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9 December 1949

MEMORANDUM FOR THE DIRECTOR OF INTELLIGENCE, US AIR FORCE

SUBJECT : Strategic Estimates of the Far East

REFERENCE: Memorandum to Director of Central Intelligence
from Directorate of Intelligence, USAF, subject
as above, 30 November 1949, #2-10364

1. Following receipt of reference memorandum, staff discussions between representatives of the Directorate of Intelligence, US Air Force, and of the Central Intelligence Agency were undertaken on 5 December 1949. This memorandum presents the position of this Agency as expressed at that conference.

2. It was confirmed in conference that the Department of the Air Force sought in reference memorandum to initiate a national intelligence estimate on the Far East of suitable scope to guide the current formulation and implementation of sound national policy. Moreover, lacking access to an overall intelligence production plan on the Far East, the Department of the Air Force was unable to discern a logical pattern in the coverage of Central Intelligence Agency staff intelligence production in recent months. Specifically, while the Department of the Air Force viewed ORE 17-49, "Strategic Importance of the Far East to the United States and to the USSR", as the closest approach to the needed type of intelligence on the Far East, that paper was deemed to have serious shortcomings. These apparent shortcomings concerned scope and, it was reiterated by the Air Force representative, did not concern depth of presentation.

3. It is the position of this Agency, and it was so stated in conference, that ORE 17-49 provides precisely the type of broad national intelligence estimate sought in the reference. Moreover, since its publication ORE 17-49 has served and is presently serving to guide those responsible for policy formulation. Furthermore, as any facet of the Far Eastern problem has been made the subject of a

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current, detailed study, the conclusions are carefully checked with those of OMB 17-49 to insure the continued validity of the letter. In no case to date has OMB 17-49 been found invalid except as the basic assumption of US-RUSS hostilities prior to 1953 is not universal in its application to all intelligence appreciations. The brevity of OMB 17-49 tends to mislead a casual reader as to adequacy of the paper's scope. The matter of scope was a particular concern in the preparation of OMB 17-49. It was only through a time-consuming and painstaking process of successive condensation of the formidable IAC contributions and initial consolidations that it was possible to achieve in OMB 17-49 that degree of brevity essential to its use for the purposes intended and still to retain the requisite scope and factual basis.

4. Despite confidence in the adequacy of OMB 17-49, particularly as regards current validity and scope, it is recognized that no intelligence production can be the final answer. Consequently, that paper has been subjected to searching, objective analysis over and above the current checks noted above. It has been concluded that pending exhaustive long term study of certain fundamental questions raised by OMB 17-49, revision of the paper is not justified. In the light of this analysis it is considered that the project proposed in the reference, if produced on an urgent basis, would involve an expenditure of effort not consonant with the value to be derived. To the extent that the Department of the Air Force envisages the proposal as a long term program (as opposed to a single project), the Central Intelligence Agency is in general agreement.

5. The analysis of OMB 17-49 referred to above has provided a broad outline of the long range task. That broad outline has served and is serving as this Agency's interim guide to self-initiated staff intelligence projects on the Far East. Furthermore, every requirement for such production imposed on the Agency is also checked against the broad outline and insofar as possible such outside requirements are adjusted to fill some part of the long range requirement. Admittedly, this procedure is of a stop gap nature and fails to solve a basic problem, namely, the disproportionate effort involved in fulfilling outside production requirements. Accordingly, the broad outline of long range production needs on national intelligence concerning the

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Far East, which was developed out of OIR 17-49, has been worked out in detail within the Central Intelligence Agency as the basis for guiding and coordinating the intelligence production efforts of this Agency and the IAC Agencies. This detailed guide has not yet been approved for inter-agency dissemination. However, every effort is being made to expedite release to the IAC Agencies for necessary coordination and adoption at the earliest practicable date.

6. In conclusion, the suggestions advanced in the reference have been welcomed as an indication that upon formalization of the Central Intelligence Agency's impending proposals for a long range production plan, the hearty support of the Directorate of Intelligence, US Air Force, is to be anticipated.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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Assistant Director
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