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EIC
Minutes

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EIC-M-7
5 November

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in
Director's Conference Room, Administration Building
2430 E Street, N.W.

25 October 1951

PRESENT

- Dr. Max F. Millikan, CIA, Chairman
- Mr. Henry Brodie, State
- Mr. Howard Wiedemann, State
- Lt. Colonel George B. Russell, Army
- Cdr. Donald C. Deane, Navy
- Dr. James T. Lowe, Air Force
- Dr. Joseph Coker, Air Force
- Mr. John Easton, JCS
- Mr. O. V. Wells, Agriculture
- Mr. Emil E. Schnellbacher, Commerce
- Mr. Henry Caulfield, Jr., Interior
- [Redacted], CIA, Secretary
- [Redacted] CIA

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APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 27 September 1951 (EIC-M-6) were approved.

REPORT ON PROGRESS OF SUBCOMMITTEES

2. Action: It was agreed that the Petroleum Intelligence Advisory Group should be asked to review the final draft of the petroleum sections of NIE-40, with particular reference to the petroleum situation in Western Europe.

3. The EIC agreed to hold a meeting about the middle of November to review the substance of NIE-40 and to consider the effectiveness of the working group procedure in handling this estimate.

4. The Working Group on the Economy of Western Europe will be asked to make recommendations to the EIC as to the ways in which the various economic sections contributed to NIE-40 might best be published.

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SECURITY INFORMATION

~~SECRET~~
5 November 1951
Page 2

5. Discussion: Mr. Dees, Chairman of the Petroleum Subcommittee, reviewed the accomplishments and programs of his Subcommittee. He emphasized that they are currently reviewing government programs in the petroleum field and are making an effort to determine what major gaps exist, particularly as these gaps relate to the Soviet Bloc. Recommendations will be made to the EIC in the near future as to the best method of filling these gaps. Mr. Dees also discussed the first meeting of the Petroleum Intelligence Advisory Group which met on 15 October 1951. In connection with this Group, Dr. Millikan suggested that a copy of the finished draft of the petroleum section of NIE-40 might be presented to the PIAG for review and comment. Mr. Caufield of the Department of the Interior suggested that it might be appropriate for Mr. Barton of the Department of the Interior to serve as a member of the Petroleum Subcommittee.

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6. [REDACTED] briefly reviewed the progress on NIE-40 and indicated that, although some contributions were late, the work generally was progressing on schedule. [REDACTED] also suggested that the Working Group make recommendations about publication of the agency contributions to NIE-40. 25X1A9a

7. Dr. Millikan indicated that Dr. Michael, Chairman of the Subcommittee on Agriculture, would speak to the Economic Intelligence Committee at its next meeting.

DISCUSSION OF SUBCOMMITTEE TERMS OF REFERENCE

8. Action: Terms of reference for all existing subcommittees were distributed to the EIC members prior to the meeting and it was agreed that, with certain minor changes, they were satisfactory to the EIC. In view of the fact that Mr. Kullgren, Army, had not had a chance to review these terms of reference, it was agreed that they should be submitted to him by the Secretary and, if acceptable to Mr. Kullgren, should be passed on to the Subcommittee chairmen in their approved amended form with the following explanation:

a. That the paragraph beginning "Cooperate with the Subcommittee on Requirements and Facilities for Collation in: (1) indexing of literature, * * *" found in the terms of reference for the Transportation, Petroleum, and Agriculture Subcommittees could be deleted or retained at the discretion of the subcommittees concerned.

b. That any minor modifications of these terms of reference could be made by the subcommittee without the prior approval of the EIC; although the Secretariat of the EIC should be notified of any such changes.

c. That individual subcommittees, in surveying their particular field of interest, or in identifying gaps, should advise the EIC of the subjects within their particular fields that have been covered (e.g. Does a survey by the Agriculture Subcommittee cover synthetic fibers, etc?).

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~~SECURITY INFORMATION~~

EIC-M-7
5 November 1951
Page 3

9. It was the sense of the meeting that Mr. Wiedemann's draft proposal for more standard and explicit terms of reference be reviewed by the EIC representatives and the chairmen of the various subcommittees. Comments were to be submitted to the Secretary of the EIC before the next meeting.

