

March 14, 1958

MEMORANDUM

EYES ONLY

SUBJECT: Discussion at the 358th Meeting of the National Security Council, Thursday, March 13, 1958

Present at the 358th NSC Meeting were the President of the United States, presiding; the Vice President of the United States; the Acting Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General; the Secretary of Commerce (invited to participate for original Item 4, which was not taken up); the Director, Bureau of the Budget; the Chairman, President's Board of Consultants on Foreign Intelligence Activities (for Item 1); the Federal Civil Defense Administrator; General Maxwell D. Taylor for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Secretary of Defense; The Assistant to the President; the Deputy Assistant to the President; the Director, U. S. Information Agency; the Director, International Cooperation Administration; the Special Assistants to the President for Foreign Economic Policy, for Information Projects, for National Security Affairs, and for Science and Technology; the White House Staff Secretary; the Members of the Intelligence Advisory Committee (for Item 1); the Deputy Director, Bureau of the Budget; Lt. General Charles P. Cabell, Deputy Director of Central Intelligence; General Lucian Truscott, Jr., Deputy Director of Central Intelligence for Coordination; Howard Furnas, Department of State; the NSC Representative on Internal Security; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

1. RECOMMENDED REVISIONS OF NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVES

(Memos for NSC from Acting Executive Secretary, same subject, dated February 5, 1958; Memos for NSC from Executive Secretary, same subject, dated March 4, 6, 11 and 12, 1958; Memo for All Holders of SECRET Memo of February 5, dated March 7, 1958)

General Cutler briefed the Council on the background and highlights of the subject along the lines of his briefing note of March 11 (a copy of which is filed in the minutes of the meeting, and attached to this memorandum). He then called on the Director of Central Intelligence.

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March 13, 1958

Mr. Allen Dulles stated that the statute which set up the Central Intelligence Agency and which provided for the coordination of intelligence, had to be somewhat general in nature. Accordingly, it turned over to the National Security Council and the President the duty of spelling out in detail the exact duties of the CIA and the other intelligence agencies. He said that these duties were spelled out in the Council's Intelligence Directives; that over the past ten years, the intelligence community had been proceeding under the NSCIDs; and, although it had encountered some problems, they had not been of such a nature as to require their being brought before the Council, which was the court of last resort in matters of this kind.

Mr. Dulles indicated that the President's Board of Consultants on Foreign Intelligence Activities (the Hull Board) recommended wisely the recodification of the NSCIDs. With the exception of the draft directive on Communications Intelligence, the NSCIDs had been revised, improved considerably, and approved by the intelligence community. Mr. Dulles then mentioned the subjects with which the revised draft NSCIDs dealt, and stated, with respect to draft NSCID No. 6, that he concurred in the suggestion that action thereon be deferred until work was completed on the draft NSCID dealing with COMINT and until action was taken on the Baker Report recommendations.

General Cutler next called on General Hull, Chairman of the President's Board of Consultants on Foreign Intelligence Activities, who summarized the comments of the Board. These comments were circulated to the Council on March 6, 1958. He indicated that the Board believed that the revised NSCIDs constituted a real forward step in the direction of improving coordination of foreign intelligence.

General Hull mentioned the Board's concern lest the repeated requirements in the draft NSCIDs, for consultation by the Director of Central Intelligence with the Intelligence Advisory Committee, should dilute Mr. Dulles' responsibility as Director of Central Intelligence. He said that the Board would leave to the Director of Central Intelligence discretion as to whether and when he should consult with the IAC.

General Hull indicated, with respect to draft NSCID No. 1, that the Board was increasingly concerned over recurring serious leaks of intelligence and, accordingly, would fix more explicitly in NSCID No. 1 responsibility for protection of intelligence sources and methods. General Hull cited the National Security Act on this point, noting that that statute explicitly assigned such responsibility to the Director of Central Intelligence. He said it was the understanding of the Board, however, that this statutory assignment was being interpreted by CIA to refer only to intelligence which the Director of Central Intelligence received from other agencies.

General Hull indicated, with respect to draft NSCID No. 2, that the Board was concerned lest the implementation of paragraph 4 thereof result in CIA's duplicating the efforts of other agencies in the overt collection field.

General Hull stated that the Board had no comment on draft NSCID No. 3; that draft NSCID No. 4 had been rewritten by the intelligence community along the lines suggested by the Board; that draft NSCID No. 5 was considered acceptable by the Board; and that, although the Board considered draft NSCID No. 6 to be satisfactory, it did not believe that that NSCID should be promulgated at this time

General Hull said, with respect to draft NSCID No. 7, that the Board had been encouraged by intelligence community efforts on this matter thus far, and it hoped there would soon be improvements in the handling of critical intelligence communications. He said that the Board did not feel competent to comment on the technical or cost aspects of draft NSCID No. 7. The Board did believe, however, that until top management settled the problem of priorities, the communications system would continue to be bogged down.

