrated Kennan cable of February 1946 nor Clark Clifford's private memorandum of September 1946 (done at HST's direction) bestirred the President to make a clear public break with the Soviet Union.<sup>5</sup> Truman apparently accepted, for example, much of Clifford's analysis as it chronicled the repeated Soviet failures to keep treaty commitments and assessed the potential Soviet military and strategic buildup, especially in electronics, guided missiles and atomic weapons.<sup>6</sup> The President also shared, according to his daughter, Margaret, Clifford's hope that a position of American strength would convince the Soviet leaders to "work out with us a fair and equitable

settlement when they realize that we are too strong to be beaten and too determined to be frightened." While he may not have shared his Counsel's assertion that the "United States must be prepared to wage atomic and biological war," he could not ignore the sober premises on which the recommendations were based. On the other hand, Clifford's call for a campaign to solicit public support for a policy of resistance to Moscow was rejected by the Chief Executive. Indeed, he told Clifford that his memorandum would--if it became public--"have an exceedingly unfortunate impact" on relations with the Soviet Union. Thus, at roughly the same time Henry Wallace was leaving the Cabinet, Truman was locking all the copies (apparently save one) of the Clifford report in his desk. <sup>7</sup> American responses to Soviet moves remained diplomatic and political; these actions were Truman's rhetoric.

(U) The reasons for Truman's public caution are unclear. Among them possibly was a desire to avoid doing anything that could torpedo the Baruch proposal. Although the President may have harbored doubts about the feasibility of an international control agreement with the Russians, he had to let the U. N. session run its course. Moreover, he could not ignore the domestic political mood. To move too quickly to a tougher stance might alarm the left wing of the Roosevelt coalition, still vocal and strident in its pleas for trust and cooperation with the Soviet Union. To move too slowly might expose him to still further attacks, already vitriolic and ill-tempered, from most Republican spokesmen. <sup>8</sup> More crucially perhaps, public attention remained fixed on domestic problems. The year 1946 saw unpleasant, intensified labor

strife. There were an estimated 4,000 strikes with a loss of 116,000,000 working days, a number virtually without precedent in American life. Given these concerns, it was less than certain that Americans would long sustain a continuing, active international burden. The lure of isolation could not be discounted; and the siren song of the "Fortress America" appeal of Hoover and Taft was still to come.

(U) A further reason for his public reticence may have been Truman's confidence in the American ability to deter Stalin from a precipitate military move. In early June 1946, for example, reports of Soviet troop movements into east Germany prompted fears that the Soviets might be planning some military move. These alarms, which coincided with Secretary Byrnes impending departure for another conference in Paris, were the occasion for a major White House review of the situation on June 11. At this meeting, Truman heard his advisors--civilian and military--survey the situation. Forrestal and Eisenhower, while agreeing that "the Reds desire to dominate the world", differed significantly over whether a move was imminent. The former SHAPE commander believed an effort would only come when the Soviets had an adequate logistical base. Since they did not, he doubted whether the Soviets would move, either in Central Europe or in the Near East. War, in Byrnes opinion, was likely only if there were some "impulsive act by hot-heads" in an area such as Trieste. The President appears to have agreed with the more optimistic assessments of the situation. But he reminded his subordinates that internal politics in Russia might trigger something. "If Stalin should die," opined Truman, "we would probably

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see a considerable internal upheaval. Under such conditions the Reds might look to a war as a means of gearing the nation to meet the new situation and of thus solving the internal problems." Yet even this possibility seemed just that. In sum, the meeting minimized both the chances for war and the dangers of such a war. Eisenhower, it was noted afterward, did not believe "for a minute that we could be wiped off the face of this earth in Germany by anything like the Russian forces now located there." While there were admitted American weaknesses, given the progressive demobilization of American troops, Truman could be reasonably assured that the U. S. could respond to Soviet aggression. And this response, if it came, would at least initially be fought along conventional lines: a general mobilization, then the deployment of thirty divisions to Europe. At no point were atomic weapons mentioned in the June meeting. The assumptions were that the struggle would in its first phases be a new version of World War II. <sup>11</sup> The June crisis quickly eased, followed by renewed concerns elsewhere: Soviet pressures on Turkey, the civil war in Greece, and the problems of the Marshall mission in China. Despite the repeated tensions, there were apparently no further White House reviews of the strategic situation during the remainder of 1946.

(U) During these months Truman was not, however, immune from entreaties by his subordinates about the need for stronger actions and forces. Secretary of War Patterson strongly urged the President, in a report on July 27, to continue a policy of U. S. vigilance and

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determination against the Soviet Union, with military forces adequate to meet the challenge.<sup>12</sup> Secretary of the Navy Forrestal would make the

similar pleas.<sup>13</sup> Their results were mixed. Truman, who had earlier permitted the USS Missouri to go into the Mediterranean as a deliberate signal to the Soviets, authorized a regular naval deployment there in late September.<sup>14</sup> On the other hand, both services including the Army Air

Force were forced to absorb on-going reductions in their operating budgets in August-September 1946 to meet Truman's goal of a balanced budget and a surplus.<sup>15</sup> And despite the pressures of a Clifford or of a

service secretary, the Chief Executive steadfastly adhered to a tough budget position in the preparations for the budget for FY 1948. In

December 1946, James Webb, Director of the Bureau of the Budget, set a budget ceiling of \$11.25 billion for FY 1948.<sup>16</sup> In fact, that ceiling

would remain until the supplemental of March 1948. The policy of "containment" had not, therefore, as 1946 ended, prompted--either in force structure or strategic arms--any volte face in the administration's policy of caution and fiscal prudence.

## II. UMT and Unification

(U) Two issues that spanned the months of transition deserve brief notice: UMT and the unification of the armed services. Truman, buttressed by the strong convictions of General Marshall, believed that universal military training offered a preferred means to strengthen American security. It would create a pool of trained manpower for mobilization, abort the need for a large standing army, and act as a

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reminder to all, including the Soviet Union, that the United States took its security needs seriously. Repeated administration proposals to Congress, strong support from distinguished soldiers, and a special presidential commission were part of the effort. Until UMT could be approved, the Selective Service System was to continue, chiefly to provide troops for occupation duty. But the President, despite Marshall's aid, could not overcome Congressional resistance; and indeed the Selective Service laws were allowed to expire in mid-1947. Even in 1948 Truman would still be seeking to convince Congress of the merits of UMT, again to no avail. On balance the futile efforts for UMT probably hurt the overall American security position, especially with the expiration of Selective Service and the consequent short-fall in Army enlistments in early 1948. But the emotions displayed over UMT did not compare with those expended on the question of service unification.

(U) With the Germans and Japanese defeated in 1945, the services (including the AAF) had turned their energies upon each other. Congressional hearings on unification in the fall of 1945, followed by the President's message to Congress on the same subject on December 19, 1945, provided the impetus for the controversy.<sup>18</sup> Thereafter the services did the rest. In the ensuing struggle, Truman tried to remain aloof for as long as possible, seeking to force the central protagonists (Forrestal and Patterson and their ranking service subordinates) to resolve as many problems as possible. For his part Truman found parts of each service position acceptable; he liked the Army and AAF desire for a department of national defense while sympathetic to the Navy proposal for some measure of coordination

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that preserved a degree of departmental autonomy. And it was on that basis that Truman intervened, on June 15, 1946, to resolve four major problem areas. On that date, he announced his support for an overall military establishment, the creation of a separate department for the Air Force, the Navy's retention of a significant aviation capability, and the continuation of a separate Marine Corps.<sup>19</sup> These decisions elevated the service disagreements to a more precise, though no less ferocious level: the assignment of roles, missions, and overall service responsibilities.

(U) For the remainder of 1946 Patterson and Forrestal sought to settle, where they could, the sharp differences on roles and missions. Eventually they were able to reach a modicum of agreement on the questions of unification, while, in effect, agreeing to disagree over roles and missions. The latter issue would, of course, continue to corrode service relationships long after unification was a resolved issue. Confronted with the Patterson-Forrestal treaty of January 16, 1947, Truman had to decide the degree of authority for the head of the new defense establishment and the kind of interdepartmental coordinating mechanism to accept. On both issues the President had to consider Forrestal's strong views. Determined to protect the Navy, Forrestal argued relentlessly for a defense secretary whose chief function was one of coordination, a chairman-of-the-board approach to the three service departments. Any weaknesses inherent in such a structure would, Forrestal held, be mitigated by creation of a National Security Council in which the Secretary of Defense acted as Chairman and the JCS provided the secretariat. Eventually Truman accepted half

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of the Forrestal-Navy loaf: there would be a relatively weak Secretary of Defense responsible, in the words of Paul Hammond, "for over half, by any measurement, of the executive branch, yet, in comparison with lesser executives, the power given him to act and the authority given him to decide. . . confusing and doubtful." <sup>20</sup> Yet, the Missourian, mindful of his own prerogatives and the nature of constitutional practice, turned aside Forrestal's hopes for an NSC organized along the lines of a British war cabinet. Instead Truman would opt for a system that would be responsive to him, that could serve as a coordinating agent, but which would possess no life of its own apart from the Presidency. As the weaknesses of the first solution became apparent (ironically it would be Forrestal who would suffer from them), they would be rectified through new legislation endowing the Secretary of Defense with greater authority. As the advantages of the NSC as an instrument of coordination became apparent, it would prosper and <sup>21</sup> become progressively institutionalized.

(U) The final stages of the unification issue were handled, to ensure adherence to Truman's wishes, by the White House staff. The basic measure went to Congress on February 26, 1947, and finally passed both Houses on July 25, some twenty months after Truman's initial proposals. At length, a step toward military unification and the creation of a set of national security mechanisms had taken place. As other events were demonstrating, the completion of this leisurely pace came none too soon. For Congress not only had unification to consider after February 26, but, as of March 12, the request by Truman for aid to

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Greece and Turkey, and then as of June 5, the pleas for Marshall Plan funds for Europe. The administration verged toward a public break with the Soviet Union, a break that would eventually have profound reverberations, upon Soviet-American strategic relations and the fight among the services over their strategic missions. A new phase of both the cold war and inter-service relations was at hand.

### III. The Truman Doctrine And The Marshall Plan

(U) The winter of 1946-1947 saw the situation in Western Europe grow more desperate. Terrible winter weather, economic instability, domestic political unrest, mounting despair: Europe lay prostrate, more tempting, so it would appear to policy-makers, than ever, to Moscow. Nor was the periphery any more comforting: the Palestine issue intensified in ugliness, the civil war in Greece seemed to tilt toward the Communists, and the Soviet pressures on Turkey continued. And in the Far East there were but empty remnants from Marshall's herculean efforts to propitiate Mao Tse-tung and Chiang Kai-shek. Everywhere the tide seemed running against the West and the United States. The wartime preparations for economic reconstruction and development plans had proven inadequate. A time for new approaches that departed from the old shibboleths had come.<sup>22</sup> Something more was required to restore Europe and strengthen its ability to resist the seemingly incessant Soviet machinations. American interests were in jeopardy.

(U) The enunciation of the Truman Doctrine and Marshall Plan are thus correctly viewed as major milestones of American foreign policy and the developing cold war. These two pronouncements delivered the "shock" treatment, in the worlds of one historian,<sup>23</sup> to an American public

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increasingly disturbed by Soviet success but unsure about an appropriate American response. These calls-to-action came, moreover, at a time when Britain's capacity to act was negligible, and when the possible political hazards in the form of a new GOP Congress appeared self-evident. Indeed, given these circumstances, the President might well have opted for a significant military build-up (if he could stop the in-house squabbling) or for an acceleration of strategic programs. Rather, he chose to meet the Soviet threat with political and economic means fueled by more rhetoric and more money. Only in Greece and China would the response have military connotations, and then within strict limits.

(U) Truman's continuing adherence to a political response vis-à-vis Moscow was almost certainly buttressed by his confidence in the new team at the State Department. George Marshall's arrival as Secretary ended Truman's search for a compatible leader for American foreign policy.

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Two Secretaries later, the President had finally found a Secretary of State in whom he had full confidence. Reputation, experience, good sense, Truman's acknowledged esteem: all combined to buttress Marshall's position and provide him with the crucial voice on many security and policy issues. The importunings of Forrestal would now be frequently balanced by the clear ascendancy of the new Secretary, and Marshall's initial disposition, unlike Forrestal's, was that patient political and economic pressure might make the Soviets more tractable. But this pressure, given the European situation and Britain's growing weakness, required American initiative.

(U) The President wasted no time in unfolding his political and economic responses. Addressing Congress on March 12, 1947, Truman made a clear public break with past taciturnity about Soviet activities. In

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asking Congress for \$400 million in economic and military aid for Greece and Turkey, he stressed a new American determination to prevent free institutions and democratic governments from being captured by totalitarian regimes. "I believe that we must assist free people to work out their own destinies in their own way." <sup>25</sup> Congress, moving with unusual alacrity, agreed, and on May 22 the aid bill became law. <sup>26</sup> The United States had entered upon a policy of active containment."

(U) The chaotic economic condition in Western Europe and the apparent strength of the Communist parties (especially in Italy and France) made the next step self-evident. If one believed, as did the high-level policy-makers, that "the seeds of totalitarian regimes are nurtured by misery and want," then the proper American response was some form of economic assistance. <sup>27</sup> "Band-aid" efforts to help Britain had already failed; a wider effort seemed imperative. To launch this commitment would necessarily involve issues such as reparations, the fate of Germany, and the allocation of American budgetary resources. Above all, it could mean the inevitable division of Europe into two competing coalitions, with the United States committed to one of the two. With this in mind Secretary Marshall proclaimed the plan for European reconstruction at the Harvard Commencement on June 5, 1947, and invited the Soviets to participate. The administration was now committed to an active role in a post-war Europe, and Russia could be either a partner (and possibly exploiter) or an antagonist.

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(U) While the Western governments were drafting their shopping lists for recovery, Stalin (after momentary hesitation) decided not to participate. The division of Europe into two distinct blocs thus received a new push, worst suspicions about Soviet goals a further confirmation.<sup>28</sup> At home, the American public recognized still more vividly that the United States' war-time partner had become its peacetime adversary. Gallup polls, for example, now showed a substantial majority of Americans believing that the Soviets wanted to dominate the world and that American policy toward them was too soft. Relations with the Soviet Union obviously constituted America's foremost international problem.<sup>29</sup>

(U) On the other hand the progress of Soviet-American alienation was not yet complete. Henry Wallace, after all, remained a potent political figure, one whose further ambitions and allies could not be entirely ignored by a Democratic President. Moreover, despite the clarion calls from Truman and Marshall for sacrifices to meet the Soviet challenge, the economic aid for Europe did not come quickly. Truman had to reconvene Congress just to get a first installment of \$580 million in late 1947, and his December plea for an authorization of up to \$17 billion would only be acted upon in April 1948, in the aftermath of the Communist takeover in Czechoslovakia.<sup>30</sup>

(U) Nor did the call for a more active American political and economic policy bring an upsurge in defense expenditures. In fact, the trade-offs went precisely in the other direction. Truman at heart was a fiscal conservative. Memories of his own economic disasters after World War I were vivid. And, as a shrewd, knowledgeable politician, he feared the public's reaction to both inflation and the reimposition of "war-like"

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economic controls. Further, there was sound political appeal in a  
balanced budget, after years of war-induced deficit financing. In  
these circumstances, Truman looked at the most elastic item in the  
federal budget--defense--as the area for economies. If something  
gave, it would be the military services. In fact, during 1947-1948 the  
President had it both ways. He reduced the military budget with  
expenditures dropping from \$13.8 in FY 1947 to \$11.1 billion in FY 1948.  
Yet he did not face the full impact of paying for the European Recovery  
Program until FY 1949. He thus had a surplus of \$8.4 billion on the eve  
of the 1948 Presidential election. But the GOP Congress put in one slight  
complication; it voted a tax cut over Truman's veto.

(U) These short-term fiscal advantages had, therefore, longer-term  
limitations. The tax cut meant lower federal receipts by at least \$4  
billion. On the other hand, the payments for the European Recovery  
Program (ERP) and other economic aid jumped from \$4.5 billion to \$6  
billion. In addition, the efforts for the military assistance program  
reinforced the constraints initially imposed by ERP. Given these  
competing demands, the flexibility for an increased budget for national  
defense seemed limited. In fact, however, Forrestal got a FY 1950  
budget request of \$14.2 billion, up from \$11 billion in FY 1949. Yet,  
to complicate the assessment of trends, the actual expenditures for FY 1950  
were \$11.9 billion compared with roughly the same sum for FY 1949. What  
emerges, budget requests aside, is the relative plateau of defense  
expenditures from FY 1948 to FY 1950 measured in current dollars, and a  
sizable drop if measured in constant dollars (possibly as much as 7-8%).

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In a sense, therefore, Forrestal and others correctly perceived that the adoption of a massive economic response to the Soviets meant fewer funds for a military response.

(U) There were, however, three ancillary benefits from the Marshall Plan of a strategic consequence that were probably unanticipated. The first involved base rights, a subject on which the service planners had repeatedly expressed themselves. For example, the January 1946 JCS paper on atomic weapons had called for forward bases, and similar calls periodically surfaced.<sup>34</sup> These demands met a lukewarm response. No one wanted to offer the Soviets a pretext for making counter demands. Meanwhile, the progressive liquidation of wartime basing privileges continued. Regular access to Japan, Austria, Italy, and Germany (all occupation areas) posed no problem. But there would be problems if the access routes to the European areas via Iceland, Greenland, the Azores, or even for that matter, Great Britain, were ended. Prudent strategic planning called for a resolution of the base issue. This was even more imperative since bases were a necessity for any strategic air offensive against the Soviet Union,<sup>35</sup> an increasingly prominent feature in U.S. war plans.

(U) Then came the Marshall Plan, and with it a clear set of economic inducements to assist in negotiating base rights. Major General Gruenther, Director of the Joint Staff of the JCS, told Forrestal, for example, on November 18, 1947, that ERP might exert a profound bearing upon our strategy in a war with Russia. "It resolves itself mainly to the question of operational bases in Western Europe. The possession of such bases, say in France, Holland, or Belgium, would greatly alter the military

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balance of power and in fact would probably prevent even the fear of war."

These considerations, Forrestal noted in his diary, led Gruenther to back

the recovery plan and to explain why the Soviets wanted it to fail so

badly. <sup>36</sup> The base goals, given a powerful assist by the Berlin crisis

and the steps toward the promotion of NATO would, of course, be obtained.

The slow process of developing a complex, forward base system for strategic and tactical purposes would soon be underway.

(U) The other two corollary benefits of ERP concerned the British.

During 1947, Congressional ire and high-level concern about Anglo-American

atomic relations intensified. The British demands for weapons information,

London's decision to produce plutonium and manufacture its own weapons,

and British rights (under the Combined Trust arrangements) to 50% of the Congo

ores prompted frictions. Nor were American strategists comfortable with the

fact that the British, under the 1943 Quebec accord negotiated by Roosevelt,

were theoretically entitled to be consulted before the use of any atomic

weapon. These separate problems embroiled the London-Washington relationship,

fueled by Senators Hickenlooper's (Chairman, JCAE) and Vandenberg's annoyance

that the British had rights to half of the precious uranium ore. Both

senators saw this as unwarranted, as handicapping the development of the

American program (the AEC concurred), and as necessary of correction. And

both men, but especially Vandenberg, were prepared to use the leverage

of economic loans and ERP entitlements to extract British concessions.

Careful efforts by Robert A. Lovett, the Under Secretary of State, and the

State Department, coupled doubtless with subtle hints to London, helped to

avoid an actual Congressional-British confrontation. In early 1948 the

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the administration, Congress, and the British arrived at a new "modus vivendi" arrangement covering exchanges of information, new allocations of uranium ores to the advantage of the U. S., and the abrogation of the "trigger finger" clauses accepted by FDR in 1943. American strategic planning had overcome one more (even if admittedly fragile) obstacle. In this the presence of ERP had done no harm whatsoever.

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IV. Atomic Matters: Control, Production and Intelligence

(U) While the administration took positive, public steps to meet the Soviet challenges in Europe during the first half of 1947, it also faced a series of problems specifically related to atomic energy and its impact upon Soviet-American strategic relations. The fading hopes for international control and the grim reports on the status of American atomic progress were also part of the agenda for the high-level policymakers. Here too the situation appeared, as did the diplomatic and economic dimensions, foreboding and worrisome.

(U) At the U. N. the U. S. had continued to support the Baruch plan. But by early January 1947 there were misgivings about the wisdom of continuing to press the June 1946 scheme. Baruch's final report on his efforts (January 4, 1947) urged a renewed attempt at international control and the development of more American weapons. Later in January, Secretaries Marshall and Forrestal, among others, expressed concern over

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the public impact of a failure to achieve control; they especially feared a Soviet propaganda effort to blame the failure on American demands for certain security guarantees. <sup>39</sup> The President, though prepared to support further efforts for control, shared the Marshall-Forrestal anxieties. On January 30, 1947, he directed that American delegates make clear that the United States had had one tragic experience with unilateral disarmament and would under no circumstances commit itself to a repetition of that experience. The United States, said Truman, "must have definite concrete assurances as a basis for any agreement on disarmament." <sup>40</sup> With these cautions in mind, Washington

left the Baruch plan in the U. N. forum.

(U) The continued lack of progress during mid-1947 prompted further misgivings about the U. N. effort. In September, Secretary Marshall encountered strong resistance from Army Secretary Kenneth Royall to any further U. N. discussions on atomic matters. The time had come, Royall asserted at the Committee of Three meeting on September 8, to end the negotiations unless something productive could be obtained within the very near future. Marshall, who doubted any such breakthrough was imminent, nonetheless opposed Royall's demand. The Secretary of State did not want Washington to bear the onus of withdrawing the problem. Instead, he argued the need to maintain a common front with Britain, Belgium, Canada and the Netherlands on the issue for a while longer. He did not, it should be added, advance George Kennan's suggestion for a final high-level approach to Stalin on the subject. In any case,

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Marshall's position was dominant. The Committee of Three agreed that a final attempt should be made, but with no great expectations about the outcome.

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(U) The Soviets did not disappoint the cynics. There was no change in the Soviet position, no hint of responsiveness to the American offer. Indeed, the second session of the U. N. General Assembly did not even touch upon the matter of atomic energy. By the end of 1947 the issue of an international approach to atomic energy was--for the moment--finished. It had been that way since December 1946, but the fear of propaganda losses--plus a continuing hope that Moscow might reconsider--had kept it partly alive. That would no longer be the case; and not until the fall of 1949, under entirely different circumstances, would the control approach receive any serious consideration.

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(U) The other dimension of the control issue--the domestic operation of the AEC--was not, at least at first, an unalloyed success. In fact, the confirmation controversy over the commissioners, though principally aimed at Lilienthal, deprived the new instrument of effective operational leadership. In this interim period (until April 1947) the General Advisory Committee (GAC), on which the familiar Bush, Conant, and Oppenheimer served, virtually assumed direction of the AEC structure. What they discovered filled them with dismay. Physical facilities had deteriorated, staff morale was sharply down, and the reactors at Hanford were unsafe and almost inoperable. Equally important, practically no progress whatever on weapons development had taken place since 1945. The GAC report of February, which both the Commissioners and the President received,

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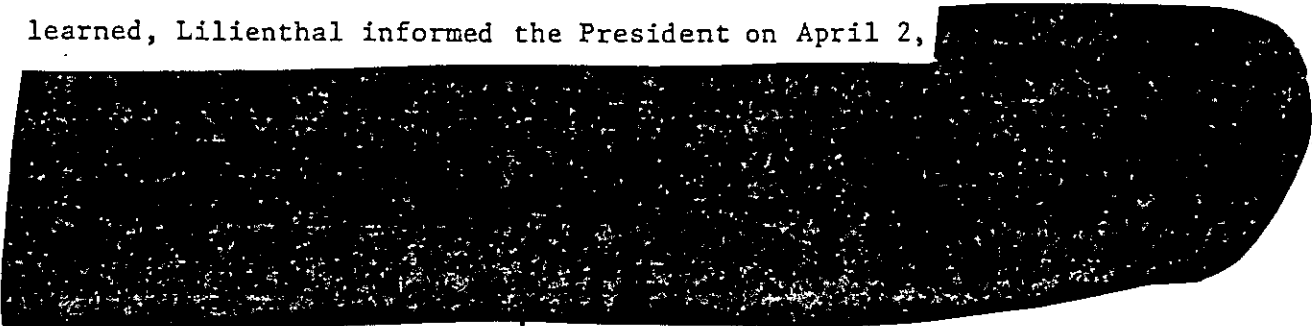
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recommended that the new AEC concentrate its immediate attention on weapons production. Los Alamos must be revamped, jurisdictions between the Division of Military Application of the AEC and the Military Liaison Committee of services defined, the production of fissionable material increased, the problems of a "super bomb" explored, more assembly teams trained, and, above all, the resumption of manufacture of atomic weapons begun.

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(S/RD) On the crucial last point, the discoveries made by the GAC, the Commissioners, and their staffs had been profoundly disturbing. They had learned, Lilienthal informed the President on April 2,



(U) A corollary to this conclusion was the AEC's realization that a new round of tests was necessary if there was to be any hope of improving the actual design of the weapons. The prospect of new tests, especially their timing and location, provoked high-level discussion. At a White House meeting on June 27, George Marshall urged that the tests be delayed until early 1948; he wanted nothing to interfere with the forthcoming foreign ministers conference scheduled for November. On this he won. But he lost out on the question of where the tests would be held. He, along with Secretary of War Patterson, favored holding them within the United States; Lilienthal, backed by General Eisenhower, won agreement for a remote Pacific location. All, including Lilienthal after reflection, agreed to keep the tests secret and to have no advance publicity on the matter.


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To these decisions, Truman gave his emphatic endorsement. The momentous Sandstone series was authorized. Lilienthal and the new AEC were not, whatever certain Congressmen believed, dragging their feet on the development of atomic weapons.

(TS) The AEC's decision on weapons production coincided, it should be added, with the first efforts to have the JCS indicate its views on the numbers of weapons needed. In fact, it took both the AEC and Senator Hickenlooper of the JCAE to galvanize the military establishment into developing a statement of requirements. This information, which Forrestal, Patterson and the JCS agreed to provide on July 10, 1947, did not reach the AEC until late fall and would be slightly amended in January 1948. <sup>46</sup>

In their year-by-year statement of demands, the JCS wanted 





(U) These requirements did not, surprisingly, necessitate an adjustment of the 1947 production schedule for fissionable materials. In fact, in April 1948 President Truman would approve a continuation of the 1947 level. The President's directive, as Hewlett and Duncan note, "authorized the Commission to produce all the fissionable material it could with existing facilities until the Joint Chiefs of Staff could formulate new and higher requirements. <sup>48</sup> In short, the military were not in fact a source of pressure on the AEC to increase weapons production requirements. Rather, the effective military pressure on the AEC came, as will be shown later, on the custody of the completed weapons and on a generalized set of frictions with the civilian-oriented agency.

(S) At least one influential individual suspected that the military

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was not asking for enough. Senator Hickenlooper wrote Forrestal on January 15, 1948, inquiring whether the JCS requests reflected actual needs or merely an estimate of what the AEC could produce. Forrestal's response stressed the interim nature of the JCS formulation, while also assuring the chairman of the JCAE that the 1947 statement represented "the safe minimum strategic requirements and experimental needs through 1952 and were correlated with existing strategic plans for the security of the United States." These assurances, which were broad and greatly over-<sup>49</sup>stated, apparently eased the Senator's concern on the matter.

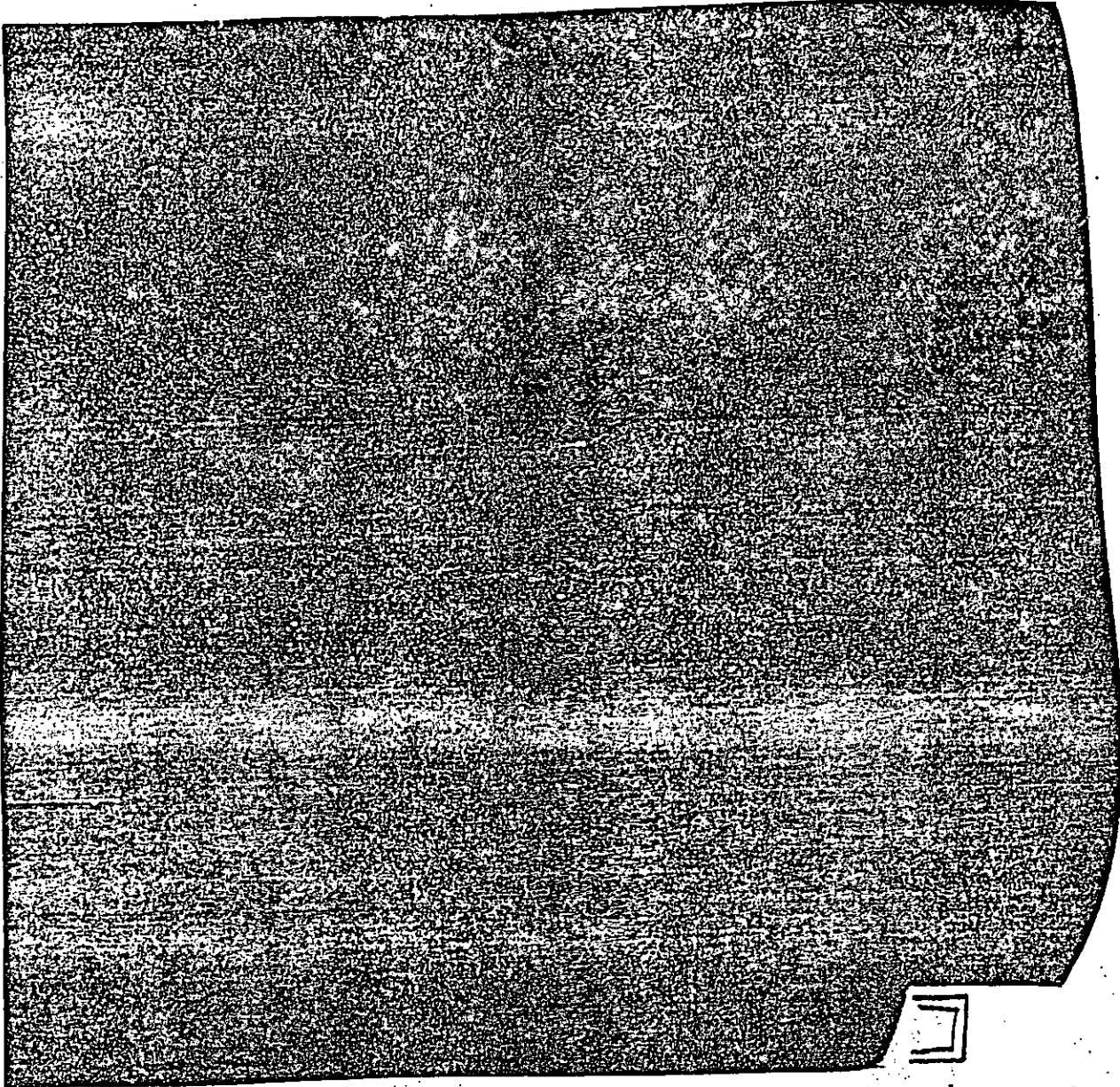
(S/RD) By the end of 1947 the AEC could consider that its efforts-- despite earlier handicaps in the year--were on the whole a success. Truman and the high-level decision-makers were better informed about weapons; an accelerated production of weapons was underway 

, and the U.S. appeared to retain a <sup>50</sup>decisive edge over the Soviet Union. On the other hand, the nature and duration of the competitive advantage vis-à-vis the Soviets remained elusive, imprecise, and crucial.

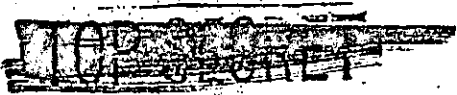
(TS)







(U) But, at the end of 1947, the high-level decision-makers were effectively worse off in their predictions about Russian efforts than two years earlier. In the summer of 1945 Bush and Conant had estimated the Soviet capability as 1949. Now, more elaborate, bureaucratized estimates put it at 1950 or later. The urgency had eased rather than increased; the halcyon days of smugness grew rather than decreased. On the other hand, a more accurate forecast would not--it seems clear--





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have necessarily prompted any change in the U. S. response, save possibly more pressure for the development of the "super" bomb. Even then, only a unanimous conviction that months, not years, were at stake would have propelled the American effort forward.

(U) Nevertheless, 1947 had seen a change in the effort and urgency of the American nuclear program. That turn-around would, in the final analysis, be more than adequate. These developments, coupled with the passage of the National Security Act of 1947, would see strategic plans and Soviet-American relations receiving renewed attention at the highest levels.

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V. The National Security Council  
System: The First Efforts

(U) Throughout 1947 Congress and the Truman administration dealt with a series of issues that influenced or impinged upon the conduct of Soviet-American relations: the Truman Doctrine, the Marshall Plan, the acceleration of atomic bomb production, the international control of atomic energy. Each substantive problem interacted with the overall formation of American policy toward the Soviet Union. Concurrent with those substantive responses, however, were the efforts to alter the structural process through which national security policy developed and became implemented. A major, instrumental step in that direction came with the passage, in mid-summer 1947, of the National Security Act. Its passage signaled the end of the legislative phase of service unification, leaving the struggle over service roles and missions to be settled within the new military structure. Its passage also created a new set of institutions that reflected not only the experience of World War II, but also the new concept of "national security."<sup>59</sup> New hopes for planning, for coordination, and for policy implementation rested on the new structural arrangements. And for some at least, such as James Forrestal, there were hopes that the new structure would herald more systematic reviews of American policies toward the Soviet Union.

(U) The new act provided for a Secretary of Defense; the unified National Military Establishment of four services--Army, Navy, Air Force, Marines; the JCS (but without a formal chairman); the Research and Development Board; and the Munitions Board. Under the President's

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immediate aegis came the National Security Council and its two dependent agencies, the Central Intelligence Agency and the National Security Resource Board. The NSC's specific mandate was to act as a coordinating and planning forum on behalf of the President; it had nine statutory members and a small staff, supplemented (at least at first) by personnel detailed from the services and the State Department.

(U) The new NSC system did not, it should be noted, immediately supplant existing arrangements for interdepartmental coordination. The State-War-Navy Coordinating Committee (SWNCC), now renamed SANACC, continued functioning until 1949. Its parent group, the old Committee of Three (State-War-Navy) now became the Committee of Two (State-Defense), but would be used less and less frequently as a regular mechanism for coordination and planning. Finally, within the NME, James Forrestal, the first Secretary of Defense, instituted a Committee of Four (Secretaries of Defense, Air, Navy, Army), meeting on a regular basis with a detailed agenda. When the JCS members were present, it became the War Council.