10. Discussion: Commander Deane, Navy, suggested that the following paragraph be substituted for paragraph C 2 of the Transportation Subcommittee terms of reference: "Affect mutual liaison as necessary on intelligence which is now available or which is scheduled for production within the various government agencies and by external research sources." Commander Deane, Navy, also suggested that the following paragraph be added as point 5 under E in the same terms of reference: "Reduce wherever practicable duplication of effort in the transportation intelligence field. Both of these suggestions were approved by the EIC with the exception of Army. Mr. Kullgren will be asked to comment on these suggested changes when he reviews the terms of reference.

11. Mr. Wiedemann, State, prepared and submitted for EIC consideration a sample terms of reference which he felt described more explicitly the functions of the subcommittees and which, if adopted by the EIC as a model form, would provide greater uniformity for subcommittee terms of reference. If Mr. Wiedemann's proposal is accepted, it was generally agreed that it might serve as a guide for future subcommittees, including the Chemicals Subcommittee just established, and might in addition be considered for adoption by those subcommittees already in existence if at some future date they decide to revise the terms of reference approved by the EIC at this meeting.

DISCUSSION OF SUBCOMMITTEE ON CHEMICALS

12. Action: The EIC agreed to establish a Subcommittee on Chemicals. A list of nominations to ~~the~~ Subcommittee was distributed to the EIC members.

13. In the absence of nominations for Chairman of the Subcommittee on Chemicals from the other agencies, CIA proposed Colonel W. Hepburn Chamberlain and presented his Curriculum Vitae for consideration by the EIC members. Members were asked to contact the Secretary of the EIC within the next week to indicate their acceptance of Colonel Chamberlain as Chairman or to nominate some other person to head this Subcommittee.

14. Discussion: It was generally agreed that in line with the practice followed by other subcommittees, the Chemical Subcommittee would propose a list of associate members to the EIC for approval.

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EIC-M-7
5 November 1951
Page 4

SECURITY INFORMATION

PROPOSAL FOR A WORKING GROUP TO PREPARE THE ECONOMIC SECTION OF NIE-56

15. Action: The EIC representatives were asked to submit their nominations for this Working Group to the Secretary of the EIC within one week.

16. Discussion: A draft of the proposed terms of reference for NIE-56, "Potential Insecurity of Foreign Areas of Strategic Importance to the US", was distributed at the meeting to the EIC members. Dr. Millikan indicated that this was not a final draft but that a draft similar to this one would be circulated in the near future by the Office of National Estimates for consideration by the IAC agencies. He further indicated that ONE would ask the EIC to prepare the economic sections of this estimate.

17. Commander Deane, Navy, asked that the allocation of responsibility for preparation of this paper, once it has been agreed by the EIC Working Group, be sent from ONE to ONI rather than direct from the Working Group to ONI. The EIC representatives generally felt that this procedure could be followed in those cases where it was requested by an EIC representative.

PROPOSAL FOR A WORKING GROUP TO CONSIDER THE PROPOSED NIE ON "STRATEGIC IMPLICATIONS OF EAST-WEST TRADE"

18. Action: The EIC agreed that any agency desiring to have representation on this Working Group should communicate their nomination to the EIC Secretary within one week.

19. Discussion: Dr. Millikan explained briefly the background of the request for this estimate with a general indication of what the paper might contain. He further indicated that with EIC approval this estimate should be prepared and production responsibility allocated through the working group procedure, and that the two initial tasks of this group would be (1) to review and elaborate on the terms of reference prepared by ONE and (2) to consider the theoretical framework for this estimate.

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Secretary
Economic Intelligence Committee

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SUBCOMMITTEE ON REQUIREMENTS AND FACILITIES FOR COLLATION

OF THE

ECONOMIC INTELLIGENCE COMMITTEE

TERMS OF REFERENCE

1. The membership of the Subcommittee on Requirements and Facilities for Collation shall consist of (a) not more than two representatives of each IAC agency, as proposed by agency representatives on the Economic Intelligence Committee and approved by the Economic Intelligence Committee; and (b) one representative of each appropriate non-IAC agency, as approved by the Economic Intelligence Committee.

2. The Chairman of the Subcommittee will be designated by the EIC and will serve for such period of time as determined by the EIC.

