

CENTRAL INTELLIGENCE AGENCY

20 October 1954

107

MEMORANDUM FOR: Mr. Allan Evans (OIR)
Colonel W. H. Hennig, USA (G-2)
Captain B. E. Wiggin, USN (ONI)
Colonel William S. Boyd, USAF (AFOIN-2B2)
Colonel Floyd E. Dunn, USA (JIG)

SUBJECT: Post-Mortem of NIE Production for First Six Months of 1954

1. There is attached as Enclosure A a draft of consolidated findings on intelligence deficiencies noted in NIE production for the period 1 January - 30 June 1954. Tab A to the enclosure lists the estimates produced in the six-month period on which the findings are based.

2. This review of intelligence deficiencies has been prepared in compliance with the IAC action of 11 May 1954 (IAC-M-151) directing that such a paper be produced semi-annually for IAC noting and circulation by the DCI.

3. Please review this draft for substance and have your representatives meet with us at 10:00, Wednesday, 27 October, in Room 132 South Building.

25X1



**Deputy Assistant Director
National Estimates**

Distribution "B"

This memorandum may be downgraded to SECRET when attachment is removed. 25X1

The classification of TAB A is SECRET

~~TOP SECRET~~

DOCUMENT NO. 7
NO CHANGE IN CLASS. ()
 DECLASSIFIED
CLASS. CHANGED TO: TS (S) C
NEXT REVIEW DATE: 1992
AUTH: HR 70-2
DATE: 12 Feb 82

TOP SECRET

Enclosure A

CENTRAL INTELLIGENCE AGENCY

20 October 1954

SUBJECT: Post-Mortem of NIE Production for the Period
1 January to 30 June 1954

The following is a review of intelligence deficiencies revealed in the preparation of National Intelligence Estimates during the first six months of 1954. These deficiencies identify areas in which intelligence information is inadequate due either to gaps in collection or in research and analysis. No attempt is made to deal with the validity of substantive judgments made in the estimates. No order of priority is implied in the listing of gaps within sections. The estimates upon which these consolidated findings are based are listed in Tab A.

1. General

Since the intelligence deficiencies noted in this report reflect only the estimates undertaken during the six-month period being reviewed, the list is by no means complete. In spite of the substantial intelligence information available, there continue to be numerous areas in which significant data are lacking. In general,

TOP SECRET

TOP SECRET

it will be noted that the most important intelligence deficiency in the Soviet Bloc is one of collection, a fact which emphasizes the necessity for full exploitation of available information as well as greater collection efforts. In most other areas, notably in Western Europe, the over-all coverage is good and vast quantities of data are available. The problem here is largely one of research and analysis rather than collection.

2. Soviet Bloc (excluding Communist China)

Gaps in intelligence on the Soviet Bloc continue to be those inherent in the restrictive security policies of the Communist states. However, the methods open to US intelligence for exploiting the limited range of data available are probably capable of further development. In general, the most significant gaps in this exploitable area continue to be those relative to economic trends and certain aspects of Soviet military capabilities, particularly in the air. Estimative work in the period under review indicated a need for greater collection efforts or more effective and more generally acceptable analytical methods in the following fields:

- a. Soviet Economy. Intelligence on the Soviet economy continues to be scanty, but collection efforts do not

TOP SECRET

~~TOP SECRET~~

appear to be capable of any radical improvement at present. Agencies having intelligence production responsibilities in this field should examine the possibility of more effective collection efforts in the Satellite area which might yield data of significance for the USSR as well as for the Satellites themselves. There is also a need for more agreement among the agencies on the analytical methods to be employed in working from limited data, especially in such fields as the calculation of gross national product and rates of economic growth, comparisons of the magnitude of Soviet economic achievements with those of Western countries, and estimates of the proportion of Soviet economic resources allocated to military purposes.

- b. Soviet Aircraft. There is urgent need for more, and more reliable, data on Soviet aeronautical research and development programs; actual aircraft production; and the capabilities of new Soviet aircraft types, especially long-range bombers and all-weather interceptors. It should also be possible to get more agreement among the agencies concerned on methods of evaluating such data as

TOP SECRET

TOP SECRET

are available. This would result in more expeditious processing than heretofore.

- c. Soviet Airfield Development. An intensified effort is required to collect more information on the development of Soviet airfields, especially those capable of supporting long-range bombers for attacks on the US and its overseas installations.
- d. Soviet Air Logistics. A greater collection effort is needed for information bearing on the Soviet logistic capability to support continuing air operations in various theaters, with special emphasis on the long-range air force and the air defense system.
- e. Guided Missiles. There is a continuing and urgent need for more effective collection and a greater analytical effort on all aspects of the Soviet guided missile program.



