

1 November 1955

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yes agreed

INDUSTRIAL MACHINERY AND EQUIPMENT

Frequency of Meetings: 14 in FY 1955

<u>SC Members Evaluation</u>	<u>Valuable?</u>	<u>Continue?</u>	<u>Future Work?</u>	<u>Faults?</u>
AFOIN	Yes	Yes - but not more than bimonthly	Contact, information and provide agreed estimates as needed; research gaps.	Too much emphasis on general education and on seminar methods.
G-2	Yes - has produced a number of valuable studies	Yes - monthly	As set forth in Annual Report	None
OIR	Yes - valuable contacts	Yes	-	Reconciliation of differences too time consuming. Difference in agencies' interests between "capacity" and "production" estimates.
ORR	Yes - has provided mechanism for bringing together all parts of community having an interest in ind. mach. and equip. Responsible analysts have been brought in touch with each other. Prepared a number of reports covering agreed estimates in machinery area. Has undertaken thorough review of substantive reports prepared by IAC members conducting research on capital equipment.	Yes	Completion of review of published research; priority research deficiencies; define methodology and research integration	No major faults; ONI representation would be desirable; need high level representation from all agencies.

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SC Members Evaluation

<u>Valuable?</u>	<u>Continue?</u>	<u>Future Work?</u>	<u>Faults?</u>
OSD Well worth while - advice given has been readily accepted and utilized to maximum extent possible	Should be continued	-	Would be helpful if various agencies positions and conclusions on agenda items could be circulated ahead of time.

Subcommittee's Evaluation of Itself (From Annual Report):

"There is no question but that the subcommittee has made a useful contribution to a better understanding of Sino-Soviet Bloc capital equipment trends. Moreover, by providing a forum for discussion there is a better understanding of the special problems of economic measurement in this field. There is, as a result of the subcommittee's activity, a wider knowledge throughout the Intelligence Community of the material available and its reliability. Analysts working in the same field have been brought together to discuss common problems. The subcommittee members are now much better informed concerning current research activities within the IAC agencies than heretofore and this should serve to reduce even further the duplication of research effort.

"All members of the subcommittee have taken this responsibility seriously. Attendance at meetings has been uniformly excellent and participants have been well prepared. While the subcommittee feels that it has a first problem of placing a large quantity of completed research in proper perspective, it views its function as a continuing one of coordination and guidance in research planning.

"...the work load of the members remains the single most important impediment to faster progress. This condition, almost certainly, will not be improved."

Secretariat's Evaluation of SC Activities:

One of our newest subcommittees and already one of the very best. The initiative of the Chairman has been particularly important in developing an active program for reconciliation of interagency differences and review of important papers. The group is limited, however, by the fact that only two or three agencies are working on many segments of this field of analysis. Among these agencies, methodological differences have made agreement of many basic estimates extremely time-consuming but as a result of lengthy discussions, substantial agreement has been arrived at in a number of areas.

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Recommended EIC Action:

1. To commend the SC for its work to date and its Chairman for his initiative and skill in "spear-heading" the SC's activities.
2. To recommend to the SC that it explore further the possibility of minimizing methodological differences between agencies - particularly in the critical utilization of Sino-Soviet announced statistics.

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