3. The Central Intelligence Agency shall supply the permanent secretariat.

4. The Subcommittee on Requirements and Facilities for Collation shall:

- a. Recommend to the EIC, in cooperation with the appropriate subcommittee, priority requirements for the collection of economic information (including publications and statistics).
- b. Recommend appropriate sources and collection action to fill such requirements;
- c. Recommend measures to ensure systematic and comprehensive indexing of available literature on the Soviet economy;
- d. Recommend measures which will ensure that foreign economic data which have been collected are systematically recorded and made readily available to economic intelligence users;
- e. Recommend the establishment, location, scope and functions of such specialized catalogs, files, machine indices or registers as may be desirable for economic intelligence purposes;

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~~SECURITY INFORMATION~~

Page 2
Terms of Reference

- f. Make recommendations to the EIC on any matter relating to the collection, recording and availability of economic information.
5. The Subcommittee shall meet as frequently as necessary to carry out its responsibilities.
6. The Subcommittee may set up such working groups as may be necessary.
7. The Subcommittee may request the attendance of non-members as consultants when matters on the agenda make the presence of technically qualified experts desirable.
8. Reports and recommendations which have been approved by a majority vote of the Subcommittee may be transmitted to the EIC (one vote per member organization or agency), but in case of dissent, the reports and recommendations must be accompanied by an appropriate statement advising the EIC of such dissent.

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SECURITY INFORMATION

TERMS OF REFERENCE FOR THE PETROLEUM SUBCOMMITTEE
OF THE ECONOMIC INTELLIGENCE COMMITTEE

1. The Economic Intelligence Committee has established a Petroleum Subcommittee on which shall sit representatives of the IAC Agencies as approved by the Economic Intelligence Committee. Representatives of other government agencies may participate as associate members of the subcommittee upon approval of the EIC.
2. The Chairman of the Subcommittee shall be designated by the EIC and shall serve for such period of time as determined by the EIC. The Central Intelligence Agency shall supply the permanent secretariat.
3. The Petroleum Subcommittee of the EIC shall:
 - a. Arrange concerted economic intelligence support on petroleum (including synthetics, shale oil, and natural gas) for studies of interagency interest as approved by the EIC.
 - b. Examine petroleum economic research programs of the US Government agencies relating to national security and recommend to the EIC appropriate allocation of responsibilities.
 - c. Review the data and analyses on the subject of petroleum intelligence and advise the EIC in regard to the pertinence, extent, and quality of the available information.
 - d. Recommend to the EIC for appropriate action, priorities, and allocation of responsibility for the preparation of analyses to fill major gaps in foreign intelligence relating to petroleum.
 - e. Recommend to the EIC, in cooperation with the Subcommittee on Requirements and Facilities for Collation, priority requirements for the collection of information on petroleum.
 - f. Cooperate with the Subcommittee on Requirements and Facilities for Collation in: (1) the indexing of literature on Soviet petroleum, particularly that available in the US Government; (2) the processing and collating of data on petroleum in a manner which will make it readily available to the intelligence community (machine, indexing etc.); and (3) locating registers (biographic, industrial, etc.), determining their scope and coverage and rationalizing their utilization.
 - g. Prepare as directed and coordinate economic intelligence reports on petroleum.
 - h. Make recommendations to the EIC on any matter related to petroleum economic intelligence.

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~~SECURITY INFORMATION~~

AGRICULTURAL SUBCOMMITTEE

OF

ECONOMIC INTELLIGENCE COMMITTEE

Terms of Reference

A. The Economic Intelligence Committee, in accordance with its terms of reference set forth in IAC-D-22/1 (Revised), 29th May 1951, has established an Agricultural Subcommittee which comprises designated representatives of agencies with intelligence responsibilities in the field of foreign agriculture as they relate to our national security, i.e., Departments of the Air Force, State, the Department of Agriculture, the Economic Cooperation Administration, the Munitions Board, and the Central Intelligence Agency. Representation on this committee may be expanded either from these or other agencies with the approval of the EIC.

B. The Chairman of the Agricultural Subcommittee shall be selected by the EIC and the Central Intelligence Agency shall supply the Secretariat.

C. The Agricultural Subcommittee shall maintain a continuing review of the foreign economic intelligence in the field of agriculture to identify important gaps and deficiencies in the collective knowledge of the Government by:

1. Maintaining a current record of the total intelligence needs of the US Government in this field; and,

2. Maintaining a current record of such intelligence which is now available or which is scheduled for production within the various agencies of the Government.