General Hull said in summary that the Board believed that the Director of Central Intelligence and the IAC agencies had done a fine job on the revised NSCIDs; and the Board recommended that they be approved subject to the modifications outlined by him.

General Cutler referred to General Hull's comments relative to the repeated requirements in the draft NSCIDs for consultation by the Director of Central Intelligence with the IAC, and he asked if this were intended to apply to the National Intelligence Estimates. He said that as an intelligence consumer from the Planning Board point of view, where differing estimates were made on the same point by different members of the intelligence community, it was very helpful to have these reflected in the National Intelligence Estimates.

General Hull stated that it was not the intent of the Board that this practice be altered, and he agreed that such differing views should continue to be reflected in the estimates.

General Cutler, after noting that the Joint Chiefs of Staff considered draft NSCIDs Nos. 1-6 acceptable from a military point of view, asked General Taylor, Acting Chairman of the Joint Chiefs of Staff, to elaborate on the JCS comments concerning Joint Intelligence. General Taylor indicated that the JCS comments were merely in the nature of observations and did not affect the over-all position of the Joint Chiefs of Staff.

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The President inquired as to the kind of intelligence the Joint Chiefs referred to, and General Cutler defined Joint Intelligence as well as national and departmental intelligence. General Cutler then called on Mr. Allen Dulles for comment, and he elaborated briefly on the definition of national and departmental intelligence. Mr. Dulles then indicated that he would prefer that the Department of Defense define Joint Intelligence, because it wasn't clear to him just what Defense would include under that heading. At this point, General Cutler read the definition of Joint Intelligence as set forth in draft NSCID No. 3, and then read the gist of the JCS comments thereon. The President observed that the JCS comments impressed him as picking nits with boxing gloves. He then observed that Joint Intelligence could not fail to affect the whole field of national intelligence.

General Taylor indicated that the Joint Intelligence referred to by the Joint Chiefs of Staff involved that intelligence which was used as a basis for military planning. The President asked for particular examples of such intelligence, and General Collins (representing the Director of the Joint Staff, JCS, on the IAC) stated that the Joint Intelligence referred to involved intelligence in support of JCS plans and programs. After hearing General Collins' comments, the President said he was still confused as to just what the Joint Chiefs of Staff were getting at.

Secretary Quarles stated that national intelligence derived from military and other kinds of intelligence, but that the point being made by the Joint Chiefs of Staff involved the fact that each military commander had his own intelligence section which prepared intelligence reports needed by his command, and it was the Defense view that the preparation of such intelligence should continue to be considered as a military function. At the same time, however, such joint intelligence should be consistent with other national intelligence. The real point being made by the Joint Chiefs, Secretary Quarles said, was that there should be recognition of the need for preserving this as a military function.

Mr. Dulles said he did not want to interfere in any way with the functions of the Joint Chiefs of Staff or with their preparation of intelligence estimates for their own military use. When such estimates got into the national intelligence area, however, the Director of Central Intelligence was necessarily involved because of his assigned responsibility. Mr. Dulles said that although the situation under discussion had not always been satisfactory, he believed that CIA and the military services would be able to work it out.

The President felt that some very fine distinctions were being made as to joint intelligence and national intelligence. He agreed that a military commander had the right to his own intelligence

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estimates. For such estimates to be worthwhile, however, CIA's information would also be required. He thought it was wrong to think in terms of the military commander depending on such joint military intelligence without getting CIA's intelligence as well.

Called upon for comment by Secretary McElroy, Secretary Quarles indicated that it was not intended that such an impression be conveyed to the President, for the joint intelligence estimate of the military took off from the National Intelligence Estimates and added to them the local military situation, such information being prepared in a way as to make it most useful to the military commander.

The President said he frankly believed that today war would be the responsibility of all agencies of Government. Therefore it was difficult to see how any important intelligence that came in wasn't of national intelligence significance. The CIA was the office we must look to for such national intelligence. He did not like the idea of separate intelligence of the kind referred to.

Mr. Brundage, referring to a study made in the recent past relative to duplication of intelligence collection efforts, stated that the Bureau of the Budget felt that the separation of national intelligence and departmental intelligence was fundamental. With respect to NSCID No. 2, however, it was his thought that there could be duplication of effort in areas pertaining to the collection of scientific, technological and economic information, the overt collection of which was the responsibility of the Department of State. He said that duplication of effort in these fields should be avoided. General Cutler indicated that Mr. Dulles had that fact well in mind.

In response to General Cutler's request for further comment, General Hull indicated that his Board felt that there was a real question as to the precise statutory responsibility and authority which the Director of Central Intelligence had in matters pertaining to the protection of intelligence sources and methods from unauthorized disclosure. The President at this point made a jocular reference to the soldier becoming a constitutional lawyer. The Attorney General thought that the language in the statute on this point could not be more clear.

