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8 September 1959

TO: Assistant Director for Research and Reports  
FROM: Chief, Economic Research Area  
SUBJECT: Activity Report for the Month of August 1959

Support Activities

Intra-Agency Support

1. During August, about half of ORR support for OCI concerned Soviet economic activities in the free world--Afghanistan, Indonesia, UAR, North Africa, Yemen, Ethiopia, and West Africa. Other subjects of articles prepared in ORR and appearing in OCI media included the EuSats half year economic report, crop prospects in the Sino-Soviet Bloc, new Soviet "closed areas," and modification of the Chinese Agricultural Program.

2. Support for the DCI/DDI--limited by the cancellation of several NSC meetings--consisted of contributions to NSC Briefings on China, Afghanistan, and the Near East-UAR. In addition, notes were prepared for DCI use at a Draper Committee luncheon as was a briefing on Soviet Civil Defense for DCI presentation to the US Governors Conference.

3. Chief, D/I, was detailed to support ONE in its production of certain key estimates now in preparation.

4. I/GM support to ONE on NIE 11-8-59, Soviet Capabilities for Strategic Attack through Mid-1964, continued throughout August. The GMAIC, in accordance with recommendations of the Hyland Panel, has now revised its estimates of probable Soviet ICBM warhead weights and ICBM accuracy. This will require a new set of calculations and findings by ORR as to probable Soviet requirements for ICBMs.

5. Chief, I/GM, briefed the DCI's ad hoc Special Consultant's Panel ("Hyland Panel") on current evidence of Soviet ICBM production and deployment. The briefing was prepared by I/GM and coordinated with AFIC. This Panel was convened to provide an independent assessment of the status of the Soviet ICBM program in conjunction with national estimates now being drafted. A major conclusion of the Panel was that the continued absence of direct evidence of ICBM production and deployment was alarming, and intensification of collection efforts on these aspects of the program should be vigorously pursued with all available collection means.

6. At the request of the Special Assistant to the DD/I (Planning), I/GM prepared a special study related to an important aspect of Soviet ICBM deployment. The study, which required a sizeable allocation of branch effort, was concurred in by other DD/I offices and became the basis for an agreed position in the community on this aspect of the ICBM problem.

7. A special collection guide on Soviet surface-to-air missile systems was prepared at the request of DD/P and OO/C. The guide is intended to project known information on a surface-to-air facility in East Germany into the context of SAM deployment in the USSR. This is one of three guided missile collection guides which are now in St/PB for publication.

8. M/FP reviewed and commented extensively on an NED/OSI draft paper entitled Estimate of Electric Power Supply to Soviet Atomic Energy Plants in the Urals.

9. M/FP prepared comments for the DD/I on published information concerning the feasibility of transporting natural gas from Algeria to Western Europe by pipeline.

Extra-Agency Support

10. USIB Watch Committee support concerned Sino-Soviet Bloc arms and aid to the Middle East and Africa, tower construction in East Germany, current Chinese economic developments and weather, background on supply-line to the Laotian-Vietnam border, increased Soviet military construction, reports of BuSats unrest, missile deployment in East Germany and newly closed Soviet areas.

11. 25X1A9a I/PE, provided information on the Dnepropetrovsk Motor Vehicle Plant to ACSI, and on the production of tractors in the USSR and Communist China to Mrs. 25X1X7

12. M/AG has prepared material for a briefing to be given to Secretary of Agriculture Benson prior to his proposed visit to Poland and the USSR in September.

13. M/NF prepared a report on the current USSR copper situation with specific details on the Degtyarka copper mines in the Urals, for the use of Vice President Nixon in a meeting with 25X1A5a1

14. M/FP prepared a memorandum for the Department of State covering background information on the proposed oil pipeline system from the USSR to four European Satellite countries and Klaypeda on the Baltic.

15. M/FP has prepared material for a briefing on hydroelectric power in the USSR to be given to Senators Murray, Moss, and Gruening prior to their proposed three week visit to the USSR beginning in September.

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17. S/COM intelligence support for the US Delegation to the Administrative Radio Conference in Geneva has been organized and is in smooth operation.

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18. Mrs. [REDACTED] S/TR, provided support to ONI (NZD) on Project OSRAC for NSC on the efficiency of operations of the Soviet and Polish Maritime Fleets.

19. S/TD furnished intelligence support to the Department of Commerce on proposals to export to Bloc destinations technical data related to the production of petrochemical equipment, manufactured gas, high alpha cellulose, spectroscopic and gravimetric equipment, and commercial aircraft.