D. To help meet the foreign economic intelligence requirements of US national security as revealed by these gaps and deficiencies, the Agricultural Subcommittee shall:

1. Develop project outlines for necessary studies.

2. Recommend to the Economic Intelligence Committee the priorities of the projects and the allocation of projects among Government agencies with due consideration to available facilities and personnel, or to outside institutions under the external research program.

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~~SECURITY INFORMATION~~

Page 2
Agricultural
Subcommittee
Terms of Reference

E. The Agricultural Subcommittee shall arrange for the necessary coordination of such studies as may be allocated among Government agencies by the Economic Intelligence Committee.

F. The Agricultural Subcommittee shall recommend to the EIC, in cooperation with the Subcommittee on Requirements and Facilities for Collation priority requirements for the collection of information on agriculture.

G. This Subcommittee shall also cooperate with the Subcommittee on Requirements and Facilities for Collation in: (1) the indexing of literature on Soviet agriculture, particularly that available in the US Government; (2) the processing and collating of data on agriculture in a manner which will make it readily available to the intelligence community (machine indexing, etc.); and (3) locating registers (biographic, industrial, etc.), determining their scope and coverage and rationalizing their utilization.

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2. Maintain liaison as necessary on intelligence which is now available or which is scheduled for production within the various Government agencies and by external research sources. Reduce wherever practicable duplication of effort in the transportation intelligence field.

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TRANSPORTATION SUBCOMMITTEE

OF THE

ECONOMIC INTELLIGENCE COMMITTEE

Transportation Subcommittee
Terms of Reference

A. The Economic Intelligence Committee has established a Transportation Subcommittee on which shall sit representatives of the IAC Agencies as approved by the Economic Intelligence Committee. Representatives of other government agencies may participate as associate members of the subcommittee upon approval of the EIC.

B. The EIC shall designate the chairman of the Transportation Subcommittee and the Central Intelligence Agency shall supply the Secretariat.

C. The Transportation Subcommittee shall constantly review foreign economic intelligence in the field of transportation to identify important gaps and deficiencies in the collective knowledge of the Government, and to this end will:

1. Review the total transportation intelligence needs of the US Government;
2. Develop and maintain information on such intelligence which is now available or which is scheduled for production within the various Government agencies and by external research sources;
3. Determine inadequacies in existing intelligence coverage; and

D. To help meet the foreign economic intelligence requirements of US national security as revealed by these gaps and deficiencies, the Transportation Subcommittee shall:

1. Select those areas and/or items of inadequate coverage in the field of Transportation requiring intensive application of the intelligence process, and define the scope of such studies as may be authorized by the EIC;

2. Recommend to the EIC the priorities to be established for studies in specific fields of inquiry, as well as the Government agencies or private research organizations to which responsibility for the work might be allocated.

3. Recommend to the EIC in cooperation with the Subcommittee on Requirements and Facilities for Collation, priority requirements for the collection of information on transportation.

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~~SECURITY INFORMATION~~

Page 2
Transportation
Subcommittee
Terms of Reference

4. Cooperate with the Subcommittee on Requirements and Facilities for Collation in: (1) the indexing of literature on Soviet transportation, particularly that available in the US Government; (2) the processing and collating of data on transportation in a manner which will make it readily available to the intelligence community (machine, indexing, etc.); and (3) locating registers (biographic, industrial, etc.), determining their scope and coverage and rationalizing their utilization.

E. The Transportation Subcommittee shall advise the EIC on transportation intelligence matters and in this connection shall:

1. Consider such intelligence problems as are referred to it by the EIC and recommend appropriate action.

2. Consider and recommend action when necessary to the EIC on intelligence problems raised by any member of the Subcommittee;

3. Arrange for concerted intelligence support for transportation research undertakings authorized and allocated by the EIC;

4. Review periodically and report to the EIC on the progress made on transportation research programs authorized by the EIC.

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(TRANSPORTATION)* SUBCOMMITTEE
OF THE ECONOMIC INTELLIGENCE COMMITTEE

Terms of Reference

A. MEMBERSHIP

1. The Economic Intelligence Committee, in accordance with its terms of reference set forth in IAC-D-22/1 (revised), 29 May 1951, has established a (TRANSPORTATION)* Subcommittee on which shall sit representatives of the IAC Agencies as approved by the Economic Intelligence Committee.