(TS) No one had higher hopes for the NSC than Forrestal. He visualized it as the panacea for coordination and policy formation, as the forum through which the machinery of government could be made to function on national security issues. An episode on the eve of the first NSC meeting reveals the Secretary's ambitions for the new process. On September 25, 1947, he assembled in his office, the service secretaries, the senior military officials (except Eisenhower), and Robert Lovett for a "dry-run" of their presentations and arguments for the NSC meeting the

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next day. He wanted to leave nothing to chance in his effort to convince Truman of the NSC's potential usefulness. But such preparations and Forrestal's own hopes for the NSC were effectively stultified by the President's calculated distance from the new organization. Seldom in attendance at the NSC meetings before the Korean war (unless there was a crisis as over Berlin), Truman sought to make clear that his prerogatives on national security matters remained intact. Rear Admiral Sidney Souers, a former naval intelligence officer and the supposed "buckle" of the new NSC apparatus, stayed scrupulously within the President's assumed guidelines. And the NSC members (including Forrestal) decided at the outset that their task consisted not of presenting agreed-on positions on policy matters, but rather on outlines of the "pros" and "cons" of each issue for the Chief Executive. In sum, a new forum existed, whose long-term worth remained an open question.

(TS) The NSC structure, as such, did not immediately transform the process by which high-level policy makers addressed Soviet-American relations. Except for the issue of strategic exports to the Soviet Union, relations with Moscow were not explicitly discussed in the NSC until May and June 1948. Instead the initial NSC agenda items dealt with directives for the CIA, the Communist threat in Italy, base rights, and the political situations in Greece, Spain, China, and Palestine. Not until March 1948 would the NSC staff prepare a paper (NSC 7) on U.S. policy objectives toward the Soviet Union and no review of strategic plans or atomic war was authorized until June 1948.

[REDACTED]

(TS) If the NSC did not review Soviet-American relations or strategic plans in late 1947, other groups did. Forrestal, for instance, chaired brief discussions about U.S. war plans in September 1947 and subsequent sessions of the Committee of Four examined the problem. <sup>65</sup> Repeatedly the Defense Secretary stressed that the formation of a joint strategic plan was the number one priority, and Gruenther gave continued assurances that studies were underway. Kenneth Royall, who would often be the protagonist on planning issues, complained at one point in October that such JCS assurances had been the standard answer for a year. He implored Forrestal to <sup>66</sup> keep the pressure on the Chiefs. This the Defense Secretary did, through the fall and early winter, in the War Council.

(U) Furthermore, there was a full review of Soviet-American relations when the Cabinet met on November 7, a session that came oneday after Molotov had stated publicly that "in expansionist circles of the U.S. a new, peculiar sort of illusion is widespread--faith is placed in the secret of the atomic bomb, although this secret has long ceased to exist." In the meeting Marshall dominated the discussion, reading largely from a memorandum prepared by Kennan's staff which asserted that the Russian advance had been curbed and that Moscow would be forced to reassess its policy. Insisting that the danger of war with the Soviet Union was exaggerated, Marshall warned instead of renewed Communist pressure in Greece, Italy, France, and possibly against Tito. He conceded the possibility of a Soviet move against Czechoslovakia, without proposing what, if anything, the U.S. should do. In the presentation he laid special stress on Germany's role, especially west Germany's

integration into Western Europe and its importance in the restoration of the European balance of power. While troubled about Palestine and China, the overall situation, Marshall concluded, was such that there was "no reason to expect that we will be forced suddenly and violently into a major military clash with Soviet forces."<sup>67</sup> Although Harriman and Forrestal differed with Marshall on the question of export controls for goods going to Russia (the general favored a flexible approach), they found--as did the rest of the Cabinet--much in the presentation to applaud. For the first time in months, the causes for optimism appeared to outweigh those for pessimism.<sup>68</sup>

(TS) A third forum that prompted an evaluation of overall American strategic policy was the Finletter Commission. Appointed by Truman to investigate the role of air power in American policy, the Commission heard testimony from ranking Air Force officers, aviation experts, and defense officials. Not surprisingly, their final report emphatically endorsed the efficiency of air power in modern war. Among those who testified, Forrestal had perhaps the most sensitive understanding of the complexities of the issue under discussion. Testifying on November 3, in closed session, he asserted his disagreement with those who wanted to use atomic bombs against the Soviet Union. "Conquering the Russians," he told the commission, "is one thing and finding what to do with them afterward is an entirely different problem." He also refused to profess too much alarm over the possibility that the U.S. lagged behind on military funding; a strong economy and a "somewhat understaffed military establishment" could do the job. Further, urging caution about "supplanting existing models

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[of aircraft] with new types," Forrestal told the committee that the Americans might next time be faced "with fighting a so-called "containing war. While this may be unacceptable to the American people, it is a possibility that must be faced." This realism about strategic problems would not always be replicated by Forrestal's fellow service secretaries, or even by Forrestal himself. Yet, in a way, it symbolized the growing awareness of the magnitude of the task facing the military in a period of long-term, global confrontation with the Soviet Union. <sup>69</sup>

(U) As 1947 drew to a close, a crucial transition in the history of American foreign and defense policy was underway. Truman's public break of March 1947 had been followed by proposals for massive economic aid to Europe. In the fall Truman had called a special Congressional session to vote emergency funds for Europe. The division of Europe-- in fact the world--into two hostile coalitions had received added impetus and confirmation. These steps, which generated enthusiastic European responses, heralded a new, more activist American policy, one in which economic and political measures continued to dominate.

(U) At home, the year had seen the resolution of the acrimonious unification struggle and the creation of new institutions to help coordinate the newer, more active policy. The nuclear capacity to conduct a strategic policy against the Soviet Union was, after a surprising and dangerous hiatus, in the process of development and expansion. If emergency plans to utilize these weapons were still primitive and uncoordinated, they were at least being studied. Moreover, the unsettled roles

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and missions dispute ensured that plans got more detailed attention, since strategic plans might possibly influence resource allocations. If the Finletter hearings favored the Air Force, they also pinpointed the requirements for a modern strategic force and offered Truman (and others) allies against a strong, troublesome Navy. Finally, a new team of advisors, freed of the personal friction that Byrnes appeared to ignite, now helped the President in the shaping of policy.

(U) In this slightly optimistic environment, the administration greeted the new year, 1948. Shortly, it would discover that the wisp of optimism had been just that.

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## NOTES: CHAPTER TWO

1. Entry, Feb. 17, 1946, in The Forrestal Diaries, ed. Walter Millis with the collaboration of E. S. Duffield (New York, 1951), 134.
2. Of special value for this period are the following studies:  
Thomas G. Paterson, Soviet-American Confrontation: Postwar Reconstruction and the Origins of the Cold War (Baltimore, 1972); John Lewis Gaddis, The United States and the Origins of the Cold War, 1941-1947 (New York, 1972); and Herbert Féis, From Trust to Terror: The Onset of the Cold War, 1945-1950 (New York, 1970).
3. See Truman's evasive answers to the press conference query about the Churchill visit, Feb. 21, 1946, Public Papers of the Presidents of the United States: Harry S. Truman, 1946 (Washington, D. C., 1962), 130.
4. Margaret Truman, Harry S. Truman (New York, 1973), 312.
5. Kennan's cable (Kennan to Byrnes, Feb. 22, 1946) is in U. S., Dept. of State, Foreign Relations of the United States, 1946 (Washington, D. C., 1969), VI, 696-709. See also George F. Kennan, Memoirs, 1925-1950 (Boston, 1967), 293-295, 547-559.
6. George Elsey, a White House aide, did most of the drafting of the Clifford report on Soviet-American relations; it is reprinted in its entirety in Arthur Krock, Memoirs: Sixty Years on the Firing Line (New York, 1968), 419-482; also of interest are Krock's comments on the report, ibid., 225-231.
7. Truman, Harry S. Truman, 347-348.
8. On the issue of bipartisanship during these months, see Henry W. Berger, "Bipartisanship, Senator Taft, and the Truman Administration," Political Science Quarterly, 90 (Summer 1975), 221-237; James T. Patterson,

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Mr. Republican: A Biography of Robert A. Taft (Boston, 1972) Chapters 20-23.

9. These statistics are taken from U.S., Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1957 (Washington, D. C., 1960), 99.
10. On the "Fortress America" appeal, see Patterson, Mr. Republican, 492-496.
11. Memo for the Record, June 12, 1946, Subj.: White House Conference on Activities of the Soviet Union, June 11, 1946 (Declassified), RG 165, Records of War Department General and Special Staffs, Plans and Operations Division, P&O, 092 (1946-1948), case 70/7 National Archives; also see notes dictated by G. A. Lincoln, June 11, 1946, ibid.
12. Patterson to Truman, July 27, 1946, Elsey Papers, box 88, Truman Library.
13. See, for example, entry, Aug. 14, 1946, Forrestal Diaries, 191.
14. On the dispatch of ships to the Mediterranean and Forrestal's efforts in that connection, see the entries for Feb. 21, June 6, Sept. 30, 1946, ibid., 141, 171, and 211.
15. See "Letters Calling for Reductions in Expenditures for National Defense," Aug. 3, 1946, Public Papers: HST, 1946, 402-403; also entries for Aug. 27, Sept. 5, 1946, Forrestal Diaries, 197, 199.
16. Entries, Oct. 16, Dec. 20, 1946, ibid., 235-237.
17. "Address Before a Joint Session of the Congress on Universal Military Training," Oct. 23, 1945, Public Papers of the Presidents of the United States: Harry S. Truman, 1945, (Washington, D. C., 1961), 404-413; Harry S. Truman, Memoirs: Year of Decisions (Garden City, N. Y., 1955), 510-512; Harry S. Truman, Memoirs: Years of Trial and Hope (Garden City, N. Y., 1956),

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53-55. Also see, among the staggering amount of Congressional material; U.S., House, Military Affairs Committee, Hearings on Universal Military Training, 79th Cong., 1st Sess. Nov. 8, 1945—Feb 21, 1946.

18. "Special Message to Congress Recommending the Establishment of a Department of National Defense," Dec. 19, 1945, Public Papers: HST, 1945, 546-560; Truman, Years of Trial and Hope, 46-52; Paul Y. Hammond, Organizing for Defense: The American Military Establishment in the Twentieth Century (Princeton, 1961), chapters 8-9, passim.

19. "Letter to the Chairmen, Congressional Committees on Military and Naval Affairs on Unification of the Armed Forces," June 15, 1946, Public Papers: HST, 1946, 303-305; "Letter to the Secretaries of War and Navy on Unification of the Armed Forces," June 15, 1946, ibid., 306-308.

20. Hammond, Organizing for Defense, 226.

21. On this see, Alfred D. Sander, "Truman and the National Security Council: 1945-1947," The Journal of American History, 59 (Sept. 1972), 369-388; Paul Y. Hammond, "The National Security Council as a Device for Inter-departmental Coordination: An Interpretation and Appraisal," American Political Science Review, 54 (Dec. 1960), 899-910; and the testimony by Sidney W. Souers on May 10, 1960, on the National Security Council under President Truman, in The National Security Council: Jackson Subcommittee Papers on Policy-Making at the Presidential Level, ed. Henry M. Jackson (New York, 1965), 99-110. One who disliked the entire NSC approach was George C. Marshall; see his memo to Truman, Feb. 7, 1949, U.S., Dept. of State, Foreign Relations of the United States, 1947 (Washington, D. C., 1973), I, 712-715.

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22. All of the standard works on the cold war devote attention to this turning point; see especially Robert G. Kaiser's impressionistic, Cold Winter, Cold War (New York, 1974); and Joseph M. Jones, The Fifteen Weeks (New York, 1955).
23. John Lewis Gaddis, The Origins of the Cold War, 1941-1947 (New York, 1972), 351.
24. On Marshall's tenure as Secretary, see Robert H. Ferrell, George C. Marshall, vol. XV of Robert H. Ferrell and Samuel Flagg Bemis (eds.), The American Secretaries of State and Their Diplomacy (New York, 1966); also Dean Acheson, Present at the Creation: My Years in the State Department (New York, 1969), chapters 24-27; Kennan, Memoirs, 1925-1950, chapters 13-15.
25. "Special Message to the Congress on Greece and Turkey: The Truman Doctrine," March 12, 1947, Public Papers of the Presidents of the United States: Harry S. Truman, 1947 (Washington, D. C., 1963), 179.
26. Gaddis, Cold War, 351-352, and passim.
27. Public Papers: HST, 1947, 180.
28. On the Marshall Plan, see Truman, Years of Trial and Hope, 110-119; Acheson, Present at the Creation, 226-235; and Hadley Arkes, Bureaucracy, the Marshall Plan, and the National Interest (Princeton, 1972).
29. George Gallup, The Gallup Poll (3 vols.; New York, 1972) III, 664, 682.
30. Truman, Years of Trial and Hope, 116-119. In the final analysis, the amount expended was \$13 billion.
31. Truman's annual budget messages to Congress reveal his thinking, as do his answers at the annual press conference at which he explained the budget; see for example his comments on Jan. 7, 1947, about the FY 1948 budget;

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Public Papers: HST, 1947, 40-55. Also see the transcript, Interview with Governor W. Averell Harriman by Doris Condit and Alfred Goldberg, Washington, D. C., May 29, 1975, in the Office of OSD Historian.

32. These figures come from U. S., Department of Defense, U. S. Government Budget Summary, Fiscal Years 1931-1968, OASD (Comptroller), Jan. 24, 1967; and U. S., Department of Defense, Expenditures/Outlays, Summary by Service (1931-1976), OASD (Comptroller), Feb. 18, 1975.

33. These adjustments are based on increases in the price index. Taking 1929 as the base year, the price index rose from 126 in 1946 to 152 in 1950. The most dramatic increase occurred between 1947 and 1948, when the index went up eight points (U. S., Bureau of the Census, Historical Statistics, 139).

34. Memo from the JCS for the State-War-Navy Coordinating Committee, Jan. 23, 1946, FRUS, 1946, I, 743-744; also see Memo from the JCS Staff for Byrnes, Nov. 7, 1945, ibid., 112-118; Memo from the JCS Staff for the State-War-Navy Coordinating Committee, Feb. 11, 1946, ibid., 1142-1160.

35. Memo from the Director of the Office of European Affairs (Matthews) for Marshall, Jan. 17, 1947, FRUS, 1946, I, 708-712.

36. Entry, Nov. 18, 1947, Forrestal Diaries, vol. IX, 1939, Forrestal Papers, Princeton; also Hans W. Weigert, "U. S. Strategic Bases and Collective Security," Foreign Affairs, 25 (Jan. 1947), 250-262.

37. The frictions with the British are covered in detail in Richard G. Hewlett and Francis Duncan, A History of the Atomic Energy Commission, vol. II: Atomic Shield, 1947-1952 (University Park, Pa., 1969), chapters 9-10; also see Margaret Gowing, Independence and Deterrence (New York, 1974), passim. The basic diplomatic documents for the dispute are found in FRUS, 1947, I,

781-908, and in the forthcoming, U. S., Dept. of State, Foreign Relations of the United States, 1948, vol. I (C).

38. Baruch to Truman, Jan. 4, 1947, I, FRUS, 1947, I, 332-336.

39. Minutes of a Meeting of the Secretaries of State, War, and Navy, Jan. 29, 1947, ibid., 381-387.

40. Marshall relayed the President's comments in his note to Acheson, Jan. 30, 1947, ibid., 387.

41. Minutes of a Meeting of the Secretaries of State, War, and Navy, Sept. 8, 1947, ibid., 628-631. Also see the Report by the Policy Planning Staff on the international control of atomic energy, Aug. 21, 1947, ibid., 602-614.

42. The re-emergence of the international control issue, in the wake of the Soviet atomic explosion, is treated in chapter 5 of this essay.

43. Hewlett and Duncan, Atomic Shield, 15-46.

44. Ibid., 46-48; The Journals of David Lilienthal, vol. II: The Atomic Energy Years, 1945-1950 (New York, 1964), 165-166. The actual report presented to the President did not have the figures on the bombs included; they were transmitted orally. The figures noted here are taken from United States Atomic Energy Commission, Division of Military Application, A History of the Nuclear Weapons Stockpile, FY 1972 (S/RD/CNWDI) (Washington, D. C.; 1973).

45. Hewlett and Duncan, Atomic Shield, 84-85.

46. Entry, July 10, 1947, Forrester Diaries, vol. VIII, 1723, Forrester Papers, Princeton. The fullest account of the problem of extracting a statement of requirements from the JCS is found in U. S., Congress, Joint Committee on Atomic Energy, "The Scale and Scope of Atomic Production: A Chronology of Leading Events," Jan. 30, 1952 (TS/RD). RG 330, CD 471.6 (A-Bomb).

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47. These figures come from JCS 1745/5 (TS), Jan. 21, 1948, Records of the Joint Chiefs of Staff. Also see Leonard Wainstein, "The Evolution of US Strategic Command and Control and Warning," Part I: 1945-1953 (TS) (IDA, 1975), 12ff.
  48. Hewlett and Duncan, Atomic Shield, 172.
  49. Hickenlooper to Forrestal, Jan. 15, 1948 (S); Forrestal to Hickenlooper Feb. 6, 1948 (S), RG 330, CD 16-1-4.
  50. The numbers are taken from the fiscal year reports for 1947 and 1948, History of Nuclear Weapons Stockpile (S/RD/CNWDI).
  51. On this issue, see the summary of efforts made for Under Secretary Lovett, July 6, 1948 (TS), State Dept. Files (hereafter SDF), Lot 57D688, box 821; also a folder of correspondence between Bush and Forrestal over the issue, RG 330, CD 2-1-8 (S); also the survey in U. S. Air Force, A History of the Air Force Atomic Energy Program, 1943-1953, vol. III, pt. 2: Building An Atomic Air Force (TS/RD) by Robert D. Little, 253ff.
  52. Lovett to Marshall, July 28, 1947, FRUS, 1947, I, 829-830.
  53. Gullion to Lovett, Aug. 13, 1947 (U), SDF, Lot 57D688, box 821.
  54. Gullion to Lovett, Aug. 21, 1947 (TS), ibid.
  55. Lewis L. Strauss, Men and Decisions (Garden City, N. Y., 1962), 201-204; Hickenlooper to Forrestal, Aug. 7, 1947, Forrestal to Hickenlooper, Aug. 22, 1947 (TS), RG 330, CD 22-1-2.
  56. Bush to Forrestal, Dec. 9, 1947 (TS), RG 330, CD 16-1-2; Forrestal to Symington, Dec. 9, 1947, ibid.; Symington to Forrestal, Jan. 12, 1948, ibid.; also see Bush to Forrestal, Feb. 16, 1948, and his enclosed report from Conant, Jan. 2, 1948 (TS/RD), RG 330, CD 11-1-13.

57. Memo. by Hillenkoetter, Dec. 15, 1947, FRUS, 1947, I, 903-905; RDB report 113/1 by James Conant, Jan. 2, 1948 (TS/RD), RG 330, CD 11-1-13.

58. Memo. from John Ohly for Robert Blum, March 25, 1948 (TS), RG 330, CD 2-1-45.

59. There is still no work which examines carefully the development of the concept of "national security" as apart from military, political, or economic security, but Hammond's Organizing for Defense is suggestive; also see the perceptive article by Hanson Baldwin, "The Myth of Security," Foreign Affairs, 26 (Jan. 1948), 253-263.

60. The details of the legislation are found in Hammond, Organizing for Defense 227-232; also see Truman, Years of Trial and Hope, 52-53.

61. Minutes of meeting held in Forrestal's office, Sept. 25, 1947, with Forrestal, Lovett, Royall, Sullivan, Symington, Nimitz, Spaatz, Collins, Souers, Gruenther, Leva (minutes dated Sept. 27, 1947) (TS), RG 330, CD 9-1-10; also see entry, Sept. 26, 1947, Forrestal Diaries, 320-321.

62. For insights into the maneuvering about the NSC's real powers, see Sander, "Truman and the National Security Council."

63. On the early operation of the NSC, see the papers and testimony in The National Security Council: Jackson Subcommittee Papers; also the memo. by Marx Leva, Sept. 24, 1947, of an informal War Council on Sept. 24, 1947 (TS), RG 330, CD 9-1-11.

64. Information about agenda items and records of actions are taken from Record of Actions by the National Security Council, 1947-1948, (TS), Records of Office of the Assistant Secretary of Defense (ISA).

65. There were long discussions on Sept. 22, Sept. 25, Oct. 13, and Oct. 28, 1947 (TS) of various aspects of U. S. war plans; summarized in the papers of



John Ohly, "Files for 1947," Office of OSD Historian (hereafter cited as Ohly Papers).

66. Royall's pressure came on Oct. 28, 1947, in the Committee of Four, ibid.

67. See the Report by the Policy Planning Staff, Nov. 6, 1947, FRUS, 1947, I, 770-777, also the footnote on p. 770.

68. Entry, Nov. 7, 1947, Forrestal Diaries, 340-341.

69. See Felix Larkin's notes of the Nov. 3, 1947 (TS), presentation to the Finletter Commission, Ohly Papers, "Files for 1947"; also see Forrestal's presentation to the Committee a month later, on Dec. 3, 1947, "Stenographic Report of Proceedings; President's Air Policy Commission: Statement of Honorable James V. Forrestal, Secretary of Defense, Dec. 3, 1947," in Air Policy Committee Collection, Truman Library. Also see the discussion in the War Council on Nov. 4, 1947, about what the Finletter Committee wanted from the NME (John Ohly Papers, "File for 1947").

CHAPTER THREE

1948: YEAR OF CRISIS

(U) The Berlin blockade, which began on June 24, 1948, occasioned the most severe Soviet-American military confrontation of the emerging cold war. The Russian denial of ground access routes into the former German capitol presented western, but especially American, policy-makers with the necessity to consider the use of force. Military preparedness, the adequacy of fiscal and equipment resources, the nature of war plans, and the articulation of an American posture to meet the long-term Soviet challenge were part of the crisis agenda of 1948.

(U) But the struggle for Berlin and the ripples emanating from it are not the entire story of 1948. Indeed, the year had a series of foreign policy jolts that converged to make Berlin appear as an even more decisive issue than one could have imagined possible at the start of the year. The Palestine question, the continuing deterioration of the Greek situation, new uncertainties about Italy, and intimations about trouble over Germany prompted successive degrees of alarm in Washington during the first weeks of 1948. Then came the Communist coup in Prague on February 24, followed by the mysterious death of Jan Masaryk in mid-March. Although the State Department had forecast trouble in Czechoslovakia the previous November, the denouement came suddenly, swiftly. Not surprisingly the Soviet move triggered, as Berlin would later, a set of American responses. But this time, unlike the crisis of 1947, the reactions were not only political and economic, they were also military. The broad interactive quality of Soviet-American relations that had quickened with the Iranian crisis and then the Truman Doctrine now assumed a more precise,

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distinct quality. The Truman Administration now started to assess--in tentative and fiscally restrained fashion--the military requirements of containing the ambitions of the Soviet leadership. Military containment began its lengthy journey of becoming more than a meager atomic arsenal.

I. The Strategic Competition Quickens:  
The Months Before Berlin

(U) In early 1948 four interconnected processes gave new thrusts to the strategic competition: the crisis over Czechoslovakia; increases in American defense manpower and fiscal allocations; a further though still unsystematic review of American war plans and objectives; and renewed military efforts to control atomic weapons. These developments, important in their own right, would be overtaken by the Berlin crisis where their separate impacts are clearly discernible.

(U) On January 12, 1948, President Truman sent Congress his FY 1949 budget; it called for defense expenditures of \$11 billion and international expenditures of \$7 billion. In addition, he proposed to increase the AEC budget from \$456 million in FY 1948 to \$660 million in FY 1949. The overall national security budget thus called for expenditures of \$18.6 billion in a total budget of \$39.6 billion. At the same time, he anticipated a budget surplus of almost \$5 billion, although tax reductions might, he noted, erode some of the surplus. Prudent, fiscally sound, politically shrewd, the budget appeared to achieve a balance between security and economy, with a preponderance toward the economic policies of containment.

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(S) In the same message Truman called for the enactment of universal military training (the draft had expired nearly a year earlier) and implicitly argued for a balanced force concept for America's military needs. The recommendations of the Finletter report, which he only received in January, with their call for a 70-group Air Force would not of course be reflected in the budget. This fact soon caused problems, for by mid-February there were indications that opponents of UMT and ERP (still to be fully funded) were being attracted by the Finletter recommendations.<sup>2</sup> These proposals, along with those of the Brewster Committee on aviation, appeared to offer a way around the manpower issue. Indeed, to some they seemed to obviate the case for money for European reconstruction. The Congressional penchant for the "quick-fix" to the complicated, long-term issues of European recovery and adequate military manpower--helped along by the tireless efforts of the Air Force and Secretary Symington--<sup>3</sup> appeared likely.

(TS) Some within the Executive Branch, viewed these Congressional attitudes with alarm. The immediate foreign policy challenges--whether Palestine or Greece or possibly Czechoslovakia--suggested that what the American defense structure needed was more manpower, specifically more Army manpower, and not just more planes. This theme, sounded before the House Armed Services Committee in January by Lt. General Albert Wedemeyer, Director of Army Plans and Operations, would be reiterated throughout early 1948. Eisenhower, in early February, on the eve of his departure as Army Chief of Staff, complained to Forrestal about the Army's inadequate manpower. And on February 18 Truman received a briefing from General

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Gruenther that laid bare the stark realities: there were less than 2½ reserve divisions in the United States and the Army would be short 165,000 men by the end of 1948. General Bradley reinforced these views in a March 11 report which said that the Army was unable to "back up our country's policies." Subsequent studies would not be so pessimistic, though they repeatedly asserted that only a "partial mobilization" would really resolve the manpower shortage.

(TS) The new Defense Secretary buttressed the military evaluations with several of his own for the President. The most eloquent, if somber one, came in a private, February 28 report in which he reviewed major defense shortcomings. These included Army manpower, the absence of any developed strategic plans or even an emergency war plan, and the need for new equipment to replace the obsolescent World War II materiel. He also noted the slow progress on the B-52 and said the country was "a very long way" from having usable long-range missiles. Expressing the hope that they could develop an analytical ability to assess research and development, Forrestal warned the Chief Executive that for the foreseeable future there was little chance of any reduction in defense expenditures. Any savings from unification would have to be reinvested: indeed, warned Forrestal, there were prospects for new funding request just to maintain the current U. S. position.

(U) While the President meditated over this indictment and projected shopping list, the Secretary of Defense made a further attempt at Key West to resolve interservice differences. Forrestal (with a different functional

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role) now wanted to curb the continuing Air Force-Navy disputes over strategic air power. Budget planning, a balanced force concept, war plans, a unified position on UMT, and (failing that) the revival of the draft were imperative. In the March 11-14 meetings at Key West with the Chiefs, Forrestal got minimum agreement on the air power issue: the Air Force would have the broad strategic air function, the Navy an air capacity to hit inland targets in support of their primary sea tasks. Moreover, he got JCS backing on the UMT/draft issue. For once, he was able to present a united JCS posture to the President.

(U) When Forrestal returned to Washington, he found Truman convinced that the time for dalliance was over. Events in Czechoslovakia and Secretary Marshall's grim assessments required a presidential response. Nor could the fact that 1948 was an election year and that the air power advocates were threatening to monopolize the Congressional initiatives on defense have been absent from Truman's considerations. Nonetheless, Truman's dramatic address to a joint session of Congress on March 17 indicated a new American zealotry in relations with the Soviet Union. Calling Moscow a "growing menace" with ambitions toward the rest of western Europe, the President insisted that preparedness must be the watchword of the American position. In what sounded like a call for rearmament, Truman urged prompt action on the remaining ERP requests, passage of the UMT legislation, and temporary revival of the draft. These demands were buttressed by Secretary Marshall's own testimony for UMT that same day (March 17) before the Senate Armed Services Committee. Warning that diplomatic activity without military support could lead

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to "appeasement," the general urged UMT as the only financially viable way to have a deterrent posture.

(C) Eight days later, on March 25, Forrestal added his backing to the the calls for Congressional action in a strident, ringing assessment of the dangers facing the free world. Indeed, an early draft of the speech had prompted Marshall to chide Forrestal for his tone of "hopelessness," for proposing a statement that sounded more like "a preliminary to war than a proposal for preparation to avoid war." In fact, Marshall even feared that the administration might be overdoing "the case to the extent which would leave us open to the charge that we had provoked a war, deliberately or otherwise." <sup>9</sup> These admonitions brought some alterations in the Defense Secretary's presentation, but not much. He assailed the lack of preparedness in 1939, arguing that weakness had created temptation for Mussolini and Hitler. To prevent this the U.S. must now prepare itself for the long challenge ahead. In practical terms, asserted Forrestal, this meant 350,000 more men for the armed forces through the draft or UMT, balanced forces, new aircraft procurement for a 55 group Air Force, and an additional three billion dollar supplemental to the just submitted FY 49 request. <sup>10</sup> Congress, possibly softened up by the Finletter and Brewster reports, then by the President's appeal, now heard the specifics needed to give American policy some new muscle. Actions in Eastern Europe had not only prompted a new set of American responses, they had altered the legislative forecasts to make a budgetary increase a reality.

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(U) Congress did not hesitate. It approved full authorization for the Marshall Plan in early April, restored the Selective Service System, and voted the supplemental defense appropriation of \$3 billion, while adding \$822 million for aircraft procurement. Only the UMT fell by the wayside.

(U) While Congress acted, members of administration fought over the nature of the supplemental request and its projected consequences for future defense budgets. The differences within the NME over the supplemental are less important, however, though they exposed Truman and Forrestal to considerable personal embarrassment, than the guidelines and attitudes that emerged. At least four considerations are worthy of special mention. First, the submission of the supplemental represented the first NME effort to present a unified budget request to Congress. There were few precedents and the first JCS figure of \$9 billion merely represented the continuation of the older practice of adding up the totals. Since the figure was clearly above what the President preferred (actually \$1.5 billion), Forrestal had no choice but to contemplate tough allocation decisions. Yet he had few guide posts, save an awareness that at least half of any supplemental would go to aircraft procurement and the rest for balanced forces, especially the Army. Into the void of expertise and practice moved the Bureau of the Budget. On March 20 James Webb posed a set of tough questions: what were the justifications for current, not future, JCS programs; had the NSC considered the changes implicit in the new budget demands, and had the NME considered the economic impact of a rise in defense expenditures? Fearful of the inflationary potential in

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the supplemental (inflation was then at 8% per year), Webb had fears about the need to reimpose economic controls. These queries, which went unanswered, were then followed by the BoB's paring of Forrestal's actual supplemental request, from \$3.5 billion to \$3.1 billion. Their reductions in early May were a convenient reminder of where the final nexus of power on defense economics rested.

(U) Second, because of their unhappiness with the supplemental, the BoB would throughout 1948 consider ways to improve the defense budget process. For example, a staff paper for Truman on July 22, 1948, examined the problem and concluded that the Secretary of Defense needed far more power and staff resources for his budget responsibilities. Moreover, what was imperative was "a single military program and an integrated plan of organization and operation." The BoB urged a review of the 1947 National Security Act and possible amendments. In the meantime, it noted, problems would accumulate in an area destined to take an increasing portion of the total government budget.

(U) Third, the flap in May over the supplemental had also stemmed from the President's and the BoB's belated recognition that an increase in funding for one year would commit the administration, not to a continuation of linear budgets, but rather budgets that might jump to \$17.1 billion in FY 51 and possibly \$18 billion in FY 52. This, Truman believed, would require deficit financing, a prospect he regarded as wholly unacceptable. This tardy awareness about the fiscal ramifications effectively checked any Truman proclivity for a larger supplemental or even

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the desire to spend all that would in fact be appropriated in 1948. Hence his curious stance of agreeing to the new monies, then his subsequent determination not to spend them.

(TS) Fourth, and perhaps most important, the episode brought about Truman's decision in May to set \$15 billion as the FY 50 ceiling for defense. Truman told Forrestal on June 3 that it was "necessary to accelerate our national defense program at a steady rate rather than to attempt an immediate very large increase." And he added: "I am looking to your office [Forrestal's] to provide the necessary direction. . . to assure development of the military program in such a manner that the objectives and limitations set out. . . will be realized." <sup>14</sup> This action, taken on the basis of fiscal and economic considerations, formed the crux of the famous fights over the FY 50 budget. It was this decision that Forrestal, starting in May, would seek to overturn. It was also this decision that even the <sup>15</sup> Berlin crisis could not substantially reverse.

(U) The first external jolts of 1948 had, therefore, prompted American responses but within carefully defined limits. Manpower needs were addressed, new aircraft procurement voted within the framework of a 55 group Air Force, and other provisions for balanced forces accepted. But the response was not an open-ended rush for new expenditures, nor an untracing commitment to a series of expensive weapons systems. Moreover, although the discussions took place amid warnings in the Finletter report that the Soviets would have the bomb in 1953, references to the atomic threat were muted. Neither the President nor the public were yet prepared to go faster on the military dimension of containment. The confidence



moved in Germany. [REDACTED]

[REDACTED] and the fear that the Russians might seize, then use American dependents as hostages against either "atomic or conventional bombs": these themes were the heart of the discussion. 18

The JCS written responses to the studies coming from the NSC staff--NSC 1 (Italy), NSC 5 (Greece), and NSC 7 (Soviet Communism)--were chiefly calls for greater military preparedness, rather than detailed critiques or contributions to the problem. Their generalized answers, entirely unsurprising in view of the structure of the JCS, revealed several common assumptions: (a) that war with the Soviets might come sooner than the current five-year estimates; (b) that military preparedness had to be a concomitant feature of new political commitments (meaning any alliance commitments to Europe); (c) that Europe, followed closely by the Mediterranean, was the area of most vital concern; and, (d), implicitly throughout, that atomic superiority had at all costs to be retained. These responses, formulated during March and April, were the planning counterparts of the simultaneous JCS efforts to push Forrestal and Truman to a still larger supplemental. 19

(TS) A further JCS position, however, had the effect of linking all these responses more precisely to the atomic sector: the call for new legislation on the President's responsibility in case of an atomic threat. Originally sparked by Karl Compton and the military evaluation of the initial tests, the JCS proposals urged a pre-emptive strike in case another nation began "the readying of atomic weapons against us." These

ideas, which first surfaced in January as part of a proposed public report on Operation Crossroads, were intermittently discussed during February and March. Then early in April, on the eve of the Sandstone tests and in the heated atmosphere of European developments, Under Secretary Lovett expressed opposition to any publication of such a document at a moment when "it might be interpreted here and abroad as a preface to some brusque action which we do not, in fact, intend." 20

Agreeing with this argument, Forrestal forwarded the JCS report on to Truman on April 6. 21 There is no record of a response from 1600 Pennsylvania Avenue. Given the President's own sensitivities about his duties and rights as commander-in-chief, the fate of the proposals can be reasonably predicted.

(C) The JCS and other high-level decision makers faced a more difficult task in responding to the demands of Army Secretary Royall. A constant gadfly about planning, the exasperated Royall circulated a memo on May 19 calling for a thorough review of American's atomic war policy. Decisions about the use of the new weapon were, he asserted, desperately needed. Army planners had hitherto assumed such weapons would be available. But now, in an apparent allusion to Marshall's reputed disparagement about the bomb, they were uncertain. 22 If there were issues of morality, then these should be addressed now. Clearly there were questions about target selection, the authority to use atomic weapons, the custody of the devices,

Arguing that the time for such a review was now, Royall pressed in the NSC

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meeting on May 20 for a study. Action was deferred, however, until the next NSC meeting on June 3. Then it was decided to authorize a two-pronged approach: a staff study on U.S. policy on "the initiation of atomic warfare in the event of war, including consideration of the time and circumstances of employment, and the type and character of targets against which it would be employed"; and a War Council study of the proper organization within the government "to insure optimum exploitation by the United States of its capabilities of waging atomic warfare."<sup>24</sup>

(U) Finally, nearly three years after "Trinity" and a year after the formation of the NSC, the question of strategic atomic warfare was apparently to be examined in broad and comprehensive terms. The international situation clearly justified this evaluation: the need for joint plans was obvious; the command and control issues required thought and anticipation. Royall had, as the Berlin blockade soon showed, hit upon an exposed flank. In the process, Royall's call nicely reinforced the military position in the continuing guerrilla war with the AEC over custody of atomic weapons.

