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CANADA-UNITED STATES-MINISTERIAL COMMITTEE ON JOINT DEFENSE WASHINGTON, JUNE 25, 1964

Distribution S/S - #1G = #2SUMMARY RECORD OF MEETING EUR - #3 **RPM - #4** BNA - #5, #6 Opening Remarks (Unclassified) INR/OD - #7 Mr. Rusk opened the meeting by expressing the US Government's pleasure SP - #8 that the Defense Committee was meeting again. Mr. Martin said Ottawa-#9 that Canada was also very pleased to have the Defense Committee Per. Joint Bd.meet. The United States and Canada did not have the same oblion Defense gations and strength in defense matters but many questions arose for both countries as a consequence of their joint effort not (Amb. Matthews #10 only in continental defense but in NATO. It was therefore good to have an exchange of views on defense matters. Secretary Rusk Defensenoted the extraordinary record both countries had made in their #11-#24 joint defense effort. He expressed particular pleasure that the WH-#25-#27 two Chairmen of the Permanent Joint Board on Defense were present Treas. (Dillonds observers and asked Mr. Wilgress to say a few words about the #28 Board's work. Mr. Wilgress explained briefly the origins of the CMS-#29 Board in 1940 and its record of accomplishment in handling joint 2 Unn Xeroxedefense problems since then. He noted particularly the Board's interest in facilitating US-Canadian consultation on defense copies for questions, and mentioned the paper on this subject that the Canadian Board recently prepared and circulated to both governments. Embassy via BNA

FUTURE PROGRAM FOR THE DEFENSE OF NORTH AMERICA

The Future Threat and Measures to Meet Manned Aircraft, Maritime, and ICEM Attack (TOP SECRET)

<u>Mr. McNamara</u> pointed out that the first concern had to be to insure survival of a sufficient part of US retaliatory force to be able to inflict assured destruction on the Soviet Union. The

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essential test was the ability to destroy the Soviet Government and military controls plus a large percentage of their population and economy after a well-planned and executed Soviet surprise attack on US strategic nuclear forces.

He then reviewed the US and Soviet strategic muclear forces in 1964 and as projected for 1967 and 1969. The bomber forces of both the US and USSR would decline in the years ahead. A considerable portion of the US aircraft were on 15-minute alert and the bulk of these planes could be expected to penetrate and attack the Soviet Union. In contrast, the US estimate of the number of Soviet bombers that could be expected to carry out two-way attacks on the US, or even on Alaska and parts of Canada and the northwestern United States, was small compared to the number of US bombers expected to get through to the Soviet Union. The US had about a 4 to 1 advantage in ICEMs and intended to keep a 3-or-4 to 1 advantage in the future. The Minuteman missiles were so dispersed and hardened that each Soviet missile could destroy no more than one Minuteman, and even then it would require an almost direct hit. There was no question of the survivability of these missiles. The Soviet Union did not really have a counterpart to the US nuclear-powered, missile-firing submarines. Present Soviet capabilities in this regard involved short-range missiles that had to be launched from the surface. No Soviet submarines seemed to be deployed in positions to attack the US or Canada. Some 60% of the Polaris missiles were on station at any time, in an absolutely invulnerable position.

The US thus was confident it had "assured destruction" capability and could maintain it. Exchange of nuclear attack would, however -- and this must be underlined -- involve fatalities of up to perhaps 150 million in the US and similar fatalities in both the USSR and western Europe.

There were two clear conclusions, Sec. McHamara noted. One was that there could be no winner in a strategic nuclear exchange. The only feasible concept was deterrent-that no rational man would launch a strategic attack on the US and Canada if he recognized his own society would be destroyed. The first need, therefore, was to maintain effective deterrence. The other was to take suitable precautions against the possibility of irrationality or accidental

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launching of hostilities. The character and role of US and Ganadian defense must therefore change as the character of the Soviet threat alters from manned bombers to ballistic missiles.

