

JC Review

Control No. 3782
EIC-M-112
11 January 1966

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ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building
1015 hours, 11 January 1966

PRESENT:

25X1A9a [REDACTED] CIA, Chairman
Mr. Morris H. Crawford, Department of State
25X1A9a [REDACTED] Defense Intelligence Agency
Mr. William C. Andrews, Department of the Army
CDR. James G. Brady, Department of the Navy
Dr. Robert A. Kilmarx, Department of the Air Force
25X1A [REDACTED] National Security Agency
Mr. Jerome Forrest, Agency for International Development
Mr. Ernest Rubin, Department of Commerce
25X1A [REDACTED] CIA, Executive Secretary

ANNOUNCEMENTS:

The Chairman made the following announcements:

Effective 17 January 1966, Mr. R. J. Smith will become Deputy Director for Intelligence in CIA vice Dr. Ray S. Cline, who has been appointed Special Assistant to the Director of Central Intelligence.

Noted that the report on "The International Trade and Transport of Communist China, 1964" (EIC-R16-S6) would be disseminated during the week.

Noted that the Department of Agriculture had designated Dr. Quentin West and Mr. Joseph W. Willett as member and alternate, respectively, on the Economic Intelligence Committee vice Dr. Wilhelm Anderson and Dr. Lazar Volin, who recently retired.

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Noted that no objections or further nominations had been received and that the DIA nomination of Col. Clarence P. Ehrhardt as Chairman of the EIC Subcommittee on Transportation was considered approved as of 11 January 1966.

Noted that he had been advised by the Department of the Navy that Mr. Ivar D. Soelberg, who had served as Chairman of the EIC Subcommittee on Shipbuilding, had retired from Federal service and that the Department of the Navy had no suitable qualified candidate to propose for Chairman of the Subcommittee on a permanent basis. The Chairman, EIC, will take some action on this matter shortly.

✓ Reported on EIC actions taken in regard to Subcommittee structure.

Mr. Lay, Executive Secretary, USIB, was advised by memorandum of 22 December 1965, that the first action by the EIC resulting from the review of its subcommittee structure was the abolition of five subcommittees (Chemicals, Economic Defense, Electric Power & Solid Fuels, Industrial Machinery & Equipment, and Minerals & Metals). The Chairman reported that Mr. Lay also would like to be informed for "noting" by USIB, of the results of the review when completed.

Information copies of the instruction to the Subcommittees on Agriculture, Petroleum, and Population & Manpower to hold a formal meeting to assess their over-all value have been forwarded to members and participating associate members. The three subcommittees have been instructed to make a full report with recommendations to the EIC not later than 15 April 1966.

The Chairman read a letter of appreciation to the Committee from Dr. Guthe, who retired on 30 December 1965.

APPROVAL OF MINUTES:

The minutes of the EIC meeting of 9 December 1965 (EIC-M-111) were approved.

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REVIEW OF EIC SUBCOMMITTEE STRUCTURE:

State Department Proposal for Subcommittee

The Chairman reported that members had submitted comments on the subcommittee structure and reviewed the Navy member's views, which had been circulated prior to the meeting, with regard to the State Department proposal for establishing a subcommittee on current developments in Communist countries.

The State member reviewed his proposal and stated that he envisaged an interpretive group for the mutual exchange of ideas on topics of interest as an intermediate step in developments between current reporting and long range analysis. He thought that the group would not necessarily meet on a regular basis but would be called together by group officers when it was thought there was a suitable topic for discussion. He suggested that topics such as economic reforms in the Soviet Union, agricultural difficulties (Soviets buying grain in the West), announcement of the Soviet budget, and Sino-Soviet economic-military relations might have been typical for such a group discussion. He stated that there probably would be security clearance problems that could be resolved as the group was organized.

It was the consensus of members that group discussion for the mutual exchange of ideas had merit although some members felt these discussions could be carried on within an existing subcommittee rather than setting up a new subcommittee. Members agreed that a summary of the group discussions would be circulated for information.

The Chairman indicated that after a terms of reference has been agreed to the EIC might undertake the proposal on a trial basis. The State member reported that he would draft a terms of reference and a tentative list of member agencies for members review.

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NSA [REDACTED] comments on future structure and activity of the EIC were circulated and the Air Force member presented comments on EIC terms of reference, structure, procedures, and functions and a proposed terms of reference for tasking a subcommittee to monitor the uses of economic intelligence in military planning.

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Considerable discussion followed on these comments and on the role and mission of the Committee itself and how the Committee could improve guidance to its subcommittees.

It was agreed that the Chairman would draw together a paper presenting the views expressed by members and circulate it for discussion at a future meeting.

REPORT OF RESPONSES TO THE BIWEEKLY CONSUMER QUESTIONNAIRE:

The Chairman reported that the working group had reviewed the results of the Biweekly consumer questionnaire and that the results showed that the report as presently constituted meets the needs of the recipients. Some recommended editorial changes will be adopted, e. g., the Summary of Events will be incorporated into the Table of Contents.

DATA ON MILITARY "HARDWARE" IN EIC-R14 SERIES:

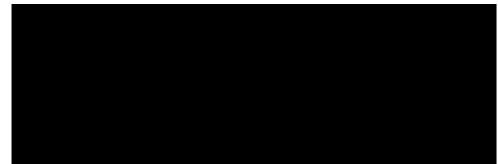
The DIA member reported that over the years, CIA and DIA have been compromising on the military "hardware" figures contained in the statistical tables in the EIC-R14 series and that in some cases there is a considerable difference in the figures used by CIA, DIA, and those published in the R14 series. The Chairman replied that the differences should now be resolved by later reporting. The DIA member asked that this problem be examined and expressed his view that the DIA figures should be used unless they could be disproved.

The Chairman stated that he would look into this problem with a view to its solution.

DATE OF NEXT MEETING:

The next regularly scheduled meeting will be held on 8 February 1966 for discussion of the annual report on "Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World" (EIC-R14-S20).

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Executive Secretary

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