(U) Already treated in Atomic Shield and by Leonard Wainstein's<sup>25</sup> study, the custody question requires only the briefest treatment. Some civil-military friction, given the legislative history of the AEC, was inevitable. The McMahon-Vandenberg compromise over military membership had simply defined the format: the AEC on the one hand, the MLC on the other. Nor had Secretary Patterson's choice of General Groves as head of the Armed Forces Special Weapons Project made the initial relationship any easier. But the

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problem only became acute when the services started to think seriously and operationally about strategic plans. At that point, the AEC's sweeping authority to control all atomic weapons, unless otherwise ordered by the President to transfer them, seemed incapacitating to the planners. In March 1948 Forrestal thus found himself besieged by demands from the three service secretaries and from Admiral Leahy to bring the custody issue to Truman's attention. All wanted Truman to transfer some weapons to the services. At first the Defense Secretary resisted, urging a delay until his new assistant who was also the new chairman of the MLC, Donald Carpenter, could study the matter. At the AEC David Lilienthal left no doubt of his opposition to military efforts to alter the current arrangements. Into this atmosphere had come the decision in June by the NSC to review the entire atomic question. This step helped to force the custody problem to surface, though by a slightly different route. Indeed, the War Council on June 15 explicitly saw the new study as a perfect opportunity for bringing the custody problem to the Oval Office for a decision. Forrestal now agreed with the demands of the service secretaries to settle the issue. But before he could act, another development occurred.

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(U) On June 24 at 0600 the Russians closed off all land and water access to the western sectors of Berlin. The blockade had begun.

(U) The Berlin blockade of 1948 represented the culminating step in the Soviet-American failure to reach a common policy for Germany. Zonal antagonisms, reparations settlements, reconstruction aid, municipal government, even denazification, had formed part of the continuous set of disputes among the former allies. The evident U. S. determination to rebuild the Western zones with ERP assistance had threatened, from Stalin's perspective, to erode the Soviet position in Berlin and in the eastern zone. Moreover, the plans for the introduction of a new German currency, designed both to frustrate Soviet counterfeiting and to bring new economic stability, became a further challenge. At a minimum, in this fluid situation, the Soviets hoped to end the four-power occupation of Berlin. Their initial efforts in late March were to curtail land and water access to the Allied military garrisons on the grounds of technical difficulties. The steps, though of increasing concern in Washington, brought no change in the decision to introduce the new currency into the western zones. And when the Soviets countered with a new currency of their own for Berlin, the Allies decided to introduce the western mark. Then on June 24, the date the new currency was scheduled to become legal tender in the western zones and West Berlin, the Soviets shut off all ground and water access to Berlin. 28

(U) The Soviet action presented the western governments, but principally Washington, with a major crisis. To abandon Berlin would insure, it seemed certain, similar Soviet tactics in Vienna. To leave would hand the Truman Administration a second major policy reversal,



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and this just months after events in Prague. A Soviet success in Berlin would, moreover, have a corrosive effect on the morale of western Europe, just at a time when prospects for a western union seemed promising. To exit would, finally, expose Truman to a series of possible political attacks in a presidential election year. These risks converged to make the President's initial decision-- to stay in Berlin-- self-evident. The more dangerous risk of a European war would be minimized by the availability of a western retort--the air lift-- that did not immediately involve the armed clash of military forces. But all of this would not, of course, be so apparent on June 24, 1948.<sup>29</sup>

(U) The following analysis of high-level decisions during the Berlin crisis is divided into three separate, mini-sections: (a) an analysis of the discussions that took place when the threat of war appeared most acute (late June, mid-July, and again in mid-September); (b) a discussion of Truman's resolution of the atomic custody issue; and (c) an examination of the belated development of a general policy for atomic war. The failure of the Berlin episode to alter Truman's determination to hold the budget line on defense will be considered in Chapter four.

#### A. The Berlin Crisis: June-July

(U) The American response to the Soviet *démarche* came promptly. After a Cabinet discussion on June 25, the President the next day ordered General Clay, the military governor, to start an air lift with all

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available planes. The United States, Truman told his advisors at one point, was "going to stay period." To buttress these initial steps, Washington took measures to increase the strength of the B-29 forces in western Europe, raising those in Germany to a group and opening discussions with London for the dispatch of two B-29 groups to British bases. The Soviets were to receive a less than oblique warning about the possible military consequences of going too far on Berlin. These first steps went easily and without trouble.

(TS) Then, on the morning of June 30, word reached Washington, via a wire service report, of two disquieting developments: first, a barrage balloon had appeared near the British flight paths into Berlin and, second, London contemplated military action to shoot down the balloon. This news, or rumor as Secretary Royall later characterized it, prompted a major discussion among Forrestal and his senior advisors on the morning of June 30 of the chances for war. In attendance were Forrestal, Royall, Leahy, Bradley, Denfeld, General Vandenberg, Glover, Gruenther, Souers, and John Ohly.

(TS) In the hour's hasty discussion, a series of revealing pieces of information emerged. First, Senator Vandenberg, when told of the development, had expressed grave concern to Lovett about any Anglo-American step which appeared to breach the peace. Instead he counseled restraint and diplomatic protests to the decision-makers, positions which Under Secretary Lovett had likewise adopted in an early morning telephone conversation with Forrestal. Second, and possibly more surprising, Admiral Leahy revealed that Truman wanted to stay in Berlin as long as possible, but not to the point of shooting down a barrage balloon and starting a war for which the U. S. did not have enough soldiers. The President, Leahy reported,

"was quite positive on that." Third, throughout these discussions the British were treated as full partners,

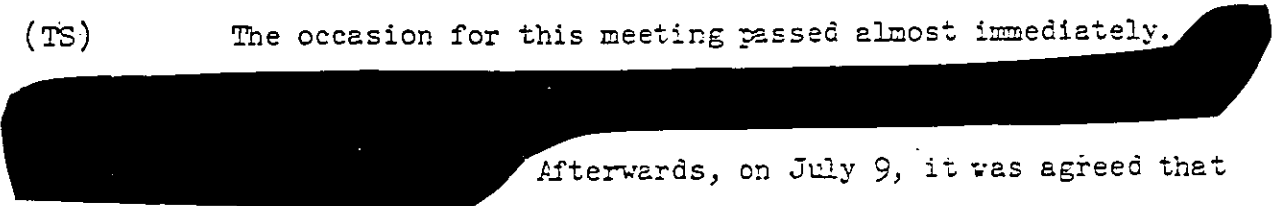
Indeed, throughout the crisis the policy-makers were particularly sensitive

(TS) Fourth, on the atomic problem, the comments of this meeting were sober, revealing, occasionally frightening. Once again it was Kenneth Royall who paced the discussion, trying to force a thorough consideration of what would happen if they faced a decision for peace or war. Leahy, for one, was for using the atomic resources. "We haven't," he noted, "very much but still we could make plans to use what we have. . . I don't know what we could do but whatever we have we could use. It might be a very good idea to have them over there anyway." Kenneth Royall viewed the barrage balloon as "a pretty good showdown issue." He felt, furthermore, that the dangers of war made the custody question more pressing and the completion of the NSC study on atomic war more urgent.

(TS) Royall's mention of the study led to some illuminating exchanges. General Vandenberg thought the Air Force was studying potential targets, but was not certain. Bradley thought a study involving target selection represented a civilian intrusion into the military domain. On the other hand, Admiral Souers of the NSC and Forrestal argued that target selection--"whether or not you gamble

that a reduction of Moscow and Leningrad would be a powerful enough impact to stop a war"--was a political decision. Or, as Souers put it, they were looking for targets other than Moscow: "In case you can't get a political decision, just kill ten million people and make them [the Soviets] get a political decision now. . . ." To this suggestion, Bradley asked whether an atomic weapon should ever be used on any political target. But no one challenged this observation and soon the discussion meandered. On one item they all were agreed: the initial decision to use the atomic weapon would be political and that meant the President.

(TS) The occasion for this meeting passed almost immediately.



Afterwards, on July 9, it was agreed that should the balloons again appear, that "no counter-action should be taken without government consultation and approval." Nor did the Soviets send up any more. Air traffic into Berlin remained unencumbered.

(U) During the first three weeks of July there were no further moments of acute decision (or panic) over Berlin. Instead there was a continuing series of reactions--public and private--to it. On July 15, after a series of discussions with London, the NSC approved the dispatch of two E-29 squadrons to Britain. No one who participated in the decision was unaware of the signal that this action was supposed to convey. As Forrestal summarized it, the action would show the seriousness of the American intentions, give the Air Force some needed experience, and, most important of all, put the planes in place so they could become "an accepted fixture" before the British changed their mind.

(U) Meanwhile, despite the obvious weakness of the Army, Truman's posture on Berlin grew more determined. He told Marshall and Forrestal on July 19 that "we would stay in Berlin until all diplomatic means had been exhausted in order to come to some kind of accommodation to avoid

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war . . . ." Of this meeting, Truman wrote: "We'll stay in Berlin--come what may." And he noted, "Jim (Forrestal) wants to hedge--he always does. He's constantly sending me alibi memos, which I return with directions and the facts. . . . I don't pass the buck, nor do I alibi out any decisions I

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make." Marshall conveyed the depth of the President's determination in a cable to Ambassador Douglas in London on July 20, adding that Foster Dulles, the chief Republican foreign policy advisor, agreed wholeheartedly with this stance. The American position, both public and private, was

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solid.


(U) The President, it ought to be added, did not add to the crisis with excessive public rhetoric. In accepting the Democratic nomination on July 15, for example, he made no mention of Berlin whatsoever. Indeed, he barely mentioned foreign or security policy at all, save to praise bipartisanship. Domestic politics and the soon-to-be familiar damnation

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of the 80th Congress were his central themes.

(U) But the crisis, and its related spin-offs, kept pressing upon Truman. On July 21 and 22 he faced two issues of fundamental importance for Soviet-American strategic relations: who would have custody of atomic weapons and whether to test, militarily, the Soviet blockade? His response reveal a great deal about his conception of the Presidency and his own stubbornness. The custody issue, long simmering, could no

longer be avoided. Already, on July 15, Forrestal had told the President that the issue needed resolution, since "there was a very serious question as to the wisdom of relying upon an agency other than the user of such a weapon, to assure the integrity and usability of such a weapon." Although the Secretary made it clear he was not asking for a resolution about the weapon's use, Truman made it equally clear that he intended to make that decision, not "some dashing lieutenant colonel."<sup>39</sup> In that frame of mind, the President agreed to adjudicate the AEC and NME claims on the custody question.

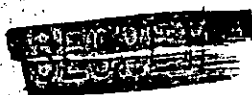
(S/RD) In the confrontation in the Oval Office on July 21<sup>40</sup> Lillienthal proved to be the more successful in-fighter. Donald Carpenter, who argued the case for Forrestal, was simply unable to sway the President with his heavy presentation. In the accompanying memorandum for the President, the Secretary of Defense made the points more succinctly: a surprise attack might catch the services without any atomic weapons; the military needed to discover in peacetime how these weapons worked; and the growing numbers  meant that they could be dispersed to convenient strategic locations. Lillienthal, who for once had Lewis Strauss on his side, deftly met the verbal arguments advanced by the NME.<sup>42</sup> He did this, it would appear, by keeping the custody and command issues sufficiently merged to awaken Truman's suspicions about what he might be surrendering. Two days later, on July 23, Truman notified Forrestal that he had decided in favor of the AEC, but expected the services and the AEC to work out transfer arrangements so as to ensure no delays in case of an emergency. And these steps, Forrestal ordered



Symington, on July 28, to take without delay.

(U) The President's decision on the custody issue can be variously explained. A desire not to complicate sensitive matters on the eve of the election, a fear of giving the military too much control over the weapons, a continuing faith in the judgment of Lilienthal and in the effectiveness of the AEC, an inability to realize how the multiplication of weapons was transforming the strategic arms quotient, an unhappy awareness of the incessant Air Force-Navy controversy over who should control the weapons; each factor doubtless played a part in the decision. But the fusion of the custody and use questions, at a time of acute international crisis, may well have proven decisive. Truman was simply unwilling to make a finite commitment that in any way obligated him on the actual use of the weapons. He wanted to preserve a degree of ambiguity; his planners and advisors wanted to reduce uncertainty.

(U) That Truman's suspicions were not altogether amiss is seen in Forrestal's continuing agitation on the "use" issue. On July 28, a week after his session with Truman, he lamented to Marshall, Bradley, and Royall that he found it difficult to function "without resolution of the question of whether or not we are to use the A-Bomb in war." Bradley observed that the JCS war plan centered around the weapon, but that Admiral Leahy apparently wanted one that assumed "that such a weapon would not be available or at least not used." Later that same day the Defense Secretary told the JCS that he "would take the responsibility of putting top priority on a plan involving use with low priority assigned to one which



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does not involve such use." However much the President may have preferred to keep things unsettled and open, his advisors--through the planning mechanisms of modern warfare--were in the process both of developing options and limiting choices for the Chief Executive. Six weeks later, the circulation of NSC 30 on the atomic warfare and a new peak on the Berlin tensions would further assist Forrestal in his quest for guidance.

(U) Concurrent with these developments was Truman's second major strategic decision of mid-July: the question of whether or not to challenge militarily the Soviet blockade. Although the air lift progressively became more effective in delivering goods to Berlin, few considered it a long-term response to the Soviet move. Indeed, as the Soviets appeared determined to continue the harrassment indefinitely, so pressures increased for a challenge to the illegal obstruction. Clay, who doubted the Soviets wanted war (the intelligence reports showed no major buildup in the eastern zone), urged a convoy to test the situation. So did Robert Murphy, his political advisor. In view of this advice and the profusion of suggestions at home, Truman summoned the two envoys home from Germany for a full scale NSC review on July 22.<sup>45</sup>

(U) At the session, which Truman attended, Clay reviewed the situation. As the discussion progressed, three options were evident: to attempt a convoy operation with the risk of a Soviet military response; to continue the air lift at its present rate, hoping that the Soviets would drop the blockade and, if not, reconsidering American policy later; to bolster at once the number of aircraft assigned to the operation, even to the extent of building a new field. The central question, as Truman

put it later, was: "How could we remain in Berlin without risking all-out war?" And for this, despite General Vandenberg's warnings about depleting the reserve of strategic airplanes, the airlift seemed the best bet--with or without the Air Force's enthusiastic support.<sup>46</sup> Once more Truman proves the master craftsman at deciding as little as he possibly had to decide, at seeking to preserve his options, at keeping the risks to a minimum for as long as possible. The airlift, along with the dispatch of the B-29's with their erstwhile implications, would continue to constitute the American response to the Soviet challenge.

B. Planning for Atomic War: September

(TS) The final, frenetic burst of activity over Berlin and the prospect of atomic war came in September. Soviet intransigence in the negotiations, rumors of possible Soviet maneuvers in the air corridors, riots in Berlin, and an increasing skepticism about French reliability contributed to anxiety. Forrestal thought, for instance, that they were "rapidly approaching the point where we must decide whether we are going to stay in Europe."<sup>47</sup> And the NSC, on September 7, heard reports from Marshall and Lovett on the deterioration of the Berlin negotiations to the point that they could "blow up at any time."<sup>48</sup> Amid this concern and tension, exacerbated by the bitterness of the election campaign, the status of strategic plans naturally concerned the senior policy-makers. And this time Marshall, whose earlier attitude had been reserved, if not dubious, about the wisdom of atomic preparations, joined those pressing for presidential decisions.<sup>49</sup>

(U) On September 13 Truman received a briefing from General Vandenberg, Air Force Chief of Staff, which covered the problem of targets, bases and the

need for the construction of huts at the British bases (Schulthorpe and Lakenheath) for the storage of non-nuclear assemblies. Having these facilities might cut by ten days the time needed to implement a nuclear decision. Vandenberg, did not, however, raise the transfer-custody question with the President, though the construction of the huts implied it. This time, the services and Forrestal got more than partial satisfaction. Truman confided that, while he "prayed" he would not have to use the bomb, "if it became necessary, no one need have a misgiving but what he would do so. . . ."

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At length Forrestal and the JCS had a signal, of sorts, from the Commander-in-Chief. Truman's own note of the meeting poignantly confirms the grimness of the moment: "Forrestal, Bradley, Vandenberg (the Air Force General, not the senator), Symington brief me on bases, bombs, Moscow, Leningrad, etc. I have a terrible feeling that we are very close to war. I hope not."

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(U) Three days later, on September 16, both the President and the NSC confronted the atomic problem anew. Following a morning Cabinet session, Marshall and Forrestal saw the President to press again their desire to open talks with the British military on the construction of the storage huts. Not only would the huts save valuable time if an emergency came, they would indicate whether London meant business since "the equipment of these fields obviously carries with it the inference of the purpose for which they will be used." This time the Chief Executive agreed; General Norstadt could open the discussions with London. But Truman refused Marshall's suggestion to reopen the custody issue, citing the political campaign. Forrestal accepted this decision, while reserving the right to bring it up later. The Secretary of Defense did not feel "that six weeks time (the election) would make a vital difference in. . . planning for use of the bomb. . . ."

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(C) This a trois meeting was followed later that same day by an NSC meeting to consider NSC 30: "United States Policy on Atomic Warfare." Whether Truman was present for this meeting is unclear. In any case, he soon knew of its conclusions which were a broad endorsement of the basic report contained in the memorandum circulated to all NSC members. Drafted initially by the Air Force in July, and revised slightly in early September, this document represented the NSC response to Secretary Royall's earlier prodding about atomic war. If the Army Secretary had hoped for definitive, ironclad guidance, he was disappointed. NSC 30 did not provide it. Rather its studied ambiguities reflected the difficulties of the subject, the awareness that utilization of atomic weapons meant traversing an enormous psychological barrier.

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(C) No one, the study commented, would prudently foreclose in advance that a certain kind of weapon would or would not be used. "In this circumstance, a prescription preceding diagnosis could invite disaster." But an advance decision to use was not necessary since "the military can and will in its absence, plan to exploit every capability in the form of men, materials, resources and science this country has to offer." Moreover, there were dangers in even talking about the subject. The American public, if alerted, might see it as a "moral question" before the "full security impact" had become apparent. On the other hand, if the Soviets thought there was a chance the United States would not use the bomb, then this might "provoke exactly that Soviet aggression which it is fundamentally U. S. policy to avert." Further, such a discussion would alarm the Europeans who saw the bomb as "the present major counterbalance to the ever-present threat of the

Soviet military power." On another issue--international control--the report displayed frank skepticism. It wanted no interim international accord that might "deny this country the right to employ such weapons in the event of actual hostilities." The President's hands in the matter, the paper held, must remain unfettered. Finally, NSC 30 noted that target selection, meaning of course counter-force or counter-city targets, (without the use of that jargon), was a crucial problem. It required "blending a political with a military responsibility in order to assure that the conduct of war, to the maximum extent practicable, advance the fundamental and lasting aims of U. S. policy."

(C) From this NSC 30 concluded, and the NSC at its meeting endorsed that: (a) the NME must plan to use "all appropriate means available, including atomic weapons"; (b) that the employment of those weapons would be "made by the Chief Executive when he considers such decision to be required." These guidelines reflected the essence of the summer's decisions on atomic war; their formal appearance also ended the NSC discussion of the matter of atomic war policy.

(C) Nor was there further high-level discussion during the remainder of September about atomic policy. The President, at first glance, appeared to have emerged unscathed. His hands remained firmly on the "trigger" and the custody question was settled in a fashion agreeable to him. Yet, if one probes further, discerning the momentum provided by the planning mechanism and the increasing numbers of bombs, a different trend is clear. The NSC paper, wrote W. Walton Butterworth, Director of the Office of Far Eastern Affairs, on September 15, had the appearance of taking no decision,

but as a "practical matter" foreclosed it. The NME would plan to use such weapons and, if war came, they "will have little alternative but to recommend to the Chief Executive that atomic weapons be used, and he will have no alternative but to go along. Thus, in effect, the paper decides the issue." In view of this, Butterworth thought attention should focus on "when and how such weapons should be used." He wanted the military to give more thought to the political significance of the targets to be selected, remembering that to hit a center "having special sentimental significance might mobilize popular sentiment for resistance in a manner to prolong the war." And should the U. S. bomb the territory of enemy allies, "especially unwilling enemy allies"?

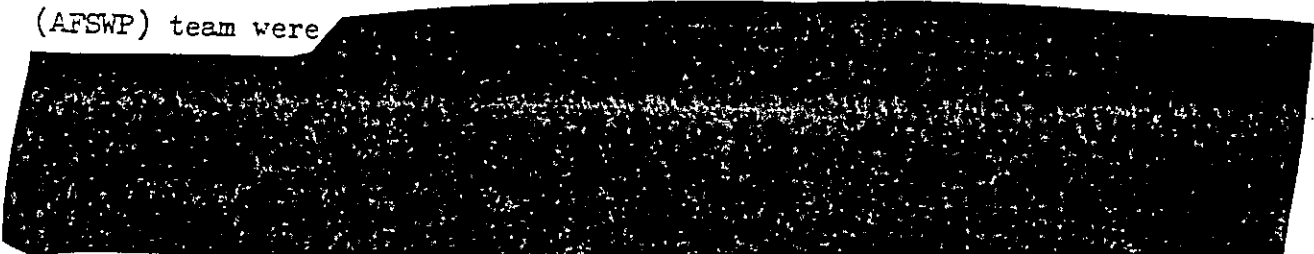
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(U) These considerations, which run to the heart of nuclear strategy and deterrence theory, received attention in the months ahead. But each new planning cycle had the paradoxical effect of both curtailing the flexibility of the decision-maker and at the same time providing him with usable but dangerous options. Slowly, but perceptively, Truman and his successors would discover that many fingers would be poised at, or near, the trigger mechanism. Ironically, Truman's own talk of balanced forces would obscure, as we shall see, the impact that budget limitations were actually having on the development of strategic forces. The Chief Executive's fiscal prudence was helping to forge a military strategy for Soviet-American relations that rested upon nuclear might. It did not yet have the label "massive retaliation," but the implications were unmistakable.

(C) In this emphasis on atomic might the President and his senior advisors were not out of step with the informed public. On September 14,

for example, Forrestal, Bradley and Marshall met with Philip Graham and a host of senior publishing figures. Intended as a "backgrounder" for the executives, the discussion touched upon a possible rupture with Moscow. Among the executives there was "unanimous agreement that in the event of war the American people would not only have no question as to the propriety of the use of the atomic bomb, but would in fact expect it to be used." And Foster Dulles told Marshall, somewhat later, that "the American people would execute you if you did not use the bomb in the event of war."<sup>55</sup> George Allen, then Assistant Secretary of State for Public Affairs, in commenting on NSC 30, said he thought that public opinion might "force the use of atomic weapons, even if the chief executive were inclined against it. This public would refuse to accept American casualties which might be saved by shortening the war."<sup>56</sup> With intelligence estimates setting 1951 or 1953 as the earliest date for a Soviet nuclear device, American policy-makers (and the public) could afford a certain confidence in the trade-off of a war with the Soviet Union. The risks seemed acceptable.<sup>57</sup>

(TS) By the end of September American preparations for a confrontation were well advanced. The JCS, in reviewing its war plans for Forrestal on September 29, noted the thoroughness of the effort. Check lists for each service were ready; the American commanders in Germany, Austria, and Trieste had their orders; the protection of AEC facilities was arranged; the Air Force and the Armed Forces Special Weapons Project (AFSWP) team were





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In addition to these steps, the JCS had begun to survey [REDACTED] [REDACTED] for possible use and studies were underway for a command post "outside Washington in the event the Pentagon was destroyed." Finally, the Air Force had prepared drafts of letters for the AEC, the AFSWP, and the NME in the event of emergency. <sup>58</sup> Little appeared to have been overlooked.

(U) The Soviet blockade had stimulated a set of far-flung American military preparations, preparations which advanced the state of American readiness far more quickly than would have otherwise been possible. In fact, Secretary Marshall was convinced by October 10 that the Soviets were "beginning to realize for the first time that the United States would really use the atomic bomb against them in the event of war." <sup>59</sup> On the Soviet balance sheet, the blockade and airlift were not only a public embarrassment but--with the formation of the Western Union and the American strategic preparations--a net loss. The interaction had worked to America's advantage.

(U) Soviet behavior appeared to confirm this thesis. Negotiations now became somewhat more productive, the Soviet stance in the U. N. increasingly defensive. Although the blockade continued, with a spark always possible, tensions began to subside. With the presidential campaign in its final weeks, American attention shifted inward. Soviet-American relations receded for the moment as an issue.

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C. Atomic Planning: The Fall of 1948

(TS/RD) In the remaining months of Forrestal's tenure as Secretary of Defense the atomic part of the strategic picture surfaced only occasionally. He asked on October 23, for instance, the Air Force to launch an evaluation of whether an immediate atomic offensive would in fact achieve its purpose. This request, which had an initial deadline of a month, would still be uncompleted at the time of the Secretary's resignation; indeed, the Hull reports would only be ready for presidential scrutiny in the fall of 1949.<sup>60</sup> On other fronts things happened more quickly. Arrangements for a speedy transfer of weapons from the AEC to the AFSWP were now complete.<sup>61</sup> Increasing numbers of planes were also available for an atomic war; on December 1, 1948 Forrestal was informed that sixty aircraft (chiefly B-29's and B-50's) were ready. Also he learned that five assembly teams were trained, with twenty-six aircrews available and the figure could reach ninety in an emergency.<sup>62</sup> At the same time, the JCS now informed Secretary Forrestal that its future requirements to the AEC would reflect less their estimate of what the AEC could produce, than their estimate of what the services needed. Leahy put it tersely on December 8: "it is quite possible that atomic weapons may be required for purposes and in quantities which cannot be foreseen in advance."<sup>63</sup> Gradually, a new dynamic of atomic plenty was starting. Coupled with fights over the type and number of delivery vehicles, this new fact would propel the arms competition forward. But still that lay in the future.

(TS) A further spin-off from the Berlin crisis was revived public concern, and fear, about nuclear war. In December Bradley Dewey published an article in The Atlantic castigating the administration's failure to

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release the Bikini report. This sparked a War Council debate on the matter to no conclusion. Bush, who remained a Forrestal confidant, advised the Secretary on December 20 to try an entirely different approach. He would have Conant and a group of "five or six well trusted individuals" prepare a new report for the President who could then release it or keep it as he saw fit. Bush, who doubted another war would be the end of civilization, thought the American people were now "ready to stand behind a policy that says if it is necessary to preserve our freedom we will employ them." If the world knew this and knew also that the American people supported it, Bush predicted that "it would greatly preserve the peace of the world."<sup>64</sup> Whether Forrestal endorsed this suggestion is still unclear, as is the fate of the JCS Evaluation report on the Bikini tests. What is certain is that the White House, in late December, acted to block a Saturday Evening Post article by Admiral Parsons which appeared to minimize the importance of atomic energy. The White House action suggested an attempt to enhance still further the image of the bomb. Or, as John Ohly put it to Forrestal, the U.S. would continue to "exploit" the possession of the bomb in terms of psychological warfare.<sup>65</sup> And in this public discussion would, if possible, be kept to a minimum. Too much discussion could prove troublesome.

(U) As 1948 ended, the impact of the Berlin crisis was clear. Improved military preparations, widespread acceptance about use of the atomic bomb, and a deepening hostility in Soviet-American relations were the pattern. Alliance negotiations, military assistance to the European

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governments, and the format for a nuclear strike force [REDACTED]  
[REDACTED] had been undertaken. Truman's election, moreover, assured a  
continuity of direction and emphasis at the highest levels. There would  
be no transition gap, no need to re-educate a new administration about  
Soviet-American relations or atomic matters. Throughout the year there had  
been a sense of reacting and responding to, but also of surmounting, Soviet  
initiatives. This process, which won genuine applause from the European  
leadership, inspired new confidence in the efficacy of American policy and  
also in the nuclear devices that were increasingly plenteous. Diplomacy  
and force seemed in a happy, if momentary, marriage.

(C) On the other hand, some things that did not happen also  
deserve notice. <sup>66</sup> First, throughout the Berlin crisis, President Truman's  
consultation with the Congressional leadership of either party was infrequent  
if at all. As Richard Haynes has observed, Truman made most of the June-  
July decisions on Berlin on his own authority, though other data shows that  
Senator Vandenberg was consulted during the episode over the barrage balloon.  
Still, it was, as Haynes writes, a classic example of "the sweeping military  
power of the modern presidency." <sup>67</sup> In this, of course, the nuclear role  
made the responsibility all the greater. Second, the crisis only muffled,  
and did not end, the interservice rivalries that had taken place since  
since 1945. Indeed, the actual prospect of using atomic weapons served  
to intensify the struggle, since, in the absence of a unified command, one  
service (the Air Force it turned out) had to have operational responsibility  
for atomic planning. But this Admiral Denfeld conceded grudgingly and on  
an ad hoc basis. Third, while the crisis spawned numerous military and

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strategic developments, the military judgment remained at many points more conservative and cautious than that of the President. General Vandenberg in July had wanted to hoard his aircraft rather than risk a Berlin buildup. Later, in October, the Joint Strategic Survey Committee worried about the deterioration of the aircraft used in Operation Vittles, while calling Berlin a "strategic liability to the Western Powers." From a military point of view, the JSSC disliked the Berlin situation and thought it enhanced the opportunities for war. A Soviet incident could lead to a face-off "from which diplomatic retreat would be most difficult for either side." <sup>68</sup> These views did not, of course, outweigh the political ones, but their presence is a useful reminder that political leadership may on occasion be bolder and more daring, even when resources are scarce and the prospects of replacement slim.

(U) Finally, the crises of 1948 revealed that U.S. military manpower was everywhere deficient. The impact of the reinstated draft had not yet been felt, the army reserve forces were virtually non-existent, and the numbers of aircraft were (as General Vandenberg asserted) limited. U.S. planners were thus driven--though for most that was their own inclination--to center their plans more and more upon the atomic bomb. There literally seemed no other alternative if, to use the slang of a later day, "push came to shove." It is in the context of preparedness, or the lack of it, that one might assume that the Berlin crisis would have a dramatic impact, at least the equal of the Czech crisis which prompted the \$3 billion supplemental. It did not. Truman adhered to the \$15 billion ceiling set in May before the crisis; and nothing would budge him. The failure of the budget to increase forms the framework for the epic struggles over FY 1950 and FY 1951.

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NOTES: CHAPTER THREE

1. "Annual Budget Message to Congress, Fiscal Year 1949," Jan. 12, 1948, Public Papers of the Presidents of the United States: Harry S. Truman, 1948, (Washington, D. C., 1964), 19-31; also see his press conference presentation of the budget, Jan. 10, 1948, ibid., 11-19.
2. Note by Felix Larkin for Forrestal, Feb. 6, 1948 (S), Henry Glass Papers, "Misc. Material on Supplemental Appro. Mar-May 1948," Office of OSD Historian (hereafter cited as Glass Papers). Also see The Forrestal Diaries, ed. Walter Millis with the collaboration of E. S. Duffield (New York, 1951), 377-378.
3. On this, see Paul Y. Hammond, "Super Carriers and B-36 Bombers: Appropriations, Strategy and Politics," in American Civil-Military Decisions: A Book of Case Studies (Tuscaloosa, Alabama, 1963), 471-475; and Warner Schilling, "The Politics of National Defense," in Warner Schilling, Paul Y. Hammond, and Glenn Snyder, Strategy, Politics, and Defense Budgets (New York, 1962), 32-39 (hereafter cited as Schilling, Strategy, Politics, Defense Budgets).
4. Testimony of LTG Albert Wedemeyer before the House Armed Services Committee, Jan. 12, 1948 (TS), Glass Papers, "Budget, NME 1950"; entry Feb. 18, 1949, Forrestal Diaries, 374-377, also 369-370; memo. by Bradley, March 11, 1948 (C) summarized in the galleys of U. S. Dept. of State, Foreign Relations of the United States, 1943," vol. I; set of galleys held in the Office of OSD Historian. These galleys are currently

classified as Confidential, but contain some documents with a higher original classification. The current (1975) classification is used here.

- 5. Report for the President from the Secretary of Defense, 28 February 1948 (TS), Ohly Papers, "File for 1948"; also see Forrestal to Truman, Feb. 1, 1948 (TS), RG 330, CD 25-1-11.
- 6. Forrestal Diaries, 390-394
- 7. "Special Message to the Congress on the Threat to the Freedom of Europe," March 17, 1948 Public Papers: HST, 1948, 182-186; Forrestal Diaries, 396-398. 396-398.
- 8. The full statement by Marshall is in the Dept. of State Bulletin 18 (March 28, 1948), 421.
- 9. Marshall to Forrestal, March 23, 1948 (C), FRUS, 1948, I.
- 10. The full statement by Forrestal is in U. S., Senate, Committee on Armed Services, Hearings: Universal Military Training, March 25, 1948, 80th Cong., 2nd Sess. (Washington, D. C., 1948), 325-339. Extracts of Forrestal's statement appear in Forrestal Diaries, 400-401.
- 11. Forrestal Diaries, 412-439, chronicle the fight over the allocations; also see Schilling, Strategy, Politics, Defense Budgets, 41-47.
- 12. Minutes of discussion: Forrestal, Webb, Leahy, Spaatz, Denfeld, Bradley, McNeil, Gruenther, March 20, 1948 (S), Glass Papers, "Key West Conference March 1948"; minutes of meeting of May 6, 1948: Webb, Forrestal, McNeil and Staffs (U), in Forrestal Diaries, vol. XI, 2231-2233, Forrestal Papers, Princeton; also Forrestal to Truman, May 13, 1948, Glass Papers, "Finletter Report and Material"; and the McNeil memo. on the supplemental budget, May 8, 1948, ibid.

- 13. Memo., subj.: "Strengthening the Administration of the National Military Establishment," July 22, 1948 (U), Records of the Bureau of the Budget, Series 47.3, National Archives.
- 14. Truman to Forrestal, June 3, 1948 (TS), RG 330, CD 9-2-4.
- 15. Schilling, Strategy, Politics, Defense Budgets, 45-53; also see the study by Elias Huzar, The Purse and the Sword: Control of the Army by Congress through Military Appropriations, 1933-1950 (Ithaca, N. Y., 1950).
- 16. On this planning by the Air Force see Herman Wolk, "USAF Organization for Strategic Warfare, 1948-1968," (TS/RD/NO FORN), 1975, Office of OSD Historian, 19-23; Leonard Wainstein, "The Evolution of US Strategic Command and Control and Warning," Part I: 1945-1953 (TS), (IDA, 1975), 6-15; and U. S. Air Force, The History of Air Force Participation in the Atomic Energy Program, 1943-1953, vol. II, pt. 1: Foundations of an Atomic Air Force and Operation Sandstone, 1946-1948 (TS/RD), by R. D. Little, 254-262.
- 17. Testimony of LTG Albert Wedemeyer before the House Armed Services Committee, Jan. 12, 1948 (TS), Glass Papers, "Budget, NME 1950."
- 18. Memo. of discussion: Forrestal, Leahy, Spaatz, Denfeld, Bradley, Gruenther, McNeil, Webb, March 20, 1948 (TS), Glass Papers, "Key West Conference - March 1948."
- 19. Forrestal to NSC, April 17, 1948 (C), FRUS, 1948, I. Forrestal to NSC, April 19, 1948, ibid. NSC 7 (Soviet Communism) was never discussed by the NSC; it got uniformly low marks for its analysis and thoughtfulness. Its text (C) is in FRUS, 1948, I.



