

9 October 1958

**ORR CONTRIBUTION TO THE SEMI-ANNUAL REPORT
TO THE PRESIDENT'S BOARD OF CONSULTANTS
ON FOREIGN INTELLIGENCE ACTIVITIES**

I. Economic and Geographic Intelligence Production

- A. Economic. Research on the economic aspects of Soviet military technology and supporting scientific activity has continued to receive major emphasis during this period. ORR was the principal contributor on the economic factors affecting operational capabilities in guided missiles and space vehicles for a recent National Intelligence Estimate. A significant contribution was made to a Special National Intelligence Estimate on the strength and composition of the Soviet long-range bomber force. The Office also contributed to an estimate of Soviet nuclear attack capabilities and Soviet air-defense capabilities in 1952 in support of the Net Evaluation Subcommittee of the National Security Council. This contribution included scheduling and costing of these programs and an assessment of their impact on the Soviet economy. Special support was provided for a report to the NSC on the evaluation of the new Soviet "BOUNDER."

ORR is doing the bulk of the research on the economic aspects of the Soviet atomic energy program for a National Intelligence Estimate on this subject. An interim review was conducted of an ORR-sponsored external research project on economic criteria for the establishment of nuclear power plants. It is anticipated that this project will contribute to a better understanding of the economic aspects of the Soviet atomic energy program.

Research is now under way on the production goals and claims of Communist China for its "leap forward" program. Close attention is also being given to recent organizational developments in Communist China, which place emphasis on small-scale industry, local administrative direction of most economic activity, and the organization of Chinese society into communes. These developments are unprecedented in the Sino-Soviet Bloc, and their social, cultural, and economic consequences may be of great significance.

Among the projects on subjects of priority interest completed during the period were: an analysis of the policies, performance, and prospects of Soviet agriculture; the first comprehensive study of the Soviet telecommunications industry; a thorough review of Soviet shipbuilding, including a forecast of future trends and an assessment

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of the economic and military implications of this activity; a study of the Soviet construction industry relating this activity to the slowing rate of increase in industrial production; and a study of the Soviet civil aviation industry and its potential for international expansion.

Research is continuing on such topics of long-range interest as Sino-Soviet Bloc economic activities in underdeveloped countries and the size, growth, and structure of the Bloc economies. A comprehensive set of national accounts for the USSR covering 1950 has been completed, and accounts for the years 1956 and 1957 are under way. These, along with 1955 accounts already completed, will provide a more precise description of growth trends in the Soviet Union. A report on Chinese national income and production for 1952-1957 will be published within the next few months.

In connection with the Taiwan Straits situation, ORR reported on: the status of Soviet deliveries to China; the Chinese POL supply situation; coastal shipping activities; and rail transportation bottlenecks, with particular reference to the Yingtun-Amy Railway.

- B. Geographic. Continued emphasis was given to geographic analyses in support of intelligence on Soviet guided missile and nuclear energy activity. In anticipation of the possible guided missile activity in Communist China, research was also devoted to the identification of possible test and training ranges in that country for various types of missiles. The production of related intelligence on Soviet programs in geodesy, cartography, and gravimetry has moved into a new phase in which a study is also made of the possible use by the Soviets of earth satellites for establishing intercontinental geodetic ties.

Geographic support of the interagency unconventional warfare planning program led to the completion of special feasibility studies covering most of the selected priority areas in the Sino-Soviet Bloc, South Asia, and the Near East. As a further development of this work, a pilot unconventional warfare training study is being prepared for the use of the Army Special Forces at Fort Bragg.

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Reporting of Soviet activities in Antarctica was stepped up in response to new Soviet programs of Antarctic exploration and

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research. Several analyses of the geographic implications of these programs were prepared for planners (including the Operations Coordinating Board--OCB) concerned with U. S. operations in the area.

II. Major Intelligence Gaps

- A. Economic Intelligence. Major gaps continue to exist in information on Soviet Bloc military programs and expenditures. These concern not only the guided missiles programs but also the production of strategic chemicals, electronic equipment, and other items which support these programs and on the production of other military end items. Other important gaps include information on: Sino-Soviet Bloc economic activities which might provide indications of Bloc intentions in such situations as the crisis in the Taiwan Straits; traffic volume and density data by rail system in the USSR, information which would not only provide a measure of economic activity but also give an indication of the supply situation to China and the Soviet Far East; drawings on Bloc credits to underdeveloped countries, needed to assess the current status of the Bloc penetration activity; and details of the 1957 economic reorganization of the USSR.
- B. Geographic Intelligence. A lack of up-to-date large- or medium-scale topographic maps of the Sino-Soviet Bloc continues to be a critical intelligence gap. A significant though limited success was recently achieved in the collection of 1 USSR sheet of a new 1:1,000,000 series published by the Soviet Military Topographic Administration and 20 sheets of the new East German 1:25,000 series.

III. Dissemination and Utilization of OIR Products

- A. Economic Intelligence. As indicated in section I above, OIR has provided the principal contributions to National Intelligence Estimates on the economic aspects of the Soviet guided missile, space vehicle, and atomic energy programs and has made major contributions to National Intelligence Estimates of the strength and composition of the Soviet long-range bomber force. As adviser to the Economic Defense Advisory Committee (EDAC) and the U. S. Delegation to the Paris OGCUM and Consultative Group meetings on strategic trade controls, this Office provided extensive economic intelligence support for recent international negotiations on trade controls. Continued concern over the Soviet economic offensive by such groups as the OCB and the President's Council on Foreign Economic Policy (CFEP) required preparation by OIR of an increasing number of reports on

this subject. The OCB and the CFEP were also consumers of an OPR study which highlights the threat of Soviet competition in international civil aviation.

