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MEMORANDUM

SUBJECT: Discussion at the [illegible] of the National [illegible] Monday, September [illegible]

Present at the [illegible] meeting were [illegible] the United States, presiding; the Vice President [illegible] the Secretary of State; the Acting Secretary of Defense [illegible] rector, Office of Defense Mobilization. Also present were [illegible] C. Scribner for the Secretary of the Treasury; the Acting [illegible] Bureau of the Budget; the [illegible] Assistant to the President [illegible] armament; the Special Assistant to the President [illegible] the Acting Director, International Cooperation Administration; [illegible] Federal Civil Defense Administration; the Director [illegible] Agency; the Counselor, Department of State; Assistant Secretary of State Robertson; Assistant Secretary of Defense [illegible] [illegible] Central Intelligence Agency; the Chairman [illegible] Chiefs of Staff; the Director of Central Intelligence; [illegible] sistants to the President [illegible] Secretary; Mr. Bryce N. Harlow, Congressional Liaison Assistant to the President; the Executive Secretary, Department of State; [illegible] tary, NSC.

There follows a [illegible] and the main points [illegible]

1. SPECIAL REPORT ON INDONESIA
(NSC 5429/5; NSC 5515; [illegible] NSC from Executive Secretary, [illegible] and 13, 1957)

Mr. Cutler briefed the Council in great detail [illegible] port of the Interdepartmental Committee on Indonesia [illegible] Mr. Cutler's brief is filed in the minutes of the meeting [illegible] pre-arranged point in his brief [illegible] Director of Central Intelligence to provide the [illegible] latest available intelligence [illegible]

Mr. Dulles spoke [illegible] recently [illegible] Table Conference at Djakarta [illegible] the conferees, the Conference [illegible]

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NR 79-71 #14
BY LD DATE 11/14/78

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agreed communique issued. [illegible]
ress toward a settlement [illegible]
short, the Conference was [illegible]
it effected no cure. The [illegible]
and political problems were [illegible]
Hatta managed to agree on a [illegible]
real meeting of minds betwe[illegible]
nesian officials in Djakart[illegible]
psychological success in la[illegible]
leaders from the outlying [illegible]

The attempt to [illegible]
Round Table Conference was [illegible]
were turned over to a seven-man [illegible]
future time, after Hatta's [illegible]
munist China. In sum, [illegible]
munity estimates that the [illegible]
be unwilling or unable to [illegible]
provinces of Indonesia.

As to the oil situation, [illegible]
were three major oil compa[illegible]
American and one British. [illegible]
the Central Government at [illegible]
authorities on Sumatra, wh[illegible]
which the oil companies are [illegible]
Dulles reported that the [illegible]
been upped a great deal [illegible]
currently estimated, and [illegible]

The President [illegible]
a journey to Communist Chi[illegible]
of no particular reason, [illegible]
ist China at one time or [illegible]
larly worried about Hatta's [illegible]
Communist.

Pointing t the [illegible] President inq[illegible] that the Central Governmen[illegible] ern part of Sumatra. Mr. [illegible] local commander at M[illegible]

Having fin[illegible] retary of State for [illegible] departmental Committee as [illegible]

Secretary Dulles [illegible] Committee's recommendation[illegible] tions constituted no radi[illegible] actions vis-a-vis Indones[illegible] that the Committee's program [illegible] ible in its executio[illegible]

Asked for his opinion [illegible] Brucker, said that the Depart[illegible] tions of the Interdepartmental Committee. However, [illegible] that he wished to add a suggestion with respect [illegible] paragraph 9 of the Special Rep[illegible] paragraph 9 very much along [illegible] posal which had been suppl[illegible] version recommended by the [illegible]

Upon hearing Se[illegible] expressed the opinion that the proposal contained [illegible] could not appropriately be [illegible] NSC [illegible] added that the Planning [illegible]

Secretary Brucker, but had [illegible]
the President had just sug[illegible]
the Department of Defense [illegible]
agreed thoroughly with the [illegible]
bring this other version [illegible]
tional Security Coun[illegible]

The National Sec[illegible]

a. Noted and di[illegible]
prepared by [illegible]
pursuant to [illegible]
reference memorandum [illegible]
ments and recommen[illegible]
Board, transmitted [illegible]
tember 13, [illegible]
Chiefs of Staff [illegible]
oral briefing [illegible]
rector of [illegible]

b. Adopte[illegible]
Committee [illegible]
lowing amend[illegible]

c. Noted the obser[illegible] there is inherent [illegible] to the applicat[illegible]

d. Noted that the [illegible] ment with Indon[illegible] March, 19[illegible] for the United [illegible] cies in pe[illegible]

e. Agreed that the [illegible] Council should [illegible] terest in deali[illegible] agraph [illegible]

f. Directed the NSC [illegible] the light of the [illegible] recommendations [illegible]

NOTE: The Special [illegible] ted, together [illegible] above, as app[illegible] Operations C[illegible] agency desig[illegible] of NSC [illegible]

The action [illegible] subsequently [illegible] Treasur[illegible]

2. TENTH ANNIVERSARY OF THE NATIONAL SECURITY ACT OF 1947

Mr. Cutler asked the President if he wish[illegible] comment with respect to his statement [illegible] mimeographed [illegible] had been distributed to the members of the Council [illegible] Tenth Anniversary of the National Security Act of 1947. The President said that he wished to add [illegible] which the Council had before [illegible] a statement [illegible] to Mr. Lay, the Executive Secretary of the Council [illegible] ing his statement of appreciation of Mr. Lay's services [illegible] cil, the President turned to Mr. Lay and said that [illegible] preferred the old Anglo-Saxon custom of expressing [illegible] the French custom of kissing the cheek of both [illegible] case, however, he wished the [illegible] and appreciation to Jimmy Lay [illegible] President for his remarks.