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20. Lovett to Forrestal, April 2, 1948 (TS), RG 330, CD 25-1-12.
21. Forrestal to Truman, April 6, 1948 (TS), ibid.
22. Marshall's comments are found in Dept. of State, Bulletin, 18 (March 28, 1948), 421-422; see minutes of the Committee of Four, March 30, 1948 (TS), Ohly Papers, "File for 1948."
23. Royall to NSC, May 19, 1948 (C), FRUS 1948, I.
24. The text of the NSC decisions is found in the footnote to NSC 30 (United States Policy on Atomic Warfare), ibid.
25. Richard Hewlett and Francis Duncan, A History of the Atomic Energy Commission, vol. II: Atomic Shield, 1947-1952 (University Park, Pa., 1969), 154-161, 165-172; Wainstein, "Evolution of Command," (TS) 23-30.
26. Royall, Symington, and Sullivan to Forrestal, March 13, 1948 (TS/RD), RG 330, CD 12-1-30; Leahy to Forrestal, March 30, 1948 (TS/RD), ibid.  
Also see the memo. from Ohly to Forrestal, March 29, 1948 (TS), ibid., and Groves's letter to Spaatz, Feb. 28, 1948 (C), RG 330, CD 18-1-17.
27. Brereton to Forrestal, March 4, 1948 (C), RG 330, CD 12-1-30; Minutes of War Council, June 15, 1948 (TS), Ohly Papers, "File for 1948"; Ohly to Carpenter, June 17, 1948, ibid., "Letter Index."
28. On the Berlin crisis, the following provide helpful information:  
U. S., Dept. of State, Foreign Relations of the United States, 1948 (Washington, D. C., 1973), II; Lucius D. Clay, Decision in Germany

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(New York, 1950); W. Phillips Davison, The Berlin Blockade: A Study in Cold War Politics (Princeton, 1958); John Gimbell, The American Occupation of Germany (Stanford, 1968); Alexander L. George and Richard Smoke, Deterrence in American Foreign Policy: Theory and Practice (New York, 1974), 107-139; and for a "revisionist view," Joyce Kolko and Gabriel Kolko, The Limits of Power: The World and United States Foreign Policy, 1941-1945 (New York, 1972), 485-498.

29. On the President's role, see Harry Truman, Memoirs: Years of Trial and Hope (Garden City, N. Y., 1956), 120-131; also Richard F. Haynes, The Awesome Power: Harry S. Truman as Commander-in-Chief (Baton Rouge, La., 1973), 138-145.

30. Entry, June 28, 1948, Forrestal Diaries, 454; Truman, Years of Trial and Hope, 123; Marshall to the Embassy in the United Kingdom, June 28, 1948, FRUS, 1948, II, 930-931.

31. There is a full discussion of the shifts in aircraft in 1948 in Wolk, "USAF Organization," (TS/RD/NOFORN), 12-18; also see the Forrestal Diaries, 452-455; Marshall to the Embassy in the United Kingdom, June 27, 28, 1948, FRUS, 1948, II, 926-927, 930-931.

32. The discussion of the meeting on June 30, 1948, is taken, except as noted, from the following: "Conference of the Secretary of Defense with Joint Chiefs of Staff, held in the office of the Secretary of Defense, 30 June 1948, 11 a.m." (TS), RG 330, CD 9-3-13; also see the record

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- of the meeting by John Ohly, "Meeting with the Joint Chiefs of Staff," June 30, 1948 (TS), in the Forrestal Papers, Federal Records Center, Suitland, Md., Exhibit C (hereafter cited as Forrestal Papers, Suitland).
33. "Excerpts from Telephone Conversation between Under Secretary of State Lovett and Secretary Forrestal, 30 June 1948" (U), Forrestal Papers Suitland, "JF Photostats."
34. Entry, July 15, 1948, Forrestal Diaries, 457-458.
35. Entry, July 19, 1948, ibid., 459.
36. Margaret Truman, Harry S. Truman (New York, 1973), 15.
37. Marshall to the Embassy in the United Kingdom, July 20, 1948, FRUS, 1948, II, 971-973.
38. "Address in Philadelphia Upon Accepting the Nomination of the Democratic National Convention," July 15, 1948, Public Papers: HST, 1948, 406-410.
39. Entry, July 15, 1948, Forrestal Diaries, 458; also see Wainstein, "Evolution of Command" (TS), 24-29.
40. Hewlett and Duncan, Atomic Shield, 165-172; also see The Journals of David Lilienthal, vol. II: The Atomic Years, 1945-1950 (New York, 1964), 373-392, passim.
41. The figure cited here is taken from United States Atomic Energy Commission, Division of Military Application, A History of the Nuclear Weapons Stockpile, FY 1945-FY 1972 (S/RD/CNWDI) (Washington, D. C. 1973);

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Forrestal to Truman, July 21, 1948 (S), RG 330, CD 12-1-30.

42. Entry, July 22, 1948, Forrestal Diaries, vol. XI, 2378, Forrestal Papers, Princeton.

43. Forrestal to Symington, July 28, 1948 (S), RG 330, CD 12-1-30.

44. Entry, July 28, 1948, Forrestal Diaries, vol. XI, 2393, Forrestal Papers, Princeton.

45. Clay to the Dept. of the Army, July 10, 1948, FRUS, 1948, II, 956-958; for a summary of the Murphy message of July 11, with the same thrust, see footnote 2, ibid., 958. Also see Clay, Decision in Germany, 368-369.

46. Truman, Years of Trial and Hope, 124-126; entry, July 22, 1948, Forrestal Diaries, vol. XI, 2376, Forrestal Papers, Princeton.

47. Notes on War Council, Sept. 21, 1948 (TS), Only Papers, "File for 1948."

48. Entry, Sept. 3, 1948, Forrestal Diaries, 483.

49. Entry, Sept. 10, 1948, Forrestal Diaries, vol. XII, 2488, Forrestal Papers, Princeton.

50. Entry, Sept. 13, 1948, Forrestal Diaries, 487; also see the part omitted in the printed version and now declassified, Forrestal Diaries, vol. XII, 2494, Forrestal Papers, Princeton.

51. Truman, Harry S. Truman, 35.

52. Entries, Sept. 16, Sept. 17, 1948, Forrestal Diaries, vol. XII, 2501-2502, Forrestal Papers, Princeton; entry, Sept. 16, Forrestal Diaries, 490.

53. The discussion about NSC 30 is drawn from a copy of the report, "United States Policy on Atomic Warfare," Sept. 10, 1948 (C), FRUS, 1948, I.

54. Memo by the Director of the Office of Far Eastern Affairs (Butterworth), Sept. 15, 1948 (C), ibid.

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55. Entry, Sept. 14, 1948, Forrestal Diaries, 477-488.
56. Memo by the Assistant Secretary of State for Public Affairs (Allen) Sept. 14, 1948 (C), FRUS, 1948, I.
57. On the public discussion about atomic weapons and their impact on strategy, see Bernard Brodie, "The Atomic Bomb as Policy Maker," Foreign Affairs, 27 (Oct. 1948), 17-33.
58. "Memo to the Secretary," by Robert J. Wood, Sept. 29, 1948 (TS), Forrestal Papers, Suitland, Exhibit C. A week later General Vandenberg gave explicit assurances to Air Force Secretary Symington that the bomb could be dropped "where, how, and when it was wanted"; Symington to Forrestal, Oct. 5, 1948 (U), in the Forrestal Diaries, vol. XIII, 2538, Forrestal Papers, Princeton.
59. Entry, Oct. 10, 1948, Forrestal Diaries, 502; for a full account of the meeting, see Forrestal Diaries, vol. XIII, 2555-2562, Forrestal Papers, Princeton.
60. Forrestal to the JCS, Oct. 23, 1948 (TS), RG 330, CD 23-1-19; Forrestal to the JCS, Oct. 25, 1948 (TS), ibid. On some of the general problems involved with this kind of study, see Wolk, "USAF Organization" (TS), 19-29.
61. Leahy to Forrestal, Dec. 28, 1948 (TS), RG 330, CD 16-1-2.
62. Colonel Jerry Page to Forrestal, Dec. 14, 1948 (TS/RD), RG 330, CD 23-1-19.
63. Leahy to Forrestal, Dec. 9, 1948 (TS/RD), RG 330, CD 25-1-38.
64. Minutes of War Council, Dec. 7, 1948 (TS), Ohly Papers, "File for 1948"; Bush to Forrestal, Dec. 20, 1948 (TS), RG 330, CD 25-1-12; also see the Bulletin of the Atomic Scientists, Feb. 5, 1949, which contained reviews of the P. M. S. Blackett book, Fear, War, and the Bomb (London, 1948).

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65. Clifford to Forrestal, Dec. 31, 1948 (S), RG 330, CD 17-1-4; Ohly to Forrestal, Dec. 31, 1948 (S), ibid.

66. The budget aspects of 1948--where some things did not happen--are treated in Chapter 4.

67. Haynes, Truman, 146.

68. Truman, Years of Trial and Hope, 125-126; JCS 1907/9, subj: Report by JSSC on Military Implications involved in Continuing Operation of Berlin Air Lift, Oct. 13, 1948 (C), RG 330, CD 104-1-1.

## THE BUDGETARY PROCESS: FY 50 AND 51

(U) Soviet-American relations grew perceptively worse on the diplomatic, political, and strategic fronts from 1945 to 1950. But defense spending did not reflect this developing cold war. Once the World War II bulge disappeared, budget expenditures for defense remained stationary. Although defense appropriations for FY 1949 and especially FY 1950 showed increases over the FY 1948 level, actual expenditures declined from \$13.8 billion in FY 1947 to \$11.9 billion in FY 1950. And the decline is more striking if an approximate inflation rate of 7-8%<sup>1</sup> for 1947-1950 is factored against the decline. Despite a wide consensus of public and governmental perceptions about Soviet hostility, there was no resultant rearmament campaign necessitating either sizable deficit financing or significant new taxes. To be sure, the amounts allocated to the NME were, by pre-1940 standards, enormous (roughly ten times more in 1949 than 1940). Also, the sums for foreign economic assistance were sizable and unexpected, but it was not at all certain that a reduction in foreign aid automatically meant a funding gain for the services.

(U) The puzzle therefore remains: why, if the Czech crisis brought a momentary break in the fiscal stringency of the Truman Presidency and an increase of the FY 1950 ceiling to \$15 billion (compared to \$11 billion for FY 1949), did the Berlin crisis fail to generate a still greater crash program for rearmament? And to push the argument further, why, if there was no increase after Berlin, could there in fact be a positive decrease scheduled for defense expenditures in the following year

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from \$15 billion to \$13 billion? Why did Forrestal fail and his successor, Louis Johnson, not even attempt, to raise the level of military spending?

(S) These puzzles have already received some attention which may be recapitulated at the outset. <sup>2</sup> Warner Schilling's masterful assessment remains (new evidence notwithstanding) a valuable contribution to our understanding of why defense spending did not increase in either FY 1950 or FY 1951. First, and he regards this as most fundamental, the proponents of increased military spending never made a convincing economic (and thus political) case for spending more than the President and the BoB thought appropriate. The pre-Keynesian economic views--a balanced budget, reducing the huge government debt, limiting expenditures within projected tax receipts--were simply too strong. Even Forrestal, as Schilling notes, shared these views and disliked the prospect of a deficit. Only a few, such as General Bedell Smith, were willing to suffer a deficit. Most shared General Clay's view that the Europeans would view deficits "as a signal that we were on the way to the same inflationary processes which the European nations had found so disastrous."<sup>3</sup> Nor was there Congressional pressure for spending extra billions in the name of national security. The airpower advocates had their supporters; as for example, in 1948 when they added, thanks largely to the efforts of Carl Vinson, an additional \$822 million for aircraft procurement. But the air lobby was not strong enough to force

\* The budget ceiling of \$15 billion, set in May 1948, actually represented a working budget of \$14 to \$14.4 billion; the remainder was tabled for stockpile purchases and other associated programs.

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the President to spend the money. Even Brien McMahon, who never thought the U.S. spent enough on atomic energy, talked only of hundreds of millions more, not billions. Behind these attitudes stood a public which supported the stand in Berlin and which favored a limited military buildup, but which did not translate that concern into political pressure. In sum, the older economics, it is argued, reigned supreme.

(U) A second explanation offered by Schilling for budgetary stability in the face of worsening Soviet-American relations centers on interservice rivalries. The Key West and Newport conferences had highlighted the inability of Forrestal to settle the roles and missions dispute. His difficulties with the JCS on the budget in the fall of 1948 became an open secret, while Johnson faced internecine warfare over the flush deck carrier and the performance characteristics of the B-36. Demands for larger expenditures appeared, and were, a dimension of interservice rivalry, rivalry that unification was supposed to end. The duplication of functions, overlapping roles, and competing purchasing systems were seen as costly and wasteful, easily susceptible to new management techniques at considerable savings. In fact, at one point in 1949 Louis Johnson averred he could save a billion dollars in just this fashion.

(U) A connected explanation, closely related to the interservice issue, concerns the failure of the NME to present a budget that related functions to expenditures. A settlement, even a truce, on the interservice front, might have made this possible. Forrestal, for one, tried to press in this direction with his insistence that the chiefs submit three separate FY 50 estimates that had some relationship to functions.<sup>7</sup> But he got only modest results. Nor could his own staff provide much more assistance.

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The task was highly complicated, the management techniques still too primitive. Hence when the BoB set about its annual evaluations in late 1948 it asked questions such as:

To what extent have the Air Force and the Navy air arm coordinated their planning. . . of strategic bombing missions in the European continent?

In planning for the roles and missions of the three departments what consideration has been given to the development of new weapons which may be available, i.e., aircraft, bombs, etc.?

The results of such questioning are not, given the rivalries, difficult to guess. The Bureau of the Budget still had the home court advantage.

(U) A fourth explanation, (and part of a subsequent one as well) centers upon the failure of Secretary of State George Marshall to support vigorously a sizable increase in military spending. Had he done so, then Secretary Forrestal might have been able to convince Truman to authorize a higher ceiling. Whatever the merits of the argument, that is, whether the President would have reacted differently to a solid Marshall-Forrestal front, it never came close to realization. But not for the lack of effort by the former Secretary of the Navy. From May to November 1948, Forrestal repeatedly sought to win the General's support. Each time he got turned aside, evaded, or ignored. Marshall, who knew first hand the fickleness of Congress, worried lest the American effort be geared toward a "peak" year. He preferred a level approach that shunned abrupt jerks up and down. Also, as Schilling observes, Marshall during 1948 had become progressively more convinced that the rearming of Europe offered the best solution to the continental balance. Hence he could not align himself too closely with the military efforts for a bigger slice, since he or his successor at the

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State Department would almost certainly have to approach Truman for funding for military assistance. Of course, just this situation did occur. While the initial budget for FY 1950 had no allocation for MAP, that for FY 1951 had \$645 million.

(TS) A fifth argument advanced to explain the failure of the budget to rise centers upon Forrestal's own inability to gauge either the problem or Truman correctly. Certainly the President grew weary of hearing the Secretary complain about the Chiefs and their foibles. In exasperation, for instance, he wrote Forrestal on July 13 saying that "the proper thing for you to do is to get the Army, Navy and Air people together and establish a program within the budget limits which have been allowed. It seems to me that is your responsibility." Nor did Forrestal's overtures to the GOP during the 1948 election campaign help the Secretary with the newly elected President, despite Forrestal's explanation that he only sought to prepare prudently for a possible presidential transition. The portrait that emerges of Forrestal is that of a man who could fight defensively, but could not lead creatively; who nipped at problems, but did not thoroughly grasp them; who had a sense of mission, but allowed it to cloud his common sense. But to say this of Forrestal only explains FY 50, not Louis Johnson's behavior in 1949 and the formation of FY 51.

(U) Finally, it is argued that Secretary Forrestal made the strategic argument, but was unable to triumph. That is, Forrestal and his service colleagues presented an effective evaluation of the strategic threat and the requirements necessary to meet it. But they could not overcome the force of the arguments already noted: fiscal

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restraints, Marshall's caution, interservice rivalry, Forrestal's own failures.

(U) The new evidence now available suggests that Schilling's explanation needs qualification. In particular, the new sources require that his basic premise about the suaviseness of the strategic argument be reconsidered. For it is not at all clear either that Forrestal and the services made an effective strategic argument, or that everyone agreed on the dangers posed by Moscow. The interaction of the strategic equation with the budgetary process merits a re-examination.

I. Strategic Competition and  
Fiscal Year 1950

(TS) The Finletter report of January 1948 ratified the parameters of much of the strategic discussion, defining, in essence, a strategic threat as a two-part problem: Soviet possession of the bomb and the capacity to deliver it. Taking these points together, the Finletter study pegged the Soviet threat as possible by 1952 and urged a sizable buildup in strategic airpower to offset the danger. <sup>13</sup> But the report not only set the parameters of the discussion, it also prompted a JCS response that exemplified the quality of the military responses to the strategic problem; the JCS were unable to agree on the specifics of a solution. Balanced forces, no new political commitments without adequate American forces, and no further reliance on U.S. military potential as a deterrent to Soviet expansion: these were the JCS proposals in the face of a Soviet strategic threat. Rather than address the precise risks posed or estimate the best response or consider whether U.S. or European forces were the best investment,

the JCS covered their own differences with virtual platitudes. Subsequent discussions in early 1948 were no more precise. As a result, Forrestal's most potent, soi-disant ally, was too easily discounted by others in the bureaucratic process.

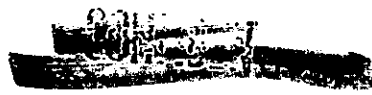
(TS/RD) In fairness to the JCS, its decision mechanisms were not required to respond to precise threats or unmistakable intelligence indicators. For throughout 1948 both the JIC and CIA reports placed the earliest Soviet explosion at 1950, with 1953 considered the more probable date. Nor were the Soviets thought to have more than an extremely modest ability to launch one-way raids on the U.S. in 1949. As 1948 progressed, the estimates advanced the first point of real danger to 1956, when the Soviet Union was expected to have [redacted] and a long-range air force capable of one-way attacks on the United States. At a time when the AEC was producing new bombs at a rate of [redacted] when the American arsenal in mid-1948 [redacted] weapons, and when the available delivery aircraft numbered approximately [redacted] it was difficult to become alarmed. Moreover, as the results from the Sandstone tests were processed, it appeared that these advantages would increase at a much quicker pace than anyone had though possible. Although Neils Bohr might predict a 1949 explosion by the Soviet Union, his warnings were lost amid electoral considerations and a general sense of confidence. The urgency of late 1945 and 1946 to deal with the "absolute weapon" had abated. And this attitude did not make Forrestal's task of persuasion any easier.

(C) If the former Wall Streeter got little effective assistance from the JCS or the intelligence reports, he got even less from his own

creation: the NSC mechanism. The NSC's effort during 1948 to define America's atomic policy dealt almost solely with the question of using the bomb against the Russians and not with the threat posed by the Soviets to the United States. NSC 7, the first attempt in March 1948 to define U.S. objectives vis-à-vis Communism, talked only in general terms about the threat posed by subversion and the need for greater preparedness. But this effort at analysis was so poor that the State Department effectively quashed it. <sup>19</sup>

(C) Forrestal also apparently recognized the inadequacies of NSC 7 for, on May 21 at the White House, he argued vigorously for a statement both of objectives for American foreign policy and of the resources to implement them. <sup>20</sup> Then, on July 10, he asked Truman if the NSC staff could prepare a major study, assessing overall security needs, defining whether the dangers were distant or immediate, and estimating the nature of the most likely Soviet threat. Taken together, these would, he told the President, help the defense establishment "in determining the level and character of forces which it should maintain." All of this would be of assistance, Forrestal <sup>21</sup> also made clear, in drawing up new budget requests for FY 1950.

(TS) From the start Forrestal's call for an NSC input met opposition, doubts, and mixed success. Truman wasted no time in informing the Secretary on July 15 that, while he approved of the study, the preparations for FY 1950 should continue within the \$15 billion ceiling set by the White House in May. No NSC study, the Chief Executive made clear, would be allowed to determine his budget choices. All he would promise was to consider the NSC advice <sup>22</sup> later in evaluating the established ceiling.



(C) Nor was the State Department much more enthusiastic about the endeavor. While conceding the need for policy guidance, George Kennan, head of Policy Planning, told Marshall and Lovett that he worried about "exaggerating the value of such estimates in solving the problems Mr. Forrestal has in mind." The world situation was "extremely fluid," Kennan argued, and "would be deeply influenced by the measures which we ourselves take. Our adversaries are extremely flexible in their policies and will adjust themselves rapidly and effectively to whatever we may do. Our policies must therefore be viewed not only as a means of reacting to a given situation, but as a means of influencing a situation as well." Forrestal wanted, observed the diplomat, a set of either/or answers--1950 or 1952, military or non-military means--when the issues were in fact more complicated and subtle. Answers to these problems could really only be determined on a "day-to-day" basis. Despite these reservations (which Marshall and Lovett apparently shared), Kennan believed State was the appropriate agency to prepare the statement such as Forrestal desired. 23

(C) Moreover, two principal parts of NSC 20--papers on estimates of the Soviet threat and on U.S. objectives toward Moscow--emanated from the Policy Planning Staff. The threat estimate, though prepared initially on the eve of the Berlin blockade, held that war with the Soviets was not likely and that the Soviets were not planning any deliberate armed action. Further, the drafters did not believe Russian policy would become more bellicose even when the Soviets finally obtained the atomic bomb. In fact, they believed the Russians might "actually prove to be more tractable in negotiation when they have gained some measure of power of disposal over

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the weapon, and no longer feel they are negotiating at so great a disadvantage."

(C) In a statement added to the original June study, the Policy Planning staff explicitly rejected the notion of a U.S. defense effort designed to meet a "peak year" of war danger. To have a peak effort would, it asserted, simply encourage the Soviets to delay any moves, convince American allies of our undependability, and expose our forces to attack after their maximum efficiency had passed. By contrast, a long-range effort would convince the Soviets of American determination, encourage other countries to resist the Soviets, and prepare the United States for action if war came at some time other than the peak danger. In short, just as Truman had suggested in May in setting the \$15 billion ceiling, the American effort ought to be based on "a permanent state of adequate military preparation." Beyond these admonitions, the State Department paper did not go. Its calm tone, its less than panicked evaluation of the future, and its vagueness did not make it a compelling addition to Forrestal's arsenal of arguments.

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(C) The same held true for the other State effort, drafted by Kennan. The reduction of Soviet power and a change in the Soviets' international behavior constituted, Kennan wrote, America's general objectives toward the Soviet Union. In peace this meant encouraging the loosening of Soviet ties over eastern Europe, promoting federalism within Russia to "permit a revival of the national life of the Baltic peoples," and showing the world the true nature of Soviet aims. But it should not be American policy to try either to overturn the Soviet government or "to place the fundamental

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emphasis of our policy on preparation for armed conflict, to the exclusion of the development of possibilities for achieving our objectives without war . . . ."

(C) In case of war, American objectives, Kennan wrote, became far more radical. Although they ought not include the assurance of Ukrainian independence or the determination of the future rulers of Russia or any "large scale program of decommunization," the war aims did include the destruction of Soviet influence outside the Russian state. Also, the U. S. ought to deny a sufficient "military-industrial" potential to any remaining Soviet state, so as to make impossible its waging "war on comparable terms with any neighboring state or with any rival authority which might be set up on traditional Russian territory." Further, these other regimes were not to have strong military power, were to be economically dependent on the outside world, and were to impose no iron curtain on contacts with the outside world. <sup>25</sup> These ambitious goals incorporated, it ought to be added, those submitted by the JCS on August 6 as "National War Objectives" and at the same time went beyond them. <sup>26</sup> Their attainment would have required herculean war efforts, efforts that a "realist" such as Kennan should have doubted as unlikely. Nonetheless, the Policy Planning study provided the NSC and Forrester with a set of both peacetime and wartime objectives toward the Soviet Union.

(C) During September and October the NSC staff worked to assimilate these reports. If Forrester had wanted an early statement on which to base a larger budget request, none was forthcoming. And since none had appeared by late October, the Defense Secretary renewed his efforts to secure George Marshall's help as an ally. On October 31, Forrester wrote the Secretary of State, asking whether the international situation warranted

a reduction in American forces or whether things had in fact gotten worse,  
27  
thus requiring more forces. Marshall, then in Paris, received the  
Forrestal solicitation through his subordinates, Robert Lovett and George  
Kennan. And they, as earlier, advised their chief not to become a part of  
Forrestal's budget game. Lovett especially disliked having the State  
Department singled out for such an assessment. The responsibility,  
Lovett argued in a circular fashion that impaled Forrestal, "depends  
in considerable part on the decision of the President, acting on the  
advice of the National Security Council, of which Mr. Forrestal is a  
28  
member." But this of course was precisely the Defense Secretary's  
problem: Truman would not budge and the NSC had not yet acted.

(C) As it developed, Marshall also refused to support Forrestal.  
On November 8 he cabled Lovett that he did not want a dispute with Forrestal  
over the "objective world situation" or the military budget. He felt, as  
he had in the spring, that the U.S. should develop forces "within a balanced  
national economy, and that the country could not, and would not, support a  
29  
budget based on preparation for war. This view still holds." Hence  
he wanted the Defense Secretary told the following: that American responsi-  
bility would continue until the European nations recovered; that U.S.  
would remain a deterrent to Soviet aggression; and that next year would be  
neither better nor worse than the current year. Finally, the U.S. should  
30  
work to build up European ground forces rather than American ones.  
Marshall had decidedly rebuffed Forrestal's overture for a statement  
of support that bolstered his, and the Chiefs', pleas for a bigger

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defense budget.

(C) Still, Forrestal did not abandon his effort. Two tactics involved the NSC process: his submission of a JCS paper on U.S. commitments to members of the NSC and his pressure for the completion of NSC 20 itself. The JCS statement of November 2 addressed the threat question less from a bilateral Soviet-American perspective, than from the general approach of what obligations the U.S. had incurred that might require the use of force. These included, the paper stated, the security of the Eastern Mediterranean and the "political independence" of Italy, Iran, Greece, and Turkey. Moreover, there were occupation duties requiring 225,000 men, the possibility of having to act with the U.N. in Palestine, the deteriorating situation in China, and the ramification of the Vandenberg resolution for an Atlantic alliance to consider. Since Washington obviously faced a set of global challenges, it had to be prepared to react militarily to any Soviet move. And this Communist move would come when, "in terms of their comparative readiness and their need to exert overt force, it best serves their purpose." At the very least, opined the JCS, the NME ought to be ready for "effective emergency action" and "provision should be made for extending the scope of such measures to all-out war without avoidable delay." Until these steps had been taken (and with a less than veiled allusion to the negotiations for NATO), no further American military commitments ought to be made. The Berlin crisis had demonstrated the need to bring forces into line with policies. The JCS then concluded with the assertion that "our POTENTIAL military power" had not checked Soviet aggression, while the lack of readiness was an "actual encouragement to aggression."

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(U) This unambiguous statement left no doubt about the JCS position; it did not, however, link forces to objectives, place a price tag on the requirements, or provide any step-by-step plan for implementation. Nor was it couched in language that made the Soviet threat, if defined as the bomb plus delivery, any more imminent. Indeed, what is especially striking is the absence of any mention of that threat in the JCS paper. Its tone throughout was one of response to the overseas challenges and the execution of commitments abroad, with little mention of the possibility of an attack on the U.S. And there was no effort to fix a date for the maximum Soviet danger--meaning when the Soviets got atomic weapons. Instead the JCS opted for a more sustained, steady buildup. When the Chiefs argued on that terrain, they naturally played the game under a set of rules in which both the President and the Bureau of the Budget were more skilled practitioners. The allocation for the budget at \$15 billion was designed to ensure just that steady effort.

(C) If Forrestal still had hopes that the completed NSC 20/4 study would alter Truman's stance, he was disappointed. The completed report did not provide a last-minute reprieve for the larger budget totals; rather it endorsed the President's earlier ceiling. On balance, NSC 20/4 did not depart very much from the initial departmental inputs. Above all, its recommendations were imprecise and non-programmatic. Certainly NSC 20/4--"U.S. Objectives With Respect to the USSR to Counter Soviet Threats to U.S. Security"--was not a document to turn the tide in a budget battle. Discussed by the NSC on November 23, NSC 20/4 was approved by President Truman a day later and in early December was sent to members of the Cabinet.

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(C) The major points of NSC 20/4 deserve notice, however, if only to be compared with its more celebrated successor, NSC 68. Moscow's determination to dominate the world constituted, according to the study, the major threat to American security, a determination pursued through subversion, through economic warfare, and through the development of Soviet military potential. At the moment, western Europe and the colonial areas appeared to be major Soviet targets, although they had "dupes" who would make trouble elsewhere. Nevertheless, it was impossible, the study said, "to calculate with any degree of precision the dimensions of the threat to U.S. security by these Soviet measures short of war." On the other hand, the American response in Europe appeared to have checked the Communist advance for the moment.

(C) On the Soviet military threat per se, the conclusions were again European and Mediterranean centered. The Soviets could overrun the Continent in six months, possibly reach Cairo, and stir up things in the Far East. "Meanwhile, Great Britain could be subject to severe bombardment." All of this might lead to the consolidation of Soviet power on the Continent, a development the paper held as "an unacceptable threat to the security of the United States." But the only immediate threat to the continental United States came from the possibility "of serious submarine warfare and of a limited number of one-way bomber sorties." Not until 1955 would the Soviets, the report continued, be capable of serious air attacks against the U.S. with chemical, biological, or radiological weapons, of extensive submarine operations (including "short-range guided missiles") and of airborne operations. Even then the Communists would be incapable of invading the U.S., though

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they might be able to overrun other areas until 1958. To meet these dangers, to avoid any chance of war by miscalculation, and to hold the allies firm, the U.S. and the west had to continue ERP, to build up their military forces, and to stir up dissension among Soviet bloc nations. At the same time, the United States had to be alert lest its "relative world position" be eroded, especially through subversive activity in vulnerable areas. Also, there were dangers from espionage, economic instability, political and social disunity, inadequate or excessive armament, and a wasteful use of American resources in time of peace.

(C) If the list were long on dangers, it was likewise long on objectives-- and vagueness. American policy should seek to reduce Soviet influence and to bring about more agreeable Soviet behavior in the international sphere. It should also strive for military preparedness, protect against subversion and espionage, improve the economy of the free world, reach out to non-Soviet nations, and keep the American public "fully informed and cognizant of the threats so that it will be prepared to support the measures which we must accordingly adopt." In all this, NSC 20/4 also observed: "due care must be taken to avoid permanently impairing our economy and the fundamental values and institutions inherent in our way of life." Finally, if war did come, the study urged a policy of virtual partition and breakup of the pre-1939 Soviet state, much along the lines of the Policy Planning/JCS papers of August. Beyond that, it did not address the details of war aims.

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(C) Fourteen months after its inception, the NSC system had produced a major analysis of Soviet-American relations. Clearly it did not fit Forrestal's hopes, but probably nothing could have. A definitive, urgent statement, capable of convincing a newly elected President to depart from fiscal orthodoxy, would have required a number of impossible givens: interservice agreement on roles and missions, refined programs geared to geographic and functional tasks, a more alarming set of CIA and JIC intelligence estimates on the Soviet nuclear program, agreement that military and not diplomatic-economic responses were the proper reaction to Soviet challenges, and a wider base of public support for higher defense spending. None of these factors existed.

(C) Moreover, the paper helped to blur rather than define issues, especially the conception of threat. Instead of the Finletter concern over atomic weapons and strategic aircraft, NSC 20/4 reflected the danger of both a Soviet conventional attack and a strategic threat. The more generalized threat, simply because it was general, in turn diluted the impact of the call for defense preparedness. So, too, did the use of 1956 as the date of the significant Soviet nuclear threat. Interestingly, the report further confused the problem by adopting both the peak year notion (but in the distance) and the level year approach for defense preparation. While this certainly reflected Truman's preferences, it did not altogether end the idea of a peak year approach to budgetary allocations. Ironically, the level year mode would dominate until July 1950, when the peak year (of 1951) would blast open the financial restraints.

(U) Other points are worth noting. First, although there were

allusions to the Far East, the central struggle was clearly in and about Europe. And in this the European states were themselves expected to render effective assistance after their economic reconstruction. Large amounts of military manpower were still not contemplated as a feature of the longer-term American defense effort. Second, no weapons systems emerged to dominate these political-military discussions. Indeed, the dominance of political inputs into the analysis is striking, matched only by the apparently minor input of CIA estimates and reports. Third, neither the early staff work nor the ultimate report explore with care what Kennan had warned about at the start: what would an American defense buildup do to the pattern of Soviet behavior and response? On the contrary, NSC 20/4 dealt with Moscow as a monolithic, rational actor state, capable of perceiving its own best interests and adjusting accordingly.

(TS) For its central purpose--helping to increase the size of the defense budget in FY 1950--NSC 20/4 was a failure. The Secretary had not made his strategic case. That would also be the fate of the other tactic that he surfaced in November: inviting General Eisenhower to come back to the Pentagon and help sort out the interservice budget tangle. This suggestion, made on November 9, could have lent the former Supreme Commander's prestige to the efforts to increase the budget. Truman's reaction to the suggestion is unclear; Eisenhower would be invited to help with the formation of the FY 51 budget, virtually acting as a super chairman of the JCS. But he does not seem to have participated in the late 1948 discussions. The Defense Secretary's last gambit had also misfired, at least for the moment.



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(C) On December 1 James Forrestal submitted the first overall NME  
34  
(DOD) budget to the President. More precisely, he submitted three

budgets: one which met the presidential ceiling of \$15 billion, and two  
\*  
others that did not; one for \$23 billion and one for \$16.9 billion.

Forrestal's cover letter stated that the JCS did not believe national  
security could be "adequately safeguarded" with the \$15 billion budget  
and that one \$8 billion higher was needed. Forrestal said he disagreed  
with the Chiefs and felt that \$16.9 billion would be adequate "unless the  
international situation should become more serious." Of course neither  
he nor the Chiefs mentioned that Truman's FY 1950 ceiling of \$15 billion  
represented an increase of almost \$4 billion over the amount initially  
requested in FY 1949. Rather, they centered their case on what could be  
secured with each of three different budget requests:

\$14.4 billion for FY 50

Army: 677,000 men in 10 divisions  
Navy: 527,000 men; 287 combat ships  
Air Force: 412,000 men; 48 groups  
Limited procurement  
Nominal reserves  
Restrictive maintenance

\$23 billion in FY 50

Army: 800,000 men in 12 divisions  
Navy: 662,000 men; 382 combat ships

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\* The ceiling of \$15 billion included, it should be remembered,  
allocated funds for stockpile purchases; the final amount netted  
by the NME was \$14.4. The other budgets submitted did not include  
those totals.

