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**CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP**

TO		INITIALS	DATE
1	<i>Assistant Director</i>		
2	<i>ONE</i>		
3	<i>(South Bldg.)</i>		
4			
5			
FROM		INITIALS	DATE
1	<i>Chief, DZ/ORR</i>	<i>Imc</i>	<i>11 Apr</i>
2			
3			

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| <input type="checkbox"/> ACTION      | <input type="checkbox"/> DIRECT REPLY         | <input type="checkbox"/> RETURN    |
| <input type="checkbox"/> COMMENT     | <input type="checkbox"/> PREPARATION OF REPLY | <input type="checkbox"/> DISPATCH  |
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**REMARKS:**

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10 April 1952

MEMORANDUM FOR: Assistant Director  
Office of National Estimates

FROM : Chief, Strategic Division  
Office of Research and Reports

SUBJECT : ORR Contribution of Part III (a and b) of NIE-60

1. There seems to have developed a certain amount of misunderstanding about ORR's contribution to NIE-60 and the kinds of problems that were to be addressed in this study. Because of this, I thought it might be helpful to you to recount the history and development, briefly, of Part III of NIE-60. As I recall Dr. Langer's remarks at an early ONE Board meeting where the purpose of NIE-60 was outlined, the three parts arose as follows: Part I was considered as a result of OSI's concern with the need for a re-evaluation of the Soviet Air Defense capabilities, which OSI thought had been materially improved since the last IAC examination; Part II arose as the result of a direct request from the Department of State which had been examining various aspects of the US civil defense program; Part III was proposed by the ONE Board partly as a logical extension of Part II and partly as a vehicle for bringing before the IAC the official CIA view regarding the Soviet strategic stockpiling program.

In the latter part of November, 1951 or the early part of December, ORR was asked to express an opinion as to whether or not the Office could come up with a sufficiently good paper to justify the official assignment. ORR accepted the job, and Strategic Division was designated the responsible coordinating and producing component in the Office. Shortly thereafter, D/Z drafted a trial Terms of Reference which accepted the ONE injunction to try to relate all information on industry dispersion and strategic stockpiling to Soviet civil defense. It became apparent, after considerable time was spent going over the problem with the various D/Z analysts who would be responsible for collecting and analyzing the required information, that the direct relationship desired by ONE could not be established on the basis of the information available. In line with this finding, D/Z forwarded the original Terms of Reference to ONE with explanatory comments, and requested that the Board meet in the OCI situation room to hear a presentation of what information we did have so they could then decide whether or not the task should

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still be undertaken with the proposed limitations. Dr. Langer and members of the ONE Board came down and reviewed the Terms of Reference, listened to the statements regarding what information we had, and agreed to the principle that we should not try to do the original job of typing up causally Soviet civil defense planning with Soviet strategic stockpiling and industrial dispersion. It was agreed that D/Z should concentrate on the job of collecting and analyzing all available information within the time assigned for the purpose of establishing the extent and nature of Soviet stockpiling and industrial development, without regard to connecting these activities with civil or general defense considerations. The thought here was that we should collect all the information available, making what tentative judgments our analysis justified, and that we should leave to the intelligence reader the job of merging all three parts of NIE-60 and making whatever applications could be made to the more general problem of estimating overall Soviet capabilities and vulnerabilities. There was some talk against this approach, some rumblings of discontent because the result would give us something short of the ultimate intelligence estimating base, but the Board finally agreed that we should do what we could.

During this discussion, Dr. Langer took notes and made alterations on his set of the original Terms of Reference. I did the same, and checked them with him to make sure they were in agreement. I cannot recall whether or not it was decided to send out a new Terms of Reference to the IAC, but I thought no further about this problem since it was really something for ONE to decide. I seem to recall that Dr. Langer thought a new set might be a good idea, but that is the best my memory will do. So much for this.

On the basis of this agreement by the Board to the altered Terms of Reference, we set about in D/Z drawing up a more detailed set of specifications for going about what was really a herculean task within the short time allotted. We assigned selected analysts to the job of pulling information together to give us a couple of examples of what kinds and what amounts of information we could expect to collect for our analytic base. This was started in the middle of the Christmas vacation and required the better part of the first week or so of January, 1952. On the basis of this preliminary examination, a new operating Terms of Reference was completed and distributed the first week of February. The D/Z analysts had already been working on the project for several weeks, but this new Terms of Reference officially brought into the project those people who were needed to provide non-COMINT information which was to be joined with the COMINT in the two Sections of Part III.

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It quickly became apparent that the scope of the project was far too vast to permit detailed collection and analysis within the time allotted, so the sampling technique was applied inasmuch as we decided to work on selected types of industry, rather than all industries. (Most of the difficulty centered in the section on industry because D/Z had just completed a study on the Soviet strategic stockpiling program compiled over 18 months which represented the sum total of our knowledge on this aspect of the Soviet economy).

