

MEMORANDUM FOR THE DIRECTOR: Mr. Nichols
Approved For Release 2003/04/24 : CIA-RDP80B01676R001500050005-8

Attached MIR concerns tactics of disseminating info about Soviet and Chinese economics.

Also attached is letter from Governor Harriman about a study in depth on subject.

Please note action for DDCI is Para. 3 of MIR.

DCI wants Harriman's letter acknowledged affirmatively.

STATE review(s) completed.

W. Elder *W. Elder*

16 Dec 63

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HAND CARRY

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Executive Registry

13-919711

17 December 1963

DDI-6320-63

MEMORANDUM FOR: Deputy Director (Intelligence)

1. The attached Memorandum for the Record dated 13 December prepared by the Director has previously been discussed by the Director and me with the senior officers of the Agency.
2. In connection with his action directive on the second page, the DD/I is designated the responsible component for the development of the comprehensive program of dissemination as well as the development of the deep and more comprehensive analysis required. Coordination will be effected with the Board of National Estimates and the DD/P and, in accordance with Mr. Harriman's request in his letter of 9 December, with INR of the Department of State.
3. The Director has stated that he wishes to be fully responsive in this project.
4. Please give me by the close of business on Friday, the 20th, an indication of the course of action we propose, since I feel reasonably certain the Director will not wait until the 23rd to bring this matter up.

[Redacted Signature Box]

Marshall S. Carter
Lieutenant General, USA
Acting Director

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Attachments:

1. DCI's Memo for the Record dated 13 Dec 63, Subject: Discussion on the Development of Articles on Soviet Economic Situation
2. Letter to DCI from Averell Harriman dated 9 Dec 63

Distribution:

- Original - Addressee w/atts
- | | |
|-----------------|---|
| 1 - DCI w/att 2 | 1 - DDCI w/o atts |
| 1 - ER w/o atts | 1 - Executive Director-Comptroller w/o atts |

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13 December 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion on the Development of Articles on Soviet Economic Situation

PARTICIPANTS: Secretaries Harriman and Johnson

1. I talked with Secretaries Harriman and Johnson, proposing my plan to have the considerable amount of information on various aspects of the Soviet economy placed in a world-wide news media. I said that I felt that the information which we had developed on the Soviet economy in general, Soviet agriculture, the trends of Soviet foreign economic aid commitments, the lag between commitments and drawdowns, the facts about the Soviet gold and foreign currency reserves and the imbalance between the sale of gold and their production of gold, all should be brought to the attention of the people throughout the world. I said my purposes were twofold. One, factual knowledge of the Soviets' precarious economic situation would have a considerable influence on the "undecided" leaders of many countries throughout the world. I mentioned Sukarno, Toure, a number of leaders in Latin America and even Castro. I pointed out if these men understood the facts, they would realize the precariousness to themselves of depending heavily on the Soviets as an alternate to the United States as a source of help and aid. Secondly, I felt the Western European countries and Japan should understand the situation and should realize that extending long-term credits to the Soviets was precarious and secondly, would aid them in a manner that would ultimately work to their own hardship.

2. All agreed without reservation that this would be a most constructive program. State have requested that we prepare a deeper and more comprehensive analysis than was included in my presentation to the NSC and the Congressional Leadership and I told them that this was being done.



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65-9197

UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS
WASHINGTON

DDI-6316-63

December 9, 1963

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Dear John:

On November 15 and 19, interested officers of our respective organizations met here in the Department to discuss current economic weaknesses in the Soviet Bloc and Communist Asia. As these discussions progressed, the value of a written summary of these weaknesses for use both here and in the field became evident.

After discussion of this subject among those concerned, it was generally agreed that the material and facilities available to your analysts on Communist economic matters (ORR) were best suited to prepare the type summary desired.

I hope, therefore, that your agency will be able to assign a relatively high priority to the preparation of such a paper. Subjects which should be covered in the summary include the following:

1. Soviet Union: Soviet economic growth performance; basic problems in agriculture, industry, finance including foreign exchange, foreign aid, and foreign trade; competition between military and civilian economic requirements; current and future trends re investment and critical resources allocation; problems of management and tight central control, Party interference, etc.

2. Eastern

The Honorable

John A. McCone, Director,
Central Intelligence Agency.

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2. Eastern European Bloc: problems in CEMA; current trends toward trade with the West; basic problems in agriculture and industry;

3. Communist Asia: Chinese Communist agricultural and economic problems; impact of the Sino-Soviet rift; developments in North Korea and North Viet Nam.

I presume that your experts will be in close touch with our specialists in INR on this project. The members of the Inter-agency Psychological-Political Working Group, on which your agency is represented, plan to use the proposed summary in a variety of ways--diplomatic, informational, for backgrounding the press, etc.--to expose the weaknesses of communism and to strengthen the position of the free world.

I believe a document of 25-30 pages, single-spaced, should cover the ground adequately. I would hope it could be completed by the end of the year. Emphasis should be on content rather than style for the paper will be a basic working document that will be tailored by the Working Group for a wide variety of outlets. Insofar as possible, the basic report should be Unclassified though a classified annex containing details and backup material would be useful to the Working Group.

Your cooperation in this project will be much appreciated.

Sincerely,



W. Averell Harriman

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