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Air Force: 489,000 men in 70 groups  
Substantial procurement  
Strong reserve forces  
Normal maintenance

\$16.9 billion in FY 50

Army: 800,000 men in 12 divisions  
Navy: 580,000 men; 319 combat ships  
Air Force: 460,000 men in 59 groups  
Reasonable procurement  
Normal maintenance  
Reasonably adequate reserves

(C) Each budget, he told the President, has its special ramifications for strategy, points which the JCS could make in a special briefing. Further, in an apparent exaggeration, he claimed that General Marshall favored the middle figure since it would be "better calculated. . . to instill the necessary confidence in democratic nations everywhere than would the reduced forces in a more limited budget."<sup>35</sup>

(U) On December 9 Forrestal, the service secretaries and the Chiefs met with the President. The session, complete with charts and presentations,<sup>36</sup> lasted an hour. Truman was not convinced. On January 10, 1949, he announced a FY budget request of \$14.268 billion with the following force structure:

Army: 677,000 men in 10 divisions  
Navy: 527,000 men; 288 combat ships  
Air Force: 412,000 men; 48 groups

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The \$14.4 billion budget, with some reductions, had survived, Forrestal, the Chiefs, and Berlin notwithstanding. Despite the President's best efforts and beliefs, he submitted a budget with an \$873 million deficit. To offset this, new taxes were required and were, in fact, a part of the budget measure. But the new revenues, even if approved, would not come

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until FY 51. In the meantime, a conservative fiscal approach would dominate unless an urgent strategic threat could be shown, and that Forrestal and the JCS had failed to do.

(TS/RD) In the interval between the December 9 rebuff at the White House and the January budget submission to Congress, Forrestal had one other session with Truman on FY 1950. As Warner Schilling (using the Forrestal diary) notes, their second meeting on December 20 blended budgets, strategy, and long-term defense policies. The availability of Forrestal's own briefing material for the presentation, prepared by the Air Force, now enables us to see this mixture even more clearly, in a fashion tying together many of the events of 1948. Arguing for the addition of another \$580 million for the Air Force, the Secretary stressed the crucial importance of six additional bombardment groups. His strategic rationale for the groups clearly embraced an atomic strategy. Air power, Forrestal contended, could be successfully used "against our most probable enemy." An air offensive would not only prevent a U. S. and allied defeat, it would enable the war to be won with less expenditures of men and dollars.

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[REDACTED]

Moreover, through immediate retaliation, an air offensive would allow time to prepare for a conventional war. Air power, because it could react immediately, provided the "most effective deterrent to Soviet aggression. It is the immediacy of the threat of retaliation that will stop Soviet aggression, if anything will." Thus, any reduction in air power, or even an apparent one, might be misinterpreted, the Secretary argued.

(TS/RD) His briefing memorandum went still further. [REDACTED]

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] But an atomic strike needed support from conventional bombers, especially against petroleum targets, transportation networks, and as diversionary sorties. For this, Forrestal and the Air Force asserted, at least twenty medium and heavy bomb groups, not the fourteen envisaged in the FY 1950 budget, were necessary. An additional six groups (it was unclear whether they were heavy or medium) were therefore imperative, at a cost of \$580 million for FY 1950. 40

(U) This somber appeal brought no change in Truman's budget priorities. Indeed, when Congress later added just such funds for more air groups in September 1949, the President refused to spend the money. Arguments from war plans were no more effective than threat assessments in breaking the ceiling. But other ramifications were equally important. First, the logic of the tight fiscal policy on overall strategic policy was emerging with greater clarity. Reliance on a strategic atomic posture now formed an essential element of America's defense policy. The assumptions of the September discussions about atomic policy--(NSC 30)--were rapidly becoming part of the accepted strategic wisdom. Truman might talk of balanced forces, the budget might continue to be divided into triads for the Army,

Navy, and Air Force, but the balance was more apparent than real. The new war plans posited an immediate atomic retaliation, with conventional war to follow. What had perhaps been implicit in the confusion of 1946 and 1947 became explicit: the atomic bomb was a part of operational planning for war with the Soviet Union. It would be the deterrent force and if deterrence failed, it then would be utilized earlier rather than later against the Soviets. Paradoxically the Berlin airlift had demonstrated the advantages of conventional forces, while spurring the development of war plans that enshrined dependence upon an atomic response. Face-to-face with the prospect of an explosive Soviet-American confrontation, and with inadequate U. S. ground forces to match a Soviet push, the atomic advantage became crucial. Unfettered by any plan of international control or by any British finger on the nuclear trigger, American planners could proceed. The faint outlines of the "massive retaliation" doctrine were emerging. The shaping of the FY 1951 budget, during 1949, did nothing to impede the emergent new doctrine and its attendant war plans.

## II. Fiscal Restraint, Strategy, and FY 1951

(U) The unexpected Soviet explosion of a nuclear device in August 1949 dramatically altered the framework of the Soviet-American strategic competition. Not only did it end the American monopoly months ahead of schedule, not only did it give the competition a new sense of urgency and reality, it accelerated the U. S. decision to develop a thermonuclear device and solidified the American commitment to an atomic strategy. It set in motion, moreover, the bureaucratic processes that would lead to the most thorough

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post-war examination of U. S. objectives and policy--NSC 68--yet undertaken.

(U) These well-known responses, however, are allowed too often to obscure other events in 1949 that impinge significantly upon the Soviet-American relationship. First, the Soviet explosion, for all of its impact, did not produce any alteration in the budget ceiling programmed in July 1949 of \$13 billion for the Department of Defense. Indeed, the budget submitted to Congress in January 1950 for FY 51 appeared oblivious (save for comparatively modest AEC increases) to the Russian achievement. Second, as a subsequent section will show, the Soviet detonation caught the American atomic program in a state of pregnant expectation, already preparing to move to a new plateau. The shape of the subsequent atomic and thermonuclear program did not, therefore, owe its inception to the sobering news of mid-September. Third, a series of other events were important. The formation of NATO, the emphasis given to military assistance, the open rebellion of some naval officers against the ascendancy of the Air Force, the maladroitness of the new Defense Secretary Louis Johnson, and the enhancement of his power through the 1949 amendments to the National Security Act were all part of the crisis and response context influencing high-level policy. At the same time, the Soviet decision to end the Berlin blockade in early 1949 and to concede the continuing validity of allied occupation rights there meant that Truman's European policy had scored a substantial success. On the other hand, the increasing importance of the internal security issues injected an ugly element of partisan attacks, perhaps intensified by the unexpected GOP loss in 1948. This trend the Hiss trials would of course strengthen, as did the rapidly disintegrating situation in China.

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(TS) Concurrent with these developments was the spreading consensus, among the most senior policy makers and much of the public, that a war with the Soviet Union would see the utilization of atomic weapons. These convictions came well before the Soviet explosion. On April 6, 1949, in response to recent remarks by Winston Churchill, President Truman publicly defended the magnanimous nature of the Baruch plan, justified his decision to use the bomb against Japan, and said that if "the democracies of the world are at stake, I wouldn't hesitate to make it again."<sup>42</sup> This public pronouncement simply mirrored the discussions within the government. At the War Council on February 8, 1949, for example, all present (including Bradley, Souers, Eisenhower, Forrestal and Vannevar Bush) agreed that the NSC decision "regarding the use of the atomic bomb was definite and that the public believed we would use the bomb . . . ."<sup>43</sup>

(C) Furthermore, the President himself displayed a new interest in the entire strategic question. In early April, for instance, he queried his aide Brigadier General R. B. Landry (USAF), on whether the U. S. was risking-- with the air doctrine--putting all its eggs into one basket. In a subsequent (April 16) reply, Landry (speaking for the Air Force) informed Truman that American strategy was a balanced one, with the Air Force merely having the task of responding immediately "as distinguished from forces to become available later through mobilization build-up." Landry also emphasized that the B-36's, B-29's and B-50's could make it to their target areas. And he added:

There is just one other item which I feel this memorandum

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should cover, in view of the President's remarks of several days ago, and that is the possibility that the B-36 might in time be relegated to the same position of obsolescence as the battleship. Until the advent of effective longrange uninhabited missiles, the B-36 will be outmoded only by a better airplane. Its obsolescence will be the inevitable result of rapid world progress in aeronautics. This is a reality which must be faced, and is being faced both in Air Force research and development activities and in procurement programs.<sup>44</sup>

(TS) Subsequently General Vandenberg, Air Force Chief of Staff, briefed the President on the Air Force plans. Then on April 21 Truman requested a report from the newest service on the "chances of successful delivery of bombs as contemplated by this plan, together with a joint evaluation of the results to be expected by such bombing."<sup>45</sup> This request, which followed the 1948 one by Forrestal, would lead to the Hull report, prepared by the newly created Weapons Systems Evaluation Group. The details of these efforts need not detain us, though interestingly Eisenhower (whom Secretary Johnson contacted) was a "bit astonished" to find no JCS opinion on "such an important feature of all our specific war plans. . . ."<sup>46</sup>

(TS) The President was little more successful than his first Defense Secretary in generating a speedy answer. John Ohly, a personal assistant to Forrestal and then Johnson, put the reason for the delay with accuracy: "so many issues are either directly or indirectly affected by the character of the answer [about the air offensive]. . . (the flush deck carrier, the wisdom of putting so much money into B-36 and B-50 planes, etc.) and . . . our strategic planning rests so heavily on a particular answer to this problem which JCS now admits it will take a year to answer."<sup>47</sup> Although Johnson left a draft of the report with the President on October 18, the JCS soon asked for a postponement of a further briefing until January 1950. By that time, Bradley noted, the JCS would have studied the report

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and approved it. What the President finally heard in the Hull report (which the Air Force thought was "ultraconservative") can be briefly summarized: 75 to 80 percent of the bombers would reach their targets, destroying one half to two thirds of the installations. Such an attack would be successful. <sup>48</sup> Nearly a year after his request, Truman learned that presidential confidence in an air offensive appeared warranted. The doctrine of the atomic blitz had received additional reaffirmation.

(U) Finally, 1949 also witnessed a set of attempts to grapple more comprehensively with the issue of defense budgets and security goals. There were renewed efforts to achieve some mechanism or process for assessing threat, defining objectives, and affixing price tags. For both the developments of 1949 and the later course of Soviet-American strategic relations, these budgetary efforts are instructive and deserve special attention.

(U) The budget process for FY 1951 can, for the sake of simplicity, be said to have proceeded along two parallel tracks from March to July 1949. One of these was the NSC system: the effort to develop written policy statements and objectives within the integrated, coordinated NSC structure, such as Forrestal had vainly sought in late 1948. The other was the formal budget process itself, spearheaded by the Bureau of the Budget, under Frank Pace. Not until July would these two tracks begin to converge, and then not always clearly or decisively. But a process was emerging, and the drafting and review of NSC 52/2 in September contained patterns of practice for the future.

(C) The NSC staff took the initiative in this process by preparing on March 30, 1949, a memorandum on "Measures Required To Achieve U. S. Objectives With Respect to the USSR." An attempt to put into operational form the

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platitudes of NSC 20/4, this study reflected a series of soon-to-be enshrined doctrines: an early air offensive against the Soviet Union, the need for bases for these operations, military assistance to allied nations, increased attention to psychological warfare, and overall military preparedness to meet the Soviet challenge. The study also detailed objectives for improving internal security, economic mobilization, and intelligence operations. While arguing the need to isolate the Soviet Union economically, it duly noted that economic constraints limited the American ability to support multiple obligations.

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(C) The draft study met immediate opposition from George Kennan on programmatic and philosophical grounds. Fearing it would inject "rigidity" rather than flexibility into the American position, the head of Policy Planning on April 14 told Under Secretary James E. Webb (who had replaced Lovett in January) that it was "dangerous" to give State Department approval to the document. The next day, in the regular Under Secretary's meeting, Kennan assailed the military's inability to understand that in "foreign policy specific planning cannot be undertaken as they propose in the . . . papers." He held that once the general objectives were accepted by the President, then "no further detailed programming was necessary or desirable." Furthermore, he expressed dislike for "its assumption that a war with Russia is necessary, whereas the Department has drawn the assumption that some modus vivendi was possible."

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(C) In the ensuing discussion at the meeting Webb, while accepting the merits of Kennan's points, asked what kind of paper the President actually needed. Charles Bohlen who agreed about the necessity for some type of paper, thought certain things had to be anticipated, including the fact that when

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Russia had the bomb, its foreign policy might move from a political to a military phase. Dean Rusk favored a discussion of objectives, "without necessarily signing a document on means of implementation." In any case, as the minutes note, the staff "roundly condemned the NSC paper as being extremely dangerous and one which could be pointed to by agencies in the future saying: "See, the President has given approval for this or that action."<sup>52</sup> This shrewd observation forecast much of the impact of NSC 68; it only slowed, but did not stop the momentum toward the creation of such a policy statement.

(C) Nor did the State Department fail to act on its dislike for such a declaration. The effort to cope took two forms. First, James Webb made clear to Admiral Souers the Department's distaste for papers outlining specific measures, especially those prepared by the NSC staff (composed of service and State officers on assignment.)<sup>53</sup> Not only did such studies display a military proclivity for desiring precise measures of policy implementation, they also intruded into the proper domain of the line departments. To use the NSC to assign policy objectives for implementation would, Webb wrote Souers on May 24, "be contrary to the principles under which the Executive Branch of the Government operates and would limit the flexibility in the conduct of operations which is essential in the rapidly changing world situation." While the NSC might occasionally furnish the President with guidance, this should not alter "the basic concept of the NSC as an advisory body on policies." This restrictive view of the function of the NSC, which Louis Johnson also accepted, would not be vigorously resisted by Admiral Souers.<sup>54</sup> Indeed, the Executive Secretary conceded that his staff remained less than impressive and that the March 30 paper ought to come off the NSC agenda.

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(C) Yet the NSC staff efforts were not altogether ineffectual. The State Department, with Webb applying the leverage on a reluctant Kennan, informed Souers on May 4 that it would provide an annual policy review. The review would attempt "to forecast the areas and projects to which we should give primary attention, "while offering some dollar estimates and a framework "within which all government agencies could make plans for the following twelve months." When Webb saw the President on June 2, he elaborated this conception, telling Truman that "the next two or three years are going to be ones of radical adjustment with many difficulties," and that therefore the State Department wanted to furnish the President with a program to place before Congress. The Chief Executive, observed Webb, could then put "forward what he genuinely feels to be necessary, and the responsibility for inaction, if that should materialize, will be that of Congress." He also told Truman that Foggy Bottom would participate fully in any policy study, especially in reviewing a reduction of commitments and a "progressive pulling in of our horns as the post-war recovery begins to materialize in other countries."<sup>55</sup>

(C) The President probably already knew from Souers about the dispute over the proper functions of the NSC, about the desire by some for policy guidance, and about the question of specific measures of implementation. But the Webb interview with Truman on June 26, which followed others by Webb on the same theme, could have left few presidential doubts about the necessity for a serious review of U. S. policies and responses. This review Truman,<sup>56</sup> on July 1, 1949, ordered the NSC to undertake. In doing so, the President implicitly accepted Webb's offer of an overall review, while traversing the particular State Department efforts already underway. Before turning to the formation of NSC 52/2--the end product of the Truman order--it is necessary

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to view the movement taking place simultaneously along the normal, budgetary channels.

(S) Frank Pace, who replaced James Webb at the Bureau of the Budget, did not hesitate to raise tough issues for the NME. Moreover, he fully shared the policies of fiscal orthodoxy pursued by Truman. An example of the former is illustrative. In late March 1949, the Air Force, with the approval of Louis Johnson and the JCS, asked permission to cancel some aircraft projects and shift the released funds (from FYs 49 and 50) into the procurement of more B-36's, ultimately to jump the total from 95 to 251. They meant an eventual increase in VHB groups from two to six, with each group having thirty rather than eighteen B-36's. This request worried Pace on several counts. It would increase base and maintenance costs, require more support equipment, and necessitate force reductions in other segments of the defense effort. It would also, he believed, intensify "the strategic emphasis on the use of atomic weapons [and] . . . create a situation which would not permit the President any alternative as to their use in time of emergency." In warning Truman about these implications on March 28, Pace proposed (and the President agreed) to ask Johnson and the JCS to review the B-36 issue in the context of overall defense effort. Ultimately this set of queries did not stymie the Air Force; Truman eventually approved the transfer of funds and the additional procurement of 75 B-36's. Nonetheless, Pace had not hesitated to question the long-range trends implicit in the atomic air offensive.

(U) On economic matters per se Pace's success was more consistent. On April 5 the Director briefed the President on the budget/receipt forecasts for FY 1951. Even under the most optimistic assumptions and with a defense

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budget of \$13.5 billion, the anticipated federal deficit would be \$5.4 billion. In fact, Congressional experts thought the deficit could reach \$6 to \$7.5 billion. And Pace told the President that "it appears reasonable to conclude that the deficit for each of the next four years may range from \$4 to \$8 billion, without the initiation of any major new expenditure programs." While he had hopes for a surplus in FY 1953, this could only be achieved through reductions in the security field. <sup>58</sup> With this memorandum, BoB had (as Webb had done the year before) established de facto the FY 1951 budget ceiling for military programs. In essence what followed thereafter in 1949 was the attempt to forge a defense budget within the framework of \$13.5 billion.

(U) Louis Johnson and the JCS did not, of course, realize yet the nature of these fiscal restraints. Nor did General Eisenhower who had agreed to act as a kind of super chairman of the JCS to adjudicate competing service claims, an interim assignment until Congress authorized a legal chairman for the JCS. <sup>59</sup> But there were hints. On April 25, for instance, Pace wrote Johnson about the joint intelligence estimates, urging him to be particularly critical in reviewing the basic assumptions on which "these estimates are made and evaluate the deficiencies which will undoubtedly result because of fiscal limitations in augmenting the 1951 program. You will need to have the alternates evaluated and some relative measure of the calculated risk involved." In this review he urged the Defense Secretary to make use of the CIA and NSC viewpoints. <sup>60</sup>

(TS) A week later, on May 2, Pace invited Johnson to discuss the overall budget situation for FY 1951. In their session on May 12, Johnson argued the case

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for the maintenance of the current force levels at a total cost of \$16.5 billion. In this he received strong support from the JCS who regarded \$15 billion as the absolute minimum for national defense. And Johnson took care to remind Pace that the JCS believed "that such gains as may have been made in the cold war are attributable in great measure to military strength." Any diminution of forces would have an "adverse effect." Amid these pleas only one word of realism seemed to have appeared: the observation by Wilfred McNeil to Secretary Johnson that the projected budget deficit might put the military budget figure at \$13 billion. And McNeil had added that, "being practical about it, probably the only way the President could justify such a situation [a higher budget] would be for a deterioration of the international situation."

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(C) McNeil's guess was correct. While Eisenhower and the JCS struggled during June to work out budget allocations within the \$15 billion figure, Pace reiterated the April gloom of the Budget Bureau. And in the process the NME lost half a billion dollars. From the April estimate, on July 1 Frank Pace informed the Defense Secretary that the ceiling for FY 51 would be \$13 billion, and that all defense programs were to be budgeted so they could continue to be sustained at this FY 1951 level. At a time when recent inflation rates of 7 to 8 per cent had progressively eaten into the diminished postwar budgets, this statement boded ill for the continuation of programs even at the FY 1951 level. The only possible ray of hope in Pace's letter, or so it would have been construed by Forrestal, was Pace's acknowledgement that the NSC was going to review a wide range of budget related issues. Otherwise the message was grim indeed.

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(U) In late spring and early summer, 1949 the strategic question had been addressed from two separate vantage points: broad political and military objectives and the need for their explication on the NSC - State Department circuit; important financial and budgetary considerations on the BoD - Defense circuits. President Truman's decision to order a major NSC study on objectives and budgets brought these two separate tracks-- the formation and implementation of U. S. policy toward Russia and the budgetary process--together.

(U) It was ironic that Truman, who had steadily resisted James Forrestal's efforts to link a study of objectives with the FY 1950 budget, should be the one to initiate just such a review. But if Forrestal had seen the NSC as a possible vehicle by which to increase defense expenditures, Truman viewed the same forum as a mechanism for reducing defense expenses. To Truman's credit, he did not conceal his intentions: he stated clearly his desire to find ways to make cuts in the military and international programs so that the U. S. could maintain "a sound fiscal and economic program." His July 1 directive thus asked the NSC to review the impact that his new budget limitations for FY 51 would have on political and diplomatic planning and on national security. Somewhat surprisingly, the mandate also asked for information on an issue that would later become increasingly acute: "the comparative effects of a substantial governmental budgetary deficit for the indefinite future and a reduced expenditure level for national security and international programs." In 1949 the answer to the latter question would remain orthodox, almost predictable, and entirely pre-Keynesian; later, in

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the 1960s, a different answer would launch an entire new wave of defense expenditures, and finance a war as well.

(TS) In the preparation of NSC 52 the reactions and attitudes of the two key departments--Defense and State--continued to be strikingly discordant, though now with a surprising twist. On the defense side, the story was relatively simple. Louis Johnson accepted the \$13 billion figure as the maximum for FY 1951 and moved to coerce the services into a definition of their programs within those limits. By August 15 he was able to inform Truman that the defense establishment would meet the \$13 billion ceiling, while acknowledging the "overriding necessity of keeping military costs within limits which will not endanger the fundamental soundness of our economy--one of our primary military assets."<sup>64</sup> Moreover, in contrast to the service behavior in 1948, General Bradley, as the new Chairman of the JCS, could present Johnson on September 2 an agreed breakdown of the \$13 billion budget.<sup>65</sup> On one front, therefore, and in regard to the largest single budget item, Truman could expect a tone of cooperation and goodwill. Louis Johnson appeared able to do what James Forrestal could not do: impose economic order on the defense establishment.

(C) The responses from the State Department were less unanimous, and less helpful. The reasons for this were at once personal, institutional, procedural, and substantive. The personal factor is easily identified. George Kennan, still the head of Policy Planning, was not an enthusiastic supporter of this type of enterprise. When he finally turned his attention to the effort in early September, his contribution was little more than a polemic against the NSC draft of March 30--long since abandoned as a serious agenda item. His major contribution was to question rigorously, with

Kennanesque lucidity, the growing strategic emphasis upon offensive air operations. He was not "at all sure that we should inaugurate use of atomic bombs, in particular, on any targets unless due warning can be given civilians and the loss of civilian life kept to very small figures." <sup>66</sup>

At a time when OFFTACKLE was under consideration, calling for ~~\_\_\_\_\_~~  
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irrelevant.

(C) If the Policy Planning Staff was less than helpful on the objectives issue, the explanation does not rest entirely on Kennan's personal preferences. The summer of 1949 saw other strategic demands vying for his and the staff's time, in particular the ugly Congressional reaction to British demands for more information and cooperation on atomic matters and the staffing of the special NSC committee to examine increases in the production of fissionable materials. The failure of the modus vivendi agreement of 1948 to ease Anglo-American frictions necessitated extensive high level efforts in mid-summer 1949 to resolve the acrimony. A climax of sorts came on July 14 when Truman, Dean Acheson, and Dwight Eisenhower fought-- unsuccessfully--to sell the Congressional leadership on closer atomic cooperation. A measure of xenophobic pride, fear over an independent British atomic force, and continuing concern over the distribution of the limited uranium ores combined to delay, then thwart these efforts. Whatever chances existed for an agreement with London would finally be demolished seven <sup>68</sup> months later with the arrest of Klaus Fuchs.

(C) The other area of activity for the policy planners--the study of whether to increase the production of fissionable material--inevitably spills over into the story of the post-September reaction to the Soviet explosion.

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The impetus for the expanded production came from two sources. Belatedly, the JCS had begun to formulate a shopping list that could only be accommodated through expanded production facilities, and their requests had to be evaluated. So too did those coming from the Chairman of the Joint Committee on Atomic Energy, Senator McMahon, who wrote on July 14 to Johnson and Lillienthal, asking a set of hectoring questions about the adequacy of the American atomic program. While conceding that he and the JCAE knew neither the numbers nor the production rates of bombs, he pressed for new facilities and a sharp increase in the number of weapons. These would, he held, ensure the nation's security, help to monopolize raw materials, and afford an adequate margin for use "against vital military points (that) would mean the difference between victory and defeat."

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(C) Truman responded to these pressures by appointing, on July 26, a special NSC committee to examine the problem. Composed of the Secretaries of Defense and State, and the Chairman of the AEC, the committee was to consider the need for new production facilities to meet the revised military requirements. The President requested that the new study be integrated into the larger NSC study analyzing "our total defense requirements," and that the impact upon foreign policy of the expansion of fissionable material be evaluated. Since the initial expansion costs could run to \$300 million, he wanted the group to study the following questions:

- a) would the present program be adequate to January 1956?
- b) could additional security be obtained from an increase over present efforts (including development of improved atomic bombs and applications in the field of guided missiles)?

c) what impact would the timing have on budgetary stringency, research advances, and probable international reaction?

d) could reductions be made elsewhere in defense spending permit atomic acceleration without any budget increases?

And he made two admonitions: he did not want a technical report and the entire study was to be limited to a minimum number of persons. <sup>70</sup>

(U) The efforts of the principals and their key subordinates continued until early October, when their report reached the President. It recommended the increase proposed by the JCS and accepted by the AEC. <sup>71</sup> A fuller analysis of the rationale behind the October 10 report should await, however, examination of American reactions to the Soviet atomic explosion.

(C) In the August-September working sessions of the NSC special committee are found some of the reasons for the distractions of the Policy Planning Staff and for the incompleteness of the NSC 52 study. Moreover, time pressures were compounded by differences of opinion. Kennan, who also handled the fissionable issue for the Department, preferred that the bomb never be used; Acheson and Rusk thought, on the contrary, that this posture would be difficult to sustain, "particularly if our failure to use atomic weapons meant a great loss of lives or a defeat in war." Kennan's attitude carried over into the work of the committee, where he consciously acted to brake military pressures for a quick report and presentation to Congress. Insisting upon a thorough review of the problem, he sought statements from both DoD and the AEC on the expansion issue. In his insistence on thoroughness, Kennan received Webb's support. But, perhaps more significantly, Webb also enjoined Kennan not to become entangled in <sup>72</sup> any arbitration between the JCS and AEC. Thus, differences of opinion,

procedural disagreements, and time limitations delayed the deliberations of the special committee, in turn ensuring that it made no formal contribution to the discussions on NSC 52.

(U) In summation, then, analytical contributions to the NSC study ordered by the President on July 1 were destined to be marginal. Kennan's preoccupations, the press of other tasks, and the State Department's consistent unwillingness to assume a mediating role in assessing the merits of defense proposals were part of the answer. In November 1948 Marshall and Lovett had shown a similar distaste for involving the Department in Forrestal's efforts to broach the budget ceiling. Ten months later, despite new personnel on the Seventh Floor of New State, this same disinclination persisted. The Department sought to remain aloof from the formation of policy statements which carried price tags.

(C) This aloofness should not obscure at least one signal achievement from the Policy Planning Staff during the late summer: its production on August 16 of the paper, "Political Implications of Detonation of Atomic Bomb by the USSR." At a time when the best intelligence estimates suggested a Soviet explosion as likely in mid-1950, the political analysts had unknowingly anticipated a problem less than two weeks away. The considerations that prompted such a study are, at the moment, unclear. Possibly it resulted from the work done for Kennan and Webb on the special committee; certainly it did not spring from any startling new intelligence insight.

(C) The U. S., the planners insisted, had to be absolutely certain about the fact of a Soviet explosion. With this knowledge the American people could be reassured, possible changes in Soviet strategy anticipated, and shifts in world opinion--probably more favorable to Moscow--calculated.

The effect of such a device on "U. S. vulnerability to atomic attack" was noted, but left to the DoD to evaluate. The drafter concluded, correctly, that knowledge of the Soviet rate of production would be "of even greater importance than knowing when a bomb has been exploded." On this point, however, he conceded total ignorance.<sup>74</sup> Not surprisingly, the paper betrayed no sense of overwhelming immediacy or urgency. The problem remained hypothetical and distant. On the other hand, the tone suggested a resigned sense of inevitability, an awareness that Soviet success would inject new elements of competition, elements that would complicate not only strategic policy, but America's entire international position. The end of the era of monopoly would not be easy.

(U) If this study previewed the future, the completed NSC 52 memorandum displayed the strength of traditional fiscal and budgetary concerns. At the same time NSC 52/2 also represented a distinct evolution in the development of the budgetary process, an evaluation which Forrestal had urged and then Truman utilized. While the motivation of the two men was different--one to increase, the other to decrease the budget--the attempt to rationalize the budgetary and national security process was a step forward. The deficiencies of these initial efforts should not cloud their obvious importance. And the first results, whatever Truman's expectations, clearly showed that Forrestal, not Truman, represented the trend in military and international expenditures.

(C) The report formally reached the National Security Council on September 29, a meeting that came six days after the public announcement of the Soviet test. The President, interestingly, was not present. As presented to the NSC, the document surveyed the U. S. role in international

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affairs, then articulated the premise that the Soviet Union sought to extend its power throughout the world, using "armed force if necessary or desirable to gain its ends." Since Moscow only respected "effective strength," America had to provide the necessary sinews. Yet care had to be taken "to avoid permanently impairing our economy and the fundamental values and institutions in our way of life." Thus the study tried to match security needs against budgetary limitations. For the Department of Defense, the \$13 billion ceiling would allow, it argued, the maintenance of "the same degree of military strength, readiness, and posture during FY 1951 which it will maintain in FY 1950." Cuts below that "would entail grave risks." For the AEC, a budget of \$720 million would allow the continuation of the then-in-force production goals. For the European Cooperation Administration, \$3 billion appeared the minimum, while the \$500 million earmarked for stockpiling seemed inadequate.

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(C) But the report's major area of concern was not the DoD budget or stockpile procurement or more atomic weapons. Rather it was the marginal allocation of \$200 million proposed for the Mutual Assistance Program, when at least \$1 or \$1-1/2 billion appeared absolutely "an indispensable step toward converting these European nations into military assets rather than military liabilities in the long-range period." Only in this way could Europe be held against "armed aggression, thus obviating the necessity for an extremely costly, and by no means surely successful, invasion of the continent in the event of war." While only grumbling about the reductions and problems caused for the larger budget items by the BoB guidelines of July, the issue of military assistance prompted the report to urge an increase in the over-all allocation for national security and international

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affairs. Instead of a total of \$17.77 billion, NSC 52/4 asked for \$19 to \$19.9 billion. The thrust of Truman's previous European policies--the Marshall Plan, the Western Union, and NATO--had endowed the MAP with internal support and budget defenders. If Truman had hoped to use the NSC as a vehicle to pare the programs and to force a program accommodation within the \$17.7 billion figure, he had failed.

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(C) Recognizing that this increase challenged not only the budget guidelines but also prevailing tenets about budget deficits, the report addressed these questions directly. A reduction of the DoD and ECA budgets in order to fund MAP they held as impossible, for further reductions in either area would represent "a grave risk." Moreover, to reduce expenditures in some programs at this point was poor management, since it meant greater total expenditures at a later date. More preferable, NSC 52/2 argued, was to accept a somewhat larger deficit in FY 1951 in the expectation that subsequent years would permit a reduction in political-military expenditures. For the first time, in a NSC study and indeed in any high-level memorandum, the theme of deficit financing for national security had been advanced to evade the impact of established budget ceilings. 77

(C) The mere mention of deficits had, however, prompted two rejoinders which were appended to the NSC report. Both the Treasury and the Council of Economic Advisors expressed their disagreement with, and dislike for, the prospect of high deficits for FY 1951--roughly \$5.1 billion in a total budget of \$42.4 billion. Edward Nourse, Chairman of the CEA, argued that budget deficits of this magnitude would offset any gains brought about by additional spending for national security. Already, he insisted, the economy showed the effects of previous deficits--strikes, lower real wages



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unstable agriculture policy, and a lack of capital. If war came or a long and sustained defense effort [were] required, a weakened economy would be a poor spring board for the future. Totalitarian governments had a "competitive advantage" in utilizing their economic resources, an advantage which he conceded. The U. S., by contrast, had to deal with the "economic behavior of free men," while trying to meet its commitments and "avoid a collapse of the financial machinery, public and private, on which our total security program rests."

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(U) These themes, which were fundamental to Truman's entire conception of political economy, continued to have his endorsement. The final FY 1951 budget, submitted in January 1950, to Congress, saw him accept only pieces of the increased allocations proposed in NSC 52/2. The request for MAP was \$645 million, up \$445 million over the figure set initially in July 1949. And the overall figure for international and security affairs would be \$18.2 billion, up only \$500 million over the July guidelines set by Frank Pace and the BoB.

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(S) At no point did Louis Johnson seek, after the completion of NSC 52/2, to overturn the \$13 billion limitation figure. Despite the Soviet atomic success and the barbed comments of Air Force Secretary Symington, Johnson continued to accept the two billion reduction from FY 1950. Indeed, given his troubles with the so-called "revolt of the admirals," the Defense Secretary--even had he been inclined--would have had little chance to prepare a case for more funding for defense. Nor did Frank Pace allow the momentum to shift in that direction.

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(TS) In a series of meetings with senior defense officials during the fall, the Budget Director repeatedly stated that \$13 billion would

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constitute the maximum allocation for the foreseeable future. Enjoining the military to see the connection between defense and the state of the economy, Pace contended that they must all prepare for the long haul. And on one occasion he applauded the military's restraint following the Soviet explosion, since that could have been the "cause of an outburst." <sup>82</sup> Thanks to Pace's efforts, the Budget Bureau-Defense relationship did improve in late 1949. Better relations did not, of course, bring any additional funds; the total allocation, sent by Pace on December 16, would be \$13,078,316,000, <sup>83</sup> only \$78 million more than the guideline set in July.

(U) The experience with FY 1951 reaffirmed the capacity of the budget process to check any tendency for extensive military spending. Whatever the rhetoric of the cold war and its ideological impetus, whatever base assumptions the new Soviet capability might have shaken, the defense budget for FY 1951 was less than any of its three predecessors. The Soviet threat continued to remain distant, the budget and electoral realities more immediate. Six months later the Korean attack would finally jar loose the remaining barriers to increased spending.

(U) A backward glance at the operation of the budgetary process in the months following the Czech crisis reveals a series of discordant features. First, it suggests the continuing attractiveness of political and economic responses to meet Soviet activism. Economic aid and military assistance programs were major fixtures, not step children as later, of the national security agenda. The essential strategic needs for the emerging atomic air offensive were provided, but in cautious and restrained amounts. The manpower needs for a somewhat stronger army were provided, but the result was not an army-in-being, capable of rapid expansion in a

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general emergency. Especially after Louis Johnson became Defense Secretary, the Navy found its own expansive needs under challenge, and, occasionally, as in the case of the flush deck carrier, eliminated.

