9 JUN 1958

BRIEF FOR:

Director of Central Intelligence

THROUGH:

Deputy Director/Intelligence

SUBJECT:

Briefing Note on IAC-D-105/28 for IAC Meeting on

10 June 1958

Jed 3/,

- 1. This memorandum provides, for your information, a brief note on the proposed DCID covering the production and coordination of foreign economic intelligence. The draft DCID has the full concurrence of the EIC Representatives of the IAC Agencies. No unresolved issues requiring IAC discussion remain.
- 2. The DCID as proposed is a revision of DCID 15/1 (approved on 14 September 1954), plus an incorporation, as an appropriate part of the DCID, of revised Terms of Reference for the Economic Intelligence Committee. The majority of the revisions were made to improve the language, to conform to the recently approved NSCIDs 1 and 3, and to reflect the current status and distribution of production effort with respect to foreign economic intelligence. As in DCID 15/1, this draft again provides a framework of broad allocation of responsibilities under which rational divisions of labor can continue to be implemented.

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- 3. Paragraph 1 of the draft sets forth a series of policy guides similar to those in DCID 15/1 and made consistent with NSCID 3.
- 4. Paragraph 2 assigns the allocation of primary production responsibilities among CIA, State, and the Military Services. Most of the changes made in this paragraph were those required for consistency with the NSCIDs 1 and 3. In addition, two other substantive changes should be noted:
 - a. The only major issue which arose in preparing a coordinated revision resulted from the CIA desire to include under paragraph 2 <u>a(3)</u> as a responsibility of the Central Intelligence Agency "economic cost studies of Bloc military programs." The issue was resolved by compromise when both CIA and the Military Services agreed to place this responsibility under paragraph 2 <u>b</u> as an area of common or overlapping interest which requires interagency liaison and cooperation.
 - b. Sino-Soviet Bloc "economic ... doctrines" and "economic activities in non-Bloc areas" were subjects added as specific examples under paragraph 2 <u>b</u> since State and CIA are each involved in these types of research.
- 5. Paragraph 3 of the draft incorporates into the DCID the substance of the EIC Terms of Reference previously contained in

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IAC-D-22/1 (Revised), 29 May 1951. Responsibility of the Economic Intelligence Committee for assisting the Director in carrying out his intelligence responsibilities under NSCIDs 1 and 3 is thus included within the DCID.

6. With the exception of the single issue noted in paragraph 4a above, no significant problems arose in coordinating this proposed DCID among the IAC Agencies. I do not expect any substantive questions to be raised at the IAC consideration of this draft.

OTTO E. GUTHE Chairman

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