The second conclusion, thus, was that together the US and Canada faced some difficult and complex questions. Later this year or next they must decide whether to deploy an anti-ICHM system. It would be expensive in resources and protect only the major cities and perhaps some 30% of the population. Additionally, to be feasible, it would require an extensive expansion of the fallout shelter program; otherwise, the enemy could detonate his weapons outside the cone of fire and achieve his results through fatalities from the resulting fallout. And even beyond that step, there would be a need to modernize the air defense system.

<u>Mr. Rusk</u> commented that certainly this review made clear that the concept of an effective first strike had gone by the boards. <u>Mr. McNamara</u> said that the US had examined the idea of a "full first strike capability", a force so large that it would destroy the enemy capability to do unacceptable damage to the free world, and had concluded that it was absolutely impossible to develop such capability.

Mr. Hellyer expressed thorough agreement that with capabilities such as outlined by Secretary McNamara it would not be rational for either side to launch a nuclear attack and that the danger was one of irrationality and miscalculation. He asked what Mr. McNamara's present thinking was on the feasibility of an anti-ICHM system. Mr. McNamara said he could give no useful guidance at this time until the research and development was further advanced. The decision was expected to be taken in November or December or in early 1965. He did consider it highly desirable to deploy such a system if the US could satisfactorily develop one that could destroy ICHMs. The US had spent over \$2 billion developing the Nike X and had a system that could destroy an ICEM with a high degree of assurance. The problem, however, was to find a system able to cope with a saturation attack by many missiles using penetration aids. Furthermore, even a feasible anti-ICEM system probably would not be worth deploying if a greatly expanded fallout shelter program were not undertaken. A request was before Congress to double the number of shelter spaces but it appeared

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unlikely that it would be approved at this session. Mr. Hellyer asked Mr. McNamara's thoughts on improved manned interceptors. Mr. McNamara said that the US was examining the proper mix in defensive forces and this was, as Mr. Hellyer mentioned, affected by the decision on an anti-ICHM system. The decision on the form and number of improved manned interceptors could not be made until after that decision.

Mr. Rusk commented in a political vein that the irrationality of a nuclear exchange was not a complete guarantee that it would not occur. Situations could occur in which a chain of events tended to take over. The political problem of making peace continued to be just as important. On the disarmament side, in its Bonfire proposal the US was prepared to take out B-47s somewhat faster than normal. Another US objective was to prevent this highly sophisticated weapon turning up in other arms races elsewhere in the world. The Soviets did not reject the B-47 proposal if the US would accept in principle total elimination of all bombers by a given date. As these figures show, that arrangement would disturb the balance of power. Also, if, for instance, China, without the support of the USSR, should go on a rampage the US had to have a capability different from that for defense against the Soviet Union and to eliminate all bombers would eliminate a great deal of our flexibility. In connection with disarmament, Mr. Martin asked what importance the US gave to ground observation posts. Mr. Rusk indicated the US would be prepared to work on it but there was not yet enough interest on the other side to warrant taking on the many difficult problems involved. Mr. Hellyer asked/what kind of situation, in regard to Communist China, the US might use long-range manned bombers. Mr. Rusk said that the US would not let itself become involved in another sustained contest restricted to conventional weapons such as occurred in Korea. The US has sustained 160,000 casualties fighting Communism since World War II and would not permit the kind of bleeding struggle that went on in Korea to happen again,

Mr. Martin asked what the US assessment of Communist China's nuclear capability was. Mr. McNamara felt the Chinese Communists probably could detonate a nuclear device sometime in the near future but it would have no significant military value except

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perhaps for the psychological impact on the will of surrounding countries. He doubted that the Chinese Communists would have a significant nuclear capability for quite a number of years.

CANADIAN DEFENCE WHITE PAPER (SECRET)

<u>Mr. Hellyer</u> gave a short outline of the Canadian White Paper on Defence. Its purpose was to work out a defense structure that would provide maximum flexibility with limited resources. It contained considerable emphasis on mobility, as Canada expected peacekeeping type operations to be a continuing occurrence. The reorganization of the Canadian defense forces was designed to provide a more responsive force and to reduce overhead expenditures to help pay for the considerable amount of equipment needed. The White Paper had received overwhelming support from the Canadian public and the armed forces. There would not be any affect on Canada's working relations in military matters with its allies.