(U) Second, although a generalized sense of competition with the Soviets clearly existed, this attitude did not translate into an urgent cry for Congress and the President to increase sharply the amounts spent for defense. If there were a sense of urgency during Forrestal's tenure, a sense that possibly drove him to a mental collapse, it did not transcend the bounds of the planning staffs, the JCS, and his successor. The President remained unconvinced, as did others such as Marshall, Acheson, and apparently key Congressional leaders as well. The case for a threat of dire proportions--Soviet bombs and their delivery on the continental United States--was not compelling. While "atomic scarcity" dominated much of the actual war planning, this same scarcity did not--among the narrow group who knew the actual story of the stockpile figures--induce them to rush pell-mell for higher defense expenditures. Moreover, Johnson's rigid, indeed unflinching, adherence to Truman's budget dictums meant that the evidence of threat would have to be doubly convincing. Since it was not, and since Johnson did not advance strong strategic views like Forrestal, there was no high-level pressure on the President or Acheson to reconsider the adequacy of the overall American defense effort. Given the lack of rapport (to be charitable) between Johnson and Acheson, there was scant prospect for mutual, informal exchanges of views that might alter things.

(U) Third, there was little likelihood that the atomic strategy would be rigorously scrutinized. Although Kennan for one might bewail the trend, other senior policy makers and certainly the highest level officials had

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reached an uneasy accommodation with the new strategy. Faced with an economical weapon and little budget flexibility, their embrace of the atomic strategy was not surprising. Their question was as indeed Truman had posed it in April 1949: would it work, not whether it should be given the chance to work. And the assurances were positive, sometimes excessively so.

(U) A fourth observation, derived from the budget process, was the relative lack of attention given specific weapons systems by the collective high-level leadership. While the Defense Secretary grappled with the B-36, the flush deck carrier, and the award of research and development contracts, this range of issues appears to have seldom involved the President directly. They were in-house problems that did not receive attention throughout the administration. In neither FY 1950 nor FY 1951 did the issue of forces structure cum specific types of aircraft become an issue. Rather it was the number of groups and not their composition that was the focal point. But here too the utilization of the rigid, flat ceiling approach meant that the NME (and later DoD) were the principal arenas for discord over specific weapons choices. Moreover, when Congress sought to overturn the parameters of the in-house decisions by allocating more funds for aircraft, Truman simply refused to spend the money.

(U) Throughout 1948 and 1949 the role and place of the NSC apparatus remained uncertain and ill-defined: poor staff work, confusion over the allocation of line responsibilities and differing conceptions of the actual purpose of the NSC did not make its advisory, coordinating task any easier. If NSC 20/4 and 52/2 left much to be desired, they were at least a start toward defining objectives, measuring the cost of implementation, and integrating general policy. Yet, the inadequacies of these first efforts could

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not be ignored; the need for a still further effort in this direction was thus clear to most of the participants, especially to Paul Nitze, who soon succeeded George Kennan as director of Policy Planning. With the procedural arrangements already established by NSC 52, the path for NSC 68 would be partly cleared in advance.

(U) What the function of the State Department might be in all of this remained unknown. The Department had been the clear leader, in fact the assumed leader, in defining much of the American response to the Soviet challenge since 1945. Although Truman had strong reservations about State's views on the Middle East and in fact distrusted State Department advice on the Middle East, his confidence in its European-Russian assessments remained high. Yet the budget process and the attendant bureaucratic infighting had shown the State Department unwilling to play the game, or at best, to be a reluctant participant. As Nitze's performance on NSC 68 would demonstrate, this reluctance could change. But the longer-term trends, in which the momentum for much of the American response to the Soviet challenge would become military, was also emergent. And this trait the Soviet explosion strongly reinforced, if not at once, in more significant and long-term ways. After August 1949, the competition became both more precise and more dangerous.

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1. These figures are taken from "Table I: Budget Pyramid-Strategic to GNP, 1945-1972 (Current Dollars in Billions)" (U), Annex G, "Selected U. S. Budget Data, 1945-1972," in History of Strategic Arms Competition: U. S. Air Force Supporting Studies (S), G-5, (1975); also see U. S., Department of Defense, "Expenditures/Outlays, Summary by Service, (1931-1976)," OASD (Comptroller), Feb. 18, 1975. The inflation factor is based on the price index figures: U. S., Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1957 (Washington, D. C., 1960), 139.
2. Warner Schilling, "The Politics of National Defense," in Warner Schilling, Paul Y. Hammond, and Glenn Snyder, Strategy, Politics, and Defense Budgets (New York, 1962); Paul Y. Hammond, "Super Carriers and B-36 Bombers: Appropriations, Strategy, and Politics," in American Civil-Military Decisions: A Book of Case Studies (Tuscaloosa, Ala., 1963).
3. Forrestal to Truman, Nov. 20, 1948 (S), Nov. 20, 1948, RG 330, CD 5-1-25.
4. Richard F. Haynes, The Awesome Power: Harry S. Truman as Commander-in-Chief (Baton Rouge, La., 1973), 122-125.
5. Frederick M. Sallagar, et. al., "History of the Strategic Arms Competition: Forces and Budgets Study (Blue Side), Part I--End of World War II to the Korean War (Interim Progress Report)" (S/RD), RAND Corp., April 1975, 4 (U).
6. Hammond's thorough article (cited above) on the Air Force-Navy rivalry in 1948-1949 is especially helpful.
7. Entry, Oct. 15, 1948, Forrestal Diaries, vol. XIII, 2571-2581, Forrestal Papers, Princeton; also entry, Oct. 15, 1948, in The Forrestal Diaries, ed. Walter Millis with the collaboration of E. S. Duffield (New York, 1951), 502-506.

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8. Pace to Forrestal, Oct. 13, 1948 (U), Bureau of the Budget, Series 47.3, National Archives; memo for Pace and W. F. Schaub, : "Questions Which Might be Asked of the Joint Chiefs of Staff During the Presentation of the Strategic Picture," Nov. 23, 1948 (U), ibid.
9. Schilling, Strategy, Politics, Budgets, 143-155.
10. Truman to Forrestal, July 13, 1948 (TS), RG 330, CD 5-1-20.
11. On the contacts, see Forrestal Diaries, 494, 512; also see, Interview with Robert A. Lovett, Secretary of Defense, Sept. 1951 - Jan. 1953, by Alfred Goldberg and Harry Yoshpe, New York City, May 13, 1974, in the Office of OSD Historian.
12. Schilling, Strategy, Politics, Budgets, 201-202, 238-266, passim.
13. For the final Finletter report, see Survival in the Air Age (Washington, D. C. 1948), copy in the President's Air Policy Commission Collection, Harry S. Truman Library.
14. Leahy to Forrestal, Dec. 11, 1947 (TS), RG 330, CD 3-1-29.
15. Lt. Gen. S. J. Chamberlain (Director of Intelligence, Army Staff) to Bradley, March 14, 1948 (TS), RG 330; Forrestal Diaries, 373-378, 390-394; also see Bradley to Forrestal, April 16, 1948 (C), Glass Papers, "Misc. Material on Supplemental Appro. March-May 1948."
16. Hillenkoetter to Hickenlooper, July 1, 1948 (TS), RG 330, CD 11-1-2; JIC 367/1 "E or F" (TS-3), Oct. 31, 1947; JIC 435 (TS-3), Aug. 23, 1948.
17. The production figure is taken from U. S. Air Force, The History of Air Force Participation in the Atomic Energy Program, 1943-1953, vol. II, pt. 2: Foundations of An Atomic Air Force and Operation Sandstone, 1946-1948 (TS/RD), by R. D. Little, 259; the bomb figures come from United States Atomic Energy Commission, Division of Military Application, A History

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- of the Nuclear Weapons Stockpile, FY 1945 - FY 1972 (Washington, D. C, 1973), (S/RD/CNWDI); the plane figures are from Leonard Wainstein, "The Evolution of U. S. Strategic Command and Control and Warning," pt. 1: 1945-1953 (TS) (IDA, 1975), 82.
18. Memo of conversation, by Edmund Gullion, to Lovett, Jan. 27, 1948 (C), U. S., Dept. of State, Foreign Relations of the United States, 1948, I, galleys. There galleys are currently (1975) classified as confidential, but contain some documents with a higher original classification. The current classification is used here. Memo for the Secretary (Marshall) by Arneson, Aug. 20, 1948 (C) ibid.
19. NSC 7, "(Note by the Executive Secretary to the National Security Council on the Position of the United States with Respect to Soviet-Directed World Communism)," March 30, 1948 (C), ibid.; see, e.g., Memo by the Acting Director of the Policy Planning Staff (George Butler) to the Under Secretary of State (Lovett), April 9, 1948 (C), ibid.
20. Entry, May 21, 1948, Forrestal Diaries, vol. XI, 2266, Forrestal Papers, Princeton; also Forrestal's comments at the Committee of Four, May 26, 1948 (TS), Ohly Papers, "T. S. Classified for the Year 1948."
21. Forrestal to Truman, July 10, 1948 (C), FRUS, 1948, I; Forrestal to the NSC, July 10, 1948 (C), ibid.
22. Truman to Forrestal, July 15, 1948 (TS), RG 330, CD 5-1-20; also see the comments by Truman on July 13, 1948, cited earlier in this chapter on p. 136; Truman to Forrestal, July 13, 1948 (TS), ibid.
23. Kennan to Marshall and Lovett, Aug. 5, 1948 (C), FRUS, 1948, I.
24. Memo by Policy Planning, Aug. 25, 1948 (C) ibid.; the first version the paper was dated June 23, 1948.

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25. Memo from State Dept. to NSC, Aug. 18, 1948 (C), ibid.
26. Gruenther to Kennan, Aug. 6, 1948 (C), ibid.
27. Forrestal to Marshall, Oct. 31, 1948 (C), ibid.; also see the substantial extract of the letter reprinted in Forrestal Diaries, 508-510.
28. Lovett to Marshall, Nov. 2, 1948 (C), FRUS, 1948, I.
29. Marshall to Lovett, Nov. 8, 1948 (C), ibid.; also see Bohlen to Marshall Carter, Nov. 7, 1948 (C), ibid.
30. Marshall to Forrestal, Nov. 8, 1948 (C), ibid.
31. Report from Forrestal to the NSC, Nov. 17, 1948 (C), ibid.
32. NSC 20/4, Nov. 23, 1948 (C), ibid. The discussion in the text is taken entirely from NSC 20/4.
33. Forrestal to Truman, Nov. 9, 1948 (TS), RG 330, CD 5-1-25.
34. Forrestal to Truman, Dec. 1, 1948 (C), FRUS, 1948, I.
35. Ibid.; Forrestal Diaries, 535-540.
36. Entry, Dec. 9, 1948, Forrestal Diaries, 536; also Schilling, Strategy, Politics, Budgets, 199.
37. "Annual Budget Message to the Congress: Fiscal Year 1950," Jan. 10, 1949, Public Papers of the Presidents of the United States: Harry S. Truman, 1949 (Washington, D. C., 1964), 44-62.
38. Schilling, Strategy, Politics, Budgets, 205-207; Forrestal Diaries, 537-538.
39. Undated, untitled memorandum (? 16 Dec. or 20 Dec. 1948), prepared in the Office of the Chief of Staff, USAF (TS/RD), Forrestal Papers, Suitland, Exhibit C: Supplement.
40. Ibid.
41. On this period of the Truman presidency, see Harry S. Truman, Memoirs: Years of Trial and Hope (Garden City, N. Y.), 269-293; Cabell Phillips,

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The Truman Presidency: The History of a Triumphant Succession (New York, 1966), chapter 10; James T. Patterson, Mr. Republican: A Biography of Robert A. Taft (Boston, 1972), 434-442.

42. "Remarks to a Group of New Democratic Senators and Representatives," April 6, 1949, Public Papers: HST, 1949, 200. Churchill's comments had been made on March 31, 1949 at M. I. T.

43. Minutes of War Council, Feb. 8, 1949 (TS), Ohly Papers, "File for 1949."

44. Landry to Truman, April 16, 1948 (C), RG 330, CD 12-1-8. Landry was the Air Force Aide to the President, 1948-1953.

45. Truman to Johnson, April 21, 1949 (TS), RG 330, CD 23-1-19. Truman, Years of Trial and Hope, 304-305; also see Herman Wolk, "USAF Organization for Strategic Warfare, 1948-1968," (TS/RD/NOFORN), 1975, Office of OSD Historian, 23-26; U. S. Air Force, A History of the Air Force Atomic Energy Program, 1943-1955, vol. III, pt. 2: Building An Atomic Air Force (TS/RD) by Robert D. Little, 343-344, 348.

46. Eisenhower to Johnson, May 3, 1949, RG 330, CD 23-19.

47. Ohly to Captain Riley, April 19, 1949 (TS), ibid. Also see the Navy position which attacked some of the Air Force assumptions in the initial studies, Denfeld to Johnson, April 14, 1948 (TS), ibid.

48. Johnson to Truman, Nov. 21, 1948 (TS), ibid.; Little, Building An Atomic Air Force (TS/RD), 343-344, 348; Presentation, "WSEG Report," SAC DPL to Wing Commanders, June 16, 1950 (S); Le May to Director of Plans and Operations, Hq. SAC, "Report of the Weapons Systems Evaluation Group on the Strategic Air Offensive," June 9, 1950 (S).

49. Draft Report by the NSC Staff: "Measures Required to Achieve U. S. Objectives with Respect to the USSR," March 30, 1949 (C), U. S., Dept.

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of State, Foreign Relations of the United States, 1949, I, galleys. These galleys are currently (1975) classified as confidential, but contain some documents with a higher original classification. The current classification as used here.

50. Kennan to Acheson and Lovett, April 14, 1949 (C), ibid.
51. Record of the Under Secretary's Meeting, April 15, 1949 (C), ibid.
52. Ibid.
53. Memo of Conversation: Webb, Kennan, Butler, McWilliams, Souers, Lay, May 4, 1949 (C), ibid.
54. Memo from Webb to Souers, May 24, 1949 (C), ibid.; Johnson to Souers, June 20, 1949 (C), ibid.
55. Memo of Conversation (see note 53), May 4, 1949 (C), ibid.; memo by Webb of meeting with Truman on June 2, 1949 (C), ibid.
56. Truman to Souers, July 1, 1949 (C), ibid.
57. Pace to Truman, March 28, 1949 (S), Bureau of the Budget, Series 47.3, National Archives; also see the file of correspondence on this in RG 330, CD 19-1-34.
58. BoB memo for the President, April 5, 1949 (U), Bureau of the Budget Series 47.3, National Archives; also see the undated memo the President, subj.: Budget Alternatives for 1951, ibid.
59. Eisenhower's role in this process, was at best unenviable; see his testimony to the Senate Subcommittee on Appropriations, March 29, 1950 (U), Glass Papers, "Gen. Eisenhower testimony on FY 1951 Budget."
60. Pace to Johnson, April 25, 1949, Glass Papers, "FY 1951 - Budget (McNeil files)."

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61. Pace to Johnson, May 2, 1949, ibid.; McNeil to Johnson, May 11, 1949, ibid.; Denfeld to Johnson, May 18, 1949 (TS), RG 330, CD 5-1-43; Johnson to Pace, May 19, 1949 (TS), ibid. Also see the memo from the National Security Branch of BoB to Pace, May 24, 1949 (U), Bureau of the Budget, Series 47.3; National Archives.
62. Pace to Johnson, July 1, 1949 (C), RG 330, CD 5-1-43.
63. Truman to Souers, July 1, 1949 (C), FRUS, 1949, I.
64. Johnson to Truman, Aug. 15, 1949 (S), RG 330, CD 5-1-43; also see Johnson to JCS, Aug. 18, 1949, ibid., and Johnson to the Service Secretaries and the JCS, July 5, 1949 (TS), ibid.
65. Bradley to Johnson, Sept. 2, 1949 (TS), ibid.
66. Memo by Kennan for the Deputy Under Secretary of State for Political Affairs (Rusk), Sept. 7, 1949 (C), FRUS, 1949, I.
67. Wainstein, "Evolution of US Strategic Command," (TS), 17-19; Herman Wolk, "USAF Organization for Strategic Warfare," (TS/RD/NOFORN), 23-24.
68. Record of Meeting at Blair House by Gordon Arneson, July 14, 1949 (C), FRUS, 1949, I, galleys; also Richard G. Hewlett and Francis Duncan, A History of the United States Atomic Energy Commission, vol. II: Atomic Shield, 1947-1952 (University Park, Pa., 1969), chapter 10; Dean Acheson, Present at the Creation: My Years in the State Department (New York, 1969), 314-321.
69. McMahon to Johnson, July 14, 1949 (C), FRUS, 1949, I; also see Hewlett and Duncan, Atomic Shield, chapter 6, and U. S., Congress, Joint Committee on Atomic Energy, "The Scale and Scope of Atomic Production: A Chronology of Leading Events," Jan. 30, 1952 (TS/RD), RG 330, 471.6 (A-Bomb).

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70. Truman to Souers, July 26, 1949 (C), FRUS, 1949, I.
71. "Report to the President by the Special Committee of the National Security Council on the Proposed Acceleration of the Atomic Energy Program," Oct. 10, 1949 (C), ibid.
72. Memo by Arneson, Aug. 2, 1949 (C), FRUS, 1949, I; memo by Kennan for Webb and Rusk, Aug. 3, 1949 (C), ibid.
73. Joint Intelligence Committee Report, July 1, 1949 (C), FRUS, 1949, I; also Karl Weber to Col. Joseph Halversen, CIA Liaison to JCS, June 29, 1949 (TS), SDF, Lot 57D688, box 825, Country File USSR; also see Arneson for Acheson, July 5, 1949 (TS), ibid.
74. Report by the Policy Planning Staff, "Political Implications of Detonation of Atomic Bomb by the U. S. S. R.," Aug. 16, 1949 (C), FRUS, 1949, I.
75. Report by the National Security Council to President Truman, "Governmental Programs in National Security and International Affairs, for the Fiscal Year 1951," Sept. 29, 1949 (C), ibid. It is not clear whether Truman ever approved or disapproved this report; often, he simply received the NSC reports and reserved his decision.
76. Ibid.
77. Ibid.
78. Ibid.
79. "Annual Budget Message to the Congress: Fiscal Year 1951," Jan. 9, 1950, Public Papers of the Presidents of the United States: Harry S. Truman, 1950 (Washington, D. C., 1965), 44-106.
80. Symington to Johnson, Nov. 8, 1949 (S), RG 330, CD 15-1-28.
81. See, e.g., Hammond, "Super Carriers and B-36 Bombers," 514-551.

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82. Minutes of meeting between Pace, Admiral Davis of JCS, McNeil, Oct. 21, 1949 (TS), Glass Papers, "FY 1951 Budget (McNeil Files)."
83. "Army Reclama of 1951 Budget to the Office of the Secretary of Defense, 5 December 1949 - 9:30 a. m.--Room 3A-658," (S), Glass Papers, "Reclama Hearings, Dec. 5, 1949."

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CHAPTER FIVE

Move and Counter-move: The Decision to  
Build the H-Bomb

(U) The Soviet atomic explosion did not dramatically alter projected defense spending for FY 1951. The older, established budgetary procedures and economic concepts remained tenacious. Nor in fact did the Soviet test substantially affect the NSC report on the production of fissionable material which went to the President on October 10. Indeed there would have been more fissionable material, more and better bombs, equally promising developments in the missile field, and a new push for military custody of atomic weapons without the impetus from the radioactive traces from the Soviet Union.

(U) But if the elements of continuity were strong and resilient, the elements of change--immediate and long-term--were more numerous and ultimately more influential. Without the Soviet explosion, the chances for an early development of the fusion bomb would have been small, the successful self-assertiveness of the Joint Committee on Atomic Energy almost surely diminished, the State-AEC coalition against the Defense Department possibly stronger, and the JCS probably less conspicuous in its advocacy of atomic strategy. The sharp split within the scientific community over further weapons development would, moreover, have remained submerged for a while longer. And, perhaps most important, the confident perceptions of the Soviet threat would have continued indefinitely, with the competition between the Soviet Union and the U. S. remaining generalized rather than intensely focused on the most delicate, sensitive, fearsome area of all--the possibility of a Soviet atomic attack. Fear of this development had spurred the early efforts to control the new weapon, smugness about the

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had then followed. Now events had come full circle; the strategic arms competition, latently bilateral since 1945, was now open and real.<sup>1</sup>

(U) The major stages of the American reaction to the Soviet atomic success can be quickly recounted. In October Truman accepted the decision of the special NSC committee on the expansion of fissionable materials. When the General Advisory Committee of the AEC and three of the five AEC commissioners recommended early November against the development of the "super" bomb, the President reappointed the special NSC panel to study the issue. Their report, recommending an attempt to build the fusion bomb, he accepted on January 31. Truman communicated that decision to the public the same day, laconically noting that the AEC had been directed "to continue its work on all forms of atomic weapons, including the so-called hydrogen or superbomb."<sup>2</sup> Six weeks later, on March 10, Truman would sanction the production of adequate quantities of tritium to ensure that the new device--if successful--could be produced in quantities for use as a weapon. Thirty-one months later, on November 1, 1952, the first fusion bomb would be successfully tested. Only nine months later, on August 8, 1953, the Soviets also exploded a fusion device. The race for additional security had moved to a new and more dangerous plateau.

(U) This analysis of high-level decisions in late 1949 and early 1950 will not attempt to explore the full saga behind the events just summarized. Rather it will focus upon several key pieces of the story in an effort to highlight new information and to focus the discussion about the "super" into the context of the Soviet-American strategic arms competition. Within even this limited set of parameters, the reader will observe, however, the

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presence of new faces, new forces, and new procedures. For with the Soviet explosion, the Congressional role becomes accentuated, the issue of national security more political, and the Congressional-JCS ties more visible and durable. What subsequently emerges is a decision-making pattern-- at least in its largest, more gross dimensions--that is still familiar today in the formation of strategic policy. If budget allocations still lagged behind in early 1950, the work on NSC 68 and then the North Korean attack would bring even that recalcitrant element into play. The strategic arms competition of the high cold war was beginning in earnest.

#### I. From Scarcity to Plenty: More Fissionable Material

(TS/RD) A combination of events, long before the Soviet test, had prompted Truman's appointment on July 26 of Lilienthal, Acheson, and Johnson to a special panel on fissionable material. The promising results of the Sandstone tests had led the JCS, under Congressional prodding, to increase significantly in late May its estimate of future military needs for fissionable material. Then the JCS, on June 14, 1949, issued a new list of weapon requirements as well, one which--however--fell "far too low" to exploit the amount of fissionable material requested only weeks before. Rather than blunt its case for further expansion and not anxious to make the ranking JCS officers appear somewhat foolish about atomic matters, the MLC simply ignored this contradiction<sup>3</sup> and forwarded the requirements to Louis Johnson. However inconsistent, the new JCS demands clearly necessitated the expansion of existing AEC facilities. To consider this problem and at the same time to satisfy Senator McMahon's entreaties, Truman

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appointed the special NSC subcommittee in mid-July. The outline of that group's work before September 23 has already been noted in connection with NSC 52/2. Put simply, there was little helpful interchange among the three governmental units. While the AEC and the State Department wanted an examination of the impact of expanded production upon the entire strategic situation, Secretary Johnson and the JCS wanted the effort limited to assessing the technical feasibility of the problem and its international impact. Despite Johnson's tarnished reputation as a Secretary of Defense, and there were already complaints about his limitations in September 1949, his barroom tactics within the bureaucracy were often successful.<sup>5</sup> In this NSC study, for example, he successfully resisted the efforts for any overall review.

(C) Thus the final report, presented to Truman on October 10, was simply a composite of the three agency perspectives. On the whole it was largely uninfluenced in either content or tone by the Russian success. In the report the preponderant arguments, naturally enough, for increased production came from the JCS. Familiar points--the "Sandstone" successes, the failure of international control efforts, and the possibility of more efficient utilization of raw materials--were adduced to justify an expanded program. More novel were their other reasons: the military assistance talks revealed a Europe even more defenseless than they had imagined, hence the need for additional atomic weapons; atomic devices allowed more economy and more efficiency in war planning: an adequate weapon stockpile was required since the production plants might be knocked out in war. With 1956 set as the target date for the new production goals, the JCS believed overwhelming American superiority would--despite the recent Soviet success--"continue to

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act as deterrent to war." The AEC, in its contributions to the report, said the expansion was technically feasible, that material not used for military purposes could later be shifted to peaceful uses, and that the financial ramifications (\$319 million in capital and \$54 million in annual operating costs) could be handled through the AEC budget.<sup>6</sup>

(C) The State Department was less enthusiastic about expanded production. The diplomats believed, "on balance," that the expansion would not be "untimely" from the international point of view. It would indicate the continuing American determination to lead the field, bolster European morale, and help in the forthcoming conversations with the U.K. and Canada on atomic matters. In any event, observed the State document, "Other nations, in all probability, already assume we are producing atomic weapons to the full extent of our capabilities." The report concluded with two separate, noteworthy, observations. First, the accelerated production should be "understood to be a projection of previous plans based upon our own capabilities, rather than as counter-development to the Soviet explosion." Second, the new costs "should not be at the expense of other areas of the national defense program," meaning not from DOD or the military assistance program.<sup>8</sup>

(TS/RD) Truman accepted this report and approved its recommendations. But because he sought to avoid any appearance of responding to the Soviet success, he decided to defer a supplemental request to Congress for the additional financing until January. Until then, the AEC was authorized to spend \$20 million from other funds on the preliminary work needed for the production increases.<sup>9</sup> On this issue, therefore, the element of continuity and past practice appeared to dominate. A stubborn Truman seemed unwilling to make

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any move that might betray panic. Nonetheless, a crucial decision enabling the acceleration of production and the guarantee of plentiful weapons had been taken. The atomic strategy had, de facto, been further endorsed; it was economical, efficient, intimidating, and--above all--available.

## II The Struggle for the "Campbell" Super<sup>10</sup>

(TS/RD) The discussions about expanded production were, in their latter stages, overshadowed by the government's preoccupation with the ramifications of the Soviet atomic test of August 29, 1949. Many shared Senator McMahon's view, expressed in a Joint Committee report on October 13, that "Russia's ownership of the bomb, years ahead of the anticipated date, is a monumental challenge to American boldness, initiative, and effort."<sup>11</sup> How would the United States respond? Not, as we have seen, with a dramatic upsurge of defense spending. Nor, since Truman's assent on expanded production remained largely internal (and by his own desire, muted) by waving the threat of multiples of new atomic weapons. Rather, the answer would be the decision to develop a thermonuclear device. That this was indeed the response owes much to the intrusion into the political process of two participants seen only marginally in the analysis until now: the Congress and scientific community.

(U) Congressional-AEC relations were never in the early years exactly smooth. Disagreements about the AEC's relationship with the military had been succeeded by the controversy over the appointment of David Lilienthal as chairman. After eighteen months of relative calm, 1949 had seen a Congressional investigation of alleged "incredible mismanagement" of AEC

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facilities. These accusations, which Senator Hickenlooper exploited, all but destroyed the tenuous cohesiveness among the disparate commissioners. Commissioner Strauss broke away and became the principal in-house agitator. Simultaneously Brien McMahon, thanks to the 1948 election, resumed the chairmanship of the JCAE. Not only did he have a keen interest in the atomic issue, he also had an aggressive, inquisitive young staffer--William L. Borden--anxious to push him along. The upshot, as Truman noted in September 1949, was two Senators (Hickenlooper and McMahon) up for re-election in 1950 and with the JCAE a possible road to success.<sup>12</sup> Of the two, McMahon's role is the more crucial.

(TS/RD) Over the months from September to January, the Connecticut Senator's efforts on behalf the Super bomb took a variety of forms. Direct appeals to the President were one avenue. Not only did he press Truman in late September about the Super, he made clear his desire that the President henceforth consult the JCAE about negotiations with the U.K. and Canada. While Truman thought this an unwarranted intrusion into his constitutional prerogatives, he recognized the strength of McMahon's constituency.<sup>13</sup> In early November, when the Senator feared the AEC had blocked the Super issue, he urged the Chief Executive to authorize a further investigation of the matter. This was followed by a renewed appeal on November 21 to sanction both the development and the production of the fusion weapon. McMahon expressed fears that any other decision "would almost guarantee disaster for if Russia got the H-Bomb, the catastrophe becomes all but certain--whereas if we get it first, there exists a chance of saving ourselves. . . ." <sup>14</sup> McMahon stressed these sentiments in person when he saw Truman on November 25, then reiterated them on January 3.

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And in late January, on the eve of Truman's public announcement, the Senator and the JCAE were busy exploring ways to keep the pressure on the White House. McMahon allowed the President no misapprehension about either his (McMahon's) or the Joint Committee's solid support for the urgent development of the hydrogen bomb.

(TS/RD) McMahon did not limit his efforts in shaping this decision to timely reminders to Truman. He also worked to elicit strong, unhesitating support from the military establishment, and to have them in turn pressure the President from still another direction. Indeed, late 1949 saw the consummation of a courtship between the JCAE and the military that had begun, amid much confusion, in 1947. Repeatedly the JCAE had queried the military about the adequacy of the atomic program. Not until March 16, 1949, did the Committee finally get the MLC to state that the military did not have "enough bombs nor are we getting them fast enough."<sup>15</sup> Then, on October 7, under intensive questioning from the Committee (including Representative Henry Jackson), Air Force Secretary Symington and General Vandenberg admitted dissatisfaction with the stockpile of bombs, while adding that it was up to others to set those figures. Interestingly, however, General LeMay told the Committee that "he has not recently looked at atomic stockpile figures and preferred not to."<sup>16</sup>

(TS/RD) The issue of the fusion bomb, coupled with the adequacy question, therefore offered McMahon a further opportunity to forge a working relationship with DOD and the JCS. In this he was, of course, helped by the views of senior figures within the Pentagon. For example, Robert LeBaron, while cognizant that development of the Super would mean less material for regular fissionable bombs and that the device might not work, advocated taking

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the risk. America, he told Deputy Secretary Early, in November, could not play "ostrich." "The crux of our military concept of peace through power lies on the belief that the atomic weapon gives us the necessary force in a tight package with simple logistic support. If Russia can make a super and we forego the task, what happens to our military thesis?" The JCS were even more emphatic. On November 23, they wrote Louis Johnson that "Possession of a thermonuclear weapon by the USSR without such possession by the United States would be intolerable," while possession by the U.S. might "act as a possible deterrent to war." Brushing aside moral and psychological objections to its development, the JCS asserted emphatically that American failure to act would not "prevent the development of such a weapon elsewhere."<sup>18</sup>

(TS/RD) These same sentiments, coupled with support from LeBaron, marked Bradley's appearance before the JCAE on January 20, 1950. Already on October 14 Bradley had told the JCAE that the military favored both the Super and more atomic weapons.<sup>19</sup> Now, in his January appearance, he reiterated these points. Cautious, restrained, and refusing to be tempted by Senator Millikin's talk of preventive war, the Chairman of the JCS left no doubt that the military strongly favored the development of the hydrogen bomb. But the General's backing was tempered with resignation. He observed that, while there were differences of opinion, if war came, "we would eventually win it, and what kind of shape we would be in after having spent our resources and the destruction and so, is something else again. Whether or not you would have America left as we know it now, even though you won the war, certainly you wouldn't have Europe left as we know it."<sup>20</sup> If the emotional McMahon

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was more enthusiastic about the Super than the senior military figure, he had effectively secured Bradley's strong support. This backing was a kind of trump card, useful to hold in reserve if Truman faltered in his decision, and conveniently intimidating in the meantime. Moreover, in forging the military--JCAE link, both parties gained. The military had an ally against the AEC on future issues, such as weapons custody; the Committee won a potential ally for a more extensive and active atomic energy program.

(U) The third area of McMahon's activity concerned the AEC. Since Hewlett and Duncan have devoted copious attention to this, only brief mention of this relationship is necessary. Throughout the fall of 1949 McMahon and the Committee peppered Lilienthal and the AEC with demands for action. When the General Advisory Committee unanimously balked at a thermonuclear program, and the AEC Commissioners (voting 3 to 2) supported this position on November 9, McMahon picked up the cudgels against both the AEC and the GAC. His prodding about production facilities, especially the needed plant expansion, allowed the AEC no respite. The net effect was substantial. By early 1950 the Commission was clearly on the defensive. A weary Lilienthal quit at the end of his term in mid-February, leaving behind at least three Commissioners more attuned to the Committee's priorities and wishes. What McMahon had succeeded in doing, along with Hickenlooper's earlier attacks on Lilienthal, was to erode the AEC's cohesiveness and independence. In this precarious position, the AEC was in no position to resist Congressional, military, and presidential proclivity for insurance via the fusion device.<sup>21</sup>

(U) The fourth area of McMahon's activity was in expanding the



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the activities and inquisitiveness of the JCAE per se. Scarcely veiled requests for data on the size of the atomic stockpile and the rate of production were one gambit; another was to force a defensive evaluation of the AEC's performance. Rebuffed on these plays, McMahon pressed on elsewhere. In particular, he used Committee hearings to elicit information.

(TS/RD) Possibly one of the most important Committee sessions took place on October 17, 1949, when Admiral Hillenkoetter, DCI and the principal witness, discussed American intelligence forecasts and the Soviet atomic success. The admiral confronted a Committee alarmed at the presumed American intelligence failure, worried about the possible military implications of the Soviet advance, and bewildered by the triumph of Soviet technology. In the exchanges the CIA Director steadily insisted that the U.S. had not been "taken by surprise" by the explosion. Rather it was clear that the five-year estimate for the Soviet timetable was correct: the error had come in dating initial Soviet work on the project in 1945 instead of 1943. In any case, the Soviets now had two piles in operation, would soon add a third, and would probably have ten bombs by the end of 1949. Thereafter, Soviets were expected to be able to produce up to twenty-five bombs a year. But regardless of the number of weapons, Hillenkoetter did not foresee any Soviet military action "in the immediate future. At any time that they the Russians get into a military adventure, you don't know how that thing is going to go, and they are not going to take a chance. Every dictatorship that has been in power has never lost by its own people overthrowing it; it is always the result of an outside

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military movement that gets them." Offsetting this evaluation, however, for the Committee was the fact that the Soviets had surprised the U. S. in the technological field. They had copied the B-29, built a jet fighter possibly superior to the American version, and now had the bomb. Moreover, the Communists were on the verge of triumph in China. Indeed, as Hillenkoetter noted, it could be argued that the Soviets were winning the cold war. In these circumstances, could the United States take a chance on not developing the thermonuclear weapon? Or, as McMahon put it, "frankly, if they [the Russians] should get it and we should not have it, to say nothing of us having it or not having it at the time, it might well mean the difference between our existence as a nation and not existing."<sup>22</sup>

(U) In addition to the hearings, the JCAE sent subcommittees into the field to investigate the status of AEC facilities and projects. One such group included Chet Holifield, Melvin Price, and Henry Jackson who heard first-hand the vaunted theoretical potential of the hydrogen program. The net result of these hearings and trips was, not surprisingly, a Committee<sup>23</sup> strongly supportive of McMahon's position on the hydrogen bomb.

(TS) In this support the rhetoric occasionally assumed a purple cast. More and more frequently it struck the chord of "national security" in an enveloping, impervious fashion. Gone was the old assurance, the confidence spawned by atomic monopoly. Now the tone was urgent, the willingness to sacrifice strong. Repeatedly McMahon reminded his colleagues that the U. S. had spent only 1/40 of its military budget on atomic matters, a figure that conveniently overlooked the entire delivery aspect. If war came and the U. S. atomic effort was inadequate, McMahon wanted to have a "clear conscience" in declaring before a "board of inquiry" that he had done his

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best. But perhaps nothing better illustrates McMahon's conviction and alarm than this exchange with Robert LeBaron on January 20:

The Chairman /McMahon/: Is there anything esoteric or in the realm of the emotional in this statement, that total power in the hands of total evil will equal destruction for us?

