

S E C R E T

September 19, 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of the Meeting of the Special Group (CI)
2 p.m., Thursday, September 19, 1963

PRESENT: Governor Harriman, Mr. Bell, Mr. McCone, Mr. Murrow, Mr. Forrestal,
Mr. Bundy vice Mr. Gilpatric, Colonel Higgins vice General Taylor,
Mr. Nolan vice the Attorney General

Mr. Bond and Mr. Kitchen were present for Item No. 2.

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Mr. Cottrell was present for Item No. 3 and 4.

Mr. Jorden was present for the meeting.

1. AID Procurement Procedures

Mr. Bell presented an interim report on measures initiated by AID to improve procurement procedures in response to the Group's concern over problems in procurement actions related to police and other programs in the Far East. AID has established a system in cooperation with the military and GSA for the priority handling of selected public safety procurement actions. This system provides for adequate controls, follow-up procedures, delivery deadlines, and establishes firm responsibility for actions to be taken. For non-priority public safety items in the Far East, AID has retained its present system which provides for procurement both in the field and in the U.S. with actions monitored on a monthly basis. These measures have produced good results and the system is now working well.

Mr. Bell commented that AID is now utilizing a Defense established stockpile of riot control equipment in Panama for emergency use in Latin America. He added that this arrangement was required as AID has no stockpile authority. He observed that this restriction could adversely affect AID's responsiveness to emergency requests in other parts of the world.

Mr. Bell stated that the special "green stripe" procedure for expediting urgent counterinsurgency procurement applies only to Viet-Nam and it is not considered feasible to apply this system to across-the-board procurement actions.

Mr. Bell pointed out that AID's procurement procedures are unusual in that they normally procure through other agencies but this system has the advantage of being extremely flexible. There has been, however, a problem of determining the status of these procurement actions. To correct this deficiency, AID is now developing a centralized control system, while retaining the flexibility of the present system.

Mr. Bell agreed to report back to the Group in about 30 days on how these efforts are progressing and, in addition, will comment on AID's stockpile requirements.

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2. Follow-up Report on the Interdepartmental Seminar

Mr. Bond, Coordinator of the Interdepartmental Seminar, reviewed for the Group plans to place more emphasis on youth and labor in the curriculum of the Seminar. There will be additional coverage of these subjects in all phases of the course. Separate one-hour lectures on youth and labor will be given in the Modernization phase of the course. Consideration of Communist efforts in both fields will be introduced into the Threat phase. U.S. resources in the two fields will be covered by a lecture in the Response phase. There will be at least one case study in each of the two fields. There will also be at least one Country Team problem covering each of these areas. The Seminar faculty and staff plan to conduct research on past experience in both areas of activity. Mr. Bond stated that the introduction of these subjects in more detail (including two more hours of lecture time) will not mean the elimination of other material of value.

The Chairman commented that he had reviewed this plan and believes it a good one and should give increased emphasis on the role of youth and labor in the underdeveloped countries. The Chairman stated that any points uncovered in the country case studies on youth and labor that would be of interest and benefit to the Country Team should be passed to the field.

During a general discussion on the adequacy of research to evaluate the effectiveness of U.S. youth and labor programs, both Mr. Bell and Mr. Murrow observed that there was a need for an independent evaluation on these efforts. The Group agreed that this was not a proper test for the seminar. However, it was suggested that other facilities within the Government and outside consultants could possibly be utilized to perform this function. It was also agreed that this subject would be examined in more detail at a future meeting.

3. Follow-up Report on Venezuela

The Chairman asked Mr. McCone whether he was satisfied with the Embassy's report on its program covering the safety of U.S. personnel in Caracas and whether this matter was being taken care of to his satisfaction. Mr. McCone said there perhaps had been a misunderstanding of the point raised at the previous meeting, that his statement reflected the growing concern of his agency over the increase in terrorism, the lack of action on the part of the local Government to cope with the situation, and the threat this poses to stability of the Betancourt Government. The security of U.S. personnel and installations is only a part of the problem. The insurgency situation is becoming extremely violent and there are indications that it is being backed by Castro. Betancourt is relying almost exclusively on the civil police to handle the terrorists and coordination between the military and police has not been as effective as it could be. Betancourt is reluctant to use the military to help counter the increase in terrorism. Mr. McCone agreed with the comment that the Venezuelan Government has thus far acted with less vigor and effectiveness against terrorism than the situation has warranted.

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Mr. McCone circulated a paper which describes those actions that could be taken to improve the situation. Mr. Cottrell commented that there is still room for improvement in the police effort but that progress is being made. The Group agreed that State, [redacted] should review the current situation and the list of actions prepared [redacted] and report back at the next meeting on an agreed course of action.

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4. Progress Report on the Internal Defense Plan for Ecuador

Mr. Cottrell commented that this report constitutes a situation report rather than a progress report on the IDP. This report reflects that, in general, all programs are going well. He pointed out that some problems still exist due to the aggressive actions taken by the junta with the rail-road unions. Effective steps have been taken to cleanse the universities of Communist influence. Due to the favorable situation in Ecuador at the present time, he suggested that the Group consider removing Ecuador from the critical list.

Mr. Cottrell pointed out that the Country Team is now working on a new IDP in view of the changed situation. This will be submitted to the Group when completed. It was agreed that the suggestion to remove Ecuador from the critical list be considered at the time of the IDP review or of the next quarterly review. It was noted that some problems are still unresolved and a hasty decision on this matter was unwise. The question of reviewing all countries on the critical list was deferred for future action.

Miscellaneous

A. Mr. Forrestal brought to the Group's attention that the President has reviewed a joint State/DOD/AID message (CA 1507 dated 6 August 1963) concerning the possibility of increased use of Special Forces and Mobile Training Teams. Mr. Forrestal commented that the President was not satisfied with the contents of this message, as it does not dramatize to the Ambassadors how these forces can be effectively utilized. He added that a personal letter on this subject from the President to selected Ambassadors could be considered as a means to accomplish this purpose.

The Group agreed that this matter should be referred to State to coordinate the necessary action with the other responsible departments, and that a subsequent report will be submitted to the Group.

B. Mr. McCone commented that he is becoming increasingly concerned over the situation in Brazil and believes that this subject should be reviewed by some high level Group in the immediate future.

James W. Dingeman
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Executive Secretary
Special Group (CI)

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