Mr. Allen Dulles observed that he had no authority beyond his own agency in matters pertaining to protection of intelligence sources and methods. He said that when there was a breach, all he could do was to request the various agencies to make appropriate investigations. He said he acted by consultation, and that he did not have the right to prowl in other agencies. As to the latter point, the President observed that the Comptroller General might prowl if he wished. The President then referred to a recent leak of highly sensitive information which could only have come from the USAF, and he said that there must be some way to run down such a leak.

General Cutler at this point read pertinent language from the statute relative to the responsibility of the Director of Central Intelligence in this area, and to the requirement that intelligence of the departments and agencies of Government be open to the inspection of the Director of Central Intelligence.

The Attorney General thought that the wording of the statute on this point was such that one could set up thereunder almost any kind of procedure one wished.

Mr. Dulles indicated that his procedure would be to call in the FBI.

The President thought that it would be a good idea to call in the FBI in matters of this kind. On the theory that everybody's business is nobody's business, the President thought it preferable to call in the FBI in case of such breaches, rather than to ask each agency to investigate itself.

Mr. Alan Belmont (FBI representative to the IAC) said that his agency had investigated many leaks in the past in the several major departments. In most instances the FBI was unable to pin down the source of such leaks because a great number of people had knowledge, either through oral advice or through reading one of the vast number of copies of documents which contained the information in question. He said that such copies proliferated extensively, or personnel were orally advised thereof, to the point that as many as ten thousand people have had to be investigated in connection with one breach. In the one or two instances wherein the FBI was successful in establishing the source of the breach, very little punitive action was taken. He said the FBI approached these investigations from a prosecutive rather than an administrative standpoint. It was the Bureau's view that the way to take care of these situations was for each department head to control his own house rather than to have someone from outside go into each of these departments and agencies whenever a breach occurred.

It was the President's thought that the best results in matters of this kind would be by the Director of Central Intelligence directing, rather than requesting, the conduct of the necessary investigation by the intelligence agency or agencies concerned, with the Director of Central Intelligence thereafter coming before the National Security Council to make an accounting.

Mr. Dulles agreed with the general idea expressed by the President, but said he would prefer to work it out on a cooperative basis by consulting with the IAC agencies concerned rather than by directing such investigations. The President did not agree, and emphasized that the Director of Central Intelligence must direct the cooperation--not ask for it.

General Cutler suggested rephrasing the language in paragraph 17 of NSCID No. 1 by the incorporation of language providing that the Director of Central Intelligence would direct the heads of the intelligence agencies, as appropriate, to investigate any unauthorized disclosures of intelligence sources and methods. Mr. Dulles indicated that the inclusion of language along this line was agreeable to him.

Mr. Dulles said he would like to persuade General Hull to drop his recommendation relative to the matter of the Director of Central Intelligence consulting with or seeking the concurrence of other members of the Intelligence Advisory Committee. He said that he preferred such consultation, and that as problems came up they could be worked out readily through such consultation.

General Hull said that his Board did not oppose consultation and coordination. It did oppose dilution of the authority and responsibility of the Director of Central Intelligence. He said that he would not object further to the draft NSCIDs as now written, but would recommend that if the directives were rewritten in the future, the suggestion of the Board be followed.

Mr. Dulles said he would be pleased to accept the Hull Board recommendation regarding overt collection activities. On that point he suggested that draft NSCID No. 2 be modified to provide that CIA not engage in overt collection except as requested by the Department of State or Chief of Mission to supplement State's overt collection assignments. General Hull felt that this clarifying language was satisfactory.

Mr. Brundage inquired as to what the military responsibility was for collection of economic information, as referred to in paragraph 3 of draft NSCID No. 2.

General Cutler responded by saying that in the Planning Board it was indicated that the collection of economic information by the military services was not a primary mission; rather, such intelligence was picked up incidental to other affirmative missions of the military services.

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The President observed that a military commander had to take economic information into consideration at various times, as, for example, when he made a battle plan.

Mr. Brundage inquired whether these reports on economic information should more properly come to the military from departments such as Commerce and Agriculture, and the President replied in the affirmative.

General Cutler next turned to draft NSCID No. 7, and briefed the Council generally as to its content. He then called upon Mr. Allen Dulles, who stated that neither the plan nor the expense statement referred to on this subject were his own. He said that the Hull Board very wisely put its finger on the Achilles' heel of critical intelligence--namely, the unsatisfactory situation which existed relative to delays in the transmission of such intelligence to Washington. He said the intelligence community had been working hard on this problem, and that it proposed the establishment of relay centers at critical points abroad so that when critical intelligence was received at these relay centers, it could be automatically and rapidly forwarded to the Seat of Government.

Mr. Dulles took note of the objections of the Joint Chiefs of Staff to the NSCID as drafted by the intelligence community. He suggested that the Council, instead of adopting draft NSCID No. 7, direct certain studies to be made along the lines mentioned in Mr. Dulles' memorandum of January 28, 1958, to the Executive Secretary, NSC.

