

PRODUCTION 5-4

S. L. D/OER

SENIOR INTERDEPARTMENTAL GROUP

0 D/ser file

September 18, 1967

Record of Discussion and Agreement of

21st Meeting of September 14, 1967

State Dept. declassification & release instructions on file

DDI
D/OER
PRES

Present:

Under Secretary of State, Chairman
Deputy Secretary of Defense
Gen. Brown, for the Chairman, JCS
The Director of Central Intelligence
Director, United States Information Agency
Administrator, Agency for International Development
Under Secretary of the Treasury
Counselor of the Department of State
Staff Director

Mr. Battle - NEA
Ambassador Holmes
Gen. McDonald
Gen. Orwat, JCS
Mr. Hoopes, ISA

A. Draft Directives for Future Studies

1. Agreed to initiate study by State-Defense study group on Latin America on basis of draft directive circulated prior to meeting. Also agreed Ambassador Martin excellent choice for study director and that Ambassador Martin should draw up detailed terms of reference. Chairman suggested that study be finished as soon as possible, recognizing possibility of delay due to fact that Ambassador Martin could not be away from his post for long periods at a time.

2. Agreed to the draft directive circulated prior to the meeting for a world-wide base study. Various members of SIG stressed the importance of such a study and the desirability

SECRET

DOC. CONTROL
SIG/RA #21

XERO COPY

XERO COPY

XERO COPY

SECRET

-2-

of treating all options. It was also suggested study should take into consideration relative priorities, substitutability, changes in technology and should include other related base installations, such as installations of intelligence community. Several members commented on necessity of weighting requirements for bases and assessing costs both in real economic terms and in terms of political costs, distortions in diplomacy and additional aid. These comments should be taken into account in preparing the terms of reference. JCS representative indicated that Director would be high ranking officer with broad experience, not necessarily now on duty.

B. Future Meetings

Chairman hoped that IRG/ARA would have finished its consideration of arms supply policy for Latin America so that this problem might be considered at next SIG meeting--possibly September 28.

C. Holmes' Study

Chairman thanked Ambassador Holmes and his group for work they have done in preparing this useful input into general USG consideration of policies and actions in Middle East over coming years. He asked that this discussion concentrate on Soviet threat aspect and Ambassador Holmes' projected consultation in NAC. Chairman mentioned that instructions to Ambassador Holmes for his NAC consultation were circulated to SIG members for information and that State would clear these in normal course. IRG/EUR will undertake to coordinate the "sanitized" version of Holmes' Report which would be authorized for circulation to other NATO partners.

Ambassador Holmes presented his report and rather than repeating contents of report, concentrated on answering comments and criticisms he had received. He emphasized that the report had started out in March to estimate the situation in the area and particularly Soviet activity but that the emphasis of the report had changed after the outbreak of hostilities in June. He wanted to stress that the report had not intended to conclude that the sole or main aim of Soviet policy was to out-flank NATO. Rather, it was the intention of the drafters to indicate that Soviet activity in the Middle East was an expression of historic

SECRET

XERO
COPYXERO
COPYXERO
COPY

-3-

Soviet policy--an attempt to break out to warm water ports. He recalled that this had been Soviet aim at Potsdam and in later confrontations. He said that there had been Soviet gains since 1955 when the first Czech arms deal was announced, mentioning latest evidence in shipment of 400 tanks and 120 aircraft to Algeria. The report, he said, makes no claim to correlate the decline in Western influence with the increase in Soviet activity. They see no Soviet blueprint for what has happened in the area, but rather the Soviet Union has set out to move in where it could, and it has had some successes. He said that while the study may have over-emphasized Soviet ability to achieve dominance, they had pointed out certain blocks to Soviet activity in the form of radical nationalism and moderate leadership. He felt that they could not deal with all aspects of the problem and suggested that more work could usefully be done on trends in the area.

