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IAC-M-2

26 October 1950

INTELLIGENCE ADVISORY COMMITTEE

Minutes of Meeting held in Director's
Conference Room, Administration Building
Central Intelligence Agency, on 26 October 1950

Director of Central Intelligence
Lieutenant General Walter Bedell Smith
Presiding

MEMBERS PRESENT

Mr. W. Park Armstrong, Jr., Special Assistant, Intelligence,
Department of State
Major General A. R. Bolling, Assistant Chief of Staff, G-2,
Department of the Army
Rear Admiral Felix L. Johnson, Director of Naval
Intelligence
Major General Charles P. Cabell, Director of Intelligence,
Headquarters, United States Air Force
Brigadier General Vernon E. Megee, Deputy Director for
Intelligence, The Joint Staff
Mr. Victor P. Keay, acting for Assistant to the Director,
Federal Bureau of Investigation

ALSO PRESENT

Mr. William H. Jackson, Central Intelligence Agency
Mr. Ludwell L. Montague, Central Intelligence Agency
Mr. Allan Evans, Department of State
Brigadier General John Weckerling, Department of the Army
Colonel Hamilton H. Howze, Department of the Army
Mr. Evan T. Sage, Department of the Army
Captain John M. Ocker, USN, Department of the Navy
Captain Ray E. Malpass, USN, Department of the Navy
Colonel Edward H. Porter, Department of the Air Force
Lieutenant Colonel J. C. Marchant, Department of the
Air Force
Captain R. G. McCool, USN, The Joint Staff

Acting Secretary
Mr. James Q. Reber
Central Intelligence Agency

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Approval of Minutes

1. Action: The minutes of the meeting of 20 October 1950 (IAC-M-1) were approved.

National Estimates Priorities

2. Action: Agreed that the priorities for the production of national estimates should be as follows:

a. Philippines (Deadline for IAC consideration 2 November - Terms of reference to be worked out by the experts.)

(Dec)
released in EO review
NIE 1? (2 Nov 50)

b. Indo-China (Deadline for progress report 2 November. Terms of reference for this estimate is the Air Force proposal - see paragraph 5 below - with latitude to the working group for modification as study goes forward taking into account suggestions in the terms of reference submitted by the other agencies.)

(Dec/SAN)
released in EO Review
NIE 3? (29 Dec 50)

c. USSR Capabilities and Intentions (This is an editorial job which it is believed need not complicate production of other urgent estimates.)

title released in
FRUS/Montagu
NIE 5? (15 Nov 50)

d. Germany, including specific treatment of Berlin and the possibility of a reimposition of the blockade (Frame of reference for this estimate is Tab B of the G-2 paper distributed at the meeting as revised - see paragraph 6 below.)

(SAN) x.
released in EO Review
NIE 11? (27 Dec 50)

e. Chinese Communist's Capabilities and Intentions

(DEC)
released in EO review
NIE 10? (17 Jan 51)
Communist China.

f. Yugoslavia — no record of release
NIE 7? (21 Nov 50)

g. Iran (To be pursued concurrently with Yugoslavia with emphasis on the latter.)

h. Greece

i. Turkey

released in EO Review (DEC)
NIE 9? (26 Feb 51)

j. India

released in EO Review (DEC)
NIE 28? (9 Sep 51)

* does not on
listing

Correct
NIE 32 (18 Jan 51)
(26 Jan 51)
(23 Oct 50)
(10 Dec 50)

NIE 42 (20 Nov 51) Albania, Greece, Yugoslavia

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k. Soviet and Satellite Intentions and Capabilities with respect to Austria

3. Discussion: The member agencies laid on the table their papers indicating the estimates and the order of priority required. In some instances there were submitted the terms of reference for particular estimates. These contributions formed the basis for the discussion which culminated in the agreement set forth in the foregoing paragraph. In this discussion the following points were brought out:

a. With respect to the Philippines, it was indicated that the probability of Huk action in three provinces on 7 November (Red Day) required an estimate for the policy-makers even though the situation may not be serious. It is required to estimate the effects of this probable action on U. S. and Philippine interests.

b. The Indo-China discussion centered on whether it was more appropriate to begin with an overall estimate of the Far East including the Indian sub-continent or with an estimate on Indo-China and perhaps other countries culminating in an overall Far Eastern estimate. It was felt that the latter approach was necessary by virtue of the emergency now existing in Indo-China.

c. In connection with the estimate on Germany, it was noted that the NSC Senior Staff, the JCS and the Secretary of State have indicated their interest in an estimate on the Berlin situation and the possible re-institution of the blockade. It was the consensus of the group that the Berlin situation could be best estimated within the context of Russian intentions vis-a-vis Germany as a whole, this to be set forth in the most useful editorial arrangement.

