

UNCLASSIFIED TOP SECRET

407096

November 1, 1957

MEMORANDUM

SUBJECT: Discussion at the 342nd Meeting of the National Security Council, Thursday, October 31, 1957

EYES ONLY

Present at the 342nd NSC Meeting were the President of the United States, presiding; the Secretary of State; the Secretary of Defense; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; Mr. William P. Rogers for the Attorney General (participating in Item 3); the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (participating in Item 3); the Federal Civil Defense Administrator (participating in Item 3); the Special Assistant to the President for Disarmament; the Acting Director, U. S. Information Agency; the Director, International Cooperation Administration; the Chairman, Council of Economic Advisers (for Item 3 only); the Deputy Director, Bureau of the Budget; Assistant Secretary of State Gerard C. Smith; Frank C. Wisner, Central Intelligence Agency (Item 1); the Deputy Secretary of Defense; the Secretary of the Army; Assistant Secretary of the Navy Fred A. Bantz; the Secretary of the Air Force; the Chairman, Joint Chiefs of Staff; the Chief of Staff, U. S. Army; Admiral H. B. Felt for the Chief of Naval Operations; the Chief of Staff, U. S. Air Force; the Commandant, U. S. Marine Corps; the Director of Central Intelligence; the Assistant to the President; the Deputy Assistant to the President; Special Assistants to the President Cutler, Randall and Dearborn; the White House Staff Secretary; the Executive Secretary, NSC; the Deputy Executive Secretary, NSC; the Director, NSC Secretariat; and Mr. George Weber, NSC Special Staff. Present from the Federal Civil Defense Administration (for Item 3 only) were Messrs. Ralph E. Spear, Gerald Gallagher, Benjamin Taylor, Jack Green, and John Devaney.

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

- 1. CIA ANNUAL REPORT (NSC Actions Nos. 1379, 1546 and 1808)

The National Security Council:

Noted and discussed the remainder of the annual report by the Director of Central Intelligence, on the actions taken by the Central Intelligence Agency under NSC 5412/2, supplementing that portion of the report which was presented at the last Council meeting (NSC Action No. 1808).

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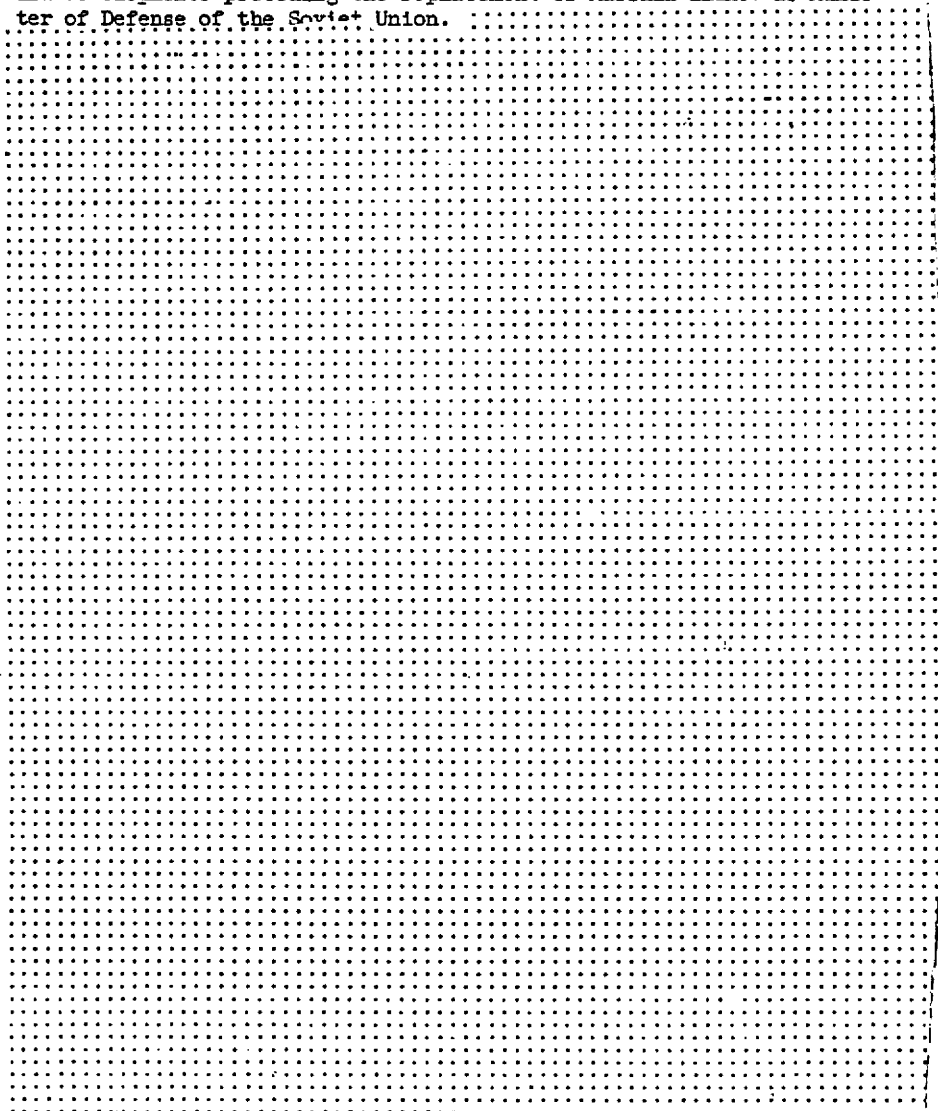
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October 31, 1957

2. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY

The Director of Central Intelligence sketched the background and developments preceding the replacement of Marshal Zhukov as Minister of Defense of the Soviet Union.



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The National Security Council:

Noted an oral briefing by the Director of Central Intelligence on the subject, with specific reference to Marshal Zhukov.

3. A FEDERAL SHELTER PROGRAM FOR CIVIL DEFENSE

(NSC 5408; NSC 5606; NSC Actions Nos. 1642, 1691, 1760 and 1776; Memo for NSC from Executive Secretary, subject: "Civil Defense Legislative Program for FY 1958", dated January 3, 1957; NSC 5709; Memos for NSC from Executive Secretary, subject: "A Federal Shelter Program for Civil Defense", dated July 2 and August 14, 1957)

Mr. Cutler briefed the Council on the background leading to the presentations to be given to the Council at this meeting. In so doing he emphasized that the presentations were for the information of the Council and required no Council action at the present time. (A copy of Mr. Cutler's briefing note is filed in the minutes of the meeting.) He thereupon called on Mr. Gallagher, Chairman of the Special Committee on Shelter Programs.

Mr. Gallagher read his report with the assistance of visual aids. (A copy of Mr. Gallagher's report is filed in the minutes of the meeting.)

When Mr. Gallagher had finished his presentation, Mr. Cutler again emphasized that the purpose of these presentations on possible shelter programs was to present the Security Resources Panel of the Science Advisory Committee, ODM (the so-called Gaither Panel) with suggestions for alternative types of shelters, including costs and assumptions. Accordingly, Mr. Cutler suggested that the members of the Council ask no questions at this time, but postpone questions until after hearing the report of the Gaither Panel on November 7. He warmly congratulated Mr. Gallagher on the quality of his presentation.

Thereafter, Dr. Saulnier and Secretary Anderson summarized the contents of the reports by the Council of Economic Advisers and the Treasury Department with respect to the shelter program. (A copy of Dr. Saulnier's briefing note is filed in the minutes of the meeting.)

In conclusion, Mr. Cutler reminded the Council of the very great importance of the assumptions which lay behind these reports on a shelter program.