In response to Mr. Dulles' request for comments, Dr. Killian mentioned the study made by the President's Board of Consultants on Foreign Intelligence Activities. This study reflected serious delays--sometimes 50 hours or more--in getting critical intelligence to top-level consumers in Washington. Dr. Killian said that in the first instance this was a management problem, for priorities must be established in order that the most important information should get into the communications system quickly, and so that trivia would be ruled out of that system. It was his view that this management study should be made before we committed any funds for additional communications network facilities.

General Cutler, after citing the views expressed by Secretary Quarles in his memorandum to the Council dated March 10, 1958, proposed that action on draft NSCID No. 7 not be taken at this time. In lieu thereof, he thought it would be well to request the Director of Central Intelligence and the Secretary of Defense to submit an agreed program to implement the idea of accelerating the transmission of critical intelligence. Mr. Dulles agreed with this proposal.

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Secretary McElroy agreed that more work must be done on draft NSCID No. 7 from a management standpoint as to priorities, computing costs, etc.. Accordingly, he thought it premature for the Council to act on this directive now.

General Cutler inquired whether it would be reasonable to list May 1 as a target date for the studies to be made with respect to this matter by Defense and CIA, and Mr. Dulles indicated that a progress report could probably be made by that time. Accordingly, General Cutler indicated that May 1 would be set as a target date for the submission of these reports.

Dr. Killian said that Dr. Baker had some technical recommendations to make which might be helpful to Defense and CIA in their further work on this problem.

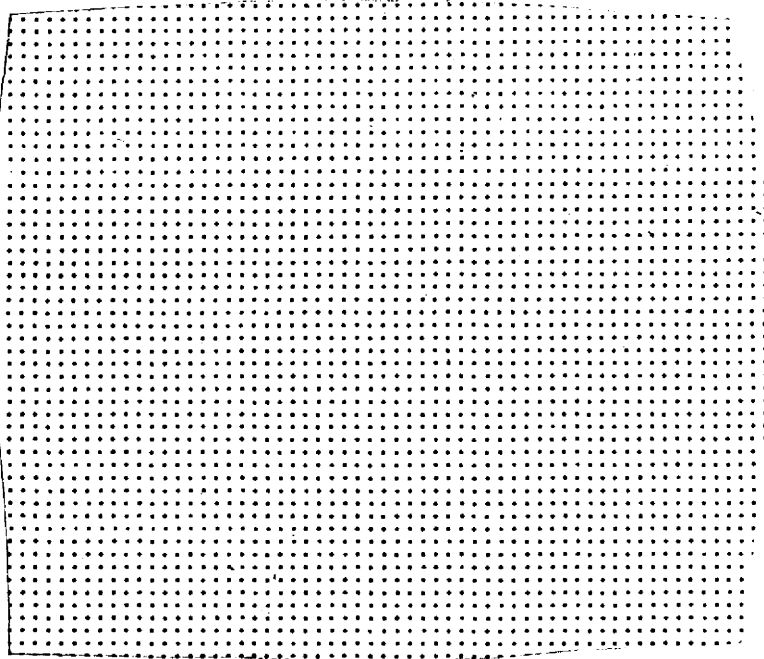
(NOTE: The above summary was prepared by the NSC Representative on Internal Security.)

The National Security Council:

- a. Noted and discussed the draft National Security Council Intelligence Directives (NSCIDs) submitted by the Director of Central Intelligence and transmitted by the reference memoranda of February 5 (two) and March 7, 1958; in the light of (1) the views of the Joint Chiefs of Staff thereon, transmitted by the reference memoranda of March 4, 11 and 12, 1958; and (2) the comments by the President's Board of Consultants on Foreign Intelligence Activities, transmitted by the reference memorandum of March 6, 1958.
- b. Noted the President's statement, with respect to the comments of the Joint Chiefs of Staff relative to "joint intelligence" as a part of "military intelligence", that nearly every department and agency of Government (not only the military departments) would have responsibilities under the conditions of a modern war; that each significant intelligence appraisal would have implications for the national security, useful in the preparation of "national intelligence"; and that appraisals which were in effect "national intelligence" would be prepared under the auspices of the Director of Central Intelligence.



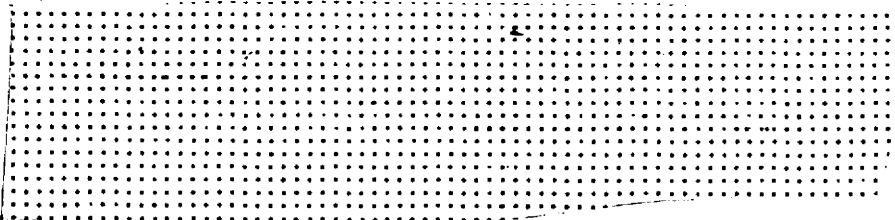
f.



NOTE: The actions in c, d, e-(2) and f above, as approved by the President, subsequently transmitted to the Director of Central Intelligence for appropriate action.

The action in e-(1) above, as approved by the President, subsequently transmitted to the Secretary of Defense and the Director of Central Intelligence for appropriate action.

2. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY



Turning to Indonesia, Mr. Dulles stated that the Sukarno government had moved with unexpected rapidity in its military operations against the rebels. He thereafter described current military

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operations. He pointed out that the dissidents had not planned their defense around the Pakanbaru area because of the threat to the civilian operatives in the oil installations, and furthermore, that neither side wished to be deprived of the revenues which flowed from the oil installations.

Meanwhile, said Mr. Dulles, there had been apparently no progress toward a settlement of the civil strife in Indonesia. Not only was there no agreement between Sukarno and Hatta; he had a recent report that Hatta had been put under house surveillance.

There was no doubt that the military action of the Djakarta Government had been positive and vigorous. The position of the dissidents, while precarious, was not yet hopeless. The Djakarta Government's control of the air above Sumatra might prove to be crucial. Moreover, the Air Force of the Djakarta Government was the branch of the armed forces most heavily infiltrated by the Communists.

The Djakarta Government, said Mr. Dulles, had recently issued a statement from the Indonesian Army which indicated awareness of weapons and ammunition drops, although the foreign country which was the source of these weapons had not been specified.

Mr. Dulles repeated that the situation for the dissidents was critical. If Sukarno succeeded in knocking them out quickly, it would be a feather in Sukarno's cap and in that of the Communists. While Sukarno himself was almost certainly not a Communist, he was becoming more and more a prisoner of the Communist Party.

The President inquired whether the United States would have a lawful right to intervene with force in Sumatra if the Djakarta forces seized the oil installations. Secretary Herter replied that if these installations were seized by the Djakarta Government with a promise of compensation, there would be no right under international law for U. S. intervention. On the other hand, if the lives of American citizens were threatened, we could lawfully intervene. Mr. Dulles commented that the lives of American citizens do not seem to be in any immediate danger in this area.

In North Africa, Mr. Dulles said, the situation was somewhat more tense than last week. He indicated he would not go into the story of Mr. Murphy's mission, but said that Bourguiba had apparently been vastly irritated by the French note to him indicating the French belief that an agreement made several years ago was still in effect and therefore supported French control of Tunisia's foreign affairs and defense. Secretary Herter said that the State Department could find no legal basis for this French claim of treaty rights.

Mr. Dulles went on to state that Bourguiba had, according to a recent report in the press, given the French a seven-day ultimatum to withdraw their troops from all of Tunisia. There had also

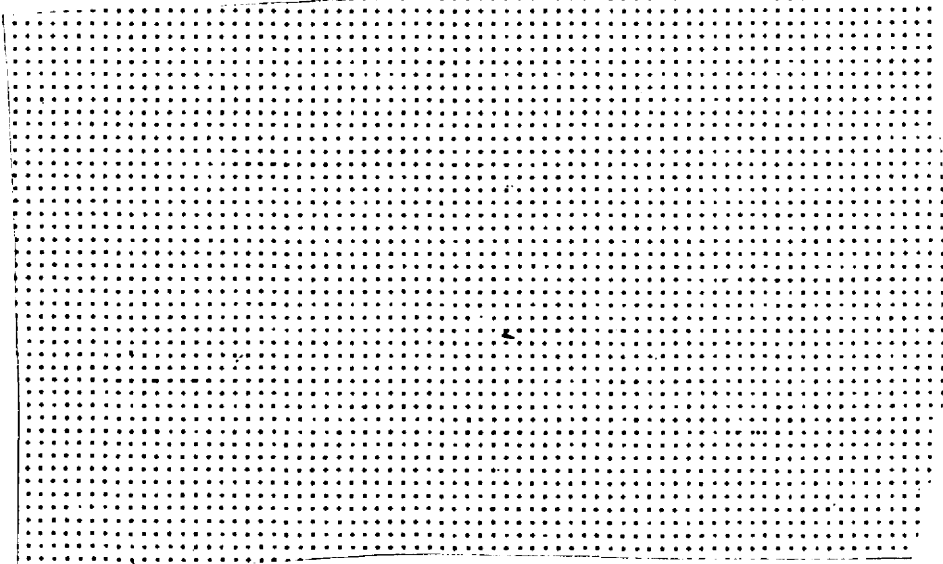
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been reports of conversations between Tunisia and Morocco with a view to proclaiming some sort of loose union between the two states. Such a union would be anti-Masser and, accordingly, advantageous to the United States if it were consummated.

In the midst of so much gloom, Mr. Dulles said that it was with satisfaction that he could state that the recent elections in the Sudan had produced very good results from the Free World point of view.

With respect to developments in the Near East, Mr. Dulles indicated that King Saud's position had become critical. Nevertheless, Saud was such a wily individual that Mr. Dulles thought he would probably pull through. He faced many problems, however. There were still some ten thousand Egyptians in Saudi Arabia in various professions and occupations. Another problem was posed by the fact that King Saud is not in full accord with his several brothers. He therefore couldn't even trust his own household in the present difficulties.