20. At the request of the American Embassy, S/TD prepared a summary of the role played by a Brussels firm in a 1958 diversion of 1500 tons of Argentine borax.

Research Planning, Program Support, and Special Projects

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21. [REDACTED] I/EE, consulted with [REDACTED] Electronics Defense Laboratory, concerning the status of the EDL contract on the B-200 System. Mr. [REDACTED] indicated that the project is proceeding on schedule and should be completed in the Spring of 1960.

22. Meetings were held with NSA to discuss and coordinate that Agency's reply to a long outstanding requirement initiated by [REDACTED]. Despite NSA's view that it has placed a maximum effort on the requirement, it appears that an additional 3-6 months will be required before a formal reply will be ready. 25X1D1a

23. Discussions were held between members of I/GM and S/TR and [REDACTED]

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The discussions concerned Soviet rail transport capabilities, rail mobility for ICBM systems, and the logistic and operational problems related thereto.

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24. [REDACTED] continued without serious problems. The number of new sources is decreasing with the approach of fall, but the number of reports received is increasing. A highlight was the sighting of a possible ICBM training area in the vicinity of Dzhusaly. This is being checked and further efforts are being made to verify the sighting, [REDACTED]

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[REDACTED] An evaluation of the [REDACTED] program is scheduled by OO/C for late September. It is expected that complete statistics and evaluation will be available shortly thereafter.

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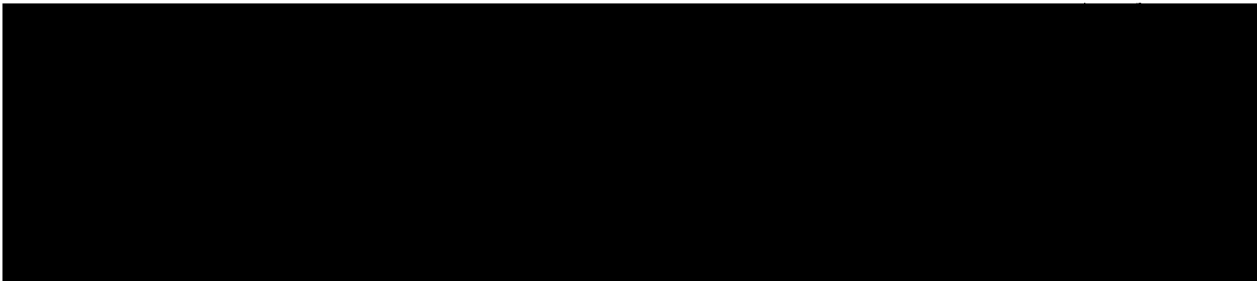
25. [REDACTED] was requested by M/FP to investigate possibilities for placing an external research project on energy consumption in the European Satellites.

Exchange Program

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26. [REDACTED] I/EE) provided support to the Exchange Committee in preparation for an exchange with the USSR on machine tools.

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29. Messrs. [REDACTED] M/AG, participated in the briefing of the US Soil Salinity Delegation at the Department of Agriculture.

30. Messrs. [REDACTED] M/AG, participated in the briefing of the US Animal Husbandry Delegation at the Department of Agriculture.

Commendations

31. An NIS Certificate of Commendation was awarded to Deputy Chief, D/I, for his creative leadership in the production of sections in the economic chapters of the NIS's on the countries of the Sino-Soviet Bloc.

32. [REDACTED] I/MS, was commended for excellence in production of Section 64 (Manufacturing and Construction) of NIS 13A, East Germany. This is the first NIS Section 64 contribution prepared by the ERA which has received a Category I qualitative rating.

33. Mr. Wesley D. Hamilton, Chairman of the United States Delegation to the ECE Steel Committee in his report to the Secretary of State noted that he was "extremely impressed with the earnestness, sincerity and intelligence of Mr. [REDACTED].."

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Miscellaneous

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34. Messrs. [REDACTED] I/PE, participated in the ORR panel discussion on the Soviet economy at the US Strategic Intelligence School.

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35. Mr. [redacted] Chief, D/A, held discussions with Mr. [redacted] 25X1A9a  
25X1A9a [redacted] in anticipation of Mr. [redacted] trip to the Soviet Union. 25X1A9a  
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36. Messrs. [redacted] of D/A and Mr. [redacted] D/S, 25X1A9a  
held discussions with Mr. [redacted] Topic under 25X1A5a1  
discussion was future Soviet Economic policy. 25X1A9a



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St/PR/RR:DPG [redacted]:jt/4017 (8 Sep 59)

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