d. Communist Capabilities and Intentions were discussed at length. It was pointed out that the intelligence agencies could not accept the assumption that the Chinese Communists would have no intentions or capabilities other than those determined for them by the Russians. On the possibility that a modus vivendi, however informal, might be developed by the U. S. with the Chinese Communists, perhaps after the pattern of Yugoslavia, it was believed imperative to explore the Chinese intentions and capabilities. It was recognized that

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no record
this was a companion piece with the National Estimate on USSR Intentions and Capabilities, but that since the latter could be prepared with editorial treatment immediately, and the former would require more work, the two could not be submitted simultaneously. It was believed that the papers, ABI-14 and ORE 49-50, might be useful as a starting point in this work.

4. The question was raised whether the scheduling of national estimates would be confined to geographic areas. It was indicated that this was not the case, but that the immediate requirement was to look at those areas where the Communists might strike next. Suggestions were made that as the national intelligence plan develops we will have to look at other subjects such as the prospects (in terms of industrial manpower capabilities) of a U. N. Armed Force, the consideration of NATO countries capabilities, the vulnerability of key areas in the world of vital interest to us, the capabilities of our friends and in some cases their internal affairs, morale, et cetera.

National Estimate on Indo-China - Terms of Reference

5. Action: Agreed that the experts should be guided by the following terms of reference:

To estimate:

- a. The strategic importance of Indo-China to the Western world and to the USSR, and the effects of its retention or loss by the West.
- b. The scale and nature of possible USSR-Chinese Communist action.
- c. The probability of successful resistance to Communist action by Indo-China under the present scale of assistance.
- d. The courses of action with respect to Indo-China open to the Western world and to the USSR.
- e. The probability of success of the several courses of action.
- f. The effects, both short term and long term, of the several courses of action, including world reaction to each.

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(This should be construed to include the effect in Indo-China of Communist domination on other countries of South East Asia.)

National Estimate on Germany - Terms of Reference

6. Action: Agreed that the following terms of reference should guide the experts in production of national estimate on Germany:

a. Statement of the Problem

To estimate Communist probable courses of action with respect to Germany with particular reference to the extent the Soviets may risk involvement in war to prevent the execution of U. S. and NATO plans for Germany and specifically the possibilities of the reimposition of the Berlin blockade.

b. Assumptions

(1) That there will be no single German peace treaty with USSR and Western Allies.

(2) That there will be a unified Western Allied policy towards Germany.

(3) The USSR will vigorously prosecute her plan to communize all of Germany.

(4) That the U. S. will continue vigorous support of NATO and MDAP plans at approximately present scheduled levels.

(5) That enthusiasm of European countries for rearmament will

(a) Slowly but steadily increase, or

(b) Remain as at present.

Procedure on Production of National Estimates

7. Action: The member agencies will submit to Mr. Montague

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the names of those designated to work on specific estimates. This procedure should be followed pending future organization of an estimates office in CIA.

8. Discussion:

a. There was some discussion of the number of estimates which each agency would be capable of handling simultaneously. It appeared that all members could handle three or four and State and CIA probably more. General Smith noted that insofar as demands for estimates exceeded the resources of any member, it would be necessary to push ahead with the understanding that those agencies lacking staff would be cut in on the drafts before action was taken.

b. There was a consensus indicating that the experts should be allowed some latitude in working out necessary changes in IAC terms of reference for an estimate. In the event of serious disagreement among the agencies on this matter, recourse would have to be to the IAC itself. Mention was also made of the danger in establishing assumptions in the terms of reference which in themselves require an estimate or should be a part of an estimate. This note which was brought out in the discussion of the Indo-China estimate nonetheless has general applicability.

c. The possible conflict between the NSC Senior Staff requests for estimates and the IAC views on what are the most important estimates required was discussed. General Smith indicated that, after consultation with the IAC on such a conflict, he would seek to resolve the matter with the NSC Senior Staff. Current requests of the NSC Staff are Iran, Greece, Turkey. These as indicated in paragraph 2 above, are of lower priority than others. *skt*

Future Meetings

9. Action: Agreed:

a. That regular meetings would be held at 1330 each Thursday and on call when necessary.

b. That a standing agenda item would be the review of the existing priorities to examine additions or readjustments.

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c. That the agenda for the meeting on 2 November would be as follows:

(1) Review of estimate priorities list as set forth in paragraph 2.

(2) Consideration of the national estimate on the Philippines.

(3) Progress report on preparation of a national estimate on Indo-China.

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