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Mr. Cannon seemed particularly interested in the Soviet submarine development, and I carefully explained our views with regard to the Soviet submarine threat to the USA and corrected the impression he apparently had that the Soviet had ballistic missile submarines. I said that undoubtedly this was an objective of the Soviet but that we had no evidence that they had yet acquired this capability but possibly had a small number of submarines equipped to launch air-breathing missiles.

One subject which particularly interested Mr. Cannon was the question of foreign aid, and he mentioned that he had the problem of appointing a representative on the subcommittee which dealt with foreign aid, to take the place of Mr. Lanham. I stressed the extent and nature of the Soviet drive to take over uncommitted and under-developed areas of the world through the process of economic penetration and subversion, and that it was important not only to deal with the military menace but with the economic and subversive menace as well. I pointed out that questions relating to foreign economic and military aid were not within my competence although we did have to deal with problems arising from Soviet subversion and were carefully analyzing and reporting on the Soviet economic techniques.

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(I advised Mr. [   ] of what Mr. Cannon had to say on this particular subject).

The meeting with Mr. Cannon was extremely friendly through-out. His only reference to budget matters was an inquiry as to whether I had enough money and I said that we would get through FY '58 all right and that we were asking for a slightly smaller appropriation in FY '59 since our reserve had been built up to the safety point.

I told Mr. Cannon we would be ready to appear before his subcommittee at any time at his convenience. He thanked me but did not indicate when he would desire this.

/s/ JMC for AWD

Allen W. Dulles
Director

AWD:at
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