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ECONOMIC INTELLIGENCE COMMITTEE

Control No. 484834  
EIC-M-63  
12 November 1957

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

15 October 1957

PRESENT

\*Dr. Otto E. Guthe, CIA, Chairman

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[REDACTED], Jr., CIA, Vice Chairman  
CIA

Mr. Gustave Burmeister, Department of Agriculture

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

Mr. John W. Easton, Joint Staff (JCS)

\*Mr. Jerome Forrest, International Cooperation Administration

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

Mr. J. Duncan Holmes, Department of the Army

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[REDACTED] CIA  
CIA

Dr. Edward I. Mullins, Office of the Secretary of Defense

Mr. Robert P. Terrill, Department of State

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[REDACTED], EIC Executive Secretary

APPROVAL OF MINUTES

1. The minutes of the EIC meeting of 8 August 1957 were approved.

\* Present during part of meeting only.

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ANNOUNCEMENTS

2. The Acting Chairman announced:

a. The EIC-approved statement of Priority National Economic Intelligence Objectives was approved by the IAC on 20 August 1957.

b. The EIC Subcommittee on Petroleum prepared a coordinated statement on "Trends in Middle East Oil" for use in NIE 30-2-57, Near East Developments Affecting US Interests.

c. Annual reports have been received from all subcommittees and forwarded to the interested EIC representatives.

d. The EIC has approved, by interim action, the appointments of [REDACTED] CIA, as Chairman of the Subcommittee on Electric Power and Solid Fuels; and of Harry H. Bell, State Department, as Chairman of the Subcommittee on International Trade and Finance.

e. The Chairman has received a letter from the Director of Central Intelligence commending the EIC on its series of biweekly and semiannual reports on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas, and complimenting the members of the Working Group engaged in the preparation of these reports. Copies of the commendation have been distributed to the EIC representatives of agencies participating in the Working Group.

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REVIEW OF ACTIVITIES OF SUBCOMMITTEE ON AGRICULTURE

3. Discussion:

The Chairman of the Subcommittee on Agriculture commented briefly on the SC's current activities and plans for the future. Fiscal Year 1957 was devoted largely to the preparation of a report on Policies, Performance, and Prospects of Soviet Agriculture. This report, which is nearing completion, will fill many gaps in economic intelligence on Soviet agriculture. It was noted that the SC's Terms

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of Reference were approved in 1951 and do not reflect changes in the concept and functions of subcommittees since that time. The SC Chairman was asked if he thought it would be useful to broaden the SC's work so as to cover non-Bloc areas. He stated that the SC had long felt the need for such extension and thought that additional activities covering important non-Bloc problems would be fruitful.

4. Action:

The Subcommittee was commended for its activities. It was agreed that the SC should continue its work as outlined in its last annual report; that when the study on Policies, Performance, and Prospects of Soviet Agriculture is completed, the SC should review its Survey of Priority Research Deficiencies; and that the SC Terms of Reference should be reviewed and updated. (See paragraph 7, below.)

REVIEW OF ACTIVITIES OF SUBCOMMITTEE ON INDUSTRIAL MACHINERY AND EQUIPMENT

5. Discussion:

The Executive Secretary of the Subcommittee on Industrial Machinery and Equipment commented briefly on SC activities in the past and the program for the future. The SC seems to be serving a useful function in coordinating interagency intelligence, and in keeping participating agencies informed. SC plans for reviewing industrial data recently released by the USSR were discussed. The desirability of the SC's maintaining a "watch" on items within its field likely to be considered in connection with periodic reviews of controlled items in East-West trade was discussed.

6. Action:

It was noted that this has been a productive SC, and its members were commended for their efforts. It was agreed that the SC should continue its work as outlined in its last annual report. In addition, the following were suggested as proper SC activities for FY 1958:

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- a. Evaluation of Soviet industrial statistics which have recently become available.
- b. Consideration of the desirability of following selected controlled items in its field so as to assist the EDAC community in the periodic reviews of East-West trade controls.
- c. Review and updating of the SC Terms of Reference. (See paragraph 7, below.)

The Navy representative agreed to take up with his agency the question of Navy representation on this SC.

#### REVIEW OF TERMS OF REFERENCE OF SUBCOMMITTEES

7. In connection with the reviews of SC's it was noted that many of the SC Terms of Reference have been in effect for a number of years, and that in December 1955 the EIC published a statement of General Concepts and Functions of EIC Subcommittees which ought to be reflected in the SC's Terms of Reference. It was agreed that the Secretariat would prepare a format for SC Terms of Reference, taking into account the statement of General Concepts and Functions of EIC Subcommittees, as a guide for the SC's in revising and updating their Terms of Reference.

#### SIXTH ANNUAL REPORT OF THE EIC TO THE IAC

8. The draft Sixth Annual Report of the EIC to the IAC was reviewed and, with minor revisions, approved for transmittal to the IAC. The Secretariat was commended for its preparation of this report which was considered to be concise and meaningful.

#### DISCUSSION OF NSCID 15

##### 9. Discussion:

The IAC has for some time been reviewing proposed revisions of the various National Security Council Intelligence Directives (NSCID's).

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In the course of this review, a question was raised as to the desirability of retaining NSCID 15, as many of its provisions are included in the tentatively approved revisions of NSCID's 1 and 3. A statement of preliminary ORR/CIA views on this question (EIC-D-255) was presented and discussed.

10. Action:

The EIC concurred in the ORR/CIA conclusions indicated in EIC-D-255, with the understanding that:

a. The EIC is qualified to speak for the recommendations in paragraph 3 of EIC-D-255 only insofar as they relate to economic intelligence; and

b. the insertion recommended in EIC-D-255, together with the pertinent sections of the revisions of NSCID's 1 and 3 referred to in this document, are construed to provide adequate authority for DCID 15/1 in its present form.

SURVEY OF PROFESSIONAL PERSONNEL IN US GOVERNMENT ENGAGED IN ECONOMIC INTELLIGENCE RESEARCH

11. Discussion:

In connection with the proposed survey of professional personnel engaged in economic intelligence research, discussed at EIC meetings on 23 July and 8 August 1957, two forms for agency reporting on Bloc areas were presented and discussed. Several suggestions were made which would make the forms more useful. Similar forms are to be prepared for use in reporting on non-Bloc areas. It was indicated that there would be a summary section of the report covering both Bloc and non-Bloc areas.

12. Action:

It was agreed that:

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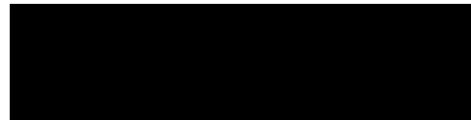
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a. the forms dealing with economic intelligence research on the Bloc would be studied by the EIC members, who would make such further suggestions and recommendations as they considered would make the survey more meaningful;

b. the State Department representative would prepare similar reporting forms for use in connection with non-Bloc areas; and

c. the EIC would review the revised forms covering Bloc and non-Bloc areas and the reporting instructions before they are forwarded to the reporting agencies.



Executive Secretary

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