This Office has played an increasingly important role in preparing material for release to the public revealing the threat of the growing Soviet economy, and the focus and objectives of Soviet economic activities in the underdeveloped areas. This support has included material for speeches by public officials, assistance in the preparation of the State Department White Paper on the Soviet economic offensive, assistance to the Business Advisory Council (BAC) at the Department of Commerce, and the preparation of unclassified material for release by the International Cooperation Administration (ICA).

Direct support of the targeting efforts of the Air Force was continued by providing semi-annual estimates of the production of selected Soviet industrial installations.

Among the more notable appreciations of OPR's economic intelligence activities were commendations from Mr. Elmer Staats, the Executive Officer of the OCB, for intelligence provided on Soviet economic penetration activities; and from Vice Admiral J. H. Sides, Director of WMB, for intelligence provided on Soviet military transportation capabilities.

- B. Geographic Intelligence. Continued geographic intelligence support on Soviet developments in geodesy, gravimetry, and mapping was provided to the OCB and the Air Technical Intelligence Center (ATIC), Wright Patterson Air Force Base.

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As indicated in section I above, OPR is providing: geographic intelligence support to the interagency unconventional warfare planning program; [REDACTED] and support to the OCB on Soviet Antarctic activities.

Letters of appreciation have included commendations from Henry Cabot Lodge, U. S. Representative to the United Nations, for cartographic support for his presentation on an international inspection zone against surprise attack over the Arctic region, and from the Special Adviser on Geography, Department of State, for various maps and geographic reports recently produced in support of the Department.

IV. Guidance to Collectors and Intelligence Collection Activities

- A. Economic Intelligence. [REDACTED]

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[REDACTED] An experienced analyst is participating in a program for interrogating Spanish returnees who might have knowledge of the Soviet guided missile program and of other programs of priority economic intelligence interest. In addition, ORR is maintaining close contact with developments in the U. S. missile program and is acquiring data of considerable value for the collection and analysis of information on Soviet activities in this field.

Action has been initiated to improve [REDACTED] guidance materials through the elimination of low priority targets with concentration on fewer, high-priority requirements. Preparations

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Guidance and assistance is being provided to State Department economic reporting officers in the Soviet Bloc who are having an increasing number of opportunities to contact high-level Soviet economists; and greater attention is being given to requirements for service attaches in the Bloc who are proving to be important sources of information in the fields of guided missiles, construction, communications, and transportation. The availability of Sino-Soviet Bloc publications continues to grow in volume and importance as sources of economic and geographic information. In this connection, ORR has participated in recent meetings designed to strengthen the translation services.

ORR recently introduced an improved, more systematic procedure for preparing requirements to reflect priority gaps in information which are related to Priority National Economic Intelligence Objectives. It is intended that these requirements will provide the basis for EIC coordinated statements of priority needs.

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- B. Geographic Intelligence.** The interagency program for collection of Soviet topographic maps has been expanded to include all Soviet satellites. A representative of the Army Map Service (AMS) has been detailed to work full time with CIA personnel on this effort. Guidance which provides coordinated statements of scale and area priorities for the satellite countries is now under preparation for the use of clandestine collectors.

Recent geographic attache negotiations with mapping organizations in Poland and Yugoslavia are expected to produce a new flow of significant maps and geographic data from these countries.

V. Coordination of Economic Intelligence

ECID 3/1 covering economic intelligence production and coordination was prepared by the EIC and approved by the IAC.

A survey of professional personnel within the U. S. Government engaged in economic research of intelligence significance on Bloc and non-Bloc areas was approved by the EIC. This survey was disseminated to all departments and agencies engaged in economic intelligence research for their information and guidance in planning and organizing their respective research activities and as a reference guide in obtaining desired assistance from other departments and agencies.

Continued attention has been given to EIC studies of Sino-Soviet Bloc economic activities in underdeveloped areas. In addition to wide distribution of these biweekly and semi-annual reports within the U. S. Government, sanitized copies are distributed to the intelligence organi-

creasing amount of unclassified material on this subject is now included in the biweekly reports of the EIC Working Group in response to a request from the OCS. A review and revision of the EIC statements of priority research and collection deficiencies are scheduled in order to tie these statements more closely to the revised Priority National Economic Intelligence Objectives.

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At the request of the Special Assistant to the Secretary of State for Atomic Energy and Disarmament, ORR initiated, coordinated, and completed an interagency report on the problems and feasibility of an inspection program for a possible US-USSR agreement to ban production and deployment of long-range ballistic missiles.

VI. Planning for Wartime Operations

Economic and geographic intelligence personnel participated in the 1958 Operation Alert exercise. An ORR representative has been serving as a member of the General Committee on Mobilization Planning for Economic Warfare and has participated in discussions of the Economic Defense Intelligence Committee concerning the role of the economic defense intelligence community in mobilization planning. Recognizing that one of the principal problems of planning for wartime operations centers on coordinated interagency understanding of possible wartime relationships among agencies with related responsibilities, the Economic Intelligence Committee has established an ad hoc working group to examine the impact of war on the organization and functions of the EIC and to examine problems which might arise in a wartime emergency situation. In addition, plans are being made to initiate bilateral discussions with other agencies to further clarify the possible wartime needs and capabilities of agencies concerned with the fields of both economic and geographic intelligence. These discussions will be undertaken within the framework of directives from the Intelligence Board.