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ECONOMIC INTELLIGENCE COMMITTEE

Control No. 491 049
24 June 1959
EIC-M-80

Minutes of Meeting Held in ²⁶
Room 1121, Temporary M Building ³¹
26th and Constitution Avenue, N. W. ³⁵

1000 hours, 24 June '59

PRESENT:

Dr. Otto E. Guthe, Chairman

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[redacted] Vice Chairman

Mr. Bennett V. S. Davis, Department of the Navy

Mr. John W. Easton, Joint Staff

Mr. Kingsley W. Hamilton, Department of the Air Force

Mr. J. Duncan Holmes, Department of the Army

Dr. Norris G. Kenny, Office of the Secretary of Defense

Mr. Edwin F. Jones, Department of State

Mr. Edward R. Van Sant, Office of the Secretary of Defense

Commander Thomas W. Walsh, Department of the Navy

Mrs. Doris Whitnack, Department of State

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[redacted] National Security Agency

*Mr. Carney G. Laslie, Jr., Department of Commerce

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*Mr. George H. White, Department of Commerce

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[redacted] Central Intelligence Agency

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[redacted], Central Intelligence Agency

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[redacted] Executive Secretary

APPROVAL OF MINUTES:

1. The Minutes of the EIC Meeting of 11 February 1959 (EIC-M-79)
were approved.

* Present during part of meeting.

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ANNOUNCEMENTS:

2. The Chairman introduced Commander Thomas W. Walsh, USN, the newly designated Navy representative to the EIC, vice Commander Charles B. Brouillette, who has been assigned other duties.

3. Mrs. Doris Whitnack, who has replaced Mr. Robert P. Terrill, was introduced as the State Department Member on the EIC.

4. The Chairman announced that he had been unofficially notified that Air Force had designated Colonel Robert P. Bliss as their Representative to the EIC.

5. The Chairman announced that the Secretariat would prepare a draft EIC Annual Report to the USIB and that the draft report would be put before the Committee for its approval sometime in July. Members were asked to get in touch with the Secretariat as soon as possible should they have specific suggestions regarding the contents of the Annual Report.

CONSIDERATION OF "A SUMMARY OF THE INTERNATIONAL TRADE AND TRANSPORT OF COMMUNIST CHINA, 1957-58"

6. Discussion: The ~~Joint Committee~~ draft report on "A Summary of International Trade and Transport of Communist China, 1957-58" was reviewed. The Chairman gave a brief background of the summary report, stating that it had been prepared in accordance with the ~~IAC~~ approved recommendations of the EIC (IAC-M-348, 17 June 1958). *as approved by the IAC,*

7. Action: The EIC approved the Summary after some modification, and authorized the Secretariat to incorporate the revisions which had been agreed to and to make editorial changes as required.

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8. Action: The designation of the summary paper was changed from EIC-RI-S7 to EIC-RI6 to distinguish it from the earlier reports on the subject of China's Trade and Transport since this report is a replacement for, rather than a continuation of, the RI Series.

9. Action: The Chairman recommended and the members agreed, subject to Department of the Navy concurrence, that the report be released to the

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[Navy subsequently concurred on 29 June 1959.]

DISCUSSION WITH RESPECT TO FUTURE PROCEDURES FOR REPORTING ON CHINA TRADE AND TRANSPORT:

10. Discussion: The Chairman and the Vice Chairman expressed their view that the updating of this Summary Report could be dispensed with next year in view of the success of the ^{EIC} ~~program~~ ^{for} review of individual agency reports by the subcommittees; and because of the large number of man-hours required to produce the report does not seem justified in light of other intelligence being prepared on significant aspects of the subject. Comments were invited and discussion followed.

11. Action: It was agreed that the Summary Report on China's Trade and Transport would be updated next year because of its current usefulness to a number of the agencies and departments and their components. It was also agreed that the program of Subcommittee review and approval of the summaries and principal conclusions of reports bearing on Communist China's trade and transport was most useful and should be continued. [The Chairman also noted, and the members agreed, that extension of this review and approval procedure to other Subcommittees would be useful in terms of the EIC's responsibilities for the coordination of economic intelligence.]

12. The Chairman stated that he would report these actions to the USIB in the EIC's Annual Report to the Intelligence Board.

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PROPOSAL OF EIC SUBCOMMITTEE ON PETROLEUM FOR PROJECT, "MILITARY CONSUMPTION OF PETROLEUM PRODUCTS, SINO-SOVIET BLOC, 1958 AND FORECAST FOR 1959"
(EIC-PSC-WP-3)

13. Discussion: The Chairman called attention to a memorandum to the EIC, EIC, previously distributed to the members, from the Chairman of the EIC Subcommittee on Petroleum which proposed updating EIC-PSC-WP-2 (Limited Distribution), Military Consumption of Petroleum Products, 1956-57. Discussion followed and the Joint Staff Representative, [REDACTED] suggested that 25X1A9a estimates of civil as well as military petroleum consumption would be useful if incorporated in a single paper. CIA/ORR agreed to investigate the feasibility of incorporating civil consumption estimates into the Working Paper.

14. Action: The proposal for updating the project was approved, including, if possible, the incorporation of estimates of civilian consumption of petroleum products during the same time period. The Chairman commended the Subcommittee for the display of initiative shown in preparing and keeping current this estimate.

ELECTRONICS & TELECOMMUNICATIONS REQUEST FOR GUIDANCE RELATIVE TO THE 1960 INTELLIGENCE CONFERENCE ON SOVIET ELECTRONICS:

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15. Discussion: The Chairman stated that, ^{from the last conference,} ~~in the past,~~ the [REDACTED] Electronics Conferences ^{had} ~~have~~ been largely geared to intelligence on the scientific and technical aspects of Soviet Bloc electronics with but little emphasis on the economic side. The last conference, [REDACTED] 25X1X7N

25X1X7RDP [REDACTED] was primarily a scientific and technical conference with a final, two-day session dealing with economic intelligence on the Soviet electronics and telecommunications industries. The Conference was very successful in terms of bringing the S&T and the economic intelligence communities together on common problems. The Chairman brought to the attention of the

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members a memorandum from the Electronics & Telecommunications Subcommittee Chairman to the SIC Electronics Subcommittee Chairman, [redacted] regarding the next [redacted] Electronics Conference. Three recommendations for planning future conferences were suggested in Paragraph 4 of the memorandum and Dr. Guthe invited the members to comment on these recommendations.

16. Action: The members concurred in the substance of the ETSC's recommendations contained in the memorandum to [redacted] and suggested that the Chairman of the EIC report this endorsement to the Chairman of the SIC.

NEW BUSINESS:

17. Department of the Army Representative, J. Duncan Holmes, called attention to the Soviet Exhibit opening in New York soon and asked if any provision had been made for the coordination of intelligence interest in the exhibit.

The Chairman stated that it was his clear understanding that any intelligence exploitation of the fair was to be done under the auspices of the USIB Community, through the Executive Secretary of the USIB Committee on Exchanges. It was agreed that the Secretariat would suggest to the EIC Subcommittee Chairmen that the Subcommittees discuss their mutual interests in exploitation and that these interests would be expressed through ~~appropriate channels~~ channels. *in this fair* *would* *appropriate channels*

collection channels.

[redacted]
Executive Secretary

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