

Control 455248
EIC-M-44

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 2125, Temporary "M" Building
26th Street and Constitution Avenue N.W.

23 June 1955

PRESENT

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Dr. Otto E. Guthe, CIA, Chairman

[REDACTED], CIA, Vice Chairman

Colonel William C. Baird, Air Force

Mr. Bennett Davis, Navy

Mr. Edward Doherty, State

Mr. John Easton, JCS

Mr. Kingsley Hamilton, Air Force

Mr. Duncan Holmes, Army

Dr. Louis G. Michael, EIC Subcommittee on Agriculture

Mr. Fred J. Rossiter, Agriculture

[REDACTED] EIC, Principal Staff Economist

[REDACTED], EIC, Executive Secretary

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APPROVAL OF MINUTES

1. The minutes of the EIC meeting of 7 April 1955 (EIC-M-43) were approved as written.

DISCUSSION REGARDING REQUESTED SEC REPORT ON COORDINATION OF GUIDED MISSILES INTELLIGENCE

2. Discussion: The Chairman reviewed briefly the discussion at the IAC meeting of 14 June 1955 (IAC-M-200) on the proposed DCID 3/6, "Establishment of a Guided Missile Intelligence Committee". At this IAC meeting it had been suggested that an alternative to setting up a new Guided Missile Intelligence Committee might be to broaden the charter of the Scientific Estimates Committee. Following further discussion the IAC had deferred action on the draft directive pending

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receipt of a report prepared by the SEC in coordination with the EIC. This report was to ". . . include a proposal of how the objectives of the draft DCID could be met by SEC, the changes in SEC's charter which an assumption of this responsibility would entail, and an evaluation of current Air Force efforts in the field of guided missile intelligence".

3. Action: It was agreed that the Chairman would consult with the SEC Chairman in connection with the preparation of this report, and would confer further with the EIC members as necessary.

REPORT OF THE SPECIAL WORKING GROUP FOR EVALUATION OF ECONOMIC INTELLIGENCE SUPPORT

4. Discussion: The Chairman discussed briefly the background of the Working Group for the Evaluation of Economic Intelligence Support which was established by the EIC on 23 September 1954 pursuant to the recommendation of the EIC in its Third Annual Progress Report to the IAC. He then called on the Chairman of the Working Group, [REDACTED] to talk to the Report of the Working Group and the recommendations to the EIC contained therein. 25X1A9a

After comments by [REDACTED] and the other members of the Working Group, Colonel William C. Baird, Air Force, and Mr. Edward Doherty, State, the Chairman asked for further comment by the other members of the EIC. The Navy representative, Mr. Bennett Davis, and the Army representative, Mr. Duncan Holmes, indicated reservations concerning acceptance of the recommendations of the Working Group. 25X1A9a

5. Action: After further discussion the EIC noted the report of the Working Group, and agreed to consider its recommendations further at a later time.

PROPOSAL FOR EIC STUDY ON SOVIET AGRICULTURAL DEVELOPMENTS

6. Discussion: The Chairman reported and commented on a proposal by the State Department for an EIC coordinated study on Soviet agriculture, as indicated in the EIC memorandum of 15 June 1955 on "State Department Proposal for Coordinated Study on Soviet Agriculture" and the attached "Tentative Outline for Proposed EIC Study".

The State Department member, Mr. Doherty, indicated that the object of the proposed study would be to provide the intelligence community with a thorough and well-documented analysis of the policies, performance, and prospects of Soviet agriculture. The specific purpose of the proposed study would be ". . . to provide as definite an answer as possible to the question: Is the state of Soviet agriculture likely to affect decisively Soviet foreign policy and strategic planning during the foreseeable future and if so, how?"

The Chairman noted that although several studies were already planned or in progress in CIA/ORR covering various aspects of Soviet agriculture, the resources which would permit the completion of such a comprehensive study of Soviet agricultural capabilities as was indicated by State to be completed during fiscal year 1956 were not presently available in the intelligence community. He agreed, however, that there was need for such a project to be undertaken and completed as soon as feasible.

25X1A9a [REDACTED] Chairman of the EIC Subcommittee on Agriculture, indicated that he considered the State Department outline of the proposed study to be excellent, and agreed that there was need for undertaking a community-wide effort in this field. He suggested that the matter be referred to the Subcommittee on Agriculture for consideration.

7. Action: It was agreed to submit the proposal for an EIC study on Soviet agriculture to the Subcommittee on Agriculture to review the research completed and in progress which bears upon the problem, to consider the capabilities of the various agencies represented on the Subcommittee, and to report their findings and recommendations to the EIC.

ANNOUNCEMENTS

8. Discussion: The Chairman made the following announcements:

a. EIC-SR-3, "Institutions and Arrangements in International Trade and Finance within the Soviet Bloc", was approved as a report of the Subcommittee on International Trade and Finance by interim action as of 5 May 1955. It is expected that the published report will be disseminated during July.

b. EIC-R-11, "The Balance of Payments of the Soviet Bloc and Communist China with the Free World", was approved as an EIC report by interim action as of 13 May 1955. It is expected that the published report will be disseminated during July.

c. EIC-S-19, "1954 Annual Report of Internal and External Economic Research Projects on the Sino-Soviet Bloc", is expected to be disseminated during July.

d. EIC-S-20, "Report of Economic Research on Selected Peripheral Non-Bloc Areas", is expected to be distributed to the EIC members during July, after which they will be asked to decide on the value of programming an annual or semi-annual revision.

e. EIC-S-21, "1955 Semiannual Report of Internal and External Economic Research Projects on the Sino-Soviet Bloc", has been initiated. Members were asked to expedite the submission of material for the survey.

f. The EIC Ad Hoc Working Group on NIE-11-5-55, "Soviet Air Defense Capabilities, 1955-1960", coordinated the CIA/ORR draft Step Three contribution on "Soviet Bloc Economic Capabilities to Support an Air Defense System, Current and Projected". This coordinated draft has been forwarded to ONE.

g. The draft of EIC-R1-S4, "Communist China's Imports and Exports, 1954: Trade and Transport Involved", has been agreed by the US-UK Working Group, and will be transmitted to the EIC for interim action during the week of 27 June. It is hoped that the EIC-approved report will be submitted to the IAC early in July.

h. The Committee noted the new members of the EIC and of its subcommittees and working groups-- a list of whom had been distributed prior to the meeting.

ANALYSIS OF EIC SUBCOMMITTEE ACTIVITIES

9. Discussion: The Chairman noted a memorandum from the Air Force member on "Survey of EIC Subcommittees", and attached "Summary Analysis of EIC Subcommittee Activities", which was distributed to the EIC members. For this survey, Air Force members of the EIC subcommittees were asked to evaluate the activities of the subcommittees to date, and to suggest appropriate changes in functions.

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10. Action: After further discussion, it was agreed that each main EIC member should conduct a similar survey among his agency's subcommittee members, and that the results of these surveys and any conclusions following therefrom should be discussed at an early EIC meeting. The Secretariat will provide the members with the questions asked by the Air Force member in conducting his survey.

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Principal Staff Economist

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