Developments in Saudi Arabia had made the position of Jordan and Iraq even more shaky. Mr. Dulles emphasized to the President that the situation in the Near East generally was very grave indeed from the Western point of view. It was plain that Nasser had caught the imagination of the masses throughout the entire area.

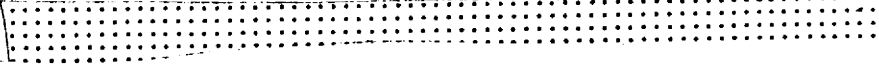


General Taylor asked whether the United States should undertake to replace in Saudi Arabia the Egyptian military mission

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which had been withdrawn. Should we also undertake to replace other Egyptian contributions? Mr. Dulles thought that to do this would be a mistake if we acted before we had determined our whole policy approach to the area.

The President asked the State Department to get busy at once and examine with the Department of Defense just what it was that these countries wanted by way of support and assistance from the United States and what our Government ought to do next.



NOTE: The following actions, numbered 2 and 3, were separated into two actions, instead of being one action on the DCI's briefing.

2. The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to developments in the Soviet ballistic missiles program; the situations in Indonesia and North Africa; the recent election in the Sudan; and recent developments in the Middle East.

3. POSSIBLE U. S. ACTIONS IN SUPPORT OF PRO-WESTERN NATIONS IN THE NEAR EAST

The National Security Council:

Noted the President's request that the Department of State in consultation with the Department of Defense, as a matter of urgency, explore what types of U. S. support might be given to the governments of Iraq, Jordan, Lebanon, and Saudi Arabia if required in the immediate future, and examine possible actions which the United States might take if requested to give such support.

NOTE: The above action, as approved by the President, subsequently transmitted to the Secretaries of State and Defense.

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4. U. S. OVERSEAS MILITARY BASES

(Memos for NSC from Executive Secretary, same subject, dated January 14 and February 14 and 24, 1958)

General Cutler briefed the Council in considerable detail on the contents of the Nash Report, which he described as a remarkably fine, comprehensive and detailed study, and one which should be most useful to appropriate operating personnel as a source of information and guidance. On the other hand, there were only a few significant issues which the Planning Board had thought should be brought to the Council's attention and on which the Planning Board had made recommendations. (A copy of General Cutler's briefing note is filed in the minutes of the meeting, and a copy is likewise attached to this memorandum.)

When General Cutler had finished his briefing, he read the main thesis of the Nash Report, summarizing Mr. Nash's statement on the present and future need for the base system, the comments of the Planning Board, and their recommendation that the National Security Council accept the Planning Board statement as to the validity of the thesis on the present and future need of an overseas base system. He read the Planning Board's recommendation as follows:

"The tremendous changes in weapons technology will not, in the immediate future, alter the need for substantially our present overseas base system. Most probably for at least five years, this system will remain essential (a) to maintain and disperse our deterrent to general war; (b) to maintain tactical forces to deter and cope with local aggression; and (c) to support foreign policy objectives. In fact, a small net expansion of our base system may be required, at least initially, to accommodate new weapons and to meet new Soviet offensive techniques."

Pointing out the proposed changes of the Joint Chiefs of Staff--to wit, that the term "in the immediate future" in the second line should be changed to read "for the foreseeable future" and that the term "tactical forces" in line 7 and the word "small" in line 9 should be omitted--General Cutler inquired of General Taylor whether he felt strongly about the desirability of incorporating the changes proposed by the Joint Chiefs. General Taylor replied that he personally did not. The President intervened in the discussion that followed, to state that after all, the members of the National Security Council were not prophesying columnists whose views were valid as to the length of time that we would need our present overseas base system. He therefore suggested that the above recommendation be revised to indicate that the situation was going to change progressively and rapidly over the next ten years, and that we should conduct a review of our base system each year.

General Cutler turned to the next issue selected by the Planning Board, namely, the issue of stationing IREMs around the Sino-Soviet periphery. He read the Planning Board recommendation on this issue as follows:

"In view of the prospective Soviet ICBM capability and the resulting increase in the vulnerability of the continental United States, our continued ability to deter general war will be better ensured by the positioning of IREMs in selected areas around the Sino-Soviet periphery. Such positioning must be carefully planned to avoid pressing the Sino-Soviet bloc to the point that may incline it to miscalculate our objectives and conclude that our intentions have become aggressive, thereby making it feel obliged to react violently. [The implications of positioning IREMs around the Sino-Soviet periphery outside the NATO area are of such import that a decision to do so should be made through NSC procedures, only in light of the over-all advantages and disadvantages.]\*

\* ODM-Treasury-Budget proposal."

After General Cutler had explained why the ODM, Treasury and Budget members of the Planning Board had felt it desirable to include the bracketed last sentence of the above recommendation, and why the majority of the Planning Board had objected to its inclusion, the President expressed his hearty agreement with the ODM-Treasury-Budget proposed addition. He took issue with the majority view that this was solely a military matter, and said that it seemed plain to him that the decision involved more than military matters. Secretary Herter agreed with the President on the strong political element involved in a decision to station IREMs in bases on the Sino-Soviet periphery outside of NATO. Accordingly, the ODM-Treasury-Budget language was included.

