

July 1957

MEMORANDUM

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SUBJECT: Discussion at the 329th Meeting
of the National Security Council,
Wednesday, July 3, 1957

Present at the 329th NSC meeting were the President of the United States, presiding; the Under Secretary of State; and the Secretary of Defense. Also present were the Secretary of the Treasury, the Director, Bureau of the Budget; the Special Assistant to the President for Atomic Energy; the Acting Director, U. S. Information Agency; the Director, International Cooperation Administration; Mr. Robert B. Anderson; Assistant Secretary of State Rowie; the Deputy Secretary of Defense; the Secretaries of the Army, the Navy, and the Air Force; General Maxwell D. Taylor for the Chairman, Joint Chiefs of Staff; the Acting 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 and Dearborn; the White House Staff Secretary; the Military, Naval and Air Force Aides to the President; Bruce M. Barlow, Administrative Assistant to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC. The following were present, from the Department of Defense, for Item 1: William M. Holaday, Special Assistant to the Secretary of Defense; Rear Admiral John H. Sides, Deputy to the Special Assistant; Alvir C. Englinger, Executive Assistant to Mr. Holaday; Colonel Douglas F. Williams, USAF, Colonel Austin W. Batts, USMC, and Commander J. J. ... USN, Advisers to Mr. Holaday, and John E. Mearns, Acting Assistant Secretary of Defense.

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

1. U. S. BALLISTIC AND NON-BALLISTIC MISSILES PROGRAM

Mr. Cutler reminded the Council that, at the President's direction, he had requested the Secretary of Defense on May 15 to arrange for a full presentation before the National Security Council of all Defense Department ballistic and aerodynamic missile programs. The information requested was, first, the cumulative cost of each missile program through FY 1957 and such programs' projected annual cost estimated from FY 1958 through FY 1963. Secondly, the presentation was to include the estimated date of availability and

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Papers, 1953-61
 (Cutler file)

retirement of each missile program, with clear indication of the extent to which the capabilities of each missile might overlap the capabilities of any other missile.

At the conclusion of his briefing (a copy of which is filed in the minutes of the meeting), Mr. Cutler indicated that the Defense Department presentation would be opened by Mr. Holaday, Special Assistant to the Secretary of Defense; would be carried on by Admiral Sides; and would conclude with comments by Deputy Secretary Quarles. He then called on Mr. Holaday, who, after some general remarks, turned the technical aspects of the presentation over to Admiral Sides. (A copy of the Defense Department presentation is filed in the minutes of the meeting.)

At the conclusion of the presentation, which Mr. Cutler described as one of the most effective reports that he had ever heard made in the National Security Council, Secretary Quarles said he wished to make a few comments on the report. He said he thought it would be helpful to look at a chart which would summarize the terrible dollar cost figures in terms of the four main categories of missiles. The chart indicated that through FY 1961 we had spent \$11.8 billion on our missile programs. The cost of continuing these programs from FY 1962 through FY 1963 would amount to approximately \$36.1 billion, for a grand total of \$47.9 billion.

Secretary Quarles followed with a chart analyzing the main categories of fund requirements: for research, for production, and for operational facilities. Secretary Quarles indicated his realization that the resources of the United States would be insufficient to support all these programs, and that some would have to be eliminated in the future as others have been eliminated in the past. Under certain assumptions, for example, the NAVARH missile program will be completely dropped. RASCAL would likewise virtually be eliminated.

In explanation of these heavy expenditures, Secretary Quarles emphasized the dynamic nature of our missile programs, pointing out that in this relatively new field things changed very rapidly. After citing examples to illustrate his point, Secretary Quarles indicated how the shifting of the technological base of our missile programs had presented very tough problems for decision in the Defense Department, and would continue to present such problems in the future. He then invited questions from the members of the Board.

The President said that with respect to the matter of eliminating missile programs, to which Secretary Quarles had referred, he wished to inquire whether the Defense Department conducted, or would speak, a court martial at regular intervals to decide which missile programs were to be "executed". The President illustrated his point with a reference to the three missile systems--TEDEP, ATLAS, and POLARIS.

