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Larded in with Khrushchev's propaganda statements had been a number of interesting remarks, such as the one in which Khrushchev consigned military aircraft to museums in the future. With respect to this remark, Mr. Dulles pointed out that U. S. intelligence had not observed as many Soviet heavy bombers on airfields as had been expected. This raised the question as to whether the Soviets are in the process of de-emphasizing the role of the heavy bomber. There had been no clear verdict yet by the intelligence community on this question.

Mr. Dulles thought that there was no doubt that in gearing up all this propaganda of recent days and weeks, the Soviets had had an eye to the situation in the Middle East, and wished to exert the maximum influence they could summon on that situation. Much of the Soviet propaganda comment is following closely the original Soviet boast relating their scientific accomplishments to the effectiveness of the Communist social system. The target for this particular thrust, thought Mr. Dulles, was evidently the underdeveloped nations in the world. He informed members of the Council that he had copies of an FBIS summary of Soviet comment, which were available to any who wished to have them.

The Chinese Communist reaction was to declare quickly that the launching of the earth satellite was proof of Soviet military and scientific supremacy over the United States. Maximum play on this theme was being provided in all the Soviet satellites.

Thereafter, Mr. Dulles touched on the reactions in Western Europe, in Asia, and in Africa. He concluded his remarks by emphasizing that the Soviet Union was making a major propaganda effort which was exerting a very wide and deep impact.

At the conclusion of Mr. Allen Dulles' briefing, Mr. Cutler asked Secretary Quarles to speak. Secretary Quarles began by stating that much of what he was going to say would be familiar to the President and other members of the Council. The President quipped that this was indeed the case, and he was beginning to feel somewhat numb on the subject of the earth satellite. Thereafter, Secretary Quarles outlined briefly the development of satellite programs beginning with the period of World War II. The possibilities of a satellite had been picked up first in this country by the Air Force, because of its interest in the possibilities of a reconnaissance satellite. The birth of the earth satellite program occurred in Rome, at the IGY meeting of 1954. The President had announced in 1955 the nature of the U. S. earth satellite program, in which he had stressed the supremacy of scientific objectives.

Secretary Quarles went on to point out that our American scientists had recommended adoption of the proposal of the Navy Department which had come to be known since as PROJECT VANGUARD. He

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