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107-75

IC-75-1382
26 February 1975

MEMORANDUM FOR: AD/DCI/IC

SUBJECT : Status of Economic Intelligence Action Program

"Economic Intelligence -- an Action Program," approved on 10 October 1974, was disseminated to USIB and IRAC on 8 November 1974. With only four months left in FY 1975, it is appropriate to review the actions taken or underway since the program's promulgation. Consider this, then, an interim status report; I will provide a follow-up narrative at the end of the third quarter.

A. Management

1. Reactivation of Requirements Advisory Board

In December 1974, the DCI informed USIB that the RAB would be reactivated as a subcommittee of NSCIC under the chairmanship of Treasury's Assistant Secretary Cooper. A memorandum establishing the EIS, which included a draft agenda for the initial meeting, to be convened in March 1975, was sent to its membership by the secretariat in January 1975.

2. FY 1975 KIQs

NIO/E drafted KIQs 56-63, and participated in the formulation of KIQs 5, 22, and 69. In February 1975, USIB will review his strategy statements for the eight economic KIQs.

3. Cooperation Between EIC and the Three USIB Collection Committees to Improve Guidance

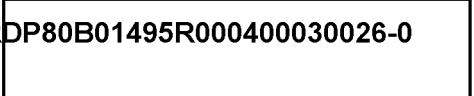
(a) The HSC's action program for CY 1975 was adopted in February 1975; the EIC will support the HSC as called for.



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(c) The EIC is not yet formally working with COMIREX; as a prelude, OER's reconnaissance liaison officer is participating in the work of the DDI Special Studies Group, which is examining the impact of the upcoming system.

4. EIC Reporting Guidance via CERP

The Economic Alert Lists, now that they are leaner and tied to the KIQs, have received good marks from various observers, e.g., PFIAB; Ambassador Berger. In December 1974, also, the EIC sent a State Department airgram to all diplomatic and consular posts ("FY 1975 Coordinated Statement of Priority, Economic, Financial, and Commercial Intelligence Requirements Worldwide of the Washington Economic Committee"), which was based on the economic KIQs.

5. HSC and Informal Channel to Foreign Service Posts

In an airgram, October 1974, the Department established a means for working-level feedback on Foreign Service reporting. OER has made some use of this facility. The EIC will alert its other members of its utility upon receipt of HSC guidance.

6. IRAC Examination of Suitable Resource Levels for Economic Intelligence

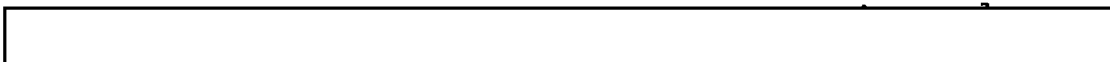
The IC Staff is developing a number of resource issues to be addressed in the FY 1977 program formulation.



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B. Collection

1. HSC Assessment of Overt and Clandestine Activities Directed Against Economic Targets



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[Redacted]

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2. NIO/E Will Review Responses from the Field to Collection Guidance...and Determine Whether the Establishment of New Overseas Positions for Treasury Officers Should be Recommended

[Redacted]

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cited, NIO/E is commencing an evaluation of field responses vis-à-vis his KIQ strategy statements.

[Redacted]

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5. D/OER Will Complete His Initial Evaluation of the Application of Overhead Photography for Estimating Crop Conditions

This has been completed; as a result, [Redacted] is being funded through the first half of FY 1976.

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C. Product

1. NIO/E Will Expand His Contacts with Consumers of Economic Intelligence

NIO/E has been appointed the Executive Secretary of the EIS. In addition, he continually meets with

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consumers. For example, in March 1975, he will discuss intelligence support for economic policymakers with the new Under Secretary of State for Economic Affairs.

2. EIC Will Hold Meetings to Discuss the Members' Economic Research Programs

At its last plenary meeting in December 1974, the EIC agreed to a semi-annual exchange of information on recently completed and scheduled foreign economic research that is responsive to the KIQs. The first of these semi-annual meetings will take place in early March 1975.

3. The NIO/E and the ICS Coordinator for External Research Will Review On-Going External Economic Research Contracts

With the decision to abolish the coordinator's position, the task fell to the ICS Economic Support Officer to broker the funding of the proposed ruble/dollar contract with [redacted]. In so doing, he coordinated his effort with the NIO/E. Further work in this area will be keyed to the EIC exercise noted in the previous paragraph.

4. NIO/E Will Assure that Intelligence Studies and Estimates Have the Greatest Relevance and Appropriate Rigor, Including the Employment of Relevant Analytic Methodologies

The first part of this task is underway; in the course of the second half of FY 1975, the NIO/E make recommendations pertaining to employment of appropriate methodologies by the community's producers.

[redacted]

IC/PRD

IC/PRD: [redacted] (25 FEB 75)

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