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SECTION E

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Can NATO and Dol

Troubleshooter McCloy Seeking Nonfiscal Solution Although Troop Cuts Appear Certain

By Chalmers M. Roberts

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OVER THE DOORWAY, it says simply, "Mr. McCloy." Inside the spacious office on the southwest corner of the State Department's first floor, orange-colored chairs give the room a bit of a cocktail lounge look.

But it is no cocktail party over which John Jay McCloy is presiding. The 71-year-old ranking member of the foreign policy Establishment faces one of the toughest jobs of his long and distinguished career.

McCloy, in short, is trying to find a new rationale for the American role in the North Atlantic Treaty Organization at a moment when that vastly successful alliance is beset with a complex of woes.

Personal Follow-Through

MCCLOY'S ASSIGNMENT from President Johnson is to lay on the White House desk around mid-November his personal recommendations for American policy. Then the President, McCloy, Secretary of State Dean Rusk and Secretary of Defense Robert S. McNamara are expected to hammer out an agreement.

If McCloy subscribes to the presidential findings, he will then be charged with negotiating them with Britain, West Germany and, indirectly, with the other NATO allies.

A World War I field artillery captain in the AEF, McCloy has had some

tough ones before. He presided over the World Bank in its formative years and was the American High Commissioner in Germany in the crucial cold war years of 1949-52. And he has been a major participant in the disarmament problem for many years, which included some rough sessions with Nikita Khrushchev.

Assessing a Threat

IN HIS CURRENT venture, McCloy is being aided by Eugene V. McAuliffe, State's top man on NATO, and by a staff of eight representing the four principal domestic components of his problem: State, Defense, the Joint Chiefs of Staff and Treasury.

Technically speaking, McCloy is the American representative in tripartite talks with Britain and Germany. The group's initial meeting has just been held in Bonn with a second gathering scheduled in Washington Nov. 9 between McCloy, Britain's George Thomson and West Germany's Karl Carstens.

Manlio Brosio, the secretary general of NATO, sat in at Bonn to represent the other members and either he or his deputy will come to Washington.

The job of the group is to examine the nature of the Soviet military threat today, the strategy and the troops necessary to meet it and the problem of how to pay for such forces. What fol-

lows is the view of American officials on these issues.

The Threat: Soon after John F. Kennedy assumed the Presidency, the Pentagon came up with a study concluding that the United States had overcredited the power of the Soviet forces. Now the Pentagon is engaging in a second study with every sign that it will conclude that the threat is again overestimated.

The study indicates that the supply and reinforcement abilities of Red Army troops in East Germany have been exaggerated. The implication is that cuts on the Western side are therefore an acceptable risk.

The Strategy: President Kennedy and McNamara created the "pause" or "flexible response" strategy. The idea was to have enough conventional manpower and firepower to halt a Soviet thrust into Western Europe for at least long enough to allow for diplomatic talks before the war might go nuclear.

But most of the NATO member nations, for one reason or another, have never met their manpower commitments. Some officials here, even some in the Pentagon, thus consider the Kennedy-McNamara strategy to be a failure. That is probably going too far, since all officials insist that President Johnson is determined to keep the non-nuclear option. The argument thus comes down to how many troops and how many days of supplies are necessary to keep that option.

The Forces: No computer can produce an exact figure of the forces necessary. NATO military men would like to have more than they now have. The U.S. Joint Chiefs of Staff appear to be resigned to withdrawal of one or two American divisions.

McNamara has said that there will be no cut in "military capability" but

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he has also called attention to airlift capability and dual-basing. This refers to the ability to move men quickly from the United States in a moment of rising diplomatic tension—and it implies a pullback to the United States during 1967 of some of the 225,000 men supposed to be in Western Europe, chiefly in West Germany.

A Shuttle System

DUAL-BASING means that the men returned to bases in the United States could be rushed back to bases in Europe where their heavy equipment would be waiting. The problem here, officials say, is not airlift, because the civilian airlines can be commandeered in an emergency, but storage.

There also is vast disagreement in NATO on how many days worth of supplies should be on the ready, ranging from 90 days down to a low of around ten. Much of the equipment must be kept under air conditioning. And there simply is not enough storage space in Germany now that American forces are being pushed out of France by de Gaulle. There are sufficient airfields, however, in Germany and the Low Countries, even if French fields cannot be used.

McNamara appears intent on "trimming the tail"; that is, bringing back support and incidental forces while leaving front-line troops. Some officials say that the Joint Chiefs are so dead set against that idea that they will object directly to the President, as is their legal right, if McNamara firms up his views into a decision.

The Costs: Because Europeans think the Soviet threat has diminished, most of them are reluctant to pay what McNamara thinks they



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John Jay McCloy . . . NATO assignment is one of his toughest.

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should. Some plead inability as well, especially the Germans.

Many officials in State, the White House and even the Pentagon think that McNamara made a grave mistake in focusing so strongly on the German payments, the so-called "offset," to cover the foreign exchange costs of American forces. Some even suspect that he did it deliberately to provide an excuse for American withdrawals.

Hardly anyone sees any way to meet the cost problem, in foreign exchange terms, other than by troop withdrawals.

This, then, is the nature of the problem — the threat, the strategy, the forces and the costs—with which McCloy is struggling. He has refused to talk to newsmen, but on every side the word is that he is determined not to start from the premise that American decisions have to be made to meet the balance of payments problems of this country and Britain.

Few deny that the dollar and pound drains have been the immediate catalyst. But Gen. de Gaulle's removal of France from NATO's integrated features, the internal political problems of West Germany, the tangential effects

of the war in Vietnam and pressures from powerful members of the Senate for American troop cuts in Europe all contribute to the pressure.

One frank official says that the McCloy assignment is simply to "prevent a rout." Indeed, there is little doubt that were it not for Vietnam, the NATO problem would have far bigger headlines than it does.

That there will be cuts in both American and British forces in Western Europe in 1967 is conceded by most officials here. On the American side, the general view is that one or two of the six divisions now there will be coming home.

The British are so "hell bent," in the American view, on trimming their defense costs that nothing is likely to prevent them from bringing home 10,000 or more men from their 51,000-man Army of the Rhine early next year. Britain's balance of payments problem is infinitely more critical than that of the United States.

In fact, many officials here strongly support McCloy's approach with the statement that nothing could be more disastrous than to define American foreign policy in the NATO area on the basis of the dollar drain.