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Secretary Quarles replied that a court martial to determine the fate of THOR and JUPITER was being convened now. The development of POLARIS, on the contrary, was still so far in the future that no decision could yet be made with respect to the missile program.

Secretary Wilson commented that he did not believe we could afford to allocate more than ten percent of the funds of the Defense Department for activities in the missile field.

The President then explained that he had asked his question because so many of the missile systems discussed in the presentation seemed to him to resemble one another quite markedly in their capabilities. He pointed out that in such cases a choice must be made of the best all-round program, because we could not afford to carry on so many programs in the quest for a missile which would have the quality of perfection. Secretary Wilson replied that the Defense Department had been taking a look at the total picture of its missile programs every six months. Moreover, there had to be some of the programs had been eliminated between these periodic intervals when circumstances dictated that this could be done.

The President then said he wished to cite two examples which lay behind his question. The missile TERRIER is a by-product of development, and its estimated performance seemed to be somewhere in between the TERRIER missile and the advanced Thor missile. Thus, merely because a superior performance of a better character capabilities, this was not a sufficient reason for continuing to develop this weapon when costs were so extremely high. He did not hope for a perfect family of these weapons designed for a primary purpose in warfare.

Secretary Wilson pointed out that with the overall budget ceiling of \$38 billion annually, 1/10 of this amount (which Secretary Wilson had earlier indicated should be allocated to our missile programs) would amount to \$3.8 billion annually. However, the reports had indicated that we had spent \$1.8 billion on our missile programs in the fiscal years 1956 and 1957. Accordingly, Secretary Wilson concluded, we must pull down the rate of our missile programs in the future.

The President inquired whether there were any other questions from members of the Council. There being no response, the President commented that he guessed everybody was thunderstruck at what he had heard on the subject of a missile program and its costs.

Secretary Wilson expressed strong doubts as to the value of the THOR-JUPITER 1500-mile-range missiles, in view of the location of our bases. Such an intermediate range missile, he thought, would be more useful to the Russians than to ourselves.

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Mr. Brundage inquired as to the priority which had been given to the Navy's POLARIS missile. Secretary Wilson said he believed that the POLARIS missile deserved a priority similar to that accorded to THOR and JUPITER.

Admiral Sides pointed out that allocating the same priority to POLARIS as to THOR and JUPITER would not actually cost any more money or produce a missile in a shorter time. The allocation of such a priority would merely assure access to the special materials.

Mr. Cutler recalled that on May 7 Secretary Wilson had written to the President to ask whether the same priority should be accorded to POLARIS as had been accorded to the IRBM and ICBM programs. Mr. Cutler indicated his belief that the President had not yet responded to the question asked by Secretary Wilson. The President confirmed Mr. Cutler's understanding by pointing out that it was Secretary Wilson's request of May 7 which had served as the President's own request for the overall presentation of missile programs which the Council had heard today.

The National Security Council

Noted and discussed in part on the subject of the Department of Defense, as presented orally by Mr. Sides and Admiral Sides, and summarized by Mr. Brundage and Mr. Quarles.

2. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. DEFENSE

The Director of Central Intelligence stated that a dramatic announcement could be expected some time today from Moscow. He pointed out that he had earlier informed the National Security Council of an unusual occurrence in the USSR--namely, the cancellation of the annual Air Show. This had been followed by an abrupt postponement of a visit by the Soviet leaders to Czechoslovakia. Today Pravda had published an editorial giving clear indication of a serious line of disagreements in the highest echelons of the Soviet leadership. There were now unconfirmed press rumors that a party congress would occur which would remove four to six members of the Politburo. Included, according to these rumors, were Malenkov, Molotov, and Kaganovich.

The President commented that the more the Soviet leaders got into, the better for us.

Turning to the Middle East, Mr. Sides advised that the final returns for the parliamentary election in the Near East had been very favorable from the Western point of view. Mr. Sides said that he had been elected.

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The National Security Council

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