He ended his presentation by saying he felt it was important for US to take whatever actions necessary to blunt Soviet penetration and that it is prudent to regard the threat as of maximum potential in deciding what actions might be taken. He hoped that out of consideration of this report and further activity would come agreement on a set of objectives--a strategy (quite separate from any initiatives) that would be a guide and doctrine, particularly for our overseas posts.

Various members of the SIG made the following suggestions and comments, as of use to Ambassador Holmes in his consultations in NATO and as guidelines for future study within the Government:

1. Without appearing to over-emphasize likelihood US might in calm way suggest that NATO military authorities take a look at the implication for NATO of possibility Soviets might at some future date put forces in study area. Thought was expressed that Soviets might have come close to this in Syria in June.

2. In attempting to convince Europeans of importance Soviet activity, analysis should be more along lines Ambassador Holmes' oral presentation to SIG, in sense

XERO
COPY

XERO
COPY

XERO
COPY

SECRET

-4-

that it recognizes this is not just Soviet-Western clash in area, but that indigenous political forces play major role. In fact, these forces call in Soviets and encourage East-West competition as way of establishing their own independence. Our emphasis should be more on supporting the moderate, independent forces, rather than just obtaining influence.

3. We should examine the role of propaganda in recent Middle East Crisis and consider further what we and NATO countries can do in future to improve and coordinate our propaganda. (USIA has recently prepared a report on this which might be useful to Ambassador Holmes and Ambassador Cleveland.)

4. Although Holmes' Report indicates it unlikely Soviets will want bases in area, fact is Soviets have had operational access to facilities in area and intelligence community might wish to evaluate this access as a factual input into NATO study. Also use of Soviet instructors.

5. We also might prepare as much information as possible on the Soviet role in triggering recent events for discussion with our NATO allies.

In addition, SIG members agreed study should continue on various gaps noted in the report and on the initiatives suggested. The Chairman directed the IRG/NEA in coordination with IRG/AF, to prepare an analysis on the trends in the area which would give a better view of what obstacles there might be to Soviet action in terms of indigenous activity by radical nationalists or moderates. (This report should be completed by November 1 and a SIG meeting scheduled to discuss it.) He also directed the IRG/NEA and IRG/AF to canvass immediate actions which we might be able to initiate in the study area even with present limited resources. (This should be completed by November 1.)

SECRET

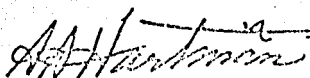
-5-

Three other actions were requested:

1. A policy should be developed by IRG/NEA in cooperation with IRG/AF which provides guidance for our future arms transfers to the area and puts in some framework the recent requests for arms shipments and our proposed responses. (This should be completed by October 15.)
2. We should have a better assessment of our oil interests by the IRG/NEA in cooperation with the IRG/AF and whether or not the threat to these interests can be minimized. (This should be completed by November 15.)
3. We ought to have a better study of Soviet capabilities (political, military and economic) by the intelligence community--including the amount of resources the Soviet Union might be likely to devote to the area. This should be compared with the on-going costs in external resources needed by such major countries in the area as the UAR and Algeria. (This should be done by October 1.)

It was agreed that there should be further discussions in the SIG on these subjects and that sometime in the near future it might be useful to schedule an NSC meeting or meetings for the purpose of airing these issues.

I will send separate individual action memos based on the above.



Arthur A. Hartman
Staff Director

XERO
COPY

XERO
COPY

XERO
COPY

file 00102

Approved For Release 2002/08/16 : CIA-RDP70S00385R000100260

MEMORANDUM FOR: *A. J. DIBER*

(W)

STATINTL

Thanks.

STATINTL

*has the
action I did will have
some one send from FP
attend the meeting on the oil
problem.*

STATINTL

[Handwritten signature]
[Handwritten signature]

26 Sept 67

(DATE)

Approved For Release 2002/08/16 : CIA-RDP70S00385R000100260

FORM NO. 101 REPLACES FORM 10-101
AUG 54 WHICH MAY BE USED

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Ch. D/E - 3G39	9/21	ME
2	AD/ER		
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	

Remarks:

[] STATINTL

Please note &

returns to me,

[] STATINTL

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE