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Approved For Release 2003/04/18 : CIA-RDP80R01731R001400040008-9

Noted by DCI
1 MAY 1952

25X1

MEMORANDUM TO: Director of Central Intelligence

THROUGH : Deputy Director for Intelligence

SUBJECT : CIA Participation in the Intelligence Working Group of the Economic Defense Advisory Committee

I. PROBLEM

To provide for CIA participation in the Intelligence Working Group of the Economic Defense Advisory Committee.

II. DISCUSSION

CIA participation in an Intelligence Working Group has been requested by the Director for Mutual Security (Tab A) and the Secretary of State (Tab B).

A deficiency which has become increasingly apparent in the field of economic warfare is the lack of evaluated and processed intelligence which is sufficiently timely to meet the operating as well as the policy requirements of the security control programs. Mr. Harriman has indicated that this deficiency is particularly acute with regard to: (a) the effects of our control program on the Soviet Bloc, and (b) efforts and measures made by the Bloc to evade controls.

If intelligence is to be effective for this purpose there must be a close relationship between the intelligence studies for economic defense, policy decisions and action programs on the one hand and efforts in the field to procure related intelligence information on the other. In addition, there must be close coordination in Washington among the agencies best able to provide information on the various subjects for which intelligence is needed.

In order to provide for such coordination and to attain a concentration of effort in the intelligence field which corresponds roughly with the priority requirements of the economic defense program -- as outlined in Public Law 213 and NSC 104/2 -- the Administrator of the Mutual Defense Assistance Control Act and the State Department propose to set up an Intelligence Working Group. The participation of CIA in such a group and its assumption of the chairmanship seem to be clearly consonant with the responsibilities imposed on it by NSCID 15.

III. CONCLUSION

The proposed Intelligence Working Group would facilitate the direction of intelligence collection and the prompt review and correlation of economic intelligence in support of the administration of the Battle Act (Public Law 213) and the measures outlined in NSC 104/2.

IV. ACTION RECOMMENDED

It is recommended that the DCI sign the attached letter to the Director for Mutual Security ~~(Tab C)~~.

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ROBERT AMORY, JR.
Assistant Director
Research and Reports

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TAB
A

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Executive Registry
2-8448

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE DIRECTOR FOR MUTUAL SECURITY
WASHINGTON 25, D. C.

64507

April 23, 1952

NOTED IN DCI LOG

General Walter B. Smith, Director
Central Intelligence Agency
Washington 25, D. C.

Dear General Smith:

In carrying out my responsibilities under the Mutual Defense Assistance Control Act of 1951 (Public Law 213, 82nd Congress) I have become increasingly aware of the very real need for additional and more timely economic intelligence. This problem has been discussed with representatives of the Department of State who have expressed the same need in connection with the other aspects of the economic defense program which the Department is charged with coordinating. The Secretary of State is writing you separately to endorse the proposal made below.

The need for fully processed, evaluated, and timely intelligence information referred to above is particularly acute in regard to two general aspects: the effects of our control program on the Soviet bloc, and efforts and measures made to evade controls. We have been unable to keep sufficiently abreast of these developments.

It is noted that the National Security Act, generally, and the NSC Intelligence Directive No. 15 of 1951, specifically, provide for the collection, analysis, and dissemination of intelligence information in the economic field and further provide that the Central Intelligence Agency shall coordinate this effort and make such intelligence available as necessary. It is recognized that this effort has been pursued to a certain extent in the past, but the new requirements of the program seem to call for an intensification of this activity.

Accordingly, it is important that suitable provisions be made for furnishing full intelligence support on a continuing basis to the appropriate elements of the Economic Defense structure. It is proposed that a Working Group be set up within the EDAC structure in order to develop closer continuous relationship among the operational, policy formulation, and intelligence-research elements. This Working Group would be chaired by CIA, and the following membership would appear desirable: State (DFI & EDS), Defense (OSD, ONI,

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G-2, DI-USAF), ODMS, Commerce (OIT). In any event, the number of participants should be closely limited. The details of the terms of reference for this group would be formulated by staff representatives of the agencies concerned, subject to appropriate clearance. It is felt that this arrangement will provide a means whereby intelligence which is being collected can be more adequately processed, evaluated, and analyzed and more effectively used in support of specific policy and action programs related to this complex and ever-changing security problem.

In accordance with the understanding reached between my office and the Department of State, necessary arrangments will be undertaken by my office in conjunction with you to request the agencies named above to designate their representatives on the proposed Working Group. You may be assured of our complete cooperation in establishing a working framework for this very important activity.

Sincerely,

W. A. Harriman

W. A. Harriman
Director
For Mutual Security

APR 28 1952
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TAB
B

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SC says Acheson expected to sign

General Walter B. Smith, Director
Central Intelligence Agency
Washington 25, D. C.

Dear General Smith:

The purpose of this letter is to endorse a proposal which I understand Mr. Harriman is making to you today for the creation of a Working Group, under the chairmanship of the Central Intelligence Agency, within the Economic Defense Advisory Committee structure. The Group would be charged with furnishing full intelligence support on a continuing basis to agencies concerned with economic defense problems.

As you know, the President has directed the Secretary of State to coordinate activities in the economic defense field other than those conducted by the Director of Mutual Security pursuant to Public Law 213. In discharging this responsibility, the Director of Mutual Security and the Secretary of State by agreement operate through the structure of the Economic Defense Committee. Accordingly, the proposed Working Group appears to be a very desirable arrangement for providing the Department with the intelligence support which is necessary for its activities.

Sincerely yours,

Dean G. Acheson

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Registry
2-9509

April 25, 1952

TAB D

SECRET - SECURITY INFORMATION

Dear General Smith:

I endorse the proposal which Mr. Harriman is making to you today for the creation of a Working Group, under the chairmanship of the Central Intelligence Agency, within the Economic Defense Advisory Committee structure. The Group would be charged with furnishing full intelligence support on a continuing basis to agencies concerned with economic defense problems.

The President has directed the Secretary of State to coordinate activities in the economic defense field other than those conducted by the Director of Mutual Security pursuant to Public Law 213. In discharging this responsibility, the Director of Mutual Security and the Secretary of State by agreement operate through the structure of the Economic Defense Advisory Committee. Accordingly, the proposed Working Group appears to be a desirable arrangement for providing the Department with the intelligence support which is necessary for its activities.

Sincerely yours,

DAVID BRUCE

General Walter B. Smith,
Director,
Central Intelligence Agency.

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Orig - State File

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MEMORANDUM FOR: Security Information GENERAL SMITH

Concur in this recommendation.

A letter from Under Secretary Bruce of State, joining in Mr. Harriman's request is attached, Tab "D".

Noted by DCI
2 May 52 - DR

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Send CC to Sec. Bruce
Done.
DR
2 May 52.

2 May 1952
(DATE)

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Security Information

FORM NO. 10-101 JAN 1952 (47)

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