In his comment, <u>Mr. McNamara</u> expressed concern about the proportionately low Canadian defense effort. Although Canada was second to the US in per capita income, US defense expenditures in comparison to GNP were 125% of Canada's, and Canada's military strength per unit of population was far less than that of the United States. The American public and Congress would not tolerate such a situation indefinitely. It was also not a good example for our European allies. He made these comments with the greatest goodwill and he appreciated that the problem could not be solved immediately. It should, however, be frankly recognized so that steps might lead toward its solution.

<u>Mr. Gordon noted that Canada faced very difficult political</u> and economic problems. Tax resources at the disposal of the federal government were being transferred to the provinces. Canada's high deficit on current account with the US was an inhibiting factor on anything Canada tried to do. He also felt that comparing defense expenditures to GNP was a measure that should not be accepted without qualification; it was not just a question of measuring dollars but also how effectively they are spent. Canada was hoping to develop its mobile peacekeeping forces, which was an idea that

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had great Canadian public acceptance. Effective Canadian endeavor in this field would be more useful than additional defense expenditures in other areas that the Canadian public would not support as fully. The Canadian Government was conscious of the points raised by Mr. McNamara and would keep them in mind. But this situation was not something that they would be likely to be able to do anything about until the internal federal-provincial relationship was clarified and the external economic situation improved.

DEFENSE PRODUCTION SHARING (CONFIDENTIAL)

<u>Mr. Drury</u> reviewed the development of the Defense Production Sharing concept and program. He emphasized its great importance for the maintenance of a meaningful Canadian scientific and defense industry. The large equipment purchases required by the Defence White Paper would throw the program badly out of balance unless the United States gave urgent and careful attention to what major US defense procurement could be placed in Canada. At separate discussions earlier in the morning, Mr. McNamara, Mr. Hellyer, and he had agreed to appoint representatives to examine as rapidly and as closely as possible the forecast of procurement requirements both ways in the light of the White Paper and US defense planning. The group would try to see what additions to routine orders might be placed in Canada to achieve the rough balance that was the program's goal.

<u>Mr. McNamara</u> agreed that the program faced an important potential problem. The program, which had favored Canada in recent years, was approaching rough balance and that was desirable. However, current trends if continued would tip the balance to Canada's disadvantage. The program provided very substantial preferences to Canadian firms and the US was fully prepared to continue them. In essence, the problem was to isolate those areas in which Canadian industry was fully competitive. The US was very much in favor of the Defense Production Program and would do everything it could to assist in meeting any upcoming problems.

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<u>Mr. Hellyer</u> noted that the problem was political as well as military and economic for the Canadian Government. Any decision to make a major purchase in the US caused problems for the Canadian Government. The participation of Canadian industry in US defense procurement was an important element in the Government's ability to make such purchases and defend them to the public.

<u>Messrs. McNamara and Dillon</u> also noted that the program excluded several categories of US defense expenditures in Canada. These expenditures currently showed a net imbalance of \$50-60 million. <u>Mr. Dillon</u> noted that because of its balance of payments problems, the US was always concerned about this imbalance and always hopeful that these items could be kept under careful examination. Any progress in reducing them would always be appreciated. <u>Mr. Gordon</u> agreed in principle but felt the imbalance in this item should not be considered without remembering Canada's overall trade deficit with the US.

Mr. Drury inquired about possible restrictions on the export of unclassified technical information, which, if imposed, would greatly hamstring Canadian efforts to participate in US defense procurement. Mr. Dillon said that this resulted from a transfer of certain functions from the Treasury to the Commerce Department last April. Commerce was now re-examining its proposed regulations in the light of problems such as that mentioned. He assured Mr. Drury that if Canada encountered any instance in which these regulations were causing real problems in the defense production field, he should let the US know.