It became apparent to us, in the final stages of analysis, that we were going to contribute little that was new in the way of knowledge about the USSR, that about all we were going to be able to accomplish was a compilation under a single cover of selected samples of our information on Soviet economic activities and tentative judgments as to the role of industrial dispersion and strategic stockpiling in the overall picture of Soviet capabilities and vulnerabilities.

Several senior D/Z analysts suggested during the work on NIE-60 that the Division make #60 a standing project for about 12-18 months so that all the information available could be collected, carefully sifted, collated, broken down and examined in the detail necessary to support anything more than the most general kinds of judgments regarding the Soviet economy. If ONE feels this job needs to be done, and is willing to ask ORR to assign a high priority to doing it, we will be glad to consider assigning such a continuing status to the project.

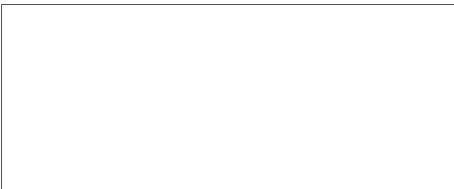


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1 attachment - copy of altered operating Terms of Reference and working aids used in Part II, NIE-60.

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## D/Z Special Project Notice #4

6 February 1952

Subject: D/Z responsibility within ORR for coordinating and producing the ORR contribution to NIE #60.

Origin and Nature of project:

NIE #60 is divided into three parts: I. Soviet Air Defense Capabilities, and II. Soviet Civil Defense Capabilities, for which OSI has been assigned production responsibility; and, III. Soviet Programs to Disperse Industry and Stockpile Materials, Foods, etc., for which ORR has been assigned production responsibility.

Part III was originally tied to civil defense, but ORR suggested to the ONE Board that the most pertinent information dealing with Industrial dispersion and Stockpiling could not necessarily be casually connected with Soviet civil defense considerations. The Board then recommended that the analysis of the Soviet stockpiling program and industrial dispersion be conducted separate from civil defense considerations, with whatever overlap or carryover was possible to take place in the minds of the reader.

There seems still to be some uncertainty in the minds of various IAC analysts regarding the nature, functions and purpose of the Soviet strategic stockpiling program and this NIE will provide D/Z ORR with an opportunity to put forward its views at the highest level of coordination in the intelligence community. This assignment will also provide D/Z ORR with an opportunity to pull together its accumulating information from all sources on the current industrial trends within the USSR.

The Problem: in two parts,

1. To examine in some detail the concept, functions, and purpose of the Soviet strategic stockpiling program, including whatever information we have regarding the present level of stockpiles in the USSR at the present time; and,

2. to examine in whatever detail is possible the development of industry in the USSR since 1900, with special emphasis on trends and shifts in the Soviet industrial pattern since 1940,

for the purpose of adding to our understanding of Soviet defensive capabilities.

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D/Z Responsibilities:

D/Z has been assigned responsibility within ORR for pulling the pertinent information together and producing the ORR contribution to the third section of NIE #60. At least the third section of NIE #60 will be produced and distributed at the TOP SECRET level. Within D/Z, the following responsibilities are assigned: Stockpiling, Services Branch; Industrial trends, Industry and Materials Branches; for bringing the two separate studies together into their most meaningful relation, either by summary or by interleaving, Chief, Services Branch and Chief, Industry Branch. Responsibility for providing general project guidance is also assigned to Chiefs, Services and Industry Branches.

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Procedure:

Considerable amount of the information in regard to stockpiling is collateral, but the most directly collateral information has recently been included in a published study, this means that virtually no production load should be passed to the analysts in the other Divisions of ORR. However, the responsible D/Z analysts, Section Chief and Branch Chief should make sure that the proper analysts in other Divisions in ORR are consulted and given an opportunity to contribute to the stockpiling study in whatever way they can. In connection with the Industry part of the study for NIE #60, the situation is considerably different. Much of the information, especially that dealing with the earlier period of industrial development in the USSR, will be found in collateral sources. Most of the recent information will be found in COMINT. In view of the magnitude of the project and the limited time available, the job of pulling the collateral information together in table form should be passed to the proper analysts in D/I and D/M of ORR. Simultaneously with this, D/Z analysts can be pulling together all available COMINT so that the two can be combined without loss of time. Tom Young is assigned responsibility for coordinating the Industry effort between D/I and D/M, and that in D/Z.

Report Form:

For the stockpiling section of the paper, attached is a terms of reference as a general guide. For the more complicated job of pulling together the collateral and COMINT information of Industrial development, there are a tached atterms of reference, and a table form to facilitate the presentation of the pertinent information on Soviet industrial plants, factories, etc.