2. Representatives of other government agencies may participate as associate members of the subcommittee upon approval of the EIC.

B. ORGANIZATION

1. The Chairman of the Subcommittee shall be designated by the EIC and shall serve for such period of time as determined by the EIC.

2. The Central Intelligence Agency shall supply the permanent secretariat.

3. The Subcommittee may set up such working groups as may be necessary to carry out any of its assigned functions.

C. SUBJECT MATTER SCOPE

*1. The Transportation Subcommittee shall be concerned with all principal modes of transport (viz. railroads, inland waterways, maritime shipping, motor roads, aviation, and pipelines) both within and between foreign countries; primitive modes of transport, as well as urban transportation, shall be included in the scope of the Subcommittee's substantive responsibilities if special problems warrant their consideration.

*2. For each principal mode of transport, the Subcommittee shall be concerned with all aspects of the subject matter which relate to the national security (e.g. traffic, permanent way, equipment, institutional factors, etc.).

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"a. The Transportation Subcommittee shall cooperate with other subcommittees established by the EIC in covering any aspect of transportation which is of mutual interest to two or more subcommittees. Production and foreign trade in transportation equipment shall be included in the scope of the Transportation Subcommittee's substantive responsibilities until a Machinery-Equipment Subcommittee is established.

"b. Military aspects of transportation shall be included in the subject matter scope of the Transportation Subcommittee insofar as they relate to logistical support of a war effort, but the Subcommittee shall not be responsible for covering production, trade, inventory, etc. of military aircraft, naval vessels, or other items of equipment of an essentially military character.

D. FUNCTIONS

1. The Subcommittee shall maintain a continuing review of the foreign economic intelligence in the field of (TRANSPORTATION)* to identify important gaps and deficiencies in the collective knowledge of the U. S. Government, and to this end shall:

a. Periodically survey the total intelligence needs of the US Government in this field and maintain appropriate records of such needs.

b. Maintain a current record of the intelligence in this field which is now available or which is scheduled for production by the various agencies of the US Government or by external research sources.

c. Examine the data and analyses in the field of (TRANSPORTATION)* and advise the EIC in regard to the pertinence, extent and quality of the available intelligence.

2. The Subcommittee shall assist in eliminating the gaps in intelligence in this field by:

a. Developing outlines for projects designed to provide the intelligence which is lacking.

b. Recommending to the EIC for appropriate action i) the priority of research projects designed to fill major gaps, ii) the allocation of responsibilities among Government agencies for the

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preparation of such analyses with due consideration to available facilities and personnel, and iii) the assignment, where appropriate, of such projects or parts thereof to outside institutions under external research programs.

3. The Subcommittee shall advise the EIC regarding the adequacy of information in the field of (TRANSPORTATION)* and in this connection shall:

a. Recommend to the EIC, in cooperation with the Subcommittee on Requirements and Facilities for Collation, priority requirements for the collection of information on (TRANSPORTATION)*.

b. Cooperate with the Subcommittee on Requirements and Facilities for Collation in i) indexing literature on Soviet (TRANSPORTATION)*, particularly that available in the US Government; ii) processing and collating data on (TRANSPORTATION)* in a manner which will make such data readily accessible to the intelligence community (e.g. machine records, indexing, etc.); and iii) determining the scope, coverage and location of information registers (biographic, industrial plants, etc.) and rationalizing their utilization.

4. The Subcommittee shall, when requested by the EIC, coordinate and arrange the necessary intelligence support for such intelligence reports in the field of (TRANSPORTATION)* as may be allocated among the IAC agencies.

5. The Subcommittee shall assist the EIC in performing any functions assigned to the EIC which apply to foreign economic intelligence in the field of (TRANSPORTATION)*.

a. It shall examine the US Government agencies' fundamental research in the (TRANSPORTATION)* field relating to the national security and recommend to the EIC for appropriate action the allocation of responsibilities for basic research in this field.

b. When directed by the EIC, it shall prepare economic intelligence reports in the field of (TRANSPORTATION)*.

E. OPERATING PROCEDURES

1. The Subcommittee shall provide all members of the EIC with a copy of agenda and minutes of its meetings.

2. Reports and recommendations which have been approved by a majority vote of the Subcommittee (one vote per member organization or agency) may be transmitted to the EIC without comment, but in case of dissent the transmittal must be accompanied by an appropriate statement advising the EIC of such dissent.

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Section C, Petroleum Subcommittee

C. SUBJECT MATTER SCOPE

1. The Petroleum Subcommittee shall be concerned with crude oil (including shale oil), natural gas, refined products, and synthetic liquid fuels.

2. For each commodity or commodity group in the field as so defined, the Subcommittee shall be concerned with all aspects of the subject matter which relate to the national security (e.g. reserves, production, foreign trade, consumption and requirements, institutional factors, etc.)

3. The Petroleum Subcommittee shall cooperate with other subcommittees established by the EIC in covering any aspect of petroleum which is of mutual interest to it and other subcommittees (e.g. pipe lines). Production and foreign trade in equipment for the petroleum industry shall be included in the scope of the Petroleum Subcommittee's substantive responsibilities until a Machinery-Equipment Subcommittee is established.

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Section C, Agriculture Subcommittee

C. SUBJECT MATTER SCOPE

1. The Agriculture Subcommittee shall be concerned with all crude vegetable and animal products customarily regarded as agricultural commodities, fibers, forest products, and fish. Products of the food processing industry, textiles, and leather shall be included in the scope of the Subcommittee's substantive responsibilities.

a. While no agricultural commodity is excluded in principle from the Subcommittee's subject matter coverage, the Subcommittee shall not be held responsible for covering natural rubber.

b. With the exception of food, the Subcommittee shall not be held responsible for covering end-products of industries based on agricultural commodities (e.g. apparel, footwear, finished wood products, alcohol, etc.).



2. For the entire agricultural sector of an economy as so defined, the Subcommittee shall be concerned with all aspects of the subject matter which relate to the national security (e.g. land utilization, production, foreign trade, consumption and requirements, institutional factors, etc.).

a. The Agricultural Subcommittee shall cooperate with other subcommittees established by the EIC in covering any aspect of agriculture which is of mutual interest to it and other subcommittees. Production and foreign trade in agricultural equipment shall be included in the scope of the Agriculture Subcommittee's substantive responsibilities until a Machinery-Equipment Subcommittee is established.

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~~SECURITY INFORMATION~~

IAC NOMINATIONS TO THE SUBCOMMITTEE ON CHEMICALS

Department of State	Marion Worthing Chief, Industrial Mineral Products Branch, IFI
Department of the Air Force	Dr. Sidney Kuniarsky Chemicals and Atomic Energy Section Target Research
Department of the Navy	ONI does not desire repre- sentation at this time.
Department of the Army	Major F. L. Schaf, Chemical Corps Scientific Unit (Weapons and Equipment) Technical Branch
Central Intelligence Agency	 25X1A9a Chief, Chemicals Branch  25X1A9a Chemicals Branch


THE FOLLOWING ARE SUGGESTED AS ASSOCIATE MEMBERS

Department of the Army	A representative of the Chemical Corp - from Research and Engineering Branch (suggest that Gen. Bullene make the nomination) Also should be a representa- tive from Ordnance - from the Propellants Branch of the Industrial Division (suggest that Mr. Jackman be considered)
Department of the Navy	A representative from the Office of Naval Research. (Suggest that Rear Admiral John Snackenber be con- tacted <u>re</u> this nomination)

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~~SECURITY INFORMATION~~

Department of Agriculture	A representative of the Bureau of Industrial and Agricultural Chemistry. (Suggest that Dr. Walter Scott, Deputy Chief of the Bureau, be nominated)
NPA	A representative of the Military Requirements Branch of the Chemicals Bureau (Suggest that Mr. Klipstein be contacted on this nomination)
Department of Commerce	A representative of the Office of Technical Sources (Suggest that the Director, Mr. Green be contacted on this nomination)
ECA	Suggest that Mr. McCullough of the EIC consult with Ted Sweet of ECA on this.
Munitions Board	Suggest that Mr. Taggart of EIC propose a nominee.
Research and Development Board	Recommendations should be made by Dr. Whitman
Office of Scientific Intelligence - CIA	 25X1A9a Chemicals Branch

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Approved For Release 1999/09/10 : CIA-RDP82-00283R000100180007-1

Approved For Release 1999/09/10 : CIA-RDP82-00283R000100180007-1

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SECURITY INFORMATION
DRAFT TERMS OF REFERENCE

NIE-56: Potential Insecurity of Foreign Areas of Direct Economic and Military Importance to US Security Interests

THE PROBLEM

To determine the importance of various world areas in terms of their direct economic and military contribution to the security interests of the US, on the one hand, and to the Soviet bloc on the other, and to estimate the vulnerability of such areas and the direct consequences of their loss to US security interests.

