

CONFIDENTIAL

1-70-353 DD/S

Approved For Release 2003/06/12 : CIA-RDP80B01676R001100090043-6

58-0232

Mr. Charles A. Sullivan
Assistant Director for Plans and Readiness
Office of Defense Mobilization
Washington 25, D. C.

Dear Mr. Sullivan:

This Agency has had its own system of post-attack registration of its employees since 1952. This system is designed to provide for the special security requirements which arise in connection with our various categories of employees, and with the requirements inherent in the nature of our mission under circumstances of emergency relocation.

It is requested, therefore, that exemption be granted this Agency from the provisions of Departmental Circular No. 921 of the United States Civil Service Commission dated 1 November 1957.

Sincerely,

L. K. White
Deputy Director

EPO/MWB:rvh (14 Jan. 1958)

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MEC 17 1957

The Honorable Gordon Gray
 Director
 Office of Defense Mobilization
 Executive Office of the President
 Washington 25, D. C.

Dear Gordon:

In reply to your inquiry of 6 December 1957, we feel that the Soviet annual production of jewelled watch movements reported to you is somewhat too high.

The latest official Soviet statistics on watches and other timepieces provide production figures only through 1956. In that year the Soviets produced a total of 22.6 million timepieces of all types which comprised, in the words of the Soviet statisticians, "wrist watches, pocket watches, alarm clocks, weight-driven wall clocks, pendulum wall clocks, table clocks, mantel clocks, and chess clocks." Of these timepieces, 10.4 million were wrist watches, and we estimate that an additional .6 million were pocket watches. On the basis of past trends, we believe that as many as 13 million wrist and pocket watches may have been produced by the Soviets in 1957. This approaches the lower figure in the report you cited.

In response to your second point, Soviet production of jewelled watches mounted rapidly from 2 million units in 1950 to more than 8 million units in 1955 and to approximately 11 million in 1956. Similar increases characterized Soviet production of certain other consumer items in strong demand during this period as indicated by the following table:

<u>Item</u>	<u>% Increase, 1950-1956</u>
All types of timepieces	197 percent
Wrist and pocket watches	593 percent
Radio receivers and television sets	293 percent
Household sewing machines	281 percent
Cameras	379 percent
Bicycles	381 percent

ER

It appears, therefore, that although the Soviet neurological effort has been great, it has not been inconsistent with Soviet increases in the production of certain other consumer items.

With reference to your last question, the precision required for timing devices in the field of military research and development is much greater than needed in jewelled watches. We do not believe that the strikingly high production of watches is associated with Soviet production of precision timing devices for modern weapons.

Sincerely,

Signed

Allen W. Dulles
Director

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APPROVED:

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[redacted]
Deputy Director/Intelligence

DDCI direct

DCI on routing

Executive Registry
9.9/95

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF DEFENSE MOBILIZATION
WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

December 6, 1957

Dear Allen:

As you know, there is before me at the present time a petition for certification of jewelled watches under Section 7 of the Trade Agreements Extension Act.

We have received recent reports that the Soviet Union is producing between 15 and 19 million units of jewel watch movements annually. This is in the general order of approximately 10 times U. S. production.

I would like to request your best thought with respect to the following questions:

1. Are these reports accurate?
2. What is the significance of this extraordinary horological effort as contrasted with the effort made in other consumer's items?
3. Is this effort related to defense production or research and development for military purposes?

Sincerely,



Gordon Gray
Director

Honorable Allen W. Dulles
Director of Central Intelligence

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	INITIALS	DATE		
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2	AD/RR	am	12/3/57		
3	DD/I	rdg	12/4/57		
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<input checked="" type="checkbox"/> ACTION		<input type="checkbox"/> DIRECT REPLY		<input type="checkbox"/> PREPARE REPLY	
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Remarks: For recommended answer to attached letter. SUSPENSE 13 DEC 57. 2 to 3+4 : Recommended reply is attached.					
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FROM: NAME, ADDRESS AND PHONE NO. 10 DEC 1957 Assistant to the Director			DATE 9 Dec		
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