



## OFFICE OF THE HISTORIAN

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### 217. Memorandum From the Assistant Director of the Office of Research and Reports, Central Intelligence Agency (Guthe) to the Assistant to the Deputy Director for Intelligence (Planning), Central Intelligence Agency<sup>1</sup>

Washington, May 13, 1955.

#### SUBJECT

Sovmat<sup>2</sup> Program

#### REFERENCE

Memorandum from Assistant to DD/I (Planning) to AD/RR, dated 20 April 1955, same subject<sup>3</sup>

1. The collection and exploitation of Soviet Bloc materials has long been considered by this Office to be a potential source of valuable, positive, economic intelligence information. The potential of this source has also been recognized by the ORR [Office of Research and Reports]<sup>4</sup> Panel of Economic Consultants in at least two of their annual reports. Economic intelligence information to be derived in this fashion could either be confirmatory or could provide economic information unobtainable from other sources.
2. The development of the Sovmat Program has not been, for the most part, as was initially anticipated. While collection of the majority of Sovmat type items is a matter of opportunity and consequently can be geared only to a long range research program, this Office has not been completely satisfied with respect to the length of time involved, the cost and the responsiveness of exploitation reports for these items. The answers to the specific questions raised in the referenced memorandum reflect the nature of our dissatisfaction.
3. The research programs of this Office require information such as that sought through the Sovmat Program. Because of the many disappointing results from the Sovmat Program, serious consideration is being given to other sources which while lacking the same potential, can provide somewhat similar information on the same items which would be more timely and responsive to our requirements. This would also effect a considerable savings of money for what appears to be unjustifiable expense for exploitation.
4. The following comments concerning the Sovmat Program are submitted in response to the specific questions raised in the referenced memorandum:
  - a) Do you consider the time between levying the requirements and receipt of report of exploitation excessive?

[Answer]<sup>5</sup> It has been the experience of this Office that economic exploitation requirements are usually fulfilled by the following general categories of exploitation facilities:

[Heading and 1 paragraph (10 lines) not declassified]

#### 2) Exploitation Facilities of the Armed Services

The Sovmat Staff has direct contact with the separate Services through their representation to the Joint Technical Intelligence Subcommittee (JTIS). After serving our exploitation requirements on the Services, the Sovmat Staff has indicated by memoranda to this Office that they have no further responsibility for the requirements and that the Office of Collection and Dissemination is the proper channel for obtaining exploitation reports. The exploitation reports prepared by the Services are not published in the Sovmat "OO-T" series, but follow their own format. A check of some of these reports which have been received by this Office indicates that the time between receipt of the item by the Services and receipt of the published exploitation report will vary between one and two years.

Recently, a JTIS publication identified all exploitation reports prepared by the various Services and CIA. According to this publication, the exploitation reports vary in their degree of availability and are not all disseminated. There is not sufficient description of the reports listed in this publication to indicate whether the exploitation requested by this Office has been accomplished.

An inquiry was made of Liaison Division/DCD [Domestic Contact Division, DDP]<sup>6</sup> to ascertain the method by which exploitation reports were acquired from the Services in response to our requirements. It was discovered that DCD has no record of the requirements which are served on the Services by Sovmat Staff and has no follow-up instruction from the Sovmat Staff. Hence, no reports will be received in direct response to our requirements and we will receive only such reports as will be disseminated by the Services.

A specific document request was made through Liaison Division, OOD for an exploitation report on Soviet ammunition, which was [Page 645] described as a "Preliminary Report" by the Ordnance Corps and was never disseminated nor was it listed in the JTIS publication. We discovered that the report contained [2 lines not declassified]. Such information was of considerable value to this Office. A similar situation was discovered in requesting a non-disseminated report from another Service with respect to Soviet ball bearings.

Under these circumstances, the time interval between levying requirements and the receipt of exploitation reports is certainly excessive and there is no certainty that an exploitation report will be received, or if exploitation is accomplished, that it will include our requirements.

### 3) *Exploitation Facilities of Non-Military Government Agencies*

This Office does not consider the time interval between levying requirements and receipt of exploitation reports to be excessive where the exploitation is accomplished by non-military government agencies.

#### b. Do you consider that the best and most economical means are used for exploitation of Sovmat materials?

The Sovmat Staff notifies this Office of the cost of exploitation only in those instances where in their judgment there is an unusual charge or where they feel that additional justification, other than the requirement, is warranted. This Office has, therefore, no knowledge of the exploitation cost of a great majority of the exploitation accomplished in response to our requirements.

In most instances where this Office has been made aware of the exploitation cost, it does appear that there is excessive cost for the exploitation contemplated in a number of our requirements and the best and most economical means are not always used for exploitation. It is felt that greater reliance should be placed on this Office by the Sovmat Staff for substantive guidance, interpretation of our requirements, and suggestions for exploiting facilities and companies with a view toward minimizing the cost of exploitation.