On the third issue--namely, a Western Mediterranean Pact --General Cutler read the Planning Board recommendation as follows:

"Consideration is being given by the Departments of State and Defense to the feasibility and desirability of a Western Mediterranean defense arrangement embracing Spain, the United Kingdom, France, Italy, Morocco, Tunisia, Algeria, and Libya."

The Council adopted the Planning Board language without discussion or change.

On the fourth issue--a chain of bases in Central Africa --General Cutler read the Planning Board recommendation as follows:

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"The United States should not, at this time, establish a line of 'back bases' across the waist of Africa; but should, in accordance with NSC 5719/1, keep the area under periodic survey to determine any changes in our strategic requirements."

General Cutler then noted that the Joint Chiefs of Staff had proposed the addition at the end of the above recommendation of the following language: "and develop political accommodation that would promote assurance of early success if base rights are needed in the future."

After a brief discussion, Secretary Herter said that he could perceive no objection to the added language, but that he would like to know what particular African countries were involved in a possible new base chain, so that the State Department could commence to prepare the ground.

General Cutler then referred to the fifth issue, on "Alternative Bases in the Far East", reading the Planning Board recommendation as follows:

"Because of weaknesses in our present Far East defense perimeter and the increased threat inherent in Soviet missile achievements, the Department of Defense should continue to study the desirability and feasibility of alternatives to our present bases in the area as a means of increasing dispersal and establishing bases in the most politically reliable areas."

This recommendation was adopted without discussion.

The sixth issue, General Cutler pointed out, dealt with the creation of a postwar stockpile in Australia, and he read the Planning Board recommendation as follows:

"The United States should not now\* transfer to Australia a portion of our 'moth-balled' merchant fleet or establish stockpiles of surplus grain and other provisions there. However, studies under NSC 5802/1, paragraphs 3 and 23, should be made on placing a portion of our 'moth-balled' merchant fleet and stockpiling surplus grain and other provisions in areas outside the continental United States."

\* State-Defense-JCS-ODM proposal."

He explained why the State, Defense, JCS and ODM members of the Planning Board wanted to include the bracketed word "now" in the first line because of their feeling that at some future time this proposal might have real merit. On the other hand, said General Cutler, the

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Council had recently rejected a similar proposal when it had discussed our policy with respect to Australia and New Zealand. The feeling had been that there could be little use in creating stockpiles in Australia in the event of a nuclear war.

The President stated, apropos of General Cutler's last remark, that he seemed not as confident as some other members of the National Security Council as to what the future might bring. Could we not well change our minds on this matter? The President pointed out that stockpiles of materials in such places as Australia would have been very helpful to the United States in 1941.

After further discussion as to the wisdom of including or excluding the word "now", General Cutler succeeded in inducing the Council to accept, in place of the term "now", the phrase "in the foreseeable future".

With respect to the seventh issue--to wit, greater use of the Organization of American States to provide a collective security framework for U. S. bases in Latin America--General Cutler read the Planning Board recommendation as follows:

"Any additional or more substantial collective security framework for Latin America would, on balance, be infeasible and undesirable at this time. Consideration should be given to bringing the West Indies Federation into the OAS at an appropriate time."

The above recommendation was adopted without change.

Secretary Herter, however, cautioned on the hostility to the United States of one or two of the leading candidates for political leadership in the new West Indies Federation.

As to the eighth issue--criminal jurisdiction over American forces stationed on foreign bases--General Cutler read the Planning Board recommendation as follows:

"The objective of the United States should be to obtain, where feasible, criminal jurisdiction arrangements, with all countries in which U. S. forces are stationed now or in the future, at least as favorable as those contained in the NATO Status of Forces Agreement. U. S. forces should not be stationed on foreign territory unless protected by criminal jurisdiction arrangements at least equal in substance to the NATO Status of Forces Agreement, except on determination by the Secretaries of State and Defense that overriding national interest demands their presence notwithstanding the absence of satisfactory arrangements."\*

\* Defense-Treasury proposal.

General Cutler explained the reasons that had prompted the Defense and Treasury members of the Planning Board to add the bracketed language.

When General Cutler had concluded his summary of the Planning Board discussion, the President inquired whether we were talking here of very large military units only, or were we talking about small MAAG units? The latter, he supposed, had diplomatic immunity. Mr. Gray reminded the President that only the higher officers in our MAAG units abroad enjoyed the privileges of diplomatic immunity.

After further lively discussion, the President inquired whether it would not be wise to suggest a further and more detailed examination of this issue by the Departments of State and Defense. General Cutler replied that the matter had been so much studied already that another study was likely to produce more confusion than clarity.

Secretary Herter then indicated that the State Department would have no objection to the inclusion of the language proposed by Defense and Treasury. Secretary McElroy concurred, but suggested deletion of the phrase "where feasible" in the second line of the Planning Board recommendation, inasmuch as this phrase was not appropriate for the wording of an objective, as opposed to a course of action.