SOUTHEAST ASIA (SECRET)

<u>Mr. Rusk</u> outlined US views on Southeast Asia. The major US effort was to _{convince} Peiping and Hanoi, before it was too late, that they must leave their neighbors alone. Political settlements had been agreed, and signed by Hanoi and Peiping, in 1954 and 1962, and the US sought nothing more than full compliance with these agreements. Peiping was following a doctrine and course of militancy and would not leave its neighbors alone until it saw that war was the alternative. There were many lessons of history testifying to this. It was extremely difficult to deal with these

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problems without expanding hostilities, but at some point, if the Chinese Communists continued their militant behavior the US did not see how war could be avoided. The US was not spoiling for a fight, but it did not believe the Free World could afford the loss of Southeast Asia. The US was trying to prevent the war that no one wanted. It was important that Peiping and Hanoi get the message that they must leave their neighbors alone.

Mr. Martin said that Canada understood and shared the US disappointment at the ineffectiveness of the International Control Commissions. Canada supported the neutralization of Laos and Cambodia but recognized that the situation in divided Viet-Nam did not lend itself to a policy of neutralization. Canada recognized that in the present situation in Viet-Nam the US could take no other course, and at the present time and in the present circumstances supported the US in what it was doing. Both the US and Canada had the same objective -- to get over to Peiping the actual limits of western patience as well as the fundamental lack of hostility on the part of the west if Communist China would leave its neighbors alone militarily. Through the means available to it, Canada was trying to help in this regard. He wanted to underline, however, the concern Canada shared with others about the dangers of expanding the conflict notwithstanding the provocation. Canada felt this could lead to a direct military confrontation between the US and China. It could drive the USSR and Communist China together and the international reaction in the UN was bound to be very great. General de Gaulle's reasoning, in the long term, had an appealing content. It was difficult to make a judgment in the long term and Canada had no final views on long term prospects but felt honestly that it was hard to see how the present situation could go on indefinitely. It was hard to resist the conclusion that geography had given China a sort of priority of interest in this area. Canada felt broadened contacts with the Chinese Communists would help them understand better western strength and the limits of western patience. Such contacts do not necessarily further the interests of our opponents any more than did co-membership in the UN with the USSR. However, he did want to make quite clear that Canadian policy toward Communist China had not changed, although the government believed as a statement of principle that isolation of any country

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was not desirable. There was no change of policy regarding admission of Communist China to the UN or with regard to substantive recognition of the Peiping regime. There was, however, in Canada a growing opinion that the facts of international life had to be recognized and he could not say that the present situation would continue indefinitely. However, before any change, if one were to take place, Canada would be conscious of, and respect, US obligations and certainly would not take any decision without careful consultation with the US and other allies.

Mr. Gordon commented that if the US and Communist China became involved in war in Asia the situation could, depending on the way the hostilities developed, lead to sharp division between opinion in the US and Canada.

Mr. Rusk pointed out that the US had had more serious discussions with Peiping than any other western country and had found the Chinese Communists completely implacable. Furthermore, at this point in history the question of overtures for additional contacts with Communist China had to be considered in light of Peiping's appraisal of what such moves meant. At a time when other people's attitudes toward Peiping had an important bearing on the prospects for war or peace, it would be unfortunate if anyone did anything to lead Peiping to think its course was right. This would contribute to war and not to peace. Regarding Soviet attitudes toward a US-Communist China confrontation, he felt that such a possibility caused a very troublesome dilemma for the Russians. The US had indications that they were concerned about escalation of the problem. The Russians showed real concern about what it might be like to live next door to a China whose arrogance had been stimulated by the pretense of nuclear power. Not just contacts but a combination of things-western military force, increased consumer demand, etc .- - had worked together in creating better prospects of peaceful existence with the Soviet Union. In time, if China would leave her neighbors alone, we might find out whether such a situation would develop in China.

