DEPARTMENT OF STATE

DEPUTY UNDER SECRETARY

CARY

Lat. 14 phy:

Message from Kr. Tyler:

He attaches very great importance to your reading this meno before the Austrian Ambassador sees you. He would like to draw your attention particularly to telegram (Tab A attached) from Amb. Thompson - this is a new element.

HAA

CONFIDENTIAL

TO: G - Mr. Murphy

May 24, 1956

FROM:

EUR - Mr. Elbrick

SUBJECT: Austrian Interest in Selection of Vienna as

Permanent Site for IAEA.

Ambassador Gruber requested an appointment to see the Secretary to present the Austrian case for location of the permanent site of the International Atomic Energy Agency in Vienna. In view of the Secretary's departure this week, arrangements have been made for the Ambassador to see you at 3:15 P.M., May 25.

Since March of this year, the Austrians have been soliciting the support of UN members for locating the permanent headquarters of the organization in Vienna. They have specifically requested, in approaches made both in Vienna and Washington, that the U.S. - as the originator of the "Atoms for Peace" idea - give this proposal its support, which the Austrians feel is of prime importance. They desire to mark their newly won independence and UN membership by the establishment of a major international agency in Vienna.

It has become apparent from reports from USUN and other sources that the Austrians have generated wide support for this project including that of the Afro-Asians (especially India), the Soviet bloc (especially the USSR), and many Western European countries to a point where Vienna is far in the lead for the site. The Latin Americans are apparently awaiting the U.S. lead on this question and the only other city mentioned at all favorably is Geneva (which seems also to be acceptable to the U.S.S.R.).

U.S. consideration of this question has led to no final decision with the choice apparently narrowed to one between Vienna and Geneva. Although a number of considerations (such as the technical facilities available) have been adduced in favor of Geneva, it is recognized that there are significant political factors which favor active U.S. support for Vienna and would make it extremely difficult to oppose Vienna (probably unsuccessfully) in the face of the strong campaign which is being waged in its behalf.

Ambassador Gruber has been informed that this question is currently receiving high level consideration in the U.S. Government which fact together with further instructions from his Government, has resulted in his request for an interview at the highest level in the Department. At this time, the Ambassador is likely to put forward the following points:

l. Austria, though militarily neutral, has demonstrated by its spirit, policies and national elections (the most recent being May 13, 1956) that it/overwhelmingly anti-Communist and pro-western and is a staunch and active member of the Western European community. Despite Soviet dislike

of such

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of such a move and charges that it was unneutral, Austria (already in OEEC and EPU) joined the Council of Europe last month.

- 2. It is in the U.S. interest to demonstrate that it continues to regard Austria as a part of the Western world and to support Austrian political and economic development in which the U.S. has already invested over a billion dollars since the war. Establishment of the site in Austria might even help to preserve its independence.
- 3. In view of the widespread support for Vienna by a majority of the countries concerned, U.S. support would have the additional advantage of expediting international agreement, build public goodwill and permit the U.S. to reserve for more troublesome questions firm disagreement with the Soviets, Indians and others on the working group.
- 4. U.S. opposition to Vienna would not only result in the loss of the foregoing advantages, but would not be understood in Austria and would undoubtedly be exploited by the Soviets as an indication that Austria has been abandoned by the West and adopted by the East.
 - 5. Austria not Switzerland is in the UN.
- 6. The Austrian Government is so keen to have the IAEA located in Vienna that it is prepared to spare no effort to make available all facilities desired. Its low cost, accessibility and long widely respected history of scientific achievement may also be adduced to favor Vienna from the technical point of view.

The attached telegram has just been received from Ambassador Thompson (Tab A) in response to the Department's latest communication on the subject (Tab B) indicating certain reservations about Vienna expressed during your meeting with the Secretary on this question.

Recommendation

In the light of Ambassador Thompson's comments and in view of the political advantages which would accrue to the U.S., the widespread international support and the interest of the Austrian Government in U.S. agreement to locating the permanent site of the IAEA in Vienna as well as the considerable political damage which would result from U.S. opposition to such a move, it is recommended that you indicate to Ambassador Gruber our recognition of the validity of many of his points and undertake to discuss the matter with the Secretary on the basis of the views the Ambassador expresses.

Attachments

Tab A - Vienna's 2722, May 24, 1956.

Tab B - DEPTEL to Geneva 2010, Vienna 3234, May 18, 1956.

EUR: ME: AACompton: mab:ee

Clearances: IO/UNP - Mr. Spiers,
(All in draft) RA - Mr. Unger,
S/AE - Mr. Farley,



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