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December 16, 1953

MEMORANDUM

SUBJECT: Discussion at the 175th Meeting
of the National Security Council,
Tuesday, December 15, 1953

Present at this meeting were the President of the United States, pre-
siding; the Vice President of the United States; the Acting Secretary
of State; the Acting Secretary of Defense; the Acting Director, For-
eign Operations Administration; the Director, Office of Defense Mo-
bilization. Also present were the Acting Secretary of the Treasury;
the Attorney General; Walter Williams for the Secretary of Commerce
(for Item 3); the Director, Bureau of the Budget; the Chairman, Atomic
Energy Commission; the Chairman, Joint Chiefs of Staff; the Director
of Central Intelligence; Robert R. Bowie, Department of State; General
Porter, Foreign Operations Administration; the Assistant to the Presi-
dent; Robert Cutler, Special Assistant to the President; C. D. Jackson,
Special Assistant to the President; the Deputy Assistant to the Presi-
dent; the Acting White House Staff Secretary; the Executive Secretary,
NSC; and the Deputy Executive Secretary, NSC.

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

1. SIGNIFICANT WORLD DEVELOPMENTS AFFECTING U. S. SECURITY

The National Security Council:

- a. Noted an oral briefing by the Director of Central In-
telligence on the subject, with specific reference to
initial Soviet-bloc reaction to the President's UN
speech, and the military situation in North Korea.
- b. Discussed the situation in Iceland and steps that
might be taken to improve it.

2. CONTINENTAL DEFENSE

(Memo for NSC from Executive Secretary, same subject, dated
December 8, 1953; NSC 159/4)

The National Security Council:

Noted that the President had discussed with the Attorney
General, the Director, Bureau of the Budget, and the Di-
rector, Federal Bureau of Investigation, the program con-
tained in the report of the Department of Justice trans-
mitted by the reference memorandum.

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3. DEVELOPMENT OF NUCLEAR POWER

(NSC 149/2, paragraph 7; Memo for NSC from Special Assistant to the President, same subject, dated December 11, 1953; Memo for NSC from Executive Secretary, same subject, dated October 20, 1953)

Mr. Cutler filled in the background of the problem and read the first three paragraphs of the Secretary of Commerce's letter of October 20. He then commented that one specific issue raised by the Secretary of Commerce, namely, whether the policy statement in paragraph 7 of NSC 149/2 should be revised to provide only for the lease of fissionable material to private industry and not, as at present, both for lease and sale of such fissionable material, deserved the attention of the Council. Once this issue had been decided, the problem of nuclear power, thought Mr. Cutler, would pass out of the Council's area of responsibility to that of the Cabinet. It was desirable, however, for the Council to indicate that paragraph 7 of NSC 149/2 was still valid and had not been superseded by the policy statements in NSC 153/1 and NSC 162/2. Mr. Cutler then called upon Admiral Strauss for an expression of his opinion.

Admiral Strauss said he preferred to see the statement remain unchanged to include both the leasing and sale of fissionable materials, because the provision would thus provide greater flexibility and it was impossible to predict now precisely how private industry would react to opportunities to provide nuclear power for peaceful purposes. While it was very likely that they would prefer to purchase rather than to lease fissionable material, the whole question was somewhat academic until all military needs for fissionable material had been satisfied.

The President commented that he was in somewhat of a daze on this problem, and said suppose a company like Monsanto should become interested in the lease or purchase of fissionable material. How much fissionable material would they want to invest in?

Admiral Strauss replied that that would depend on the kind of pile they envisaged constructing. It might amount to somewhere between 20 and 60 kilograms of fissionable material.

In response to another question, Admiral Strauss stated that he hoped ultimately to recoup the whole cost of the Government's large investment in atomic energy, out of the sale or lease of fissionable material for peaceful purposes. He did believe, however, that Secretary Weeks was laboring under a misapprehension as to the size of the return to the Government from the lease of fissionable material to private industry.

Secretary Williams was then asked to speak for the position of the Secretary of Commerce, who had been unable to attend the meeting. Secretary Williams began by pointing out that Secretary Weeks' letter was not intended to be arbitrary, but merely to raise

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