

Control 156371
1 November 1955

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*Services agreed,
OIR orient. to econ probhs.*

CHEMICALS

Frequency of Meetings: 2 during last 12 months (one of them informal)

<u>SC Members</u> <u>Evaluation</u>	<u>Valuable?</u>	<u>Continue?</u>	<u>Future Work?</u>	<u>Faults?</u>
AFOIN	<u>Yes</u>	Yes - but infrequent meetings	As in past	"Not enough interest"; strengthened membership
G-2	<u>Yes</u>	Yes - infrequent meetings as needed	Continue	None
IGA	No	Don't know as have not attended meetings	To gather, analyze and report on information relative to the assistance, logistics, and requirements of certain chemicals within the USSR and satellite countries. It is up to the CIA to determine in what way the subcommittee can assist them in obtaining and/or analyzing information on the various problems.	Don't know as have not attended meetings
OIR	Not as presently operating	If can be oriented to economic problems	-	Too much preoccupied with technical details
ORA	<u>Yes</u>	Yes	Close liaison but few formal meetings	Need for greater recognition of "importance of chemicals to economy and dependence of Armed Services on chemical industry for military end products"
OWI	?			

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Subcommittee's Evaluation of Itself (See Entire Annual Report of SC):

"The attending members talked over the divergence of basic interest, and the varying approaches, to chemical intelligence in the area. It narrowed down to the fact that the Chemicals Branch, RR, carried its activities to a much greater depth than do the Service Agencies, and that AFOIN was the only one of the Service Agencies attempting to build up continuing active information on chemicals and chemical production. It was brought out by the G-2 representative that the Military Agencies would continue to make the reports on strictly military chemical products, such as explosives and all items of interest to the Chemical Corps. They would continue to depend upon CIA for the availability of raw materials to produce these military end items. The G-2 representatives stated that he would use his best efforts to obtain from the Military Services an estimate of the amount of explosives and propellants by types from which the basic chemicals necessary for the production of the finished military items may be calculated.

"The Chemicals Branch, RR, and Chemicals Section, AFOIN, have worked closely together throughout the year in a most harmonious manner. The Chemicals Branch, RR, as the group having the broadest interest in chemical intelligence in the area, has submitted its estimates on certain chemicals in the various countries and has requested comments from the Services. The A-2 group have set up a project to check the RR figures. However, we know that the range between the estimates of these two interested groups is, on the whole, close."

Views of the Chairman of the Subcommittee:

The G-2 representative has emphasized that the Army is only interested in military end products for which they have the responsibility and is not interested in following the basic chemicals entering into the production of these products. A-2, because of their responsibility for targets and the necessity for evaluating the importance of individual plants, have made studies on the major producing plants. OIR is interested in the over-all economic basis and states that they can make studies on individual commodities if and when requested, but do not keep current in such analyses. Therefore, CIA is the only agency undertaking continuous and current analytical studies.

2. [The divergencies of agency interest in Sino-Soviet chemicals is increasing. The current emphasis of CIA/ORR on "costing" production from the military/economic viewpoint appears likely to further increase this divergence in interests.

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This has been one of our least active subcommittees. ORR has undertaken most of the research analysis, in depth, on the basic chemical industry of the USSR. Air Force also has made several technically competent analysts available for EIC activities; and last year G-2 also made available a chemicals expert able to participate actively in technical discussions of chemical engineering. As a result, the subcommittee appeared to be about to break loose a "log jam" between military and civilian aspects of Soviet Bloc chemical production. (Specifically arrangements were made for obtaining G-2 estimates of Soviet military requirements to provide a basis for ORR estimates of Soviet production capabilities for basic chemicals for military purposes.) Recently, however, both the senior Air Force and the G-2 representatives have been transferred and the new representatives have been largely preoccupied with taking over their basic agency responsibilities - so the arrangements referred to have not yet been carried out. A further difficulty has been to bring together in this subcommittee specialists in Chemical Engineering with general economists and liaison officers not accustomed to speaking the detailed jargon of the chemical technicians. It is reported that ONI discontinued its participation in this subcommittee in part because it felt that State Department's interest in an "economist's analysis" of Soviet chemical production resulted in a great deal of the time of meetings being wasted in "talking at cross purposes." Three non-IAC agencies, Agriculture, Commerce, and OSD, have designated representatives to the Chemicals Subcommittee. Although these individuals would seldom, if ever, be called on to participate in full meetings with the military agencies, the EIC channel is a great convenience in obtaining the views of these individuals on specific products (such as rubber) for which they have special competence.

Recommended EIC Action:

1. Urge the Subcommittee to proceed with the implementation of tentative arrangements made last year between ORR, G-2, and AFOIN (see Subcommittee's Annual Report).
2. Express general satisfaction with the Subcommittee's practice of meeting only "on call"; but urge that such occasional meetings be so planned in advance that State and ONI can be brought more effectively into the total community picture.

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