Deadlines:

Stockpiling, draft should be submitted to Services Branch Chief not later than the end of the working day of 23 February 1952. Industry, analyst or section reports should be turned into Industry Branch Chief not

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later than end of working day 21 February 1952. Both these deadlines may be altered at the discretion of the two Branch Chiefs concerned. Deadline for submitting both sections of the paper to D/Z critical review section is not later than the end of the working day of 26 February 1952. Deadline for delivery of the final draft to ONE is not later than the end of the working day of 28 February 1952.

NOTE--this assignment takes precedence over all D/Z activity, except current intelligence and indications support.

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## A STUDY OF THE SOVIET STRATEGIC STOCKPILING PROGRAM

Questions Bearing on the Problem

1. What are the general characteristics of the Soviet strategic stockpiling program.
  - A. Its concept.
  - B. Its purpose.
  - C. Its operational position within Soviet economy.
    - (1) What is the status of the program in relation to other economic activities in the USSR?
2. What is the nature of the organization responsible for conducting the Soviet strategic stockpiling program?
  - A. Its authority and jurisdiction over its operations.
  - B. Its authority and control over the foods and materials which it stockpiles.
  - C. Its authority and jurisdiction over the facilities needed for the stockpiling program.
3. What is the nature of the materials stockpiled under the strategic stockpiling program?
  - A. Foods.
  - B. Industrial goods in process.
  - C. Finished industrial goods.
  - D. Equipment for industry.
  - E. What are the priorities assigned to the various kinds of items stockpiled?
4. Where and, under what circumstances, are the strategic reserves stored and maintained.
  - A. Facilities are located where?
  - B. Facilities owned and controlled by whom?
  - C. In what regions are various kinds of reserves maintained.
  - D. What is the overall pattern of the stockpile storage bases distributed throughout the USSR?
5. What is considered to be the level of achievement of the stockpiling program as of early 1952?
  - A. In foods.
  - B. In materials.
  - C. By area, if there seems to be different levels in different Soviet regions.

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A STUDY OF SOVIET INDUSTRY

Questions Bearing on the Problem

1. What has been the origin and development of Soviet industry from 1900 to 1952?
  - A. 1900 through World War I.
  - B. World War I to 1932.
  - C. Industrial dispersion pattern prior to World War II.
  - D. Wartime shifts: 1941-45.
  - E. Resulting pattern after World War II.
  - F. Post-war relocations.
  - G. Outstanding developments, 1950-51.
  
2. What is the general dispersion pattern of industry within the U.S.S.R. today?
  - A. Degree of centralization or decentralization, generally.
  - B. Degree of concentration in large complexes.
  - C. Degree of concentration in regions.
  
3. What factors are influencing present trends in industrial development?
  - A. Sources of supply for raw materials, semi-fabricated units and components.
  - B. Markets for goods produced.
  - C. Defense considerations.
    - (1) Overall economic coordination.
    - (2) Regional self-sufficiency.
  
4. In what way, if in any, does the present industrial pattern affect Soviet defense capabilities?
  - A. Overall vulnerability.
  - B. Comparative vulnerability of regions.
  - C. Vulnerability of specific industrial concentrations or complexes.

NOTE: For further details and guidance, see Chiefs, Service and Industrial Branches.

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Subject: Adjunct to Terms of Reference, NIE-60, Part III (Industry)

- A. What was the early (prior to 1919) Russian industrial pattern?
- B. What significant trends or shifts in this pattern have occurred since the Communists took over Russia?

(As an aid in answering these two basic questions, the following information is desired in chart form)

SOVIET INDUSTRIAL TRENDS, 1900-1952

<u>Installation</u>	<u>1900-1918</u> (Pre-Soviet)	<u>1919-1932</u> (Early Soviet period to end of 1st 5 Year Plan)	<u>1933-1940</u> (Rise of Hitler through last pre-war year)	<u>1941-1945</u> (Wartime shifts)	<u>1946-1949</u> (Post-war changes)	<u>1950-1952</u> (Outstanding developments)
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List principal factories, installations, mines, etc. by name or number and location.

Indicate in these columns the origin, changes in location, significant changes in size or output, and, where appropriate, locations of (1) sources or supplies, raw materials, semi-fabricated units or components and (2) markets for goods produced (showing movements nearer to or farther from such sources and markets).

Example

Factory #1, Moscow, Ministry of Aviation Industry	Built in 1916: mfg. foreign designed aircraft.	Moved within Moscow; enlarged to floor area of 250,000'. Output-10 planes per month.	Began prod. Sov. planes in 1935. 750,000 sq. ft. floor area	Moved to Kuybyshev, 1941. 1,750,000 sq. ft. floor area. 150-300 planes (IL-12) per mo.	Remained in Kuybyshev. New construction. Output-100 MIG 15 per mo.	Confirmed as pilot plant for factories mass producing the MIG 15.
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Each analyst is asked to give a summary interpretation for each industry in terms of A and B above.

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Installation

1903-1918

1919-1932

SOVIET INDUSTRIAL PRODUCTION

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Each analyst is asked to give a summary interpretation for each in