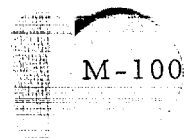


TAB



State - Crawford (4)
Bobb
Jones
ER-M-100

DIA -



25X1A9a

Navy - Robinson
Sailberg

NSA -



25X9A8

OSD - Van Sant

AID
Aq
Com

FRB
Treasury

Control No. 2149
EIC-M-100
10 July 1963

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building

1000 hours, 10 July 1963

PRESENT:

- Dr. Otto E. Guthe, CIA, Chairman
- 25X1A9a [redacted] CIA, Vice Chairman
- 25X1A9a Gordon Donald, Jr., Department of State
- 25X1A9a [redacted] Defense Intelligence Agency
- 25X9A8 Lawrence E. Brice, Department of the Navy
- [redacted] National Security Agency
- Dr. Edward R. Van Sant, Office of the Assistant Secretary of Defense,
International Security Affairs
- 25X1A9a [redacted] CIA
- [redacted] CIA, Executive Secretary

INTRODUCTIONS:

The Chairman introduced Gordon Donald, Jr., who was representing the Department of State in the absence of the regular EIC member.

ANNOUNCEMENTS:

Membership

25X1A9a The Chairman announced that the EIC had approved, by interim
 action on 10 June 1963, the CIA nomination of [redacted], as 25X1A9a
 Chairman of the EIC Subcommittee on Minerals and Metals vice [redacted] 25X1A9a

* Present for part of meeting.

GROUP 1
Excluded from automatic
classification

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The Chairman reported that the Department of the Navy had nominated Ivar D. Soelberg of the Scientific and Technical Intelligence Center to serve as Chairman of the EIC Subcommittee on Shipbuilding vice Captain Charles A. Stay, retired. No objections were voiced to the approval of Mr. Soelberg as Chairman and this nomination was considered approved as of 10 July 1963.

The Chairman noted that the Subcommittee on Agriculture in its Annual Report to the EIC recommended that, because of the importance of weather to agriculture and food production, representation from the Office of Climatology, US Weather Bureau, Department of Commerce would be beneficial. Members concurred in the Subcommittee's recommendation and the Chairman will extend a formal invitation to the Department of Commerce to participate in the work of this Subcommittee if they so desire.

The Chairman mentioned that the Secretariat is preparing a revised Directory of EIC Personnel and asked members to report any changes promptly so that the Directory can be kept current.

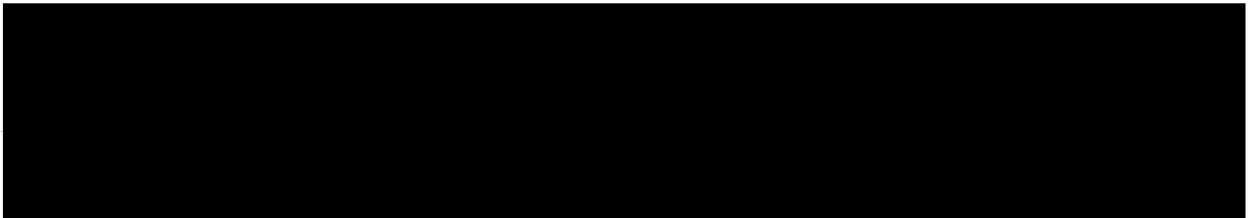
Review of External Research Project

The Chairman noted that the Defense Intelligence Agency submitted to the EIC for review a proposed military-economic external research project on "Weapon System Costing and Producibility Studies." The Subcommittee on General Economic Analysis is reviewing this project and will submit its recommendation to the Secretariat shortly.

Annual Report to the USIB of the EIC, Fiscal Year 1963

The Chairman noted that the majority of the Subcommittee Annual Reports to the EIC have been received. He stated that a draft annual report for forwarding to USIB would be prepared well in advance of the next meeting for Committee review.

25X1X7



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and that the EIC Subcommittee on Electronics and Telecommunications was preparing several papers to be presented at the Conference. The Chairman reported that he had communicated with EIC Representatives of the Department of the Navy, DIA, and NSA suggesting that among the representatives that these organizations select for attending the Conference they might wish to include individuals closely associated with the work of the Subcommittee. The representatives stated they would report to the Chairman on action taken in this regard.

