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**MEMORANDUM FOR THE EXECUTIVE SECRETARY, NATIONAL SECURITY COUNCIL**

**SUBJECT: Appraisal of Foreign Economic Intelligence Requirements, Facilities and Arrangements Related to the National Security**

1. In accordance with the instructions of the National Security Council in NSC Action 282, the Central Intelligence Agency has conducted a study of foreign economic intelligence requirements relating to the national security and of the facilities and arrangements currently employed for meeting those requirements.

2. As the study has progressed, both the requirements and the facilities and arrangements have been changing in response to changes in the international situation and in the organization of various agencies of the Government.

3. It is believed that the facilities and arrangements now in effect or contemplated by the various agencies will go far toward providing the basis for the adequate coverage of economic intelligence relating to the national security whose lack prompted NSC Action 282. The Central Intelligence Agency itself is engaged in strengthening its work in economic intelligence production as a service of common concern. The Office of Research and Reports has been established to coordinate the economic intelligence activities of other agencies and to produce such economic intelligence as is not otherwise allocated.

4. For reasons explained in Tab A, it is believed that it is neither practicable nor desirable to recommend at this time a formal allocation by the National Security Council of responsibility for economic intelligence production among the various agencies.

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5. What is immediately needed is machinery to insure regular procedures whereby (1) the full economic knowledge and technical talent available in the Government can be brought to bear on specific issues involving the national security, and (2) important gaps in the collective economic knowledge of the Government can be identified on a continuing basis and responsibility for filling them be allocated as they are disclosed.

6. To meet this need, the Director of Central Intelligence proposes to establish an Economic Intelligence Committee. This proposal and the terms of reference of the Committee described in Tab A (tabbed in red) have the concurrence of the members of the Intelligence Advisory Committee. To clarify the role of the Central Intelligence Agency in the coordination and production of economic intelligence, it is recommended that the National Security Council issue the attached proposed NSCID (Tab B - also tabbed in red). This proposed NSCID has also received the concurrence of the Intelligence Advisory Committee. It would be desirable to invite the Economic Cooperation Administration and the Department of Commerce to sit with the National Security Council when this document is being considered. Upon the approval of the proposed NSCID, the Director of Central Intelligence will establish the Economic Intelligence Committee.

7. It is further recommended that the National Security Council call to the attention of the relevant agencies of the Government the urgency of a collaborative effort to exploit the intelligence resources of the Government for security purposes. A draft of a proposed communication from the National Security Council asking that high priority be given to requests for cooperation from the Economic Intelligence Committee is attached (Tab C).

8. The Director of Central Intelligence will keep under continuing review the arrangements of the United States Government for the production of economic intelligence and will make further recommendations concerning specific allocations of responsibility should this appear desirable at any time in the future.

OAD/RR

/peb  
28 May 1951

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Attachments

Tab A, B, and C

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