[1 paragraph (16 lines) not declassified]

There are additional instances which have tended to create the impression in this Office that the cost of exploitation is excessive. As for example, where we had requested that an exploiting facility prepare a brief evaluation of a Sovmat item, the exploitation report forwarded by the Sovmat Staff for evaluation by this Office contained the results of elaborate testing and comprehensive technical description, far in excess of our request. On the exploitation reports, the Office checked to evaluate the reports in the requesting Office or an Office with a major interest. Since this Office was the only Office requested to evaluate, it was presumed that we were the only requester. On other exploitation reports where ORR and OSI [the Office of Scientific Intelligence, DDI]<sup>2</sup>were both indicated as requesting Offices, informal discussion between interested analysts of the [Page 646] two Offices has revealed that the report goes far beyond the interest of either Office.

#### c. [2 paragraphs (12 lines) not declassified]

#### d. Do you have any suggestions for improvement of the Sovmat Program?

This Office has frequently made suggestions to the Sovmat Staff for improvement in the Sovmat Program through regular channels. For example, in January 1954 this Office forwarded comments by Ambassador [Joseph]<sup>2</sup>Flack of Embassy Warsaw and Mr. George Atkins, a former employee of Embassy Moscow, which described difficulties in the Sovmat Program. Comments received by this Office from returning attachés and State personnel regarding lack of adequate collection guidance have been informally discussed with the Sovmat Staff. A continuous flow of evaluations from this Office call to the attention of the Sovmat Staff specific instances where the exploitation reports might better be focused on requirements of this Office.

Some of the major suggestions of this Office which might be considered for improvement of the Sovmat Program are outlined below and stem in part from the comments in preceding paragraphs:

1. The Sovmat Staff should arrange for adequate follow-up on exploitation requirements served on the Services to insure, insofar as possible, that the requirements are accomplished by the Services and that exploitation reports are received in response to these requirements.
2. The Sovmat Staff should provide exploitation cost information and whenever possible, total procurement costs to enable the requesting Offices to consider this factor in the preparation of the periodic revisions of the Sovmat Collection Guide. This information will have a direct influence in the preparation of collection requests for the same or similar items. In this way, adequate prior consideration will be given to insure that the value of the information to be derived from the item is commensurate with the cost of procurement and exploitation.
3. The Sovmat Staff should utilize the special knowledge of the requesting Offices for substantive guidance, interpretation of requirements, and suggestions for exploiting facilities. It cannot be expected that the Offices can provide adequate support to the Sovmat Staff in a mere exchange of memoranda. [19 lines not declassified]
4. Greater emphasis should be made by the Sovmat Staff in coordinating the common interests of several Offices in certain types of items to establish periodic collection and standard exploitation of the items. This would eliminate any possibility of duplication of collection, incomplete exploitation, and excessive administrative and exploitation costs. As examples of programs which can be effected where there is this community of interest in similar items, [2 lines not declassified] there is mutual interest in the same type products. Standard collection procedures have been arranged. The result is a minimum of administrative detail and cost and complete and satisfactory exploitation for all interested Agencies.

5.

5. The Sovmat Staff should take greater advantage of the suggested exploitation section of the [1 line not declassified] in order to anticipate exploitation for those items which are expected to be purchased or have been purchased and are awaiting shipment.
6. The Sovmat Staff should consider the practicality of having one or two industry experts evaluate an item at CIA facilities together with representatives of the respecting Offices prior to formulation of extensive exploitation requirements. An example of the value of this practice can be shown in the examination of a [2 lines not declassified]. This examination evaluation precluded costly and comprehensive exploitation.
7. The Sovmat Staff should provide more adequate collection support and cooperation in those instances where high priority collection and exploitation is required by this Office. As an example of the lack of cooperation and support we have received from the Sovmat Staff in this respect, our recent priority requirements for collection and exploitation of a [10 lines not declassified]. Furthermore, the Sovmat Staff advised this Office that they preferred to rely on existing procedures for such collection and exploitation. As we could not provide detailed information on the collection of the sample and because of the reluctance of the Sovmat Staff to interfere with regular channels, we were required to obtain the information on the basis of informal relationships and outside of liaison channels which were available to the Sovmat Staff.

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1. Source: Central Intelligence Agency, History Staff, Job 84-B00389R, Box 4. Secret. Drafted by J.M. Ault in the Office of Research and Reports.
2. Soviet Materials.
3. Not found.
4. Brackets in the original.
5. Brackets in the original.
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8. Brackets in the original.
9. Printed from a copy that bears this typed signature.



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