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IAC-D-55/8.1  
9 February 1955  
Copy No. 97

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Semi-Annual Status Report for the NSC on the Foreign  
Intelligence Program

1. Please substitute the attached pages 5, 6, and 8 for the corresponding pages of IAC-D-55/8 (Revised Draft) dated 4 February 1955. Other minor editorial changes were noted by the representatives at their final meeting. A new text will be issued subsequent to IAC action.
2. This report, as amended, has been prepared by representatives of the IAC agencies and will be submitted to the IAC for approval at its meeting on Tuesday, 15 February 1955.



PAUL A. BOREL  
Secretary

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This memorandum may be downgraded to CONFIDENTIAL when attachments are removed.

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(IAC-D-57/2) have been reviewed in order to identify and correct intelligence deficiencies. In addition, there is now before the IAC a special detailed "post-mortem" of NIE 11-6-54 "Soviet Capabilities and Probable Programs in the Guided Missile Field."

3. Basic Intelligence. The initial world coverage of the National Intelligence Survey is essentially 45% completed, including 2400 individual sections, mainly on JCS high priority areas. Present production is slightly below the scheduled rate of approximately 8 equivalent NIS per year. The over-all quality is being improved by better collection in support of the program.

4. Military Intelligence

a. General. At the present time, military intelligence is generally adequate to provide broad measurements of the military, logistic, industrial, and governmental control strengths of the USSR, Communist China, and the Satellites.

Limited gains were made during the past six months in the following fields: analysis of performance characteristics of new types of Soviet aircraft; data on the development of nuclear weapons; technical methods and devices for intelligence collection; Chinese Communist ground force dispositions; and knowledge of Soviet warship construction.

Nevertheless, military intelligence on the USSR and, to a lesser extent on Communist China and the Satellites, is inadequate in many critical fields. There is a serious lack of specific and detailed information on the following: the development, production, and deployment of weapons in the nuclear and guided missiles fields; other unconventional weapons; newly developed or modified conventional weapons; delivery systems, logistical capabilities and support; some components of the air defense system; and scientific and technical strengths as they affect military capabilities. Our knowledge continues to be inadequate on the movements and dispositions of Soviet Bloc forces, particularly in the USSR. Intelligence coverage in Indochina has been reduced as a result of the loss of combat intelligence contact with the Viet Minh.

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Significant detailed information available is fragmentary and becoming progressively more so. Unless means are developed to overcome present deficiencies in the collection field, our intelligence may eventually become inadequate for the support of US military plans, programs, and operations.

b. Target Materials Production. Approximately 80% of the minimal requirements for air target materials, in the Air Objectives Folder Program (AOF), in support of joint war plans were completed by the end of CY 1954. The remaining 20% of the minimal requirements are scheduled for completion by the end of CY 1955. Other air target materials, desired by the Services for development of the optimum opportunities for air action, were at the end of CY 1954 approximately 50% satisfied. Production to satisfy the remainder of these requirements continues to the maximum extent practicable and consonant with priority emphasis on highest and earliest readiness in support of joint war plans. \*

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\* The Director of Naval Intelligence notes that he lacks comprehensive, basic information upon which to analyze the percentages cited, and lacks primary cognizance in other matters alluded to in this paragraph. However, rate of production of air target materials for the highest priority (all-weather) Navy targets continues to be a matter of concern. The Target Area Analysis Radar (TAAR) is considered to be the most significant piece of target material developed and produced for all-weather, medium to high altitude operations. Between July 1952 and July 1954 the Navy nominated 632 all-weather targets for inclusion in the Air Objectives Folder Program for production of TAAR's. As of 1 December 1954 TAAR production had not been started for 52%. TAAR production was in process for 22%, and TAAR had been completed for 26%.

The TAAR is seldom useful for low-level, all-weather mining but charts can serve adequately where there are steep gradients along the shore. In other cases the capability for conducting these operations is greatly reduced. No intelligence solution appears feasible.

Low level high speed aircraft missions require special charts for navigation and approach which are not now available. However, such charts are under development.

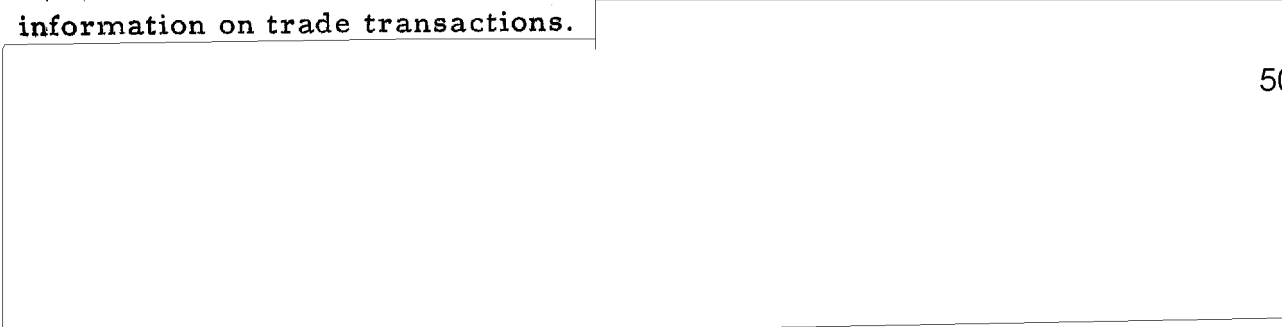
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overt sources. Economic intelligence on the Soviet Bloc has improved as a result of additional systematic analysis of the Soviet potential for economic growth and further basic studies of particular industries. Experimentation is underway on new economic research techniques for the evaluation of Soviet capabilities for supporting specialized weapons programs. Among the major unsolved problems are Soviet defense expenditures and Soviet agricultural growth capabilities. Significant improvements in the quality of economic intelligence and its consequent value will depend largely on the success of collection efforts.

b. Communist China. Economic research effort on Communist China has been increased, resulting in a better appreciation of Sino-Soviet economic relationships.

c. Economic Defense. In addition to a continuing review of major commodity problems for East-West trade controls, intelligence support for economic defense includes an assessment of possible long run economic developments within the Soviet Bloc as they relate to economic defense policies. Intelligence support for enforcement of economic defense measures has been maintained in spite of diminishing information on trade transactions.



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d. Free World. Economic intelligence production on the Free World has concentrated on analysis of (a) improved economic conditions in Western Europe; (b) the unfavorable outlook for Japanese foreign trade; and (c) the problem of economic development in underdeveloped areas.

e. Coordination. The Economic Intelligence Committee (EIC) has taken a more active part in guiding economic intelligence production and has continued its surveys to uncover economic research and collection deficiencies. In September, the EIC coordinated a draft DCID 15/1, later approved by the IAC, which delineates IAC agency responsibilities for production and coordination of foreign economic intelligence related to national security.