25X1X7

[REDACTED]

The Chairman reported that he had received concurrence from Rear Admiral Taylor, Director of Naval Intelligence, for following procedures of previous conferences jointly sponsored by the ONI and the CIA and hosted by the Subcommittee on Shipbuilding.

25X1X7

25X1X

Semiannual Reporting on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas"

The Chairman reported that the Working Group had commented on the outline and production schedule for the forthcoming semiannual report and that there was general agreement that, in view of the data problem and other pressures, there would be a month's delay in the issuance and that the report is now scheduled for publication in early September.

The Chairman stated that interim discussions were to be held regarding whether or not there should be an abbreviated version issued in January. He said that he had requested that the Working Group draw up a definitive proposal of content and general format for EIC consideration in order that the Committee can reach a decision whether to continue the publication as it is or to accept the proposal defining an abbreviated version. He stated that efforts were being made to mechanize production of the tables of credits and grants to underdeveloped countries and that he hoped to have sample print-outs for presentation at the August meeting.

APPROVAL OF MINUTES:

The minutes of the EIC meeting of 15 May 1963 (EIC-M-99) were approved.

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REVIEW OF EIC-R16-S4, "A SUMMARY OF THE INTERNATIONAL TRADE AND TRANSPORT OF COMMUNIST CHINA, 1962":

The report, prepared by the two responsible Subcommittees, was reviewed and some modifications and changes were proposed and accepted. The Committee then approved the report for issuance. /Prior to publication, new information permitted a revision in the 1962 figures for Sino-Soviet trade. This was coordinated in State-CIA discussions and by telephone with other members of the EIC. [REDACTED]

25X1X7

The Department of State representative inquired as to the feasibility of issuing a brief addendum to the report after receipt of the official Soviet trade statistics. The Committee agreed that if there were any significant changes, revisions would be discussed with the Department of State, and a brief addendum (tabular data and explanatory text) would be issued and circulated to recipients of the original report.

FUTURE REPORTING ON THE EIC-R16 SERIES:

The Chairman recalled that at the last meeting the Navy representative agreed to report on the acceptability of alternate methods of reporting on the transportation section of the EIC-R16 series, and read a communication from CDR. Robertson noting the Navy's dissent and recommending that EIC members be requested to state their positions on continued production of the transportation section of the report. Comments were invited and discussion followed.

The OSD and DIA representatives stated that they find the combined analysis of both trade and transport very useful and would favor having the R16 series continued in its present form. The Chairman suggested that ONI might wish to publish annually the detailed information on Chinese shipping as departmental intelligence and that the major changes and trends could be submitted as a much less detailed contribution to the EIC trade report.

The Navy representative stated that ONI is prepared to give consideration to specific proposals for reducing the amount of detail in the transport section.

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The Vice Chairman questioned whether policy-makers or the intelligence community at large do, in fact, now have need for an agreed detailed analysis of China's shipping since China currently has no significant problems in obtaining shipping services. If China's transport situation should again become a significant problem to our Government, it could be covered in the R 16 series to the extent warranted.

It was proposed that since ONI and CIA are the major contributors to the transport section of the report, an indication of the research time invested in its production would be helpful in determining whether the expenditure of man-hours is out of proportion to the value of the product as an agreed EIC report.

The Navy representative agreed to explore the possibility of reducing the amount of detailed reporting and that consideration should be given to the question of policy justification for inclusion of the detailed tables and text in the EIC report.

The Chairman suggested that discussion on this subject be continued at the next meeting.

-25X1A9a
Executive Secretary

SECRETARY'S NOTES:

EIC members approved, by telephone interim action on the date indicated, release of the following documents:

On 4 June 1963, the sanitized version of EIC-R14-S14, Sino-Soviet Bloc Economic Activities in Underdeveloped Areas, 1 July - 30 December 1962, for use by Ambassador Timberlake in discussions with foreign officials of France and Italy.

On 19 June 1963, an article on Bloc Assistance to Neutralist and Pro-Communist Forces in Laos in the EIC Biweekly Working Group Report (EIC-WGR-1/158, 26 February 1962) to the Research Analysis Corp., Bethesda, Maryland, through the Department of the Army.