The National Security Council [illegible]

Noted the President's [illegible] to [illegible] the Tenth Anniversary of the National Security Act [illegible] as distributed at the meeting and [illegible] sequent remarks at the meeting.

"September [illegible] marks the Tenth Anniversary [illegible] tional Security Act. Under it, the [illegible] Defense was [illegible] September [illegible] Council first met [illegible] September [illegible]

"It seems appropriate that [illegible] lic statement [illegible] and that [illegible]

"At this anniversary Council meeting [illegible] add a personal word of appreciation [illegible] work through the Council's ten years [illegible] ings. For the last seven years, as the [illegible] retary, he has made a career of [illegible] and devoted [illegible] the Presidents [illegible] self-effacement and [illegible] tribution toward the effective [illegible] cil's business [illegible] commending to [illegible]

3. U. S. POLICY TOWARD FORMOSA AND THE GOVERNMENT OF CHINA
(NSC 5503; Memo for NSC from [illegible] Report by the Interdepartmental Committee on [illegible] Programs", dated December [illegible], 195[illegible]; [illegible] Actions [illegible] and 1624-c; NIE 4[illegible]-2-57; Memo [illegible] from [illegible] subject: "U. S. Policy Toward Formosa and the [illegible] Republic of China", [illegible])

Mr. Cutler pointe[illegible] that Secretary [illegible] that the National Security [illegible] changes in the policy on Formosa [illegible] because he wished to make [illegible] just returned from the Far East [illegible] agreed that Mr. Cutler should [illegible] this time because, as Mr. [illegible] thinking about the two big [illegible] fore the Council acted at [illegible] briefed the Council [illegible] port and the Annexes [illegible] is attached to this memorandum [illegible] utes of the meeting.)

At the end of his [illegible] asked Secretary Dulles and [illegible] make any comments at this [illegible] withhold comment until the [illegible]

The National Security [illegible]

a. Noted the [illegible] NSC Planning Board [illegible] and transmitt[illegible] ter 5, 1957; [illegible] Chiefs of St[illegible] dum of agreement [illegible]

b. Deferred action [illegible] until the next [illegible]

4. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING THE U. S. [illegible]

[illegible]

The King and Sarit [illegible] the new government the former Thai Ambassador to [illegible] and the former Secretary of the SEATO organization [illegible] new Premier, was perhaps not a very strong figure [illegible] man and very pro-Western in his sympathies. Meanwhile [illegible] assurances had been given to Ambassador Bishop by [illegible] on their devotion to the [illegible] sisted that it was even more [illegible] anti-Communist [illegible] cessor. Despite all these [illegible] continued [illegible] is still much in the situation [illegible] which [illegible] watching.

Mr. Larson inquired [illegible] inviting the King of Siam to visit the United States [illegible] Dulles replied that he had heard of nothing along [illegible] though it might be possible [illegible] have been held in Siam.

The Vice President [illegible] military assistance to Thailand and [illegible] military personnel [illegible] What were we giving the Thai armed forces, and what [illegible] been forged between our military personnel in Thailand [illegible] military leaders, and particularly Kir? Could [illegible] leaders be helpful to us in the present situation? [illegible] replied that such relations had been cordial [illegible] Secretary of State Robertson said he would shed to [illegible] was suffering from cirrhosis of the liver, and [illegible] than six months to two years [illegible]

[illegible]

Secretary Roberts [illegible] that Sarit [illegible] kok was by all odds the most [illegible] American [illegible] hand, Sarit has been at the very greatest pains [illegible] ing his intentions, and has [illegible] appointed [illegible] Western Prime Minister in [illegible] Kerimasi.

The Director of Central Intelligence [illegible] Soviet ICBM program. He [illegible] briefing [illegible] the last meeting of the Nat[illegible]

[illegible]

The National Security [illegible]

Noted and discuss[illegible] briefing [illegible] Central Intelligence [illegible] subject, [illegible] ence to the situation [illegible] and, [illegible] Soviet tests of [illegible]

5. U. S. POLICY TOWARD ITALY
(NSC 5411/2; Progress Report [illegible] September [illegible] on NSC 5411/2)

Mr. Cutler presented a brief analysis of the [illegible] Report on Italy, paying special attention to the [illegible] Government oil monopoly, Signor Mattei and the [illegible] with the Iranians. These maneuvers endangered the [illegible] profit-sharing principle, and [illegible] concern over the new formula [illegible].

Secretary Dulles [illegible] was nothing sacred about [illegible] government policy.

The President likewise [illegible] the question whether or not [illegible] tion.

The National Security [illegible]

Noted the referen[illegible] Operations Coordin[illegible]