25X1

3. Far East

The most important deficiencies in this area recurred in one form or another in the preparation of many of the estimates

TOP SECRET

produced during this period. Certain of the gaps listed are probably of an unknowable nature, others could be closed by greater collection efforts, while the remainder could be narrowed by improved analysis of available data.

- a. Sino-Soviet Relations. More reliable information is necessary on these questions: What is Peiping's role in the formulation and execution of major Communist policies in Asia? What division of responsibilities exists with respect to North Korea, Indochina, and the Asian Communist Parties? Are there any major differences over desired strategy or timing? For example, which partner was chiefly responsible for the Communist decision for an armistice in Korea? In Indochina? For what reasons? What is the extent and nature of Soviet economic and military assistance, particularly overland, to Communist China? What is the extent and nature of Soviet influence or control in the Chinese Communist Party and Government?
- b. Chinese Communist Domestic Developments. The work done by the IAC agencies in preparing NIE 13-54 "Communist China's Power Potential through 1957,"

TOP SECRET

TOP SECRET

resulted in better coverage than hitherto of developments within Communist China. However, the preparation of this and other estimates during this period revealed that our intelligence coverage on Communist China is still very inadequate on a number of questions, as is to a lesser extent our analysis of available data. We have to rely almost completely on Chinese Communist public statements for our estimates of economic developments in mainland China. Our information is inadequate to permit an agreed estimate on the capacity of the mainland transportation system. In agriculture we lack reliable information on production, the rate of collectivization, and peasant reactions to the regime's agricultural policy. We know that some kind of disciplining of party and government personnel at the highest level has been occurring, but we have no firm or detailed evidence concerning policy or personality differences within Communist China's top leadership. Lastly, the preparation of NIE 13-54 has revealed that more reliable intelligence is needed on the question of public attitudes in China toward the regime.

- 6 -

TOP SECRET

TOP SECRET

- d. Viet Minh Capabilities and Intentions. We need more objective intelligence on Viet Minh capabilities and intentions.

25X1

This was particularly the case with respect to intelligence on Viet Minh military capabilities.

25X6

25X6

- e. Other Deficiencies

- (1) [REDACTED] 25X1
- (2) The Vietnamese Army: Numbers, effectiveness, disposition, and morale.
- (3) Laos and Cambodia. The effectiveness of their armed forces, and the stability of their national leaders.
- (4) Indonesian politics. Our ability to estimate future trends and developments in Indonesia has been limited by scanty reporting and analysis of inter and intra-party activities, particularly at local levels.
- (5) Communist relationships in the Philippines: Relationships among the Huks, the CCP, and the PCP are not clear.

TOP SECRET

TOP SECRET

(6) Japan. The questions of the extent and nature of Marxist and Communist influence in Japan, the capabilities of the Japanese Communist Party, and the relations of the JCP with Moscow and Peiping remain major problems requiring greater intelligence efforts.

25X6

TOP SECRET

TOP SECRET



25X6

5. Middle East-South Asia

The two national intelligence estimates in this area completed during the first half of 1954 revealed no significant intelligence gaps not noted previously. The chief deficiency continued to be inadequate information on the Israeli internal political situation, the formation of Israeli policy toward the Arab states and the West, and the role of the Israeli Defense Forces in determining such policy.



25X1



25X1

6. Latin America

Overall intelligence coverage of the Latin American area is good, although deficiencies still exist in the following fields:

TOP SECRET

TOP SECRET

- a. **The political positions of important military figures, trends in the political views of both senior and junior military officers, and the degree of dissatisfaction within the officer corps in regard to their governments. In Bolivia, the strength, capabilities, and loyalty of the civilian militia.**
- b. **The political orientation, the economic status, the personalities, and factionalism of labor movements.**
- c. **Trends in Communist Party strengths and capabilities; in Communist infiltration of government, labor, and intellectual circles; and in the inter-territorial coordination and communications procedures between Communist movements.**

7. Miscellaneous Estimates

The NIE's produced during the period in the 100 (Miscellaneous) series were rather specialized estimates dealing primarily with questions involving speculation and judgment on which little "evidence" was available. However "Consequences of a Relaxation of Non-Communist Controls on Trade with the Soviet Bloc" indicated, as have other East-West

25X1

TOP SECRET

trade estimates, the need for better evidence on the "qualitative" (as opposed to quantitative) importance of imports from the West to Soviet military strength.

- 11 -

TOP SECRET

Page Denied

Next 3 Page(s) In Document Denied