SCOPE

The project should examine each area separately, and estimate the strategic importance and vulnerability of the area in the event of global war and also in the absence of global war. Particular attention should be directed to the possibility that particular resources will be cut off from the US, and to the possible timing of any such development.

QUESTIONS BEARING ON THE PROBLEM*

I. Economic Importance (1)

ORR + EIC
Agencies

Are the economic resources of the area of actual or potential strategic importance to the US? To US allies? (The term "allies" is intended to include particularly the NATO countries, West Germany, Australia and New Zealand, and Japan.) Are there any outstanding respects in which the resources of the area are of importance to non-Communist countries in other areas that are not allies of the US but are within the orbit of US security interests? (This includes particularly such countries as Yugoslavia, Spain, the countries of the Near and Middle East, India, and Pakistan.) Are the resources potentially or actually important to the Soviet bloc? Each resource should be discussed specifically, under the following headings:

* It is expected that contributions will be prepared in three successive stages, shown by the numbers after each major heading.

The areas to be studied in order of priority are: (1) Far East (Japan, Formosa, Thailand, Burma, Malaya, Indonesia, Philippine Islands, Australia and New Zealand); (2) India, Pakistan, Ceylon; (3) Near and Middle East; (4) Africa (North Africa and Central and South Africa); and (5) Latin America. Each of these studies will be presented as a separate national estimate.

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~~SECURITY INFORMATION~~

- A. Natural resources
 - 1. Extent and availability
 - 2. The degree to which the US depends on them (both for its own direct rearmament effort and for anticipated US contributions to allies).
 - 3. The degree to which allies of the US depend on them.
 - 4. Outstanding respects in which other non-Communist countries depend on them.
 - 5. The degree to which Soviet bloc countries depend on them.
- B. Agricultural
 - 1-5. (Same as above.)
- C. Industrial resources
 - 1-5. (Same as above.)
- D. Manpower for economic purposes (state whether skilled or unskilled)
 - 1-5. (Same as above.)

II. Military Importance (1)

Are the military resources of the area of importance to the US? To US allies? To the Soviet bloc?

- Defense Dept.
(Coordinated
by G-2)
- A. Armed forces: strength, composition, combat effectiveness, degree of cooperation with US.
 - B. Manpower for military purposes: surplus, if any (state whether trained or untrained).
 - C. Military facilities:
 - 1. Naval and air bases.
 - 2. Communications and transport facilities.
 - 3. Arsenals and depot facilities.

III. Factors Affecting Availability of These Resources (2)

- Defense
- A. Military vulnerability, with and without US aid on lines presently indicated.

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~~SECURITY INFORMATION~~

- OIR B. Foreign policy orientation in the East-West conflict.
- OIR C. Political stability.
- D. Government plans and policies that may affect availability of resources, e.g., nationalization plans.
- ORR + EIC E. Economic vulnerability, including sabotage, strikes, preclusive buying, degree of self-sufficiency, balance-of-payments situation, and any other factor likely to affect vulnerability. Indicate situation in absence of US aid, and with US aid on lines presently indicated.

IV. Conclusion (3)

In the light of the above:

- ORR + EIC
Defense A. What is the over-all importance of the area to US security interests, in terms of direct economic and military contribution to the US, its allies, or other non-Communist countries, on the one hand, and to the Soviet bloc on the other hand?
- Defense,
OIR, ORR,
+ EIC B. What is the likelihood that the resources of the area may be denied to the US, its allies, and other non-Communist countries (1) in the event of global war; (2) in the absence of global war? If there is a likelihood of loss, how imminent is it?
- ORR + EIC
Defense C. What would be the consequences to US security interests of such loss, in terms of direct effect on the economic and military potential of the US, its allies, and other non-Communist countries, on the one hand, and of the Soviet bloc on the other hand?

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