In reply to a query by Mr. Martin about appointment of General Taylor and Mr. Johnson to Saigon, <u>Mr. Rusk</u> stressed that this

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represented no change in policy. Following the departure of such a well known figure as Ambassador Lodge, it had been necessary to appoint outstanding men to be sure that Vietnamese morale would not suffer. It had also been important to try to reduce the divisiveness of debate on this subject to avoid any possibility that Hanci and Peiping would be led to the wrong conclusions about US attitudes.

Mr. McNamara asked Mr. Martin if he could clarify somewhat further what he found appealing in General de Gaulle's reasoning. Mr. Martin said he found it difficult to conceive how a situation could remain permanent in which military assistance from outside was preventing the free evolution of a society. Mr. McNamara felt that the word "free" was the key, and that if another state were trying to subvert its neighbor, this situation could and should go on for many years. Did Mr. Martin feel there was some limit beyond which the US should not go in resisting the currents operating from North Viet-Nam and from Communist China?

<u>Mr. Martin</u> said he could not define the length of time that the present situation could continue but he would be less than honest if he did not say that the Canadian Government was concerned about how this situation would eventually be resolved.

INTERNATIONAL PEACEKEEPING (CONFIDENTIAL)

<u>Mr. Martin</u> reviewed Canada's recent efforts and present thinking about the development of improved UN peacekeeping capability. Canada had originally suggested a private meeting of military spokesmen of those countries that have set aside units for peacekeeping operations to discuss their experiences in these operations. The idea had been making progress but Sweden and Finland, perhaps because of their propinquity to the USSR or perhaps because of Soviet pressures, hesitated to participate. The Dutch Foreign Minister had also pointed out possible complications because other countries were not included; addition of some other countries would create a more cosmopolitan character, diminish the emphasis on NATO countries, and satisfy some complaints from African countries.

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Canada was now taking some steps to liberalize the character of the meeting; how successful it would be remained to be seen. When the UN Secretary General was in Ottawa recently, Mr. Martin had informally let him know Canadian intentions, and the Secretary General had commented that in general he thought the initiative a worthy one. Also, in view of the recent <u>Izvestia</u> article criticizing Canadian efforts, Mr. Martin had called in the Soviet Ambassador and explained to him frankly what Canada had in mind and that the intention was not to diminish the Security Council's authority in any way. Even if Sweden and Finland and other countries decided not to attend the meeting, Canada intended to persevere. There would undoubtedly be further need for this type of peacekeeping machinery and certainly nothing would be lost in trying to be more efficient in dealing with these problems.

Mr. Rusk felt that Canada's action was a very constructive initiative and he hoped it could be developed to include more than the so far relatively limited number of countries. If it could be broadened it would be a great stimulus to the UN and offer opportunities that would not otherwise be available. He was not sure that the great powers should stay completely out of this field. It might be worth considering at some point whether h of the 5 permanent members of the Security Council (including the USSR, but omitting China) could not be persuaded at some point to register an interest in peacekeeping activities that would encourage other smaller countries to participate.

Mr. Martin noted that the Izvestia article indicated that the Soviet Union envisaged situations in which it might want to participate but, while not stating it as a reservation, he thought that the idea of including the Security Council in some way would be better at a later date, in order not to complicate Canada's present initiative.

NATO IN 1970 (SECRET)

Mr. Martin noted that as an alliance of free nations, NATO had to operate under the advantages and disadvantages of the freedoms

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enjoyed by its members. While there might be differences of opinion between France and others, all affirmed the fundamental reasons that had caused the alliance to be established. While the French position might be difficult to accept. there was more to be gained by recognizing the differences in method and making the best of the situation. Canada was anxious to start the process of re-thinking NATO's role in the 1970's and 1980's. While not intending to par-ticipate in the MLF, Canada recognized the political and perhaps other advantages. Canada would be interested in US views as to whether the MLF concept could be extended to land-based nuclear forces. Canada was also interested to know whether the US felt the NATO force planming exercise would reach its goals and whether it would be possible to create a satisfactory mix of nuclear and conventional forces. Canada remained steadfast to the ideals, purpose, and continuance of NATO. In this connection, Canada wished to record again its gratitude and admiration for the generous attitude taken by the United States in NATO.

