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62-4103

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PLANNING
WASHINGTON 25, D.C.

OFFICE OF THE DIRECTOR

FEMA REVIEW COMPLETED

June 15, 1962

OSD review(s) completed.

Honorable John A. McCone
Director
Central Intelligence Agency
Langley, Virginia

Re: Executive Stockpile Committee

Dear Mr. McCone:

I am enclosing duplicate copies of an initial draft of a Report on the Barter Program for submission to the President by the Executive Stockpile Committee.

Although final agreements were not reached at the last meeting of the Committee, this draft is intended to reflect the general discussion that took place at that time. It is being sent to you for your consideration and for discussion by the principals of the Committee at a meeting to be held in Room 100, Executive Office Building, on Wednesday, June 20, 1962, at 3:00 p.m.

I earnestly hope we can reach final conclusions at this meeting because the President is anxious that the Executive Stockpile Committee complete its assignment as soon as possible.

Sincerely,

Edward A. McDermott
Edward A. McDermott

Enclosures

(EXECUTIVE REGISTRY FILE)

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19 June 1962

MEMORANDUM FOR: ~~Mr. Henry Knoche~~ *Exec. Dir. 7 LBR - 25 June*

SUBJECT: Meeting of Executive Stockpiling Committee

REFERENCE: Report on the Barter Program

1. The Executive Stockpile Committee (of which the DCI is a member) in its initial Report to the President of March 19, 1962 recommended that a "group of interested agencies . . . give immediate attention to the relationships of the Strategic and Critical Material stockpile and the Department of Agriculture Barter program for Strategic Materials." As a consequence the President in NSAM No. 142 of April 10, 1962 requested that the Office of Emergency Planning "examine the problems of the barter program in consultation with . . . interested agencies."

2. On 4 May the DD/I, replying for the DCI to a request from OEP for an Agency representative to participate in a study of the Barter Program, stated that he did not "believe that CIA is one of the interested agencies referred to by the President." However, he went on to say should particular issues arise on which CIA might be of assistance OEP should not hesitate to call on the Agency. This response was satisfactory to the Office of the Director, OEP.

3. has been the principal Agency contact on all matters relating to this report. However, as a result of a heavy work load in his new assignment with the Board of National Estimates he has been unable to continue with this responsibility and recently has turned it over to ORR. He has not reviewed the latest draft report which will be considered by the Executive Stockpile Committee on Wednesday, June 20th. However, the draft report has been reviewed in ORR and we do not find that it affects the responsibilities of CIA or that the Agency could usefully comment on its conclusions and recommendations.

4. Very briefly the report sees no need for restricting present statutory authorizations for disposing of surplus agricultural commodities through barter. It does make the following recommendations:

a. That greater emphasis should be given to the procurement of non-strategic materials items which meet approved program

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requirements of US Government Agencies and for which dollars have normally been spent abroad.

b. That barter should continue to be used to acquire strategic and critical materials related to national stockpile objectives.

c. That barter should not be used to acquire such materials in excess of national stockpile objectives. However, on this point a number of exceptions were cited, e.g., in cases where a barter transaction would further the foreign policy interests of the United States.

d. That any materials acquired as a result of the exceptions noted should be retained as an isolated inventory which would not threaten domestic or world markets; and

e. That revised procedures for carrying out the barter program be adopted.

5. The Director -- as a Committee member designated by the President -- will be requested to sign this report before it is submitted in final form. However, in view of the marginal interest of this document to the Agency's responsibilities the DCI may not wish to attend the Wednesday meeting at which time the Committee hopes to reach a final conclusion on the report. If this is his decision, someone from ORR or might attend in his place. In this case it will not be necessary for ORR to prepare a briefing paper for the DCI until the agreed report is ready for his signature. If, however, the DCI decides to attend the Wednesday session ORR will prepare a briefing paper today.

Deputy Assistant Director
Research and Reports

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Remarks:

For information and necessary action.

cc: Acting DCI for information.

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Executive Director	16 June 62

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Remarks:

The original of this together with attachments was sent to DD/I for information and necessary action.

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
O/Exec Director/rcm	16 June 62