Mr. LeBaron: No, sir.

The Chairman: Isn't that what we have got?

Mr. LeBaron: This is the end.

Senator Millikin: Will you state that again?

The Chairman: That total power in the hands of total evil will equal nothing but complete destruction for the forces of decency everywhere in the world.

If that is emotional, I want to be told where. That there is total evil there can be no doubt, and that there is total power if used by an aggressor and by surprise, we can also agree. The trouble is that people are going to duck the conclusion from that, and think some way they are going to be able to make some kind of deal on some basis, and you can't make a deal.<sup>24</sup>

These themes, with many variations and many echoes, would come to characterize much of the Congressional response to the problem of Soviet-American strategic relations in the 1950's, and later.

(U) If the thermonuclear issue allowed Congress to intrude into strategic planning in an unprecedented fashion, the issue also saw the scientific community more actively involved than at any time since 1945. Not, of course, that they had been inactive. Through the various scientific program, the work of the Research and Development Board (with its various subcommittees), and the General Advisory Committee to the AEC, the community had continuously aided the overall scientific responses to

the challenges of the post-war world. Furthermore, even without the Soviet explosion, 1949 would have seen the efforts of the scientists in the field of missile research posing fundamental problems for high-level decision makers. Indeed, the decision-makers confronted a series of choices. Should, for example, they opt for a satellite vehicle, which might "capture the imagination and support of American public and cause considerable uneasiness in the high councils of the USSR?"

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And how would they settle the jurisdictional questions posed by the advent of missiles, since, as John Ohly told Louis Johnson on May 23, the Army's claim to control all ground launched missiles would raise "the question of whether a guided missile is in the nature of ordnance or aircraft, and as to whether it is essentially a support for ground operations, or substitute for strategic and tactical aircraft." Moreover, there was the prospect, as Webster told Johnson on September 28, that "several attractive missile developments are just around the corner" with atomic warheads that were "entirely practicable", and this posed a host of long-range questions for strategy, procurement, and

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service responsibilities. Thus, thanks to progressive scientific successes, OSD and the JCS found themselves already grappling in 1949 with the various dimensions of missile research and development. If there was no sense of urgency--the JCS spoke of "reasonable technical effort"--there was nevertheless an increasing need to assimilate the advances of the research and scientific community. And this would have come in any event in 1949.

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(U) The same cannot be said for the scientists and the thermonuclear question. Since 1943 senior figures in the Manhattan project and later in the GAC had intermittently considered the feasibility of a fusion reaction.

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Each time, however, they had concluded that the uncertain theoretical possibilities, probable costs, and detrimental effects on the atomic program did not warrant an effort in that direction. The Soviet explosion directly triggered a reconsideration of the fusion question. The labyrinthian details of the scientific lobbying for the Super need not concern us. Edward Teller, E. O. Lawrence, and their allies managed ultimately to overturn the institutional position of the GAC. In the process, their efforts would not only divide the senior members of the scientific establishment, but also open the way for insidious personal feuds and Congressional opprobrium toward members of the GAC.

(U) Little of this could have been anticipated by the AEC or the GAC when it set out in October to consider anew the feasibility question. The prestige of victories past, a record of support for the expanded fission program, and the legacy of past wisdom would seem to have ensured the GAC of its continuing dominance. This status, in turn, made the GAC's unanimous negative report a crucial move in the decision process. No other outside group could have delayed the mounting groundswell among the insiders--the JCAE, the military, OSD--as long as the GAC. Not only did its adverse reaction delay Truman's decision on the matter from early November to late January 1950, it left the President no choice but to convene once again the NSC special committee to consider the matter. In doing so he delayed his own decision, while allowing the other forces to have their say. The net loser would, in the long run, be the GAC and its recommendations.

(S/RD) The position, against a fusion bomb, adopted by the Advisory Committee in late October, would be reaffirmed in early December.

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The GAC stance was eloquent testimony to the dilemmas of statecraft: to the conflict between security and morality, to the problem of ethical distinctions, and to the political unwisdom of mixing morality with desired outcomes. The arguments advanced by the GAC against the Super took the following form: that its feasibility could only be determined by a test, that its costs were unknown, that it could only be used for "exterminating civilian populations," and that American development of it would precipitate similar actions by other nations. Although some (including Lee DuBridge, James Conant, and J. Robert Oppenheimer) thought it should never be developed, Fermi and Rabi would do so if the Soviets did or if Moscow failed to renounce its construction. Both sides could agree that smaller atomic weapons were adequate; that the Super was a "weapon of genocide" and necessarily an evil thing considered in any light;" and that the H-Bomb would be intrinsically different from the atomic effort. With this in mind, the Committee urged self-restraint as a way to convince the world of America's good intentions. Nothing would be endangered, they held, by this position, all the more so since the U. S. retained a decisive atomic advantage over the Soviet Union. If it were too late to cap the atomic volcano, perhaps there was still time to avert a quantum jump to an entirely new plateau of destruction.

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(C) This reasoning a majority of the AEC Commissioner--Lilienthal, Pike, and Smyth--found acceptable and convincing. Their own report to the President on November 9 incorporated many of these points, while adding others about pollution, the difficulty of delivering a Super weapon, and the fact that it would have no possible peace-time utilization.

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(U) The other two Commissioners--Strauss and Gordon Dean--rejected many of the GAC's premises and the thrust of their conclusions. The most effective counter-arguments came from Lewis Strauss. Writing President Truman on November 25, Strauss argued that there was a 50-50 chance the Super would work. Moreover, the Russians, who might have already started work on it, would not--as "atheists"--be likely to be dissuaded on "moral" grounds to forego development. Further, wrote Strauss, it was "the historic policy of the United States not to have its forces less well armed than those of any other country (viz., the 5:5:3 naval ratio, etc. etc.)." Nor did Strauss fail to note that the military wanted the weapon, both for offensive and defensive reasons. Finally, he stressed the inconsistency of those favoring atomic weapons on the one hand and opposing thermonuclear ones on the other; such a distinction, he regarded as false and misleading. The new weapon would be horrible, but "all war is horrible." He thus hoped the President would not accept the AEC report and would instead direct the AEC "to proceed with all possible expedition to develop the thermonuclear weapon."<sup>32</sup>

(U) The force of these arguments was impressive. Already vulnerable in their technical stance against the fusion device, the GAC (and the three AEC Commissioners as well) had centered their opposition upon the terrible nature of the new weapon and its moral implications. Those arguments, while certainly not incorrect, were less compelling than those stressing Russian possession of a Super. No argument could weigh more heavily with the President than the possibility that the Soviet Union might achieve an additional scientific triumph. Strauss had, in effect, masterfully outflanked those who wanted to foreswear the Super. Although

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the GAC would reiterate its opposition to the Super in early December, other members of the scientific community (allied with Strauss and his cohorts) were effectively undermining the GAC position. By January the scientific opponents of the hydrogen experiment had lost their "delaying game." The momentum of the decision process had moved against them.

(U) This tide had not helped the position of the majority of the AEC Commissioners either. Whether a bitterly divided Commission could ever have convinced the President to accept the GAC report was at best problematical. With each passing week Lillienthal found his strength--politically and personally--ebbing. Already determined to retire, he did not bring the same tenacity as earlier into his fights with Strauss, the military, or Senator McMahon. The President continued to treat him respectfully, almost as if they were both confronting forces too great for either to deflect. Yet there was no White House intervention or signal that might have reversed the trend against the Lillienthal conception of the AEC. The central arena, in which he still participated though with increasing ineffectiveness, had now become the special NSC group appointed by the President on November 19 to consider the thermonuclear issue.

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(C) By the time this reconstituted committee--Johnson, Acheson, and Lillienthal--began to function, the State Department had already devoted hours of attention to three ramifications of the Soviet explosion: military strategy and the atomic bomb, the international control of atomic energy, and the fusion device. Within the Policy Planning Staff there was clear recognition, albeit limited enthusiasm, for the atomic nature of the American strategy. George Kennan still disliked reliance on atomic weapons, since it made it "difficult if not impossible to do any thing else when

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the time came to make a decision." And he and the Russian experts felt that an atomic attack would "stiffen the courage and the will to resist of the Russian people." Paul Nitze, on the other hand, worried about the American will if the U. S. embarked on a civil defense program. It might, he bemoaned, affect "the determination or the energy to use the bomb."

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(C) At the same time some in the State Department, including Kennan and Nitze, believed that the Soviet bomb had possibly rendered the atomic strategy suspect. Thus, as Nitze told the staff on October 11, "Conventional armaments and their possession by the Western European nations, as well as by ourselves, become all the more important . . . ." In fact Nitze thought that Europe would have to devote more of its resources in this direction, even accepting some decrease in its standard of living. Acheson, who regarded the prospect of European sacrifice somewhat skeptically, did not contest the Kennan-Nitze critique of the atomic strategy. The logic of flexible response seemed all too obvious, well before "its time."

(C) On the second topic issue--international control and the Russian explosion--there were repeated high level discussions within the State Department during October and November. Expert testimony was, on the whole, profoundly ambiguous both about the chances for an accord with the Soviet Union and about any benefits to the U. S. from the process of trying. But there was support for keeping the Baruch plan before the U. N., since its withdrawal might hurt American prestige and contribute to a sense of panic. And, as Vannevar Bush noted, there might be developments in "method of detection" that would make it possible "for us to have security with something less than the present U. N. plan." But no one expressed much

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confidence than this about international control as a response to the Soviet achievement. The hopeful days of 1946 were long since past.

(C) Acheson, for one, did not like the longer term prospects. Unless, commented the Secretary on November 3, there was some "kind of mechanism of control or prohibition of such weapons, when you do have a war it will eventually (between one and one-half and two and one-half years after its inception) be an atomic war." To avert this, he suggested a different tact: a renewed effort for step-by-step political, strategic, and economic negotiations with Moscow. These interlocking negotiations, conducted up to a point and then shifted from topic to topic, would build confidence. Perhaps then there could be a moratorium on the development of the Super, with foreign observers in each country serving as monitors. Although readily conceding past difficulties with the Soviets on these points, the Secretary nevertheless saw this multifaceted approach as a possibility. <sup>37</sup> This option did not, however, get beyond the "musing" stage. It reflected a calmer, more orderly time, when progressive negotiations might have been politically possible. In the swirl of late 1949--the loss of China, the Soviet explosion, the Hiss trials, and with McCarthyism just over the horizon--Acheson's scheme had no chance.

(C) Nor did the Secretary's initial thoughts on the third topic--the Super--have much chance either in late 1949. He believed that the development of both the Super and the wider fission program would require "resolution and confidence on the part of the people and a sound economic situation both in this country and throughout the western world." In these circumstances a bilateral, even unilateral decision not to act for eighteen to

twenty-four months became a possibility. If negotiations failed to produce any accord, then, "instead of dropping a bomb on the Russians as one school advocates," the United States could opt to produce both types of bombs. In this way, argued Acheson, the economy and the people would support the decision. These generous, tolerant views almost surely reflected his recent conversation with David Lilienthal (his former companion on the control question in 1946). Their caution and their lack of panic mirrored the more technical response of the GAC and a majority of the AEC Commission. But Acheson's views would not survive the pressures of the NSC special committee. Nonetheless, until the Secretary of the State decided conclusively for the development option in early January, he possessed the crucial "swing" vote in the decision process.

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(U) The resurrection of the special committee did not bring about any mellowing of the Johnson-Acheson feud. Nor could the Johnson-Lilienthal relationship be described as harmonious. Indeed, things were so discordant that the committee held only two formal sessions, a stormy one on December 22, and a strained one on January 31, after which the report was delivered to the President. This state of affairs meant that the staffs, the ordinary workhorses of such high-level groups, had an even bigger share of the responsibility than usual. And relations among the working group were only slightly better than those among the principals, hurt no small degree by LeBaron's demand for information on the one hand and reluctance to share any details about the military dimensions of the thermonuclear issue on the other. While the final drafts were somewhat more integrated than the October report on fissionable materials, the January 1950 report did not

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constitute a major policy review of the tenets of atomic strategy.

(C) Yet if the cooperation and the analysis left much to be desired, the NSC study did force the services to disclose some thoughts and assumptions about the strategic uses of a fusion weapon. Possibly the most revealing disclosures came in a December memorandum by the JCS on "The Military Implications of Thermonuclear Weapons." <sup>39</sup> Not only did it make the predictable points about a fusion weapon bestowing flexibility and acting as a possible deterrent, the study stressed the "blackmail potential" of such a weapon in Soviet hands. Such a potential, the writers held, would have a "profoundly demoralizing effect on the American people" and tempt Moscow to some act of aggression. "The inevitable jeopardy to our position as a world power and to our democratic way of life would be intolerable." On the specialized military side, the paper saw the Super as useful against massive troop concentrations, against enemy air bases from which a Soviet atomic attack could be launched, and as a more economical form of military power. In fact, they held that it might arrest the trend toward larger aircraft numbers "by allowing the packaging of some of our retaliatory attack in a small number of units." While conceding problems about an adequate delivery vehicle for the Super, the JCS thought them surmountable by the time the fusion weapon was ready.

(C) The paper included an argument that, in retrospect, sounds like an early version of the bargaining chip approach to weapons procurement. It was imperative, contended the study, to make the developmental effort if only to see whether such a weapon was possible. Otherwise planners would be placed in an untenable dilemma: to risk wasting resources in anticipation of an attack that might never come, or to risk no resources and face an attack

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that might very well come. In this predicament, argued the JCS, "the cost involved in a determination of the feasibility of a thermonuclear explosion is insignificant when compared with the urgency to determine firmly the ceiling of atomic development." Thus, they concluded, the United States ought to make the effort, ought to develop an ordnance and carrier program simultaneously, and ought to wait on production until the feasibility was achieved. <sup>40</sup> These conclusions would, it turned out, form the crux of the special committee's final report.

(U) The military, though not formally on the working group, had given the civilian leadership a formidable brief for action. While it lacked cost data and an analysis of the trade offs between the numbers of fusion and fission bombs, the Defense paper dealt successfully with parts of the GAC-AEC opposition. Expressed in terms of the unilateral Soviet development of the fusion bomb, a heightened sense of threat ran like a thread throughout the argument. It was, given the surprise of the Soviet atomic success, an assertion difficult to counter or to overcome. This Acheson and his staff discovered when the State Department sorted out its position.

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(C) Despite Kennan's memorandum on the issue, <sup>42</sup> the effective definition of the thermonuclear issue for the State Department came from Under Secretary Webb on December 3. Eschewing--at Acheson's direction--the moral argument, Webb told Nitze, Adrian Fisher, and Gordon Arneson (the Department's expert) to study the following: the international impact of a decision to build a Super, the bomb's probable destructive force, its economic impact on other government programs, the probable targets for such a weapon, and the projected Russian response to any American decision. Once the staff had

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these answers, they could then think about the moral issue, the problem of international control, and the overall question of Soviet-American relations. The give-and-take among the senior staff at State over Webb's directives took place through the early weeks of December. By December 19 Nitze had reached the conclusion, not dissimilar to that of the DoD paper, that research ought to start on the program but that no production should be undertaken. And, in the meantime, there should be a thorough review by the NSC of American aims "in the light of the USSR's probable fission bomb capability and its possible thermonuclear capability." <sup>43</sup> Institutionally, therefore, the State Department had generated a response. All that remained was the reaction of the Secretary, and this came in stages.

(C) On December 20, for example, Acheson dictated a long, thoughtful (if somewhat confused) memorandum in which he attempted to sort out the key issues. At the outset he postulated that American security had become dependent on an atomic strategy, "more subtly than through any articulate major premise," and that, with the new European commitments, the U. S. did "not have any other military program which seems to offer over the short run promise of military effectiveness." Given these facts, it was time to clarify American policy and to spell out guidance for defense planning. Without such guidance, the drift would continue, American policy would remain contradictory and unclear, and the nature of the crisis responses unpredictable. Acheson was particularly troubled by the contradiction of advocating the international control of atomic energy on the one hand, while <sup>44</sup> relying on an atomic strategy on the other.

(C) Then, in a style befitting a systems analyst of the early 1960's, he laid out some of the problems requiring answers. Was the most pressing

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danger the cold war (meaning the overall Soviet/Marxist challenge) or the prospect of Soviet aggression? Although he worried more about the cold war danger since he doubted that democracy had the necessary staying power, Acheson felt that the military threat remained a possibility. He therefore concluded that a stated policy of retaliation with atomic weapons would probably do much to reduce the chances of an attack on the United States. Without calling it deterrence, he had--with regret and with real reservations about its European implications--come to that strategic position. <sup>45</sup> Still, if these December ruminations are a reliable guide, Acheson remained reluctant to opt for the fusion bomb. A further try at international control seemed preferable.

(U) Acheson would in fact float just that idea during the meeting of the special committee on December 22. But he could not budge Louis Johnson, who insisted the U. S. had to develop the Super bomb unless the Soviets accepted international control. Indeed Johnson and LeBaron tried to keep the issue entirely at the technical rather than the general level, a tactic that infuriated Lillienthal. <sup>46</sup> Later in December the Secretary of State approached General Bradley privately about the dichotomy of the United States advocating international control of atomic energy and at the same time founding its entire strategy upon the weapon. While seeing this contradiction, the Chairman of the JCS could not identify any realistic alternative to the strategic posture. Acheson thus failed in a possible effort to divide the JCS and OSD on the control issue. <sup>47</sup> The swing vote found himself gradually being driven away from the control option.

Within the State Department, meanwhile, the control issue received renewed attention. Kennan, on the eve of becoming Counselor to the State

Department, drafted a long memorandum that enjoyed wide circulation and  
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critical comment. By their reactions to it, most senior State officials  
displayed continuing sympathy for the control approach but no confidence  
in its feasibility. All believed that a thorough review of U. S. strategic  
and military policy was now required, especially, Gordon Arneson noted,

"a complete assessment of the role of atomic weapons in the cold war and  
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in a possible hot war." Some were, however, more caustic about Kennan's  
analysis, especially John Hickerson, the Assistant Secretary for U. N.  
Affairs. Hickerson disliked not only Kennan's moral assumptions about the  
bomb and possible Russian "good faith," but also his stress on a U. S.  
initiative in the matter. Hickerson felt that it made "absolutely no sense  
for the U. S. to give up what General Bradley calls our chief offensive  
weapon without a fully compensatory reduction in the offensive striking  
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power of the Soviet Union."

(C) Paul Nitze, now the head of Policy Planning and increasingly  
influential with Secretary Acheson, also responded to the Kennan effort.  
Perceptive, coherent, suasive, Nitze placed the control problem in the  
larger context of the Super decision. Aligning himself solidly in the  
development camp on the H-bomb, he argued that "the military and political  
advantages which would accrue to the U.S., S.R. if it possessed even a  
temporary monopoly of this weapon are so great as to make time of the  
essence." But he also agreed with Kennan that Soviet possession of an  
atomic device, and later a thermonuclear one, made a "no-first-use" strategy  
worth exploring. In fact, he thought that the State Department in the forth-  
coming policy review ought to have a "preliminary presumption in favor of  
. . . a revision of our strategic plans as would permit of a use policy



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restricted to retaliation against prior use by an enemy." Such a stance need not, asserted Nitze, undermine the deterrent effect of the bombs, for the Soviets could never be "quite certain that we would in fact stick to such a policy if the nature of their aggression too deeply upset the moral sense and vital interests of the people of the United States and the world in general." The other side of the issue, that is, what to substitute for the atomic superiority, was far more complex. On the prospects for control generally, Nitze expressed reservations. He wanted, most importantly, to be sure that no control schemes put the U. S. in a worse strategic position than the absence of control. He hoped the forthcoming policy review would  
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confront this problem as well.

(U) If Acheson's principal subordinates could not make the case for addressing the Super issue through international control, neither could the Secretary. As January progressed, his remaining inclinations in this direction dissipated. Instead he now sought to pursue what might be termed a "damage limiting" policy. He recognized that the military case for development was strong, that Congressional interest was becoming keener, that public discussion was now starting, and that the President could not wait much longer  
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to make a decision.

The problem therefore became one of restricting the initial decisions to a small, finite range in the hope that larger policy considerations--to include control, the study of policy objectives, and an overall strategic review--could take place. In this way, the deleterious impact of the Super upon Soviet-American relations might yet be contained.

(C) On January 24 Acheson approved Gordon Arneson's draft report on the development of the fusion bomb, circulating it to Louis Johnson and David Lillienthal the same day. This draft would (with the few changes

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noted below) form the crux of the Committee's final response to the

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President. Although its recommendations are familiar, the report's argumentation and analysis stamp it as a key document in the evaluation of the Soviet-American strategic competition. Arneson began by observing that the development of a Super did not involve a crash program at the expense of the fission effort. During the projected three years that it would take to explore the feasibility of fusion, work on other weapons and their delivery would continue unimpeded. Chances of success were put at even; the other requirements for ordnance and delivery vehicles were judged to be "within the capabilities of the United States from the point of view of money, materials, and industrial efforts." Should the device work, then the question of production, stockpiles, and possible utilization would arise. At that point a thorough review of American policy would have to be considered, including the possibility of an international control agreement.

(C) Ruling out unilateral restraint by either side on the development issue, Arneson insisted that the United States could not take the chance that the Soviets might gain sole possession of the new bomb. Rather the question became: would an American decision accelerate a Soviet program in the same direction? The answer put simply was "probably." But, the report continued, it did not appear that U. S. policy would "have a decisive effect on Soviet military developments or be the cause of an arms race. The Soviet decision to reequip its armies and devote major energies to developing war potential, after the end of the war and at a time when we were disbanding our armies, was based on considerations more profound than our possession of the atomic weapon." And since these same forces would possibly work for the Soviet Super, there was little reason to think any effort for

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international control or mutual self-restraint would be either practical or safe. 53

(C) From this analysis the conclusions flowed easily: (a) the President should direct the AEC to determine the feasibility of an H-bomb, with the "scale and rate of effort" determined "jointly" by the AEC and DoD; (b) that no decision about production of the Super be taken at this point; (c) that the President direct a re-examination of U. S. policy in view of the Soviets' new and potential capabilities; and (d) that the President say all this publicly and then make no further pronouncement. 54

(C) Attached to Arneson's draft, in the final report, would be three appendices: a history of the thermonuclear issue, an AEC report on the technical problems, and a DoD study on the Super. The latter appendix contained much of the mid-December memorandum on the military implications of the fission weapon. But it refined several old arguments, stressing that the military wanted no "crash" or "all-out" program, but, on the contrary, "an orderly and economical solution of the problem." For a price, roughly \$100 to \$200 million, the U. S. might acquire, the appendix stated, a bomb with a blast area fifty times greater than a fission bomb. Not only would the new weapon reduce the number of fission bombs required, it would increase the assurance of success against certain strategic and tactical targets of the highest importance." The problem of delivery was conceded, but with a new twist. The H-bomb would probably require a "supersonic unmanned vehicle" to avoid advances in air defense. "Thus a seemingly paradoxical situation may eventually develop wherein the larger, more cumbersome Super may eventually be easier to deliver . . . since it may be less demanding for refinements in the guidance system of the final delivery missile." These points, which of course forecast much of the strategic weapons activity of the 1950's,

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gave added impetus to the case that Johnson, LeBaron, and the JCS had constructed. And against that array Lilienthal could hardly prevail.

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(U) On January 31, the principals and their staffs met in the Old Executive Office Building to review the Arneson draft and recommendations. With two exceptions, there was general agreement--even from a resigned Lilienthal--with Arneson's draft. Secretary Johnson found the proposed press release objectionable because it expressed caution about reliance on "any single weapon" and hinted at new efforts for international control. He won that point, getting a simpler version without caveats. And the blusterer, former American Legion commander, got his way on the "no production" recommendation, arguing it was unnecessary since that was not the question. DoD had achieved a tactical success that would soon--along with the arrest of Klaus Fuchs--undercut the AEC-State hopes of linking a more deliberate, orderly fusion program with a thorough review of American security policy.

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(U) No one realized more completely than Lilienthal the drift in American policy implied by the NSC decision. In an impassioned valedictory, he told the group of principals and advisors on January 31 that the time had come to examine the fundamental assumptions of military strategy. Twice during 1949 the AEC had tried to spark this review, and twice it had been rebuffed. "If a military conclusion could not be examined into and was not examined into independently by the Secretary of State, the Atomic Energy Commission, and of course by the President, but was regarded as the whole answer to the ultimate question, then this definitely removes any notion of civilian participation in a fundamental policy question." Fearful of the long term consequences of reliance upon the atomic bomb for the defense of Europe, Lilienthal worried about trying to conceal the basic American

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weakness behind the atomic facade. People would continue to be lulled if they could still believe that "when we get this new gadget," "the balance will be ours" as against the Russians. Unless there was the assumption of immediate war, then there was adequate time to launch a systematic, intensive examination of American policy and above all, the risks of overreliance upon atomic weapons. <sup>57</sup> These views, which Acheson said he shared, were not opposed by Johnson. Since the President had already indicated his desire for such a review, the Secretary of Defense could acquiesce now and frustrate later. If Lilienthal had not carried his (or the GAC's position) to success, he could take comfort in having identified the key issues that would confront the high-level decision-makers in the months and years ahead: civilian control, the question of strategic expertise, the dangers of over-reliance on atomic weapons to offset budgetary stringency, the relationship between ends and means. His fears and instincts would, despite the work of Acheson and NSC 68, be fully sustained on more than one occasion.

(U) With agreement coming in the late morning of January 31, the NSC special committee had completed its task. The members had only to report to the President which they did without delay at noon-time. They found Truman eager to accept their report, endorse their recommendations, and announce the decision publicly. He wanted to end public speculation and pull the issue off center stage. His mood was perhaps best caught in an aside to Lilienthal, who confided in his diary that Truman "recalled another meeting that he had had with the National Security Council concerning Greece a long time ago; that at that time everybody predicted the end of the world if we went ahead, but we did go ahead and the world didn't come to an end. He felt this would be the same case here."

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(U) The President, as a principal actor in the decision-process, deserves further comment. From the moment the Soviet blast was detected, Truman strove to avoid any public display of alarm. Nor, as we have already seen, did he allow it to disturb his earlier decisions about the size of the defense budget. Publicly his demeanor remained cocky, confident.- Privately, his actions suggest more than token concern. Not only did he renew his inquiries about the status of the strategic attack plans, he thoroughly agreed with the recommendations to expand the production of fissionable materials. More importantly, he appears to have been receptive to the early October arguments of Lewis Strauss about the potential value of a Super bomb. He encouraged Strauss to have the GAC consider the matter and then, upon their negative report, decided to appoint an NSC group to reconsider the fusion question.

(U) Given the makeup of this group and Acheson's initial indecisiveness, it could be argued that Truman possessed no guarantee that the special committee would favor his preferences. He could have been confronted with a reaffirmation of the GAC position. While this analysis has appeal, it minimizes Truman's own considerable capacity to utilize the bureaucratic process for his own purposes. Convinced of Acheson's loyalty and confident in his judgement, the Chief Executive could safely take his chances. Moreover, the risks of a negative decision were apparent to both Truman and Acheson. When the press and Congress picked up the issue in middle and late January, these political risks escalated. While Truman was disposed to do just what he did, any inclination to move in the other direction received minimal reinforcement.

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(U) Amid these developments, the President faced a new element, not hitherto at work: indirect pressure from the military chiefs. For most of 1949 the service chiefs had presented Truman, and the nation, with the continuing spectacle of discord. The feud over the flush deck carrier and the B-36, the dismissal of Admiral Denfeld, and Eisenhower's difficulties in mediating budgetary differences were all too familiar. Nor was it necessarily certain that Omar Bradley's appointment under the 1949 act as first chairman of the JCS would appreciably alter things. But on the H-bomb issue, Bradley and the chiefs kept their ranks closed; they presented Truman, the AEC, and the State Department with a coordinated front. Some credit for this obviously belongs to Bradley. Some belongs to the nature of the problem; whether or not to develop the H-bomb was much easier to decide than which service would actually deliver the device. Some belongs to Louis Johnson and Robert LeBaron who kept much of the overall defense initiative in their own hands. Consequently, on the fusion question there was never a service position apart from a JCS or DoD position. This unity naturally helped Louis Johnson in his attempt to pressure Truman for a favorable decision. And it was the much maligned Johnson, more precisely, who appears to have deliberately utilized this JCS unanimity in January 1950 to emphasize to the Chief Executive the military position on the thermonuclear issue. Whatever its origins and however formed, the JCS position--because of the new-found harmony--acted as one more reason for Truman doing what he already preferred to do. In this case, his inclinations got additional reinforcement.

(C) The JCS arguments reached Truman in mid-January, in the form of a commentary upon the military views of the scientists on the General Advisory Committee.  
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The most salient points, beyond a ringing endorsement of the

thermonuclear proposal, were to express oppositon to a no-first-use posture, to say that the bombs were not intended "to destroy large cities," and to warn that if the Soviets got the Super, the American public might demand defensive efforts on such a scale that the U. S. "would find itself to generate sufficient offensive power to gain victory." The study also reminded the President that the American public expected the government to do "everything possible to prevent a war while at the same time being prepared to win a war should it come." Finally, on the moral issue, the JCS held that the arguments of national security outweighed "moral objections" for "it is difficult to escape the conviction that in war it is folly to argue whether one weapon is more immoral than another. For, in a larger sense, it is war itself which is immoral, and the stigma of such immorality must rest upon the nation which initiates hostilities." <sup>61</sup>

(U) Upon reading this JCS document, Truman could have had few illusions about the military reaction if he accepted the GAC conception of national security. The public implications were there, scarcely concealed amid the talk about what the public would expect the government to do. The subtle pressures incumbent in deciding about a major weapons system, pressures which Truman's successors would encounter with more frequency, were at work. The JCS paper reinforced the President's opinions, while reducing his options.

(U) This paper, moreover, seemed almost prophetic on another point. In mid-January press comment about the current governmental debate over the Super became frequent. Congressional comment on the matter also surfaced, and then on January 27 Bernard Baruch publicly stated that the bomb ought to be built. This led to the following exchange at Truman's press conference, later on the 27th.



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Q. Is there anything authoritative that you could give the American people on the subject?

The President: No, there isn't, and I don't think anybody else has had anything authoritative. I make that decision and nobody else.

Q. Is there anything you could tell us as to when the decision might be made?

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The President: No, there is not.

This line of questioning, which made Truman extremely uncomfortable, indicated the need for a speedy resolution of the long simmering issue, a need to get the issue out of the public view. Thus when Acheson, Johnson, and Lilienthal arrived at the Oval Office at noon on January 31 they found a more than receptive President. They found one eager to end the confusion and anxious to curtail further public discussion about the thermonuclear matter. Hence the abruptness of their session (less than half an hour) and the promptness of the subsequent public announcement that same day. The Super would be developed as part of the overall national security program. The Soviet atomic success had generated a clear American response.

(U) Two further sets of issues about the events of late 1949 and early 1950 require examination. First, what was decided by Truman, what did it reflect about the Soviet-American relationship, and what did it indicate about the operation of the government on national security questions? Second, what influenced Truman's subsequent decision to sanction production as well as the development of the H-bomb? How much did it erode the compromise nature of the NSC recommendations of January 31, 1950?

(U) On the first set of questions the obvious requires identification: Harry Truman ratified the decision to develop the fusion device, he did not make the decision; he accepted a conclusion, he did not initiate a course

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of action. Of the major national security decisions of his Presidency to this point--Hiroshima, the Truman Doctrine, Berlin--the hydrogen bomb required less a decision and more an acceptance of international and domestic political realities. His assent was crucial to the bomb's development, but his ability to withhold that consent was virtually non-existent. Not only did he personally accept the Strauss line of argument, the political facts similarly dictated this step. The financial costs for development were almost incidental, the production and deployment decision still months and years away, and the atomic arsenal adequate in a way it had not been before 1949. (Indeed had the Soviet success come in 1948, the choice of whether to divert precious fissionable material for the H-bomb would have been more crucial, given the relatively modest stockpiles of atomic weapons). The Super thus offered an economical and convenient response. To have decided against its development would have seen Truman align himself with a group of scientists, a narrow majority of the AEC, and a segment of American public opinion against the JCS, the Secretary of Defense, the Secretary of State, the JCAE, and most of Congress. With these circumstances and these odds, Presidents seldom decide; they acquiesce. As the rational actor, the purposeful head of state, Truman had clearly weighed the issues and acted accordingly.

(U) Yet his range of actions and options had been significantly circumscribed by the organizational and bureaucratic politics of this issue in the months since September 1949. The back-drop for most of this was the sober realization that Moscow had exceeded all but a few isolated estimates in the speed of their atomic success. For the first time, a threat to the continental United States seemed a close reality, not a

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distant possibility. Few, if any were willing to assert that the Soviet development did not dramatically alter the strategic situation. Even those, such as George Kennan who bemoaned the atomic strategy, did not deny that a new, competitive era had arrived. What was at stake was the nature of an American response--if any--to the Soviet move? It was in this atmosphere that the bomb issue was discussed.

(U) The governmental debate over thermonuclear development revealed much about the bureaucratic "essences" of the respective agencies. <sup>63</sup> At the AEC, the issue exacerbated the initial dilemma of the entire apparatus--whether for peaceful or military purposes--and the importance of perceived bureaucratic effectiveness. A discredited Lilienthal was simply no match for Lewis Strauss whose bureaucratic skills throughout were consistently adept. Furthermore, an evenly balanced set of technical considerations rendered the AEC and the GAC unable to block development on technical or scientific grounds. They were thus forced to shift their arguments to the realm of morality and self-restraint, and these views--coming from the same men who had developed and advanced atomic weapons technology--had an unconvincing ring. Moreover, the AEC had no responsibility for national security programs as such, only the production of an apparatus used for security. Hence even an united set of AEC Commissioners would have been hard pressed to equal State and Defense in any policy debate.

(U) The reaction of the State Department also had some predictable features. There was a disposition, even with Acheson, to try once more to negotiate an international agreement on atomic weapons and thereby forego the thermonuclear response. There was also the disposition to question the overall direction of American national security policy, to examine anew

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the connection between means and ends. Above all, if the diplomatists could not forestall the bomb, then the decision to develop should be kept separate from the decision to produce, with a policy review taking place in the interval. Yet this tactic also revealed much about the several loci of State Department concerns--they were as much worried about DoD as they were about the Russians. Indeed, State's concerns about the Super were almost equally divided between its impact on the Russians and its impact on other segments of the American government. Acheson clearly recognized his own pivotal role in any decision. More and more he appeared to listen to Nitze rather than Kennan, to the bureaucratic rationale for action rather than the Soviet specialists' ideas for more negotiations. And the weight of the former's argument remained the same: Washington could not take the chance that the Soviets would achieve a fusion capability before the U. S.

