THE CHAIRMAN, informing the members that his representative who has been dealing with the CHINATS, is present and available for consultation, 

THE CHAIRMAN, stating his understanding of the issue to be whether or not to make a high level approach to the Chinese Nationalists, and if so how to accomplish it, said that he has no strong feeling in the matter. He added that he does think it important, however, that any action taken not have the effect of disrupting existing assets.

THE CHAIRMAN asked concerning the status of the base rights negotiations.

MR. HOWE replied that the negotiations are under way. He recalled that Mr. Armstrong had reported at the last meeting that conversations between the Ambassador and the Chinese had begun, and stated that there have been subsequent discussions between them.

ADMIRAL ESPE said that he is disturbed only by the fact that we don't know how far along we are. He noted that April – the likely time for action from the mainland – is fast approaching and time is of the essence.

MR. GODEL stated, in this regard, that obtaining base rights is the best method of fulfilling the consumer requirement for early warning; however, he said that he doubts that we can afford to wait until the base rights negotiations are completed.
Mr. Godel said that he considered General Canine's point well taken and would favor such an approach.

The Chairman again warned against destroying what we are now getting, and suggested the possibility of a direct approach by the Air and Navy representatives to their CHINAT counterparts.

Admiral Espe said that he would support a USCIB recommendation to have Admiral Stump make an approach, recognizing that he has a very direct interest.
MR. GODEL indicated that a recommendation from USCIB to the Secretary of Defense on this point would undoubtedly be acted upon favorably.

MR. HOWE said that his Department has no strong feeling on the use of diplomatic or military channels. He added his opinion that in the case of either type of approach the five cautions raised by CIA would be brought into play, going on to point out that we are in not too good a position to blame the CHINATS for inaction on the base rights problem. He concluded by saying that the CHINATS, not being ignorant with regard to the base rights or traffic problems, will play us for all they can get.

ADMIRAL ESPE expressed his view that they have already played us, having received some 2½ billion dollars up to 1949. Saying that he agrees with General Canine, he suggested that the time has come for us to make our position clear.

GENERAL CANINE asked if there is any possibility of getting "hard-nosed" with them.

THE CHAIRMAN said that the Chinese probably realize full well that we won't pull out if we don't get what we want, and are therefore in a position to call our hand if we attempt a bluff.

MR. HOWE said that he would prefer a high-level approach which would not be demanding in nature, but which would request greater cooperation on the intelligence side.
a memorandum for the Special Committee incorporating any other views the members may have be prepared by the Executive Secretary and circulated for approval before forwarding. He proposed that the memorandum state that USCIB has considered various lines of action (listing them) and submits the views, pro and con, advanced with regard to each. He concluded by suggesting that the Special Committee be asked to meet on this subject at an early date.

On the subject of unanimity of opinion within USCIB, GENERAL CANINE stated that this matter is certainly pertinent to the Director, NSA, and that only a majority opinion is therefore required.

MR. GODEL, returning to the question of obtaining base rights, said that he believes it unlikely that bases can be obtained in time to provide early warning this year.

DECISION: (14 January 1955) USCIB directed the Executive Secretary to prepare a draft memorandum for the Special Committee, NSC, summarizing USCIB's consideration of the subject problem, indicating the various courses of action considered and views expressed with regard to each. It was further agreed that the draft memorandum would be circulated for the members' approval prior to forwarding.