

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

January 11, 1972

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MEMORANDUM FOR DR. KISSINGER

FROM:

Phil Odeen *PO*

SUBJECT:

Economic Intelligence

In June the President directed the President's Foreign Intelligence Advisory Board (PFIAB) to study the adequacy of the collection and dissemination of foreign economic intelligence. The report was submitted to the President following the Board's December meeting.

Summary

The Board believes economic intelligence has not received sufficient attention since World War II, reflecting the unquestioned economic dominance of the U.S. and our attention on political and military matters. This situation has changed drastically in recent years as a result of the rapid economic progress of West Europe, Japan and other nations. Given these developments, we can no longer afford to neglect economic intelligence.

The Board has recommended actions affecting the collection effort, production of intelligence, and dissemination. In brief, they conclude:

-- Much greater attention should be given to collection. This includes greater use of NSA's capabilities, clandestine collection, and upgrading the quality of people in our embassies concerned with economic and business affairs.

-- The fractionalization of economic responsibilities within the U.S. government and the lack of security clearances, storage facilities, etc., has severely limited the dissemination of economic intelligence. There has been no systematic effort to get available

NSS/NSC Review Completed.

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intelligence to officials who need it. It has also not been available to the business and industrial community who need it in order to further U.S. overseas business and trade interests.

Based on these findings, the PFIAB recommended a series of actions to revitalize economic intelligence, develop requirements, allocate resources to improve collection and production and determine ways to make this intelligence an effective tool of our international economic policy. The Director of Central Intelligence would have prime responsibility for this effort.

Action

The Board recommends that you send their findings and recommendations to the key U.S. government agencies involved, for review and comment. We have reservations about some aspects of the Board's recommendations, in particular the problems involved in providing intelligence to U.S. business interests. But before we review the matter in detail, agency views should be elicited.

A memo for your signature asking for agency views is enclosed (Tab A). I recommend signature. Bob Hormats concurs. I have also discussed this issue with Andy Marshall by phone and he concurs.

RECOMMENDATION

That you sign the memo at Tab A.

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THE WHITE HOUSE

WASHINGTON

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February 8, 1972

MEMORANDUM FOR

The Secretary of State
The Secretary of the Treasury
The Secretary of Commerce
The Director of Central Intelligence
The Director, Office of Management and Budget
The Assistant to the President for International
Economic Policy

SUBJECT: Economic Intelligence

The President directed his Foreign Intelligence Advisory Board to study U.S. collection and dissemination of foreign economic intelligence and to submit its findings and recommendations to him.

A copy of the PFIAB report is enclosed, and the President requests your comments on it by March 1, 1972.



Henry A. Kissinger

cc: President's Foreign Intelligence
Advisory Board

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