Mr. Rusk thanked Mr. Martin for his closing comment and said that the US felt NATO would be important indefinitely. It should also be clarified that NATO does not have to be "renewed" in 1969 and it was more useful to strengthen the sense of continuity. Consultation, in NAC and otherwise, would be most important. While NATO might face a breathing spell in its relations to the Soviet bloc, the big problems were not resolved. The members also needed to agree on how and in what order consultation should take place. Anything less than full discussion among all 15 members raised all sorts of problems. Consultation about issues outside NATO would be increasingly important. The chain reactions possible between inflammatory situations in the world today made it necessary for NATO to keep in touch with these other problems. The various NATO members did not see other problems in the same way, but the free world's position around the world was indivisible. Some headway had been made, but there was a long way to go to find a general policy among NATO countries compatible with their world-wide interest.

Some way had to be found to associate the members with the muclear issue. Looking at all the problems, the US felt that the

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MIF would give interested countries an opportunity to take an operational part in nuclear matters. The US thought the MIF would come into being, and was now working for a decision to be made in late 1964. The US already had nuclear weapons in the territory of seven countries, whose consent was necessary to their employment, and the muclear issue was already multilateral in an important sense. It was not a question of "veto" as much as of "participation."

Mr. McNamara said that he had checked and found that none of the western European countries wished to have a mobile nuclear weapon force on its territory and therefore this possibility, which Mr. Martin had asked about, did not exist. The strike forces did not meet the problem, as they were nationally assigned. While there was no urgent military requirement for the MIF. it would satisfy a political requirement that would become more pressing with the passage of time and the force would have considerable military utility. He hoped that the force planning exercise would be a fruitful activity because he thought proper planning could reduce the substantial waste of western resources now existing because of the imbalance between western forces and defense budgets and the threat that they should be meeting. An appropriate response had to be developed to meet any political or military aggression at all levels from the lowest to the highest. He was anxious to see the development of satisfactory forces in this regard proceed more rapidly.

Mr. Rusk closed this item by expressing great appreciation for the clarity of Canadian participation in NATO which had been a very stabilizing influence.

ARMS CONTROL AND DEFENSE REQUIREMENTS (SECRET)

Mr. Rusk noted that there had been some discussion of disarmament matters under earlier topics. He did, however, want to express his distress about the relative indifference of NATO to disarmament matters. He did not think real progress was likely in the current disarmament discussions with the Soviets but the West obviously should continue and patiently explore all reasonable possibilities.

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He also was concerned about the indifference of most governments to arms races elsewhere in the world. Something might well be done in these areas but there had been little if any progress. Perhaps the Eight at Geneva should be pressed to come up with some ideas.

Mr. Drury asked if the US had established a body to survey the economic consequences of disarmament.

<u>Mr. Rusk</u> reported that this was one of the studies made by the Arms Control and Disarmement Agency and that if Canada did not have a copy he would see that one was forwarded promptly. This was not the insupportable problem that Mr. Khrushchev charged, for there was so much to be done in the US that there would be no problem in finding things to which funds should be devoted. <u>Mr. McNamara said</u> that there could be no greater boon to US society. There would be some problems of adjustment, but given any reasonable time the US could cut back defense expenditures to great advantage to its society. The US never thought about this question when considering disarmament proposals; it was taken for granted the economic consequences would be beneficial.

COMMUNIQUE

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The draft developed by the Canadian side was accepted as the joint Communique for release to the press.



CANADA-UNITED STATES MINISTERIAL COMMITTEE ON JOINT DEFENSE WASHINGTON, JUNE 25, 1964

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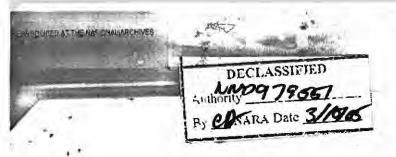
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