(U) The reactions of the JCS and DoD likewise contained elements of predictability. Confronted with the fact of a Soviet bomb and the possibility of a fusion device that might offset the Soviets' psychological gain, the American military could be expected to opt for the new weapon. Here too risks of not having a fusion weapon seemed disproportionately greater than having one. Still, the degree of coalescence between the JCS and OSD on this matter was remarkable. However deep the service animosity toward Johnson over his style, his rigid budgetary attitudes (more royal indeed than a king), and his occasional erratic behavior, these took second place to the thermonuclear issue. As Warner Schilling related: "the GAC<sup>64</sup> report had the unprecedented effect of unifying the services." This fact,

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coupled with the tenacity of LeBaron and the increasingly strident support of the Joint Committee for the Super, endowed DoD with a strong hand.

Predisposed to consider the weapon a necessary step, the military leaders were more than prepared to be flexible, even conciliatory, if they could get the initial go-ahead. Hence their studies emphasized the non-crash nature of the decision, minimized the diversion of fissionable material from atomic weapons to the fusion experiment, and stressed the possible deterrent effect a Super would have. Problems of delivery, design, and custody were ignored.

(C) On one point, moreover, the military studies were more sensitive than the political and diplomatic analyses: throughout the JCS argued for keeping the development decision secret, for fear that knowledge of it would strengthen those in the Soviet Union who were also pressing for the H-bomb. The JCS papers argued for no publicity, thereby depriving their counterpart in Moscow of useful arguments to utilize in their own bureaucratic discussions. The JCS preferred that news of the decision leak (or pass) out gradually, in the hope that secrecy and confusion would delay the comparable Soviet decision. <sup>65</sup> This desire, however perceptive, could not be met once the American public got hints of the debate from incautious Senators and well-informed journalists. In any case, the DoD/JCS position on the other crucial points was everywhere triumphant. And this victory laid open the way for other successes at the expense of AEC.

(U) The net result of organizational responses and bureaucratic politics was to shape a report for Truman that contained a series of common denominators more or less agreeable to the AEC, DoD and the Department of State: a decision to develop, the allocation of additional but not

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excessive funds for the purpose, and a major policy review to integrate the new Russian successes and subsequent American responses into a coherent American policy. Taken together these recommendations formed one overall option which the President could accept or reject. The other possibilities--U. S. self-restraint, another go at international control, or a public statement about no development unless the Russians did so-- simply never get above the bureaucratic level. Moreover, the recommendations to the President did not ask, when it came to implementation, for any action which the three agencies would oppose.

(U) Nor did the report ask the President to decide anything else. It was not a case of the President seeking to retain future alternatives or keep his options open in the decision process. <sup>66</sup> The bureaucratic and organizational patterns of assertiveness and restraint simply did not allow other kinds of issues to be encompassed in the action of January 31. Clearly the President was cognizant of the production issue, the testing issue, and ultimately the volatile one of delivery, but he was not being asked to make those choices now. What he received from Acheson, Johnson, and Lillienthal was the minimum the respective bureaucracies needed resolved, in a shape agreeable to them (more or less), and with major fights among them deferred for an indefinite period.

(U) If bureaucratic and organizational factors constrained the President's options in January, the mood of the Congress determined his timing. The increasing public mention of the Super had injected an element of urgency. Not to act would incur the wrath both of the JCAE, which would respond in apocalyptic terms, and of the wider Congress as well. Not to act would also give the appearance of having failed "to respond" to the

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Soviet atomic test. Lillienthal reported Truman's apt justification of January 31: ". . . there has been so much talk in the Congress and everywhere and people are so excited he Truman really hasn't any alternatives but to go ahead . . . ."

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(TS/RD) In going ahead Truman had not, of course, made any other decision about the bomb. Production of thermonuclear weapons for deployment remained an open issue. Almost certainly this would have continued to be the case for months, had it not been for the arrest of Klaus Fuchs. This episode, more than anything else, telescoped the development-production decision and magnified the growing military influence on the formation of security policy in early 1950. The Fuchs arrest, on February 3, forced a major review of what might have been betrayed to the Soviets: among the most disturbing was the nature of the fuzing mechanism which in turn rendered suspect the ability of the bombs to detonate on target. Until a new fuzing device could be perfected and installed, the effective force of the entire atomic arsenal might be questionable, perhaps partially ineffective. In these circumstances development of the Super appeared more imperative than ever, and so did the production of at least some Supers for possible utilization. In a fashion--not unlike the Korean war five months later--an external development caught the American security apparatus in a state of flux. In this case, the Fuchs' affair endowed the production issue with an entirely different importance and urgency from its December and January counterpart.


(TS/RD) Louis Johnson wrote the President on February 24 that the implications of Fuchs' treason not mentioned as such were "literally limitless." The JCS, he told the President, had considered the matter and believed the U. S. has "to proceed forthwith on an all-out program of hydrogen bomb

development if we are not to be placed in a potentially disastrous position with respect to the comparative potentialities of our most probable enemies and ourselves." <sup>68</sup>

Once again Truman responded by convening the NSC special committee to consider the matter, with Sumner Pike representing the AEC.

(TS/RD) This time the deliberations were quick and generally smooth. There was no effort to link the production issue with the broad review underway by the NSC. On March 9 the President got a further report on the thermonuclear program, this time recommending that the AEC and DoD plan not only to develop the fusion weapon, but also to produce and to deploy it.

If necessary, 

 to achieve production of a Super. Other costs, such as ordnance hardware, were put at \$50 million, with possibly the same amount required if the current missiles or aircraft under development could not accommodate the bomb. Still the price tag remained modest and the opportunity costs acceptable. In fact the study group did not believe the AEC needed or could profitably use any more funding for the thermonuclear projects. Given these recommendations, the NSC group expected a fusion test in 1952 and a prototype weapon available a year later. Should the fusion principle work, their program ensured only a limited hiatus between experimentation and military availability. In this way, the damage, both actual and potential, of Fuchs' revelations might be offset. <sup>69</sup>

(TS/RD) The remaining months before the Korean attack were filled with other developments in the area of atomic strategy. Senator McMahon continued to press Louis Johnson for a more elaborate statement of defense needs from <sup>70</sup>

the AEC. The Secretary of Defense for his part continued to be evasive,



not wishing to commit DoD to any "categorical answer" on the "adequacy" of the atomic energy program. Not until June 1 would McMahon get Johnson to say the JCS wanted still more fissionable materials for the thermonuclear program. But beyond this the military would not go, despite ardent encouragement from McMahon, Henry Jackson, and the JCAE as a whole. The Senator found it easier to lobby for a new, catchy device, than to interfere in the on-going operation of a program. He especially found DoD loath to give any appearance of undercutting Truman's earlier decisions on the rate of production or to upset its own bureaucratic arrangements with the increasingly more cooperative AEC.

(TS/RD) Nowhere was the cooperation more evident than on the sensitive issue of custody of the atomic weapons. Ever since Forrestal had forced Truman in July 1948 to decide anew, and to his surprise, against the military, the issue of custody had rankled the service planners. Then in early 1950 the AEC proposed, on its own, to turn over to the military the non-nuclear parts of the weapons, while retaining control of the actual nuclear components. LeBaron, in tracing the history of this issue for Secretary Johnson, urged the DoD accept the offer. The only problem, he told Johnson on March 22, 1950, would be "possible implications arising out of public knowledge of such transfer at this time. Even though an atomic bomb is not a weapon without its nuclear components, technical custody of which would be retained by the AEC, this might not be understood." General Bradley concurred with LeBaron's proposal in April. Six weeks later, on June 14, the President assigned, on a permanent basis, [REDACTED] [REDACTED] to the armed forces for training purposes. [REDACTED]

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The strategic preparations continued to improve, the atom to become a still more essential part of the defense equation. The American defense posture remained posited upon the success at Alamogordo.

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(U) Yet others were simultaneously at work, in their NSC investigation, seeking to achieve a new degree of balance in the American defense effort. They wanted more, not less, military choice if the confrontation with the Soviet Union came. And they wanted to match objectives, means, and implementation into a coherent, sensible whole that could be sustained for the foreseeable future. The first phase of the cold war was ending; an awareness of the length and dangers of Soviet-American strategic relations was now emerging. An age of relative innocence and safety was yielding to the age of universal insecurity.

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NOTES: CHAPTER FIVE

1. On the reaction to the Soviet explosion, see Harry S. Truman, Memoirs: Years of Trial and Hope (Garden City, N. Y., 1956), 306-315; The Journals of David Lilienthal, vol. II: The Atomic Years, 1945-1950 (New York, 1964), 569-572; Lewis L. Strauss, Men and Decisions (Garden City, N. Y., 1962), 216-230; Richard G. Hewlett and Francis Duncan, A History of the Atomic Energy Commission, vol. II: Atomic Shield, 1947-1952 (University Park, Pa., 1969), chapter 12; and Warner Schilling, "The H-Bomb Decision: How to Decide Without Actually Choosing," Political Science Quarterly, 76(1961), 24-46.
2. "Statement by the President on the Hydrogen Bomb," Jan. 31, 1950, Public Papers of the Presidents of the United States: Harry S. Truman, 1950 (Washington, D. C., 1965), 138.
3. Extracts from Jan. 28, 1949, through July 26, 1949, U. S., Congress, Joint Committee on Atomic Energy, "The Scale and Scope of Atomic Production: A Chronology of Leading Events," Jan. 30, 1952 (TS/RD), RG 330, 471.6 (A-Bomb). (Hereafter "JCAE Chronology").
4. Hewlett and Duncan, Atomic Shield, 181-184, 370-375.
5. Lilienthal, Atomic Years, 576.
6. "Report to the President by the Special Committee of the National Security Council on the Proposed Acceleration of the Atomic Energy Program," Oct. 10, 1949 (C), U. S., Dept. of State, Foreign Relations of United States, 1949, vol. I, galleys. These galleys are currently (1975) classified as confidential, but contain documents with a higher original classification. The current classification is used here.

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7. Ibid.
8. Ibid.
9. Hewlett and Duncan, Atomic Shield, 380; also see Ohly to LeBaron and Johnson, Oct. 12, 1949 (TS/RD), RG 330, CD 19-2-17.
10. Lilienthal used the phrase "Campbell" in his diary to refer to the discussion about the hydrogen bomb; Lilienthal, Atomic Years, 580.
11. Extract, Oct. 13, 1949, "JCAE Chronology."
12. Hewlett and Duncan in Atomic Shield, cover the issue in depth, especially chapters 1 and 11; also see the "JCAE Chronology" and Morgan Thomas, Atomic Energy and Congress (Ann Arbor, 1956), chapters 1-3. On the remark about elections, see Lilienthal, Atomic Years, 564.
13. McMahon to Truman, Sept. 28, 1949 (C), FRUS, 1949, galleys; also see the memo by James Webb of a meeting with Truman on Oct. 1, 1949 (TS), SDF Lot 53D444, box 417.
14. Extract for Nov. 1, 1949 (TS/RD), "JCAE Chronology"; McMahon to Truman, Nov. 21, 1949 (C), FRUS, 1949, I.
15. Extract, March 16, 1949 (TS/RD), "JCAE Chronology."
16. Extract, Oct. 7, 1949 (TS/RS), ibid. Also see the extract for Oct. 14, 1949.
17. LeBaron to Early, n. d. but Nov. 10, 1949 (TS), RG 330, CD 16-1-17.
18. Bradley to Johnson, Nov. 23, 1949 (TS/RD), ibid.
19. Extract for Oct. 14, 1949 (TS/RD), "JCAE Chronology."
20. "Stenographic Transcript of Hearings before the Joint Committee on Atomic Energy, Congress of the United States, "Jan. 20, 1950, vol. I: "Projected Development of Super Weapons," (TS), RG 330, CD 471.6 A-Bomb.

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21. Hewlett and Duncan, Atomic Shield, chapter 12; Strauss, Men and Decisions, 215-230; Lilienthal, Atomic Years, 564-636, passim; also see the "JCAE Chronology."
22. Hearings before the Joint Committee on Atomic Energy, Oct. 17, 1949 (TS/RD).
23. Hewlett and Duncan, Atomic Shield, 380-381; also see the "JCAE Chronology."
24. "Stenographic Transcript," Jan. 20, 1950 (TS).
25. Again, Hewlett and Duncan in Atomic Shield are indispensable in tracing the interaction between the scientific community and the government; also see Robert Gilpin, American Scientists and Nuclear Weapons Policy (Princeton, 1962).
26. Lt. Col. Edwin Black for Ohly, Feb. 18, 1949 (S), RG 330, CD 11-1-25.
27. Ohly to Johnson, May 23, 1949 (C), RG 330, CD 11-1-4.
28. Webster to Johnson, Sept. 28, 1949 (S/RD), RG 330, CD 11-1-33; Johnson to JCS, Sept. 29, 1949 (S/RD), ibid. Also see the report by Karl Compton, "Consolidated Technical Estimates," prepared for the RDB, Oct. 6, 1949 (TS/RD), RG 330, CD 109-1-9; Bradley to Johnson, Dec. 30, 1949 (TS/RD), RG 330, CD 11-1-9.
30. Report by J. Robert Oppenheimer for the GAC, Oct. 30, 1949 (S/RD), RG 330, CD 16-1-17; also see Hewlett and Duncan, Atomic Shield, 378-391.
31. Lilienthal to Truman, Nov. 9, 1949 (C), FRUS, 1949, I.
32. Strauss to Truman, Nov. 25, 1949, reprinted in Strauss, Men and Decisions, 219-222; Truman, Years of Trial and Hope, 308-309.
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38. Ibid.; also see Lilienthal, Atomic Years, 583-585; and Dean Acheson, Present at the Creation: My Years in the State Department (New York, 1969), 345-349.
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40. Ibid.
41. Memorandum by George Kennan, Nov. 18, 1949 (C), ibid.
42. Webb to Nitze, Arneson, and Fisher, Dec. 3, 1949, (C), FRUS, 1949, I.
43. Memo by Nitze, Dec. 19, 1949, ibid.
44. Memo by Acheson, Dec. 20, 1949, ibid.
45. Ibid.
46. Hewlett and Anderson, Atomic Shield, 397-399; Acheson, Present at the Creation, 348; Lilienthal, Atomic Years, 615-617.
47. Hewlett and Duncan, Atomic Shield, 399.
48. Memo by George Kennan, Jan. 20, 1950 (C), U. S., Dept. of State, Foreign Relations of the United States, 1950, I, galleys. These galleys are currently classified as confidential, but contain documents with a

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higher original classification. The current (1975) classification is used here. Also see George F. Kennan, Memoirs, 1925-1950 (Boston, 1967), 471-476. An earlier draft of this paper circulated within the State Department in late Dec. 1949.

49. Memo by Arneson, Dec. 29, 1949 (C), FRUS, 1950, I. Also see the memo by Rusk, Jan. 6, 1950 (C), ibid.

50. Memo by Hickerson, Jan. 11, 1950 (C), ibid.

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53. "Report by the Special Committee . . .," Jan. 31, 1950 (C), FRUS, 1950, I.

54. Ibid.

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57. Ibid., 629.

58. Ibid., 633

59. Schilling's insights in this are invaluable; "The H-Bomb Decision," 34-46.

60. FRUS, 1950, I.

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62. "The President's News Conference of Jan. 27, 1950," Public Papers; HST, 1950, 134.

63. The concept "essences" is of course taken from the work by Morton Halperin, Bureaucratic Politics and Foreign Policy (Washington, D.C., 1974).

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64. Schilling, "The H-Bomb Decision," 39.

65. "Memo Circulated by the Defense Members of the Working Group of the Special Committee of the National Security Council," n. d. but circa.

Dec. 16, 1949 (C), FRUS, 1949, I. Also see the memo by the Joint Chiefs of Staff to Johnson, Jan. 13, 1950 (C), FRUS, 1950, I.

66. Cf. Schilling, "The H-Bomb Decision," 36-46.

67. Lillienthal, Atomic Years, 632.

68. Johnson to Truman, Feb. 24, 1950 (TS/RD), RG 330, CD 16-1-17; also see Alice C. Cole, et. al. "History of Strategic Arms Competition, 1945-1972, Chronology - U.S." (TS/RD) (2 vols.; Office of OSD Historian, Oct. 1974), I, 101.

69. "Report to the President by the Special Committee of the National Security Council on Development of Thermonuclear Weapons," March 9, 1950 (TS/RD), RG 330, CD 16-1-17.

70. See for example, McMahon to Johnson, May 6, 1950 (TS/RD), RG 330, CD 23-1-15; Johnson to McMahon, June 1, 1950 (TS/RD), ibid.; also see the entries from March 10, 1950 to Aug. 2, 1950, in the "JCAE Chronology."

71. LeBaron to Early, March 22, 1950 (TS), RG 330, CD 12-1-30; Bradley to Johnson, n. d. but April 1950 (TS), ibid.; James Lay to the AEC and DoD, June 14, 1950 (TS/RD), RG 330, CD 11-1-27.



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OBSERVATIONS AND CONCLUSIONS

(U) The first five years of the cold war, from mid-1945 to mid-1950, witnessed the emergence of many present-day features of the Soviet-American strategic relationship. Among these were an American commitment to Western Europe, a careful fencing over the German issue, an asymmetrical attitude toward the United Nations, and a mounting emphasis (whether public or concealed) on the importance of atomic and then thermonuclear weapons. Yet, despite the mounting hostility and tension between Washington and Moscow, there remained for most of this period a mood of flexibility, of compartmentalization (separating Asian and European issues), and of lingering hopes. America's assumption of what some have called "imperial mantle" did not take place dramatically, but haltingly and with awkward pauses.

(U) A set of events in late 1949 and 1950 would alter this: the Soviet atomic explosion, the loss of China, McCarthy's first denunciations in February 1950, and then the North Korean invasion. The tentativeness of the early years gave way to rigid, irreconcilable hostility. After June 1950 the rhetoric hardens, the room for domestic political maneuver on national security issues ends, the defense budget erupts, and the militarization of American foreign policy assumes awesome proportions. The "high cold war" had come, with powerful consequences for the Soviet-American strategic relationship. But before then, the options appeared more genuine, the risks less frightening or sudden, and the predominance of political and diplomatic values more evident. It is of this transition period, 1945-1950, that the following observations about high-level decisions at the Presidential and Cabinet level are made:

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(U) 1. After the Japanese surrender, there was initially no dominant or comprehensive consensus within the upper reaches of the Truman Administration on the shape of future Soviet-American relations. That they would be difficult all agreed; that the American public would understand or support the consequences of these differences was less certain. There was a fear of the strength of latent isolationism, and a recognition that pressing domestic concerns would demand attention. Above all, there was Truman's need to make certain that the public backed any policy of active American involvement in central Europe and the eastern Mediterranean.

(U) 2. Concurrent, in late 1945 and early 1946, with this uncertainty and confusion was the ambivalent attitude of senior government leaders toward the Rooseveltian legacy, the U. N. Many, if not most, at first viewed the United Nations as the instrument that would encapsulate many of America's international problems. Not only would it provide a forum for adjusting tensions over Eastern Europe, it offered a possible method for controlling atomic energy. American expectations (and fears) that Russia would eventually have the bomb reinforced these hopes for a workable U. N. solution. The genuineness of these beliefs, however utopian they now seem, should not obscure their testimony to the openness of the initial American expectations about the post-war world.

(U) 3. Yet, from the start, the issue of disarmament and the international control of atomic energy prompted from the JCS a set of refrains that continue without ceasing: war is horrible; the best solution is to avoid war; politics, not arms, causes tensions and wars; the other country will cheat on any accord; and, when in doubt, build, then wait and

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see how new weapons influence the situation. While willing to consider the international control of atomic energy in 1946, the JCS showed no interest in any pledge of "no-first-use" and their enthusiasm for any U. N. solution would wane rapidly thereafter.

(U) 4. The JCS and revisionist historians notwithstanding, the first years of the cold war are notable more for the absence, rather than the presence, of atomic diplomacy. Atomic scarcity, the Air Force's slow assimilation of the new weapon into its war plans, and the distractions of interservice feuding partly account for the absence before 1948 of serious planning for atomic war. Whatever hopes Secretary of State James Byrnes might have had in late 1945 for the benefits of atomic diplomacy, they did not immediately transpire. And others, especially Truman, remained hesitant--if not opposed--to viewing the new weapon as a diplomatic lever. Indeed, Truman's own apprehension and prudence about the bomb are strikingly evident throughout the period, although paradoxically his fiscal policies increasingly necessitated additional reliance upon an atomic strategy.

(U) 5. During the first post-war years, and despite mounting Soviet-American tensions, Congressional activism in the strategic process was infrequent and chiefly reactive to administration proposals. Cleaning up the legacy of World War II, labor legislation, military reunification and UMT, and partisan wrangling characterized much Congressional discussion. Only in the creation of the AEC did the initiative rest with the Hill and not the Executive. Otherwise the celebrated demarches in American policy emanated from the Executive branch, with the Congress following, and not always swiftly. The hiatus over the allocation of the funds for the Marshall Plan from June 1947 to the following spring was not atypical. Not until

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the crisis over Czechoslovakia and Berlin in 1948 would Congress verge toward more aggressive attitudes, first with the Vandenberg resolution and then with the 1949 efforts of the Joint Committee on Atomic Energy to accelerate atomic weapons developments. That year would also see the JCAE campaign for the thermonuclear device, while other committees sought to investigate the bitter interservice rivalry over the B-36 and flush deck carrier. These intrusions would, as it developed, be harbinger of increasing Congressional activity on matters touching upon the strategic relationship with Moscow.

(U) 6. Compared with later years, high level decision-makers seldom dealt with crucial choices in the area of research and development. To be sure, developments on the missile side in particular were (by early 1950) about to demand decisions. But only on the thermonuclear question did a clear, unmistakable weapons issue surface and provoke high level attention. For the most part, research and development required modest decisions, modest allocations, and the postponement of incipient or potential jurisdictional hassles.

(U) 7. During this period, even after the creation of the National Security Council, compartmental, sequential attention to foreign policy remained the normal pattern. Nor, indeed, given the complexity of the issues and the press of time, is this especially surprising. What is striking, however, is the degree to which European and Mediterranean concerns were treated without much reference to the Far East and vice versa, especially after the end of the Marshall mission to China. Only James Forrestal consistently linked the areas with the overall status of Soviet-American relations, but without any noticable impact on policy. For the

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most part, the high-level policy makers faced strategic questions as they came, seldom stopping to intergrate them into any wider whole. Not until the early staff work on NSC 68 began would this alter somewhat, although by then China was of course no longer a part of the equation.

(U) 8. The development of the new NSC system did not, moreover, radically change either the substance of American policy nor the process by which that policy was made. At first neither Truman nor the departments were disposed to allow the NSC to be more than an advisory, clearing house operation. On the other hand, the President (after Forrestal's departure) began to exploit its possibilities, first by appointing the special NSC subcommittee to resolve atomic energy issues, and then by ordering an NSC review of the level of international security spending for the FY 1951 budget. Thus, by the time the NSC received its famous "NSC 68 mandate," its structural role in the policy process was becoming more secure.

(U) 9. The budgetary process exerted a crucial impact in the shape and extent of the American strategic efforts to meet the Soviet challenges. Two aspects were of central importance: the strength of conservative economic views as espoused by the President and the Bureau of the Budget; and the relative ascendancy of the BoB over the military departments and then the NME in these years. Truman's devotion to fiscal responsibility and the balanced budget require little added emphasis; his views on these matters were axiomatic and only the Korean War would prompt a significant departure in practice. Budget ceilings were set early during each of the FY 1949 - 1951 budget cycles, no later than August and as early as May. These early determinations then became the maximum, not merely a target projection. Although Truman tolerated appeals at the end of the calender

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year (such as Forrestal's in December 1948), he seldom altered the budget placed before him by the BoB. The President expected his Defense Secretary to make the tough budget decisions, not to duck them by passing them on to the Oval Office for resolution. The massive budget fights at the end of the budget process, such as occurred in the Eisenhower and subsequent presidencies, did not characterize the early Truman years.

(U) 10. Defense spending in relative and absolute terms declined from 1945 to mid-1950, although there was a slight upward adjustment in appropriations for FY 1950. Neither the services nor Secretary Forrestal would be happy with the final budget amounts; Secretary Johnson, by contrast, accepted the presidential guidelines as given and worked within them. Yet to focus just on defense expenditures is to convey the wrong impression of the overall nature of Soviet-American strategic relations. The competition was in arms and weapons to be sure, but also in a broader political and economic contest as well. The general category of international security expenditures, to include especially the Marshall Plan assistance and the military assistance programs, must be taken into account in any assessment of the American response to Soviet moves. Such expenditures, for example, were nearly 33 percent of the FY 1951 international security budget and thus represented a set of policy decisions that placed a high value on economic aid as a part of total American foreign policy. One might indeed argue that this allocation of resources left American policy more flexible and balanced than it otherwise would have been. That such a balance could have continued, given the level of Soviet military expenditures and the failure of the European countries to revive quickly, is doubtful.

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(U) 11. A corollary to this observation is the query: would higher defense allocations have made any essential difference in Soviet-American relations or the U. S. position? What losses did Washington suffer that more men, more planes, and more ships might have deterred? Was there any point at which the application of military power would have a difference? Certainly the East European and Chinese situations were beyond American ability to alter, even under the most favorable circumstances. Nor, given Czechoslovakia's exposed flanks, was there any real chance to reverse the effects of a Communist take-over. And, despite the lag on the development of a thermonuclear device, no essential advantages were lost. A more urgent and earlier effort on the Super would have been comforting, but not necessarily more successful and would have of necessity involved trade-offs in the number of fission weapons.

(U) Korea is, of course, always cited as proof of the failures of the American effort. Yet it is doubtful that the availability of more American troops would have changed Washington's decision to move, in 1948 and 1949, to a U. N. arrangement in which both the Soviet Union and the U. S. nominally withdrew their forces from their Korean zones. Indeed, had there been more American troops, they would almost certainly have been tagged for, if not already present on, the European scene. Certainly more troops might have permitted a stronger reversal of American and U. N. fortunes in Korea, but whether they could have been infused into the process at any faster pace than actually happened is less clear. Or put another way, it is at least arguable that the cautious, fiscally restrained Truman policy on defense issues did not cost--in the final analysis--the United States any significant losses in terms of "opportunity costs."

(U) 12. Perceptions of the Soviet threat at the high level cannot, for obvious reasons, be measured with any degree of precision. Clearly some, like James Forrestal, were suspicious and concerned about Soviet intentions and viewed nearly all strategic issues through that prism; any day wasted was a precious day gone. Truman's views on the Soviet threat are less easy to pinpoint. He left no fulsome diary as a record of justification, and he was inclined to make decisions, not to explain them. Certainly, given his confident attitude on budget matters, he did not feel a Soviet threat to the continental U. S. to be imminent. When the situation altered, as after the Soviet explosion, he moved decisively to act in the thermonuclear area. Yet caution and deliberation marked his approach; he read the intelligence estimates and did not become alarmed.

(U) Others, such as Marshall and Acheson, remained less alarmed about immediate dangers, but concerned to meet the long-term, cumulative threats to a war devastated Europe and to the peripheral areas under Soviet pressure. The JCS and some scientists put more immediate emphasis on Soviet strategic threats. What is interesting, however, is the luxury the services afforded themselves (and the country) with their unification fights and in the belated development of strategic plans to meet the Russian threat. Finally, no where were perceptions of the Soviet strategic threat more confused than over the question of when the Russians would have an atomic device. The reasonably accurate estimates of 1945 were soon succeeded by ones that put the danger in 1950 or more usually 1953. Not surprisingly, this displacement in turn, reduced the sense of both urgency and threat. As a result, when the Soviet success did occur, the public pendulum swung hard.

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(U) 13. Possibly the most striking impression of the high level decision process was the dominance of political and diplomatic values. Not only did President Truman leave no doubt about who commanded the situation, he consistently reiterated the point. His disillusionment with Forrestal came at least in part from his evident inability to control his military subordinates. Louis Johnson would, on the other hand, go so far in the other extreme that he too became a liability. Interservice rivalries and the budget fights did little to change presidential attitudes. At the same time, Truman respected military opinions, particularly those of Eisenhower and Bradley. If Truman made it clear that political and civilian values came first, his reliance--for most of the period--on the State Department reinforced that position. For the State Department was considered not just the integrating mechanism for the overall conduct of American international policy, but the leader of the international security operation. It was the failure of the State Department to exploit this role (either under Marshall or Acheson) that led to the increasing influence of the NSC/Defense apparatus. But until that development occurred (helped along by Korea and the virulent attacks on Dean Acheson), State remained the influential agency. Thus, diplomatic, political, and grand strategical considerations took precedence over purely military and technical ones.

(U) 14. At the same time the conditions for an increased militarization of American policy were also present. On the domestic front, defense unification, if successful, necessarily implied a centralization of the military position that was bound to influence policy outcomes. In addition, the eventual creation of an effective chairman for the JCS reinforced the

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military voice. Further, the progressive involvement of wide sectors of the American economy in defense contracts (even if modest by later standards) was creating effective Congressional allies for the services. The demands of modern strategic planning and especially what role for atomic bombs, also placed the President and other civilians increasingly at the mercy of the military expert. With the end of atomic scarcity by late 1948, this trend was still further enhanced. Finally, Truman's own fiscal conservatism--by increasing de facto reliance on the atomic strategy--contributed ironically to the process.

If policy, structural shifts, and strategic planning laid the foundations for increased military considerations, so also did external crises. The episodes over Iran, Greece and Czechoslovakia, and the success over Berlin suggested strongly the value of available, deployable American power to meet Soviet moves. Perhaps equally important, Stalin's failure to negotiate constructively or make even slight accommodations reduced American incentives to do the same. And, of course, Soviet recalcitrance did not help those Americans who favored negotiations and diplomacy instead of military responses. Military values could not help but become more compelling in the wake of the Korean war.

(U) 15. Finally, the cogency and perceptiveness of sensitive officials--especially Henry Stimson, David Lilienthal, George Marshall, George Kennan, and sometimes Dean Acheson--stand out. Their ability to see the larger issues, to perceive the interconnectedness of action and reaction, and to urge patience can be viewed as a nostalgic yearning for another epoch. Their realism dealt less with the bureaucratic wars, where all were less successful,

than with the balance, thrust and durability of American policy. Their constant stress on openness, candor, the need for public support, and the problems of the long haul were--looked at over the three decades--of more validity than their more impatient colleagues often believed. If the early Truman years say anything, it is the value of openness, directness, economy, and a balanced approach to Soviet-American relations in general, and the strategic competition in particular.

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## BIBLIOGRAPHICAL COMMENTS

This is not a complete bibliographical essay, but rather a preliminary assessment of the major primary sources used in this study. It is an effort to help future official researchers locate more quickly major categories of documents, while indicating other areas still requiring research.

### A. Individual Papers

On the strategic arms question the Truman Library proved--in its present status (1975)--to be of only marginal value. The central files are domestic oriented, while the President's personal files remain unarranged and unavailable for researchers. A careful reading of the Truman memoirs suggests that those files provided the corpus behind the account. Other files at the Library such as those of Clark Clifford, John Snyder, Dean Acheson, and George Elsey were helpful on minor points, but with few surprises; nor, given the sensitivity of those years about strategic and especially strategic atomic questions, is this entirely surprising. No effort has been made to utilize the private papers of Clark Clifford for the period when he served as Counsel to the President; presumably they would greatly supplement an understanding of how the White House staff functioned.

For the Secretaries of State the primary sources have been their published accounts, the Foreign Relations volumes (those printed and those in galley), and the correspondence from the various Secretaries scattered among the OSD files. On the question of threat perception and overall Soviet-American relations, their private papers are doubtless valuable. But the circumstantial evidence suggests the private papers will add

little on the strategic arms issue.

For the Secretaries of War (Stimson, Patterson, and Royall) the published diary accounts have constituted the limits of the present investigation. More research, especially on Royall's role in forcing a review of atomic strategy, may prove revealing.

For the Secretaries of the Navy, only the papers of James Forrestal has received attention and this has of course extended to his tenure as the first Secretary of Defense. On Forrestal, the published diary remains an essential store-house of information, but should be supplemented by the complete version, declassified copies of which are at the Firestone Library, Princeton University, and in the Office of the OSD Historian. In addition, two boxes of Forrestal papers are located at the Federal Records Center, Suitland, Maryland; they contain material on the controversy over the publication of the diary, a completed diary, and some TS material deleted from all subsequent diary manuscripts, particularly on the 1948 crisis. No papers of Secretary Louis Johnson have been located.

Although no personal papers of the first Secretary of the Air Force, Stuart Symington, have been utilized, the official records are replete with communications from, to, and about him.

Two special collections of private papers in the Office of the OSD Historian have been extremely helpful: those of John Ohly, sometime special assistant to Secretary Forrestal; and those of Henry Glass, a senior official in OSD from 1949 to 1975. The Ohly papers include elaborate indexes of Forrestal correspondence, memoranda for the record of meetings in which Ohly was either the rapporteur or Forrestal's representative or both, and copies of special reports drafted by Forrestal for the

President. The Glass papers are principally the office files of Wilfred J. McNeil, the first comptroller of the Department of Defense; these files relate principally to budget preparation and to service reclaims about the budget.

B. Department and Agency Files

The files of the Office of the Secretary of Defense, RG 330 in the National Archives, are a principal source for this essay. These extensive holdings are divided by classification: all TS/RD files are housed in Correspondence Control, OSD, or are under the control of the Records Manager, OSD. These files are indispensable for an understanding of the formation of war plans, the expansion of fissionable materials, the development of a thermonuclear device, and the role played by the special assistant to the Secretary for atomic affairs. These files include correspondence, copies of testimony before committees (including the Joint Committee on Atomic Energy), intelligence reports, inter-office memoranda, and information copies on atomic matters for the Secretary of Defense. All TS not related to restricted data matters is grouped separately at the National Archives, with material for the years through 1953 in Washington, for the years after at the Federal Records Center, Suitland, Maryland. In addition, RG 330, contains numerous non-classified files of interest for the operation of the NME and the later DoD.

The records of the Department of the Army have been sparingly utilized, chiefly those related to the Manhattan Engineer District and to the Office of the Chief of Staff in 1946. The files of the Department of the Navy have not been investigated. Nor have those of the Department of the Air Force, but the latter deficiency has been overcome by the availability of

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the exhaustive, The History of Air Force Participation in the Atomic Energy Program, 1943-1953 by Lee Bowen and Robert D. Little.

The records of the National Security Council available within the OSD for these years consists of the memoranda (bearing an appropriate NSC number), backup papers drafted at the OSD, State Department, and JCS level; and the records of actions and decisions taken by the NSC. No minutes for these years have been made available. While it is not clear that such minutes ever existed, Truman's memoirs suggest close adherence to some kind of minutes for the 1948 NSC debates on the Berlin crisis.

For the Department of State, the published volumes of the Foreign Relations series, and those as yet unpublished volumes in galleys, have been especially helpful. A quick cross check of the published documents against the Department's actual records has revealed few surprises, though much additional detail. The volumes are especially helpful in assembling in one place JCS memoranda, files of Policy Planning Staff, the most important SWNCC documents, and the actual interoffice correspondence at the highest level of government. They provide a useful backbone for any project on post-1945 strategic and defense policy.

The declassified records of the Bureau of the Budget in the National Archives have provided an unusual and unused dimension on the budget process. A thorough examination of them should reveal other data of value on general defense and strategic issues.

CIA, JCS, and AEC material has been utilized only insofar as it was located in OSD or State Department files.