The National Security Council:

Noted presentations on the subject by the Chairman of the Special Committee on Shelter Programs, the Chairman, Council of Economic Advisers, and the Secretary of the Treasury, based on the reports transmitted by the reference memoranda of July 2 and August 14, 1957, respectively, prepared pursuant to NSC Action No. 1691-b-(1), -(3) and -(4).

4. U. S. SECURITY EFFORT OVERSEAS, FY 1957

Mr. Cutler briefed the Council (copy of briefing note filed in the minutes of the meeting and also attached to this memorandum). During his briefing, members of the Council received certain extracts from NSC 5707/8 relating to the U. S. security effort overseas, and also a sheet containing explanatory notes and symbols relating to the tables which Mr. Cutler was to use in his presentation. (Copies of these extracts and explanatory notes and symbols are filed in the minutes of the meeting and also attached to this memorandum.)

When Mr. Cutler had finished his presentation of the eight tables (copies of which are included in the minutes of the meeting and attached to this memorandum), he asked if there were any questions. The Secretary of Defense commented that he recognized, of course, the great difficulty of choosing a single effective title for so many different types of information as had been included on Mr. Cutler's charts. He nevertheless felt it difficult to justify the inclusion, under the title of "U. S. Defense Effort Overseas", of a column covering P. L. 480 loans. Mr. Cutler replied that it had been difficult for the Planning Board to decide what to include and what to exclude under the title "U. S. Defense Effort Overseas". Perhaps it would have been better to put the P. L. 480 and the Ex-Im Bank loans on a separate chart. But in any event, they were so big and so important that the Planning Board felt that they should be included on the tables even though they were in a different category from the other data displayed on the tables.

Secretary Dulles suggested that a more accurate title would be "U. S. Mutual Security Effort Overseas". Secretary McElroy said this title would cover the point that he had raised. The President commented wryly that whatever the title, this still would not be any rose.

It was subsequently agreed to change the title "U. S. Defense Effort Overseas" to "U. S. Security Effort Overseas".

The National Security Council:

Noted and discussed an oral presentation on the subject by the Special Assistant to the President for National Security Affairs.

5. U. S. POLICY TOWARD SPAIN  
(NSC 5710/1; Progress Report, dated October 3, 1957, by OCB on NSC 5710/1)

The National Security Council:

Noted the reference Progress Report on the subject by the Operations Coordinating Board.

*S. Everett Gleason*

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Briefing Note for HSC  
Meeting of 10/31/57

October 29, 1957  
C. A. Haskins/acw

ITEM 3 - A FEDERAL SHELTER PROGRAM FOR CIVIL DEFENSE

The next item on the agenda concerns the Federal Shelter Program for Civil Defense.

You will recall that on April 4, 1957, after considering the Civil Defense Shelter Program initially proposed by Governor Peterson on December 20, 1956, the Council directed that four studies should be made dealing with various aspects of this whole program. The first three of these studies, the receipt of which the Council has earlier noted, will be presented to us this morning. Against the background of these first three studies, the Council will next week take up the fourth study, which will be a report by a panel of the Science Advisory Committee of ODM on the relative value of various active and passive defense measures.

First, then, we shall turn to the study made by a Committee representing FCDA, ODM, AEC, and Defense, of significantly different shelter programs (not to exceed five), the percentage of the civil population which would be protected by each, the degree of protection of the civil population afforded by each, and the material requirements and approximate costs of each. The presentation will be made by Mr. Gallagher of FCDA who served as chairman of the Committee.

Mr. Gallagher --

\* \* \* \* \*

We next come to a study by the Council of Economic Advisers, of the broad economic effects and consequences of the various alternative shelter programs developed in the first study.

Dr. Saulnier --

\* \* \* \* \*

We now come to the third study, which was made by the Treasury, of the types of Federal financial assistance to private industry and individuals (including consideration of grants, loans and tax incentives), to stimulate construction of shelters under the various alternative shelter programs developed.

Secretary Anderson --

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