As he was leaving, the President adverted once again to the discussion of the U. S. base structure overseas. He spoke with earnestness to the effect that the whole matter should be the subject of soul-searching in order to determine the net value and advantage of each of these bases to the United States. He was not, he insisted, asking for any new study, but instead asking each responsible official to keep this matter constantly in mind. There was grave question, he said, in his own mind as to the net value of many of our overseas bases, although there were, of course, exceptions such as Okinawa and the Bonins.

General Cutler then came to the final issue selected by the Planning Board for discussion, relating to the sharing of defense responsibilities with Canada. He read the majority proposal and the ODM proposal, as variant Planning Board recommendations for Council agreement, as follows:

"Majority Proposal

"The Council on Foreign Economic Policy should be requested to study all possible means of improving U. S.-Canada economic relations, and to transmit to the National Security Council any recommendations requiring Presidential consideration."

"ODM Proposal

"The Planning Board should prepare, for consideration by the National Security Council, a draft policy paper on all aspects of our relations with Canada."

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Most of the Council members indicated a preference for the majority proposal at the beginning of the discussion. Mr. Gray, however, strongly supported the proposal by the ODM Planning Board member. He felt that this Government had full policy statements on countries and on areas far less important to us than Canada. From the point of view of his own particular responsibilities, Mr. Gray added that such a policy statement could be useful in promoting joint plans for mobilization with the Dominion.

The President indicated considerable sympathy for the point of view expressed by Mr. Gray. Secretary Herter, however, noted that there were really only three areas of real difficulty in our current relations with Canada. The first of these was the fact of such heavy American investment in Canadian enterprises. It was very difficult to see how this Government could do anything about that fact. The other two problems related to wheat and oil, and these problems Secretary Herter felt were being successfully dealt with individually.

Mr. Gray replied that it was precisely to the piecemeal fashion in which we dealt with our problems vis-a-vis Canada that he was taking exception. He felt that we should have a full and integrated approach to the Dominion of Canada. It might not require an NSC policy to effect this integrated approach, but such a policy statement would be a logical means.

There being no clear consensus, General Cutler suggested that the Departments of State and Defense undertake to study the feasibility of formulating a full policy statement on Canada. To this end Mr. Gray indicated that he would write letters setting forth his views to the Secretaries of State and Defense.

The National Security Council:

- a. Noted and discussed the report by the NSC Planning Board (transmitted by the reference memorandum of February 14, 1958) on main issues of the Report to the President on the subject prepared by the late Mr. Frank C. Nash and transmitted by the reference memorandum of January 14, 1958; in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of February 24, 1958.
- b. Adopted the recommendations contained in the Planning Board report enclosed with the reference memorandum of February 14, 1958, subject to the following revisions:
  - (1) Recommendation 1, page 2: Revise to read as follows:

"Progressively the situation, as affected by tremendous developments in weapons technology and other factors, is going to change rapidly over the next ten years the need for our present overseas base system. Accordingly, while an overseas base system will most probably remain essential (a) to maintain and disperse our deterrent to general war, (b) to maintain forces to deter and cope with local aggression, and (c) to support foreign policy objectives; each year the then-existing base system should be reviewed. In fact, a small net expansion of our base system may be required, at least initially, to accommodate new weapons and to meet Soviet offensive techniques."

- (2) Recommendation 2, page 4: Include the bracketed sentence, deleting the brackets and the footnote thereto.
  - (3) Recommendation 4, page 6: Add at the end of the sentence the following words: "and develop political accommodation that would promote assurance of early success if base rights are needed in the future."
  - (4) Recommendation 6, page 8: Delete the bracketed word and the footnote thereto; and substitute in its place the words "in the foreseeable future".
  - (5) Recommendation 8, page 12: Delete the phrase ", where feasible," in the first sentence; and include the second sentence, deleting the brackets and the footnote thereto.
  - (6) Recommendation 9, page 14: Substitute for both the majority and the ODM proposals the following: "The Departments of State and Defense and the Office of Defense Mobilization should study and report to the National Security Council on the need for and possible scope of a statement of policy on U. S. relations with Canada."
- c. Noted the statement by the President that earnest and continuous scrutiny should be given by all appropriate officials as to whether each U. S. overseas base throughout the world continues to represent a net advantage to U. S. security.

- d. Recommended that the President authorize the responsible agencies to circulate the Nash Report, together with the recommendations adopted pursuant to b above, and the statement by the President in c above, to key operating personnel in this country and overseas, for information and such action as each agency deems appropriate consistent with approved national security policy. Distribution of the full Report, because of its sensitivity, should be limited to key operating personnel, and only appropriate extracts from the Report should be circulated to personnel having particular responsibility for specific subjects.

NOTE: The above actions, as approved by the President, subsequently circulated to all interested